

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

Joseph A. Post
Assistant General Counsel



August 17, 2007

BY HAND

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

Re: Case 07-V-_____

Dear Secretary Brilling:

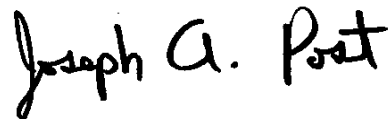
Enclosed please find an original and four (4) copies of the Petition of Verizon New York Inc. ("Verizon") for confirmation, pursuant to § 221 of the Public Service Law, of a cable franchise awarded to Verizon by the City of New Rochelle, New York.

The cable service that Verizon proposes to offer in New Rochelle 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 New Rochelle 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. Brillling
August 17, 2007

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

Respectfully submitted,

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

cc: City of New Rochelle
Ms. Dorothy Allen
City Clerk
City of New Rochelle
515 North Avenue
New Rochelle, New York 10801

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 City of New
Rochelle, New York (Westchester
County)**

Case 07-V-_____

PETITION FOR CONFIRMATION

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

Counsel for Verizon New York Inc.

August 17, 2007

TABLE OF CONTENTS

	Page
I. INFORMATION SUBMITTED IN SUPPORT OF THE PETITION.....	2
II. ISSUES RELATING TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT	4
III. CONCLUSION	5

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

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

Case 07-V-_____

PETITION FOR CONFIRMATION

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

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

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

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

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

I. INFORMATION SUBMITTED IN SUPPORT OF THE PETITION

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

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

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

2. True copies of the Franchise and the resolution authorizing the Franchise are provided as Attachments A and B, respectively, to this Petition. A public hearing on Verizon's application for a franchise was held by the Franchisor on August 2, 2007, at City Hall, 515 North Avenue, New Rochelle, New York, starting at approximately 8:00 P.M. 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))

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.

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

(16 NYCRR § 897.2(c))

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

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

The Commission's rules do not require, and Verizon's initial service plan for the Franchise does not include, origination cablecasting. Verizon meets all of the Commission's regulations regarding the provision of PEG access channels. With respect to access cablecasting, *see* section 5.1.3 of the Franchise included as Attachment A to this Petition. (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 August 21, 2007 in The Journal News. The Journal News is a newspaper of general circulation in the City of New Rochelle. Verizon has submitted the notice to that newspaper, has arranged for payment of the necessary charges, and has been assured that the notice will be published on the specified date. Proof of these facts is provided as Attachment G to this Petition. Verizon will file a supplemental

affidavit confirming the actual publication of the notice following publication. (16 NYCRR § 897.2(g))

II. ISSUES RELATING TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT

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

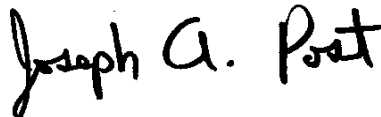
It is Verizon’s position that submission of an EAF is not required for the activities at issue in this Petition, and that even if such a submission were required, a short-form EAF would suffice.² Attachment H is submitted without prejudice to that position, at Staff’s request, and in recognition of the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

² 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).

III. CONCLUSION

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

Respectfully submitted,

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

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

Counsel for Verizon New York Inc.

August 17, 2007

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

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

Case 07-V-_____

VERIFICATION

STATE OF NEW JERSEY)

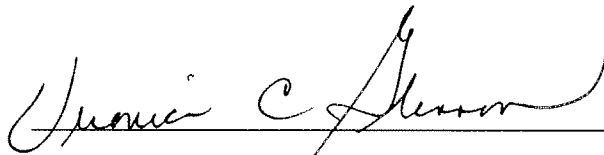
)

ss.:

COUNTY OF SOMERSET)

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 16th day of August, 2007**



Notary Public

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

LIST OF ATTACHMENTS TO THE PETITION

- A. True copy of the Franchise
- B. True copy of the resolution authorizing the Franchise
- C. True copy of the 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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

CABLE FRANCHISE AGREEMENT

BY AND BETWEEN

THE CITY OF NEW ROCHELLE, NEW YORK

AND

VERIZON NEW YORK, INC.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
1. DEFINITIONS.....	2
2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS	7
3. PROVISION OF CABLE SERVICE	9
4. SYSTEM FACILITIES	10
5. PEG SERVICES AND FRANCHISE GRANT	11
6. FRANCHISE FEES	14
7. REPORTS AND RECORDS	15
8. INSURANCE AND INDEMNIFICATION	16
9. TRANSFER OF FRANCHISE.....	18
10. RENEWAL OF FRANCHISE.....	18
11. ENFORCEMENT AND TERMINATION OF FRANCHISE	19
12. MISCELLANEOUS PROVISIONS.....	21

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

THIS CABLE FRANCHISE AGREEMENT (the "Franchise" or "Agreement") is entered into by and between the City of New Rochelle, 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;

WHEREAS, the LFA has determined that the terms and conditions contained in this Franchise comply with and satisfy the requirements of its local ordinances, rules, and regulations with respect to the provision of Cable Service; 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; and,

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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*: The tier of Cable Service which includes, at a minimum, the retransmission of all local television broadcast signals provided to any Subscriber and any PEG Channels required by this Franchise or NY PSC rules, and which may also include any additional video programming signals as determined by Franchisee.

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 required by this Agreement to be designated by the Franchisee for noncommercial use by local public schools and public school districts in the Franchise Area and other not-for-profit educational institutions

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

chartered or licensed by the New York State Department of Education or Board of Regents in the Franchise Area as specified by the LFA.

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

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

1.13. *Franchise Area*: The entire existing territorial limits of the LFA and such additional areas as may be annexed or acquired, during the term of this Franchise.

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, as defined herein and as may be amended under federal law, 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) fees from video on demand and pay-per-view;

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

(vi) 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.

Except as provided above, Gross Revenue shall not include:

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

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

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

(iv) any revenues classified as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with federal law, rules, regulations, standards or orders. Should revenue from Telecommunications or Information Services, or any other service provided over the Cable System be deemed a Cable Service by a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, the LFA shall be entitled, after notification to Franchisee, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from Franchisee's provision of such service as Gross Revenue, and Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the date of issuance of an order from the NY PSC approving such amendment;

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

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

(ix) any foregone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise (provided, however, that such foregone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue);

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

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

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

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

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

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

1.20. *Non-Cable Services*: Any service that does not constitute Cable Service pursuant to this Franchise including, but not limited to, Information Services and Telecommunications Services.

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

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

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

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

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

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

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

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

1.31. *Transfer of the Franchise*:

1.31.1. Any transaction in which:

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

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

1.31.2. However, notwithstanding Sub-subsections 1.31.1.1 and 1.31.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues a certificate of confirmation for this Franchise (the "Effective Date"), following its approval by the LFA's governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be ten (10) years from the Effective Date unless the Franchise is earlier revoked as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFA in writing of the same, which notification shall become a part of this Franchise. If subsequent to the Effective Date, there is a change in federal or state law that eliminates the authority of the LFA to require, grant or maintain this Franchise, then to the extent permitted by law, this Franchise shall survive such legislation and remain in effect for the term of this Franchise.

2.4. *Grant Not Exclusive:* The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall be non-exclusive, and the LFA has granted and 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, except as permitted by applicable law, with existing facilities of the Cable System or 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 and FCC and NY PSC rules, regulations, standards and orders, as amended from time to time, including but not limited to the Communications Act.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

2.6. *No Waiver:*

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

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

2.7. *Construction of Agreement:*

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

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

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

2.8 *Local Authority:* The LFA reserves the right to adopt, enact, implement, and enforce, in addition to the implementation and enforcement of the provisions contained in the Franchise and existing applicable ordinances, such additional regulations as it shall find necessary in the exercise of its police power; provided, however, that such regulations are reasonable and not materially in conflict with the privileges granted in the Franchise and consistent with all federal and state laws, rules, 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 at Franchisee's expense.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

2.10 *Restoration of Private Property:* The Franchisee shall ensure that private real property is restored to its pre-existing condition if damaged by the Franchisee's employees or agents in any respect in connection with the installation, repair, maintenance, or disconnection of Cable Service.

3. PROVISION OF CABLE SERVICE

3.1. *Service Area:*

3.1.1. *Service Commitment Area:* Subject to the availability requirement set forth in Exhibit B, and subject to the issuance of all necessary permits by the LFA, Franchisee shall offer Cable Service to significant numbers of residential Subscribers within the Service Area and may make Cable Service available to businesses in the Service Area, within twelve (12) months and shall offer Cable Service to all residential Subscribers in the Service Area within five (5) years, of the Effective Date of this Franchise, or, in both instances, such longer period as may be permitted by the Cable Law, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in developments or buildings that 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 dwelling unit density does not meet the density and other requirements set forth in Sub-subsection 3.1.1.1. and Section 3.2.

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

3.2. *Availability of Cable Service:*

3.2.1. *Availability of Cable Service Generally:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of 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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

(150) feet or are in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile and the actual costs incurred to connect any non-residential dwelling unit Subscriber, provided, however, that Franchisee may seek a waiver of any requirement that it extend service to any party requesting the same in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility. For underground installations, Franchisee shall charge the Subscriber no more than Franchisee's actual cost. Such costs shall be submitted to said Subscriber in writing before installation is begun.

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

3.3. *Cable Service to School, Library, and Municipal Buildings:* Subject to Section 3.1, Franchisee shall provide, without charge within the Service Area, one service outlet activated for Basic Service to each primary or secondary school chartered or licensed by the State of New York, public library, and such other buildings used for municipal purposes as may be designated by the LFA as provided in Exhibit A attached hereto, or as designated by the LFA in the future during the Franchise term, all upon ninety (90) days prior written notice to the Franchisee by the school, library, or municipal building, as the case may be, and within the area of the Service Area in which Franchisee's Cable Service is available; provided however that any new additional buildings added to Exhibit A by the LFA cannot exceed a total of more than three (3) additional buildings per year or, in the aggregate, a total of seven (7) additional buildings over the life of the Agreement; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to 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. 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. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

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

4. SYSTEM FACILITIES

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

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

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

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

5. PEG SERVICES AND FRANCHISE GRANT

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 one (1) dedicated Public Access Channel, one (1) dedicated Educational Access Channel, and one (1) dedicated Government Access Channel (collectively, "PEG Channels").

5.1.2. The programming to be carried on each of the PEG Channels will be provided by the LFA, the City of New Rochelle School District, and the public. 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 as provided in the Cable Law, 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.

5.1.4. The PEG Channels shall be carried on the Basic Service tier in a format that provides the same technical quality of picture and sound as the majority of the other

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

Channels carried on the Basic Service tier; however, the quality of picture and sound of the PEG Channels is not required to exceed the quality of the source programming provided by the LFA or by the incumbent cable provider through interconnection.

5.2. *PEG Access Connections:*

5.2.1. LFA shall designate in its sole discretion not more than five (5) sites within the Franchise Area for the connection of PEG access facilities with the Cable System (each, a "PEG Access Interconnection Site" or "PEG Content Origination Point", generally or collectively "PEG Access Origination Points"), as designated on Exhibit C to this Agreement. Each PEG Access Interconnection Site is also a PEG Content Origination Point.

5.2.2. Subject to the successful completion of all required site preparation work by the LFA and provision of access to Franchisee for equipment installation and provisioning, Franchisee shall, without charge to the LFA, provide upstream PEG Channel transmission connections between its video channel aggregation point and each PEG Access Origination Point in order to permit the signals to be correctly routed from the PEG Access Origination Points to the appropriate PEG Access Channel for distribution to Subscribers as set forth on Exhibit C.

The LFA shall provide to Franchisee at each PEG Access Origination Point a suitable video signal for each PEG Channel. Franchisee, upon receipt of the suitable video signal, shall provide, install and maintain in good working order the equipment necessary for transmitting the PEG signal to the channel aggregation site for further processing for distribution to Subscribers. Franchisee's obligations with respect to such upstream transmission equipment and facilities shall be subject to the availability, without charge to Franchisee, of suitable required space, environmental conditions, electrical power supply, access, pathway, and other facilities and such cooperation of the LFA as is reasonably necessary for Franchisee to fulfill such obligations. Should Franchisee determine that it cannot fulfill such obligations as a result of LFA's failure to cooperate or to provide suitable required space, environmental conditions, electrical power supply, access, pathway, or other facilities, it shall so notify LFA in a writing detailing the requirements of Franchisee that will enable it to fulfill its obligations hereunder.

5.3. *PEG Grant:*

5.3.1. Franchisee shall provide to the LFA financial contributions for use in support of the production of local PEG programming. The financial contributions shall consist of the two grants: (a) a grant in the amount of TWO HUNDRED FORTY THOUSAND DOLLARS (\$240,000) payable in three (3) installments (the "Initial PEG Grant"); and (b) an annual grant in the amount of FORTY THOUSAND DOLLARS (\$40,000) per year, commencing in the second year of the term of this Agreement (the "Annual PEG Grant").

5.3.2. The Initial PEG Grant shall be payable in three (3) installments. The first (1st) installment of ONE HUNDRED TWENTY THOUSAND DOLLARS (\$120,000), shall be payable within thirty (30) days after the Effective Date. The second (2nd) installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the first (1st) anniversary of the Effective Date. The third

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

(3rd), and final installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the second (2nd) anniversary of the Effective Date.

5.3.3. Annual PEG Grant payments shall be due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date, as set forth in Section 5.3.1, until the Franchise expires or is terminated by either party. The LFA shall impose an equivalent obligation to the obligations contained in this Section 5.3 (including the total amount of the Initial PEG Grant and amounts of the Annual PEG Grant) on all new and renewed providers of cable service in the Service Area. In any event, if any new or renewed franchise agreement contains obligations that are lesser in amount or aggregate value than the obligations imposed in this Section 5.3 (including the total amount of the Initial PEG Grant and the amounts of the Annual PEG Grant), Franchisee's obligations under Section 5.3 shall thereafter be reduced to an equivalent amount, but no refund will be required from the LFA.

5.3.4. The Initial PEG Grant and the Annual PEG Grant shall be used by LFA as permitted by law.

5.3.5. The LFA shall provide Franchisee with an annual report setting forth a summary of all expenditures for PEG access equipment and facilities from the PEG Grants paid to the LFA and the amounts, if any, reserved for future capital expenditures for such purposes.

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

5.5 *Franchise Grant in Lieu of Free Internet Service:* The Franchisee shall provide to the LFA financial contributions ("Franchise Grant") of thirty thousand dollars (\$30,000) to be paid over the term of the Agreement in increments of three thousand dollars (\$3,000), with such three thousand dollars (\$3,000) payments due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date. The parties agree that this provision for a Franchise Grant in lieu of free Internet service is in accordance with Section 12.22 herein.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

6. FRANCHISE FEES

6.1. *Payment to 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. Late payments shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) during the period such unpaid amount is owed.

6.2. *Supporting Information:* Each Franchise Fee payment shall be accompanied by a brief report prepared by a representative of Franchisee, as designated by 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.

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

6.5. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise, Franchisee shall be responsible for making available to the LFA for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees, whether the records are held by the Franchisee, an Affiliate, or any other entity that collects or receives funds related to the Franchisee's Cable Services operation in the LFA subject to the payment of Franchise Fees under this Agreement, including, by way of illustration and not limitation, any

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

entity that sells advertising on the Franchisee's behalf. Franchisee shall maintain such records for six (6) years, provided that, if the LFA commences an audit within that six (6) year period, Franchisee shall continue to maintain such records for the duration of any audit in progress at the end of that six (6) year period. The LFA shall conduct all audits expeditiously, and neither the LFA nor Franchisee shall unreasonably delay the completion of an audit. The LFA's audit expenses shall be borne by the LFA unless the audit determines that the payment to the LFA should be increased by five percent (5%) or more in the audited period, in which case the reasonable and customary costs of the audit, together with any additional amounts due to the LFA as a result of such audit, shall be paid by Franchisee to the LFA within sixty (60) days following written notice to Franchisee by the LFA of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFA's audit expenses shall not exceed an aggregate of fifteen thousand dollars (\$15,000) per audit. If re-computation results in additional revenue to be paid to the LFA, such amount shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules per annum during the period such unpaid amount is owed. If the audit determines that there has been an overpayment by Franchisee, the Franchisee may credit any overpayment against its next quarterly payment. Said audit shall be conducted by an independent third party and no auditor so employed by the LFA shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFA shall not conduct an audit more frequently than once every three (3) years.

7. REPORTS AND RECORDS

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

is required under FOIL, the LFA shall so notify Franchisee and, before making disclosure, shall, not inconsistently with the New York Public Officers Law, give Franchisee a reasonable period of time to seek to obtain judicial redress to preclude disclosure. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

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

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

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

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

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

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

7.3. *System-Wide Statistics:* Subject to the requirements of Section 895.1(t) of the NY PSC rules and regulations, any valid reporting requirement in the Franchise may be satisfied with system-wide statistics, except those related to Franchise Fees and consumer complaints.

7.4. *Reports:* Franchisee's sole reporting obligation shall be to file those reports required by the Cable Law.

8. INSURANCE AND INDEMNIFICATION

8.1. *Insurance:*

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

8.1.1.1. Commercial General Liability Insurance in the amount of two million dollars (\$2,000,000) combined single limit for property damage and bodily injury.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA.

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

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

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

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

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

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. Franchisee shall deliver to LFA Certificates of Insurance showing evidence of all required coverages under this Agreement on or before the Effective Date and providing for at least thirty (30) days prior written notice to be given to LFA of cancellation, intent not to renew or any adverse material change.

8.2. *Indemnification:*

8.2.1. Franchisee agrees to defend and indemnify the LFA, its officers, agents, and employees for, and hold it or them harmless from all suits, proceedings, actions, demands, liabilities, damages, costs or expenses arising from claims of injury to persons or damage to property occasioned by reason of any conduct undertaken pursuant to the Franchise, or by reason of any suit or claim for royalties, programming license fees or infringement of patent rights arising out of Franchisee's provision of Cable Services over the Cable System other than PEG facilities and Channels, provided that the LFA shall give Franchisee timely written notice of its obligation to indemnify the LFA, but in any event, the LFA shall provide such notice to Franchisee within a sufficient period of time from receipt of a claim or action pursuant

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

to this Subsection to enable Franchisee to timely answer complaints, raise defenses and defend all claims. Notwithstanding the foregoing, Franchisee shall not be required to indemnify the LFA for any suits, proceedings, actions, demands, damages, liabilities or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, or attorneys, acting in their official capacity on behalf of the LFA or for any activity or function conducted by any Person other than Franchisee on behalf of the LFA 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 if Franchisee shall bear the entire cost of the settlement. In the event that the terms of any such proposed settlement includes the release of the LFA and the LFA does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the LFA shall in no event exceed the amount of such settlement.

8.2.3. The LFA shall be responsible for its own acts of willful misconduct, negligence, or willful 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 solely committed on the part of the LFA which constitute willful misconduct or negligence on the part of the LFA, its officers, employees, agents, attorneys, consultants, independent contractors or third parties acting in their official capacity on behalf of the LFA.

9. TRANSFER OF FRANCHISE

9.1. *LFA Consent Required:* 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.

9.2. *LFA Consent Not Required for Certain Transactions:* No prior consent of the LFA shall be required 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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

comply with the provisions of Section 12.12 below, the Cable Law and Section 626 of the Communications Act, 47 U.S.C. § 546, as amended.

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

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

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

11. ENFORCEMENT AND TERMINATION OF FRANCHISE

11.1. *Notice of Violation:* If at any time the LFA believes that Franchisee has not complied with the terms of the Franchise, the LFA shall notify Franchisee in writing of the exact nature of the alleged noncompliance (for purposes of this Article, the "Noncompliance Notice").

11.2. *Franchisee's Right to Cure or Respond:* 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 timely 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, except that noncompliance in a) making payments for the PEG Grant, the Franchise Grant, and Franchise Fees, b) the maintenance of the required insurance, and c) fulfilling the indemnification requirements shall not be eligible for this subsection 11.2(iii). 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 (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied or commenced to remedy the alleged noncompliance within sixty (60) days or the date projected pursuant to Section 11.2(iii) above. The LFA shall provide Franchisee at least thirty (30) calendar days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide Franchisee the opportunity to be heard.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

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

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

11.5. *Revocation:* If the LFA seeks to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 11.3, then the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have ninety (90) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing. The LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

11.5.1. At the designated public hearing, Franchisee shall be provided a fair opportunity for full participation, including the rights to be represented by legal counsel, to introduce relevant evidence, to require the production of evidence, to compel the relevant testimony of the officials, agents, employees or consultants of the LFA, to compel the testimony of other persons as permitted by law, and to question and/or cross examine witnesses. A complete verbatim record and transcript shall be made of the hearing, and Franchisee shall promptly reimburse LFA for the expense of making such verbatim record and transcript up to, but no greater than, Five Thousand Dollars (\$5,000).

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 timely 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. The parties 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*, to the extent permitted by law. Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Franchisee's receipt of the written determination of the LFA.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

12. MISCELLANEOUS PROVISIONS

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

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

12.3. *Preemption:* In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required by law, except that such provision shall survive such preemption and shall remain in effect for the term of this Agreement to the extent permitted 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 and was timely cured by Franchisee.

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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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:

City Manager
City Hall, 515 North Avenue
New Rochelle, NY 10801

12.5.3. with a copy to:

Corporation Counsel
City Hall, 515 North Avenue
New Rochelle, NY 10801

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. The LFA acknowledges and agrees that all the elements of its local ordinances, rules, and regulations with respect to the provision of Cable Service over Franchisee's Cable System ("Local Law") are fully reflected by the terms and conditions of this Agreement and are satisfied by the Franchisee's compliance with the terms and conditions of this Agreement, and in the event of a material conflict between a provision of this Agreement and a provision of the Local Law, this Agreement shall be controlling.

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

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

12.9. *Severability:* With the exception of this Agreement's Section 1.16 (Definition of Gross Revenue), and Articles V (PEG Services and Franchise Grant), VI (Franchise Fees), and, VIII (Insurance and Indemnification) in its entirety, 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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

on the validity of any other section, subsection, sub-subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

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

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

12.12. *NY PSC Approval*: This Franchise and any amendment or modification hereof 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*: Franchisee shall 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 or any protected category of persons under federal or state law.

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

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

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

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

12.20. *Performance Review*: The LFA may, at its discretion but no more than once per three (3) year 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 Franchisee at the Performance Review shall be treated by the LFA as confidential. The LFA shall provide Franchisee with at least sixty (60) 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 sixty (60) 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; provided, however, that the Performance Review Report shall not contain any confidential information disclosed by Franchisee during the Performance Review.

12.21. *Section 626 Treatment*: Franchisee agrees that it will not apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, for the first two (2) years following the issuance by the NY PSC of an order confirming this Agreement. Thereafter, Franchisee reserves the right to apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, in an amount not to exceed the highest deduction available to any other cable franchisee in the City (based upon the other cable franchisee's yearly tax invoice payable to the LFA) until such time that the LFA obtains a written complete waiver of the full amount of the special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFA or as a credit against the special franchise tax) from such existing and any new provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area. Upon securing such written waiver from all existing and new providers of Cable Service or cable service (as such term may be defined by other providers) in the Service Area, Franchisee agrees to no longer apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626 beginning in the next full calendar month after such waiver becomes legally binding on the City's existing cable franchisee. The operation of this Section 12.21 shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee's rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

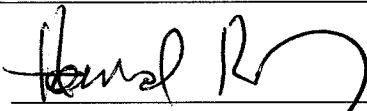
12.22. *Level Playing Field*: The parties agree that the terms and conditions of this Agreement are in compliance with the level playing field requirements of the NY PSC.

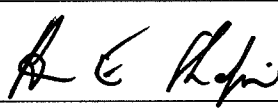
CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

AGREED TO THIS 13th DAY OF August, 2007.

LFA: City of New Rochelle


Approved as to Form:

By: 
Title Howard Rattner
Acting City Manager

By: 
Title Bernis E. Shapiro, Corporation Counsel

Verizon New York Inc.

Approved as to Form:

By: 
Title Vice Pres. Sent - Capital
Market Area

FORM APPROVED
Attorney
Date 7/27/07

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

Note: Subject to the notification procedures of Section 3.3, certain buildings are entitled to receive multiple outlets as indicated in parentheses below.

H. Doyle Center
94 Davis Avenue
City of New Rochelle, NY 10805

City of New Rochelle City Hall (up to 2 outlets)
515 North Avenue
City of New Rochelle, NY 10801

City of New Rochelle City Hall
Annex
515 North Avenue
City of New Rochelle, NY 10801

New Rochelle Board of Education (up to 2 outlets)
515 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
166 Webster Avenue
City of New Rochelle, NY 10801

New Rochelle Library
1 Library Plaza
City of New Rochelle, NY 10801

Hudson County School
340 Quaker Ridge Road
City of New Rochelle, NY 10804

Donovan School
100 Overlook Circle
City of New Rochelle, NY 10804

Blessed Sacrament School
26 Maple Avenue
City of New Rochelle, NY 10801

Blessed Sacrament School
Annex
24 Shea Place
New Rochelle, NY 10801

Davis Elementary School
80 Iselin Drive
City of New Rochelle, NY 10804

(up to 3 outlets)

Alternative High School
50 Washington Avenue
City of New Rochelle, NY 10801

Albert Leonard Middle School
25 Gerada Lane
City of New Rochelle, NY 10804

Iona Prep
25 Stratton Road
City of New Rochelle, NY 10804

M. Toms Day School
48 Mount Tom Road
City of New Rochelle, NY 10805

New Rochelle High School
265 Clove Road
City of New Rochelle, NY 10801

(up to 4 outlets)

New Rochelle High School
Annex
265 Clove Road
City of New Rochelle, NY 10801

S. Columbus Elementary School
275 Washington Avenue
City of New Rochelle, NY 10801

(up to 4 outlets)

T. Donovan School
144 Overlook Circle
City of New Rochelle, NY 10804

(up to 5 outlets)

Salesian High School
148 Main Street
City of New Rochelle, NY 10801

(up to 2 outlets)

Webster Elementary School (up to 7 outlets)
95 Glenmore Drive
City of New Rochelle, NY 10801

Trinity School (up to 3 outlets)
180 Pelham Road
City of New Rochelle, NY 10805

Halen School (up to 3 outlets)
97 Centre Avenue
City of New Rochelle, NY 10801

Jefferson School
131 Weyman Avenue
City of New Rochelle, NY 10805

Barnard School
129 Barnard Road
City of New Rochelle, NY 10801

Ursuline School
1354 North Avenue
City of New Rochelle, NY 10804

Holy Name School
70 Petersville Road
City of New Rochelle, NY 10801

Community Center
95 Lincoln Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
756 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
45 Harrison Street
City of New Rochelle, NY 10801

Ambulance Corps
Firehouse Annex
45 Harrison Street
City of New Rochelle, NY 10801

New Rochelle City Yard
224 East Main Street
City of New Rochelle, NY 10801

Fire Headquarters
90 Beaufort Place
City of New Rochelle, NY 10801

New Rochelle Firehouse
155 Drake Avenue
City of New Rochelle, NY 10805

Police Headquarters
475 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
496 Stratton Road
City of New Rochelle, NY 10804

Huguenot Childrens Library
794 North Avenue
City of New Rochelle, NY 10801

Department of Public Works
40 Pelham Road
City of New Rochelle, NY 10801

Department of Public Works (future location)
85 Beechwood Avenue
City of New Rochelle, NY 10801

Isaac E. Young Middle School
270 Centre Avenue
City of New Rochelle, NY 10805

Westchester Area School
456 Webster Avenue
City of New Rochelle, NY 10801

Ward School
311 Broadfield Road
City of New Rochelle, NY 10804

Municipal Marina
22 Pelham Road
City of New Rochelle, NY 10801

Police Harbor Facility
Hudson Park
City of New Rochelle, NY 10801

Boys' and Girls' Club of New Rochelle, Inc.
Feeney Park, Seventh Street
New Rochelle, NY 10801

Boys' and Girls' Club of New Rochelle, Inc.
116 Guion Place
New Rochelle, NY 10801

EXHIBIT B

SERVICE AREA

The Service Area is 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 45% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule calls for 66% deployment by February 2008, 70% deployment by August 2008, 74% deployment by February 2009, 78% deployment by August 2009, 82% deployment by February 2010, 85% deployment by August 2010, 89% deployment by February 2011, 93% deployment by August 2011, 96% deployment by February 2012, and 100% deployment by August 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. In any event, Cable Service availability shall be approximately 66% of all households in the Service Area by the end of February 2008, in accordance with Section 3.1.1 of this Agreement.

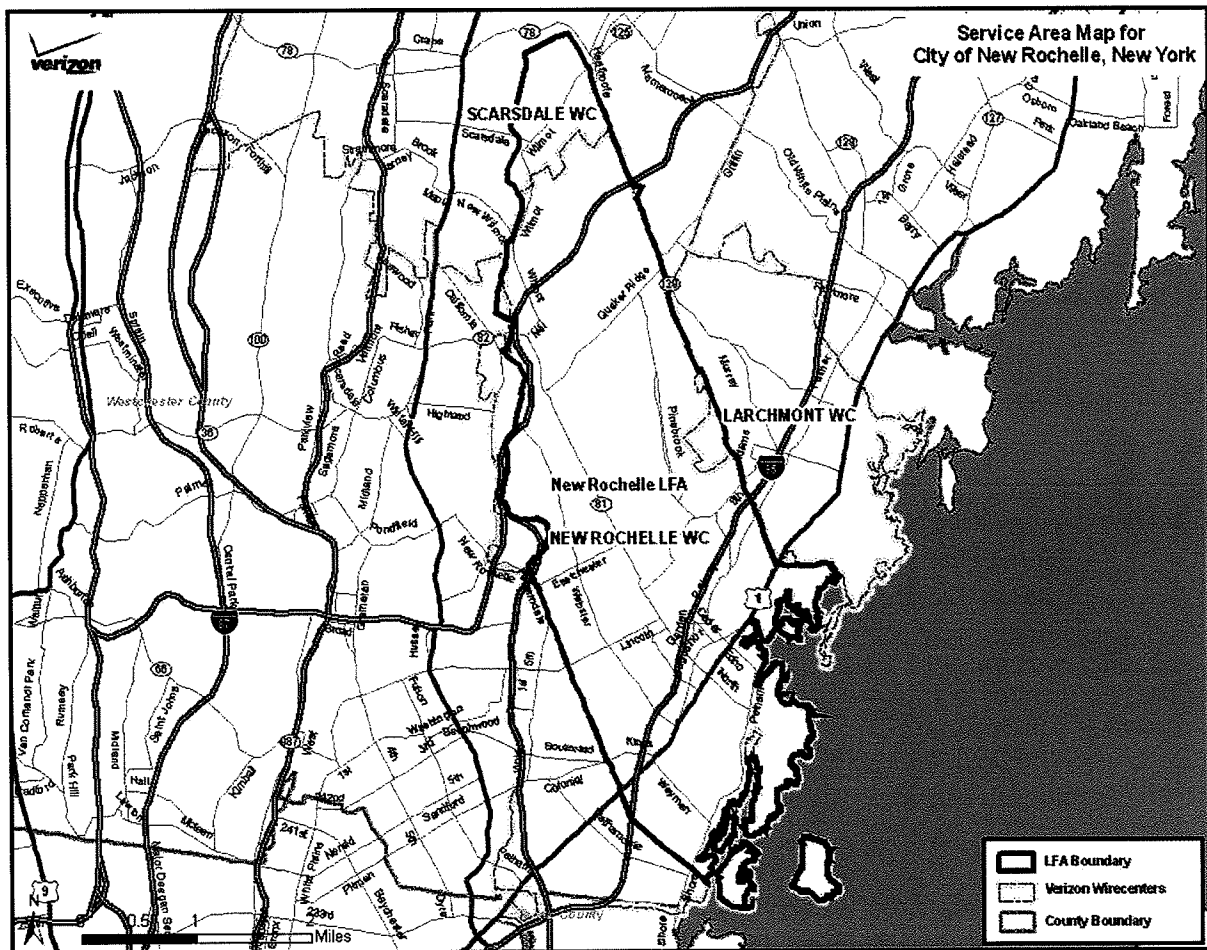


EXHIBIT C

PEG ACCESS INTERCONNECTION SITES

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following one (1) Government Access Channel and one (1) Public Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 1") shall be activated within one hundred eighty (180) days of the Effective Date:

City of New Rochelle City Hall, 515 North Ave., New Rochelle, NY 10801

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following one (1) Educational Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 2") shall be activated within two hundred seventy (270) days of the Effective Date:

New Rochelle High School, 265 Clove Road, New Rochelle, NY 10801

PEG Access Interconnection Site No. 1 and PEG Access Interconnection Site No. 2 shall additionally serve as the aggregation points for PEG Content Origination Points 1-3, below, feeding signals to the Government, Public, and Educational Access Channels. For purposes of permitting LFA to select and switch feeds coming into an aggregation point, Franchisee shall provide the LFA, without charge, such capability at such aggregation point. Operation and maintenance of any equipment associated therewith shall be the responsibility of the LFA or the New Rochelle City School District, as the case may be.

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Government and Public Access Channel PEG Content Origination Point No. 1 feeding signals to PEG Access Interconnection Point No. 1 shall be activated within three hundred sixty (360) days of the Effective Date.

New Rochelle Library, 1 Library Plaza, New Rochelle, NY 10801 (PEG Content Origination Point # 1)

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Educational Access Channel PEG Content Origination Points No. 2 and No. 3 feeding signals to PEG Access Interconnection Site No. 2 shall be activated within two hundred and seventy (270) days after the Effective Date.

Isaac E. Young Middle School, 270 Centre Avenue, New Rochelle, NY 10801 (PEG Content Origination Point # 2)

Albert Leonard Middle School, 25 Gerada Lane, New Rochelle, NY 10804 (PEG Content Origination Point # 3)

ATTACHMENT B

State of New York }
County of Westchester, } ss.:
City of New Rochelle, }

I, Dorothy Allen, City Clerk of the City of New Rochelle, do hereby certify that I have compared the preceding resolution with the original Resolution No. 189 adopted at a meeting of the Council of the City of New Rochelle, held on the 2nd day of August, 2007, and do hereby certify that the same is a correct transcript therefrom and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the Official Seal of the City Of New Rochelle, this 10th day of August, 2007.



City Clerk

City of New Rochelle, N.Y.

Introduced On: 8/2/07

Introduced By:

Held:

Adopted:

No. 189

Council Members Michael E. Boyle, Jr.,

Moved: M. Christina Selin, James C. Stowe,

(and) Roberto Lopez, Barry R. Fertel,

Seconded: Marianne L. Sussman and Mayor Noam Bramson

Approved As To Form: *[Signature]*

Corporation Counsel

SUBJECT
OR
TITLE }

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
NEW ROCHELLE AUTHORIZING THE CITY MANAGER TO
EXECUTE A CABLE TELEVISION FRANCHISE
AGREEMENT WITH VERIZON NEW YORK INC.

Dist	Member	Yeas	Nays	Abstain	Absent
1st	Boyle	✓			
2nd	Selin	✓			
3rd	Stowe	✓			
4th	Lopez	✓			
5th	Fertel	✓			
6th	Sussman	✓			
Mayor	Bramson	✓			

Rev. 4/1

WHEREAS, this City Council held a public hearing on August 2, 2007 to hear public comment regarding the proposed Cable Television Franchise Agreement between the City of New Rochelle and Verizon New York Inc., a copy of which is on file in the City Clerk's Office, and an outline of which is set forth in the Term Sheet attached hereto;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of New Rochelle hereby authorizes the City Manager to execute a Cable Television Franchise Agreement with Verizon New York Inc., in material conformance with the terms and conditions set forth in the Cable Television Franchise Agreement on file in the City Clerk's Office, and the outline set forth in the Term Sheet attached hereto, and such other terms and conditions as shall be acceptable to the City Manager and the Corporation Counsel; and

BE IT FURTHER RESOLVED, that the City Clerk forward certified copies of this resolution to Verizon New York, Inc., the New York State Public Service Commission, and Cablevision of Southern Westchester, Inc.

Authenticated and certified)
this 2nd day of Aug., 2007)

NOAM BRAMSON, Mayor
DOROTHY ALLEN, City Clerk

TERM SHEET

CABLE TELEVISION FRANCHISE BETWEEN THE CITY OF NEW ROCHELLE AND VERIZON NEW YORK INC.

1. The City of New Rochelle ("City") will grant a non-exclusive franchise to Verizon New York Inc. ("Verizon") to own, construct, operate and maintain a Cable System in the City of New Rochelle and use City rights-of-way. The franchise will be subject to all applicable State and federal laws, rules and regulations.

2. The franchise will become effective upon its approval by the Public Service Commission ("PSC"). The term of the franchise shall be 10 years.

3. Cable Service will be made available to Residential Subscribers in the City in accordance with the following anticipated Fiber to the Premise Telecommunications Network ("FTTP Network") build-out schedule in accordance with PSC regulations, at approximately the following percentages of households in the City:

Now completed:	45% of households
February 2008:	66% of households
August 2008:	70% of households
February 2009:	74% of households
August 2009:	78% of households
February 2010:	82% of households
August 2010:	85% of households
February 2011:	89% of households
August 2011:	93% of households
February 2012:	96% of households
August 2012:	100% of households

4. The outer time limit for making Cable Service available to all Residential Subscribers in the City will be 5 years, with certain exceptions including: causes beyond Verizon's control, City-caused delay, inability to access right-of-ways, inability to access private properties after good faith efforts, inability to access buildings and developments on account of exclusive contracts, economic non-feasibility, and insufficient density. Verizon may provide Cable Service to businesses.

5. Verizon will pay a franchise fee to the City representing 5% of gross revenue derived from the operation of the Cable System to provide Cable Service in the City. Payments will be made quarterly. Under law, this fee may be passed along by Verizon to its customers. Discounts for bundled services will be allocated on a pro rata basis. The franchise fee shall not be deducted from special franchise taxes paid by Verizon for the first 2 years of the franchise and in later years if the deduction is waived by all other cable franchisees. In any event, the dollar amount of this deduction will be capped so that it will be no more than the highest such deduction available to any other cable franchisee in the City.

6. Verizon will provide 3 channels for Public, Educational and Governmental ("PEG") access. One service outlet activated for basic cable service will also be provided to specified government buildings, public and private schools, and public libraries, free of charge.

7. Verizon will pay PEG grants totaling \$600,000 to the City. The following payments will be made within 30 days of the dates noted:

<u>Date</u>	<u>Initial PEG Grant</u>	<u>Annual PEG Grant</u>	<u>Yearly Total</u>
Effective date	\$120,000		\$120,000
1st Anniversary	\$60,000	\$40,000	\$100,000
2 nd Anniversary	\$60,000	\$40,000	\$100,000
3 rd Anniversary		\$40,000	\$40,000
4 th Anniversary		\$40,000	\$40,000
5 th Anniversary		\$40,000	\$40,000
6 th Anniversary		\$40,000	\$40,000
7 th Anniversary		\$40,000	\$40,000
8 th Anniversary		\$40,000	\$40,000
9 th Anniversary		\$40,000	\$40,000
Totals	\$240,000	\$360,000	\$600,000

The City will require equivalent PEG grants in new or renewal franchises with other cable providers. Cable providers may pass along the cost of the PEG grants to their customers.

8. In addition to PEG grants and the franchise fee, Verizon will pay the City a franchise grant totaling \$30,000, payable at the rate of \$3,000 per year, in lieu of free internet service, such payments to begin on the 1st Anniversary of the franchise.

9. PEG Access Interconnection Sites and Content Origination Points will be provided by Verizon for PEG programming, including "make ready" needed to make such Sites and Points operable: (a) Within 180 days after the effective date of the Franchise Agreement, the PEG Access Interconnection Site at City Hall will be made operable, (b) within 270 days after the effective date, the Educational Access PEG Interconnection Site at New Rochelle High School and the Content Origination Points at Isaac E. Young and Albert Leonard Middle Schools will be made operable, and (c) within 360 days after the effective date, the Content Origination Point at the New Rochelle Public Library will be made operable. Access Interconnection Sites shall also include Content Origination Points.

10. Verizon will restore City and private property to the previous condition if damaged by Verizon's work.

11. Verizon will provide proof of workers compensation, disability, employer's liability, and auto liability insurance. General liability insurance will also be required with a minimum limit of \$2,000,000 and excess liability insurance with a minimum limit of \$10,000,000, on which insurance the City will be named as an additional insured. Verizon will also be required to

defend and indemnify the City from claims etc. arising from Verizon's conduct under the franchise and in connection with the provision of Cable Service.

12. The franchise shall not be transferred without the City's consent, which consent shall not be unreasonably withheld, delayed or denied. Specified financing transactions will be excepted from the requirement of City consent.

13. The franchise shall be subject to renewal in accordance with certain provisions of the franchise as well as is provided by State and federal cable television law.

14. The franchise may be revoked by the City upon specified grounds after the completion of certain procedures. If the franchise is revoked, Verizon may continue to operate its Fiber to the Premises Telecommunications Network.

15. The City Manager shall be the official responsible for administering the franchise on behalf of the City. A performance review procedure shall be available once every three years to review Verizon's performance.

16. Access to Cable Service will not be denied on account of area income. Verizon will not discriminate in its employment practices on the basis of age, race, creed, color, national origin, or sex or any protected category of persons under federal or State law.

17. The Cable System shall be designed so that it may interconnect with other cable systems and will comply with emergency alert requirements.

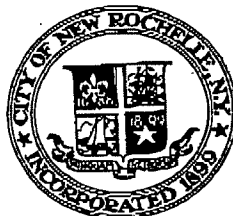
18. On request, Verizon's books and records will be made available for City inspection, and franchise fee audits may be conducted.

19. The City's police power is reserved to enact, adopt and enforce reasonable regulations, not materially inconsistent with the franchise, that are consistent with applicable State and federal laws, rules, regulations and orders. Verizon's use of City right-of-ways shall be subject to applicable City regulations. Verizon will comply with the applicable PSC consumer protection regulations regarding Cable Service.

8/2/07a

515 North Avenue
New Rochelle, NY 10801

Charles B. Strome, III
City Manager



Tel: (914) 654-2140
Fax: (914) 654-2174

City of New Rochelle
New York

August 1, 2007

Mr. Howard Rattner
Finance Commissioner

Dear Commissioner Rattner:

In accordance with Local Law No. 13 of 1997, I do hereby designate you to undertake the responsibilities and powers of the City Manager to serve as Acting City Manager while I am on vacation, absent from the City or unable to attend to my duties by reason of illness.

This appointment is effective immediately for a period not to exceed sixty (60) days.

Sincerely,

CHARLES B. STROME, III
City Manager

CBS/kr

cc: City Clerk

ATTACHMENT C

AFFIDAVIT OF PUBLICATION

from

The Journal News

Florence Bonilla

_____ being duly sworn says that 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 area(s) on the date(s) below:

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

AS 07/20/07

Signed _____

Sworn to before me

This 30th day of July 20 07

JACK L SHARP
Notary Public, State of New York
No. 01SH6019087
Qualified in Rockland County
Term Expires Feb. 1 2011

Notary Public, Westchester County

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, Lincoln Dale, Millwood, Mohegan Lake, Montrose, Mount Kisco, North Salem, Ossining, Peekskill, Pound Ridge, Purdys, Shenorock, Shrub Oak, Somers, South Salem, Verplanck, Waccabuc, Yorktown Heights, Brewster, Carmel, Cold Spring, Garrison, Lake Peekskill, Mahopac, Mahopac Falls, Putnam Valley, Patterson

Central Area (AC):

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

Southern Area (AS):

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

Greater Westchester (GW):

Includes Northern, Central and Southern Areas

Rockland Area (JN or RK):

Blauvelt, Congers, 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

Northern Westchester Express (XNW):

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

Review Press (BVW):

Bronxville, Eastchester, Scarsdale, Tuckahoe

**CITY OF NEW ROCHELLE
PUBLIC HEARING NOTICE
PROPOSED CABLE TELEVISION
FRANCHISE AGREEMENT
WITH VERIZON NEW YORK, INC.**

NOTICE is hereby given that the Council of the City of New Rochelle, New York, will hold a Public Hearing pursuant to Section 8947 of Title 16 of the New York Code, Rules, and Regulations, on Thursday, August 2, 2007 at 6:00 P.M. in the Council Chamber, City Hall, 618 North Avenue, New Rochelle, New York, on a proposed Cable Television Franchise Agreement with Verizon New York, Inc.

A copy of the proposed Cable Television Franchise Agreement with Verizon New York, Inc. may be inspected in the Office of the City Clerk between the hours of 9:30 A.M. and 4:30 P.M. Monday through Friday.

All persons interested are invited to attend and participate in such Public Hearing and/or to submit written communications to the City Clerk at or before the hearing.

By order of the City Council dated July 17, 2007, pursuant to Resolution No. 177 of 2007 duly adopted.

Dorothy Allen, City Clerk

07 AUG 1 11:08

RECEIVED
CITY CLERK'S OFFICE
NEW ROCHELLE, N.Y.

**CITY OF NEW ROCHELLE - PUBLIC HEARING NOTICE
PROPOSED CABLE TELEVISION FRANCHISE AGREEMENT
WITH VERIZON NEW YORK, INC.**

NOTICE is hereby given that the Council of the City of New Rochelle, New York, will hold a Public Hearing pursuant to Section 894.7 of Title 16 of the New York Codes, Rules, and Regulations, on Thursday, August 2, 2007 at 8:00 P.M. in the Council Chamber, City Hall, 515 North Avenue, New Rochelle, New York, on a proposed Cable Television Franchise Agreement with Verizon New York, Inc.

A copy of the proposed Cable Television Franchise Agreement with Verizon New York, Inc. may be inspected in the Office of the City Clerk between the hours of 8:30 A. M. and 4:30 P. M. Monday through Friday.

All persons interested are invited to attend and participate in such Public Hearing and/or to submit written communications to the City Clerk at or before the hearing.

By order of the City Council dated July 17, 2007, pursuant to Resolution No.177 of 2007 duly adopted.

Dorothy Allen, City Clerk

ATTACHMENT D

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

1. 7/19/07 Correspondence from Verizon's outside counsel, Adrian Copiz of Alston & Bird LLP, to City Clerk, Dorothy Allen, enclosing Verizon's application for a cable television franchise and proposed franchise agreement
2. 7/27/07 Correspondence from Verizon's outside counsel, Adrian Copiz of Alston & Bird LLP, to Corporation Counsel, Bernis Shapiro, enclosing revised franchise agreement in clean and blackline formats
3. 7/30/07 Correspondence from Verizon's outside counsel, Adrian Copiz of Alston & Bird LLP, to Corporation Counsel, Bernis Shapiro, addressing Cablevision's anticipated claims
4. 7/30/07 Correspondence from Verizon's outside counsel, Adrian Copiz of Alston & Bird LLP, to Assistant to City Manager, Omar Small, regarding multi-dwelling units
5. 7/31/07 Correspondence from Verizon's Senior Vice President, Monica Azare, to City Mayor, Noam Bramson, regarding the August 2 public hearing and enclosing an information sheet outlining the benefits of Verizon FiOS TV service
6. 8/1/07 Correspondence from Verizon's consultant, Scott Parr of Telecommunications Insight Group, to Assistant to City Manager, Omar Small, regarding a vote on August 2
7. 8/1/07 Correspondence from Verizon's outside counsel, Adrian Copiz of Alston & Bird LLP, to Corporation Counsel, Bernis Shapiro, and others, enclosing revised franchise agreement in clean and blackline formats
8. 8/2/07 Correspondence from Verizon's outside counsel, Adrian Copiz of Alston & Bird LLP, to Corporation Counsel, Bernis Shapiro, enclosing revised franchise agreement in clean and blackline formats
9. 8/7/07 Correspondence from Verizon's consultant, Scott Parr of Telecommunications Insight Group, to Assistant to City Manager, Omar Small, enclosing extracts of public hearing transcript
10. 8/8/07 Correspondence from Verizon's outside counsel, Adrian Copiz of Alston & Bird LLP, to Corporation Counsel, Bernis Shapiro, enclosing insurance certificate
11. 8/9/07 Correspondence from Verizon's outside counsel, Adrian Copiz of Alston & Bird LLP, to Corporation Counsel, Bernis Shapiro, and others, enclosing revised franchise agreement in clean and blackline formats

Tab 1

ALSTON & BIRD LLP

The Atlantic Building
950 F Street, NW
Washington, DC 20004-1404

202-756-3300
Fax: 202-756-3333
www.alston.com

Adrian Copiz

Direct Dial: 202-756-3572

E-mail: adrian.copiz@alston.com

July 19, 2007

BY OVERNIGHT DELIVERY

Dorothy Allen
City Clerk
City Hall, City of New Rochelle
515 North Avenue
New Rochelle, New York 10801

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

Dear Ms. Allen:

Pursuant to the requirements of 16 N.Y.C.R.R. Section 894.5, enclosed is the application of Verizon New York Inc. to the City of New Rochelle for a cable television franchise. As requested by Bernis Shapiro, Corporation Counsel, a total of fifteen copies are enclosed.

Also enclosed is the proposed Cable Franchise Agreement by and between the City of New Rochelle and Verizon New York, Inc.

Please contact Scott Parr at 774-323-0037 or me at 202-756-3572 should you have any questions.

Sincerely,



Adrian Copiz

Enclosure

One Atlantic Center
1201 West Peachtree Street
Atlanta, GA 30309-3424
404-881-7000
Fax: 404-881-7777

Bank of America Plaza
101 South Tryon Street, Suite 4000
Charlotte, NC 28280-4000
704-444-1000
Fax: 704-444-1111

90 Park Avenue
New York, NY 10016
212-210-9400
Fax: 212-210-9444

3201 Beechleaf Court, Suite 600
Raleigh, NC 27604-1062
919-862-2200
Fax: 919-862-2260

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

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

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

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

In response to the information requested in subsection 1(c) and 1(d)(iii), Verizon NY does not currently plan to engage in origination cable casting.

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

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

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

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

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

Verizon NY has completed the construction of its fiber to the premises ("FTTP") network to approximately 22% of the households in the Municipality. A full discussion of the construction requirements and central office conversion requirements to bring FTTP and cable television service to the Municipality is contained in Exhibit 1.

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

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

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

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

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

- (5) A statement of Verizon NY's experience in the cable television field including, if applicable, the names and professional experience of the persons or organizations who

will be responsible for the construction, installation and operation of the proposed system.

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

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

The NY PSC granted the following Orders and Certificates of Confirmation for Verizon NY's approved franchises: (1) Massapequa Park - December 14, 2005; (2) Nyack - February 8, 2006; (3) South Nyack - February 8, 2006; (4) Upper Nyack - May 18, 2006; (5) Hempstead - May 18, 2006; (6) Cedarhurst - June 22, 2006; (7)

Oyster Bay – June 23, 2006; (8) Laurel Hollow – August 24, 2006; (9) Grand View-on-Hudson – August 24, 2006; (10) Lynbrook – September 21, 2006; (11) Clarkstown – September 21, 2006; (12) Mineola – September 21, 2006; (13) East Rockaway – October 19, 2006; (14) Greenburgh – October 19, 2006; (15) Smithtown – November 10, 2006; (16) Irvington – November 10, 2006; (17) Valley Stream – November 10, 2006; (18) Huntington – November 10, 2006; (19) Farmingdale – November 10, 2006; (20) Ardsley – December 15, 2006; (21) Dobbs Ferry – December 15, 2006; (22) Freeport – December 15, 2006; (23) Tarrytown – December 15, 2006; (24) Eastchester – January 19, 2007; (25) Mount Kisco – January 19, 2007; (26) Elmsford – February 16, 2007; (27) Port Chester – March 23, 2007; (28) Tuckahoe – March 23, 2007; (29) Orangetown – April 20, 2007; (30) Piermont – April 20, 2007; (31) White Plains – May 17, 2007; (32) Airmont – May 17, 2007; (33) Williston Park – May 17, 2007; (34) Rye Brook – May 17, 2007; (35) North Hempstead – June 22, 2007; (36) Town of Haverstraw – June 22, 2007; (37) New Hyde Park – June 22, 2007; (38) West Haverstraw – June 22, 2007; (39) North Castle – June 22, 2007; (40) Chestnut Ridge – June 22, 2007; (41) Bayville – June 22, 2007; and, (42) Sands Point – June 22, 2007.

Furthermore, other subsidiaries of Verizon Communications Inc. were awarded cable television franchises by 807 franchising authorities in California, Delaware, Florida, Maryland, Massachusetts, New Jersey, Pennsylvania, Texas, and Virginia.

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

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

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

Verizon NY intends to finance the construction of the FTTP system and the provision of cable services over the FTTP system through a variety of internally and externally generated funds. Verizon NY is a financially stable company which has provided telecommunications services in New York State for more than a century. Its parent company, Verizon Communications Inc., is a Fortune 20 company, a Dow 30 Industrials company, and had 2006 revenues in excess of \$88 billion. A copy of The 2006 Form 10-K of Verizon Communications Inc. can be accessed via the following internet address:

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

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

http://investor.verizon.com/financial/quarterly/pdf/06_annual_report.pdf

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

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

PROPOSED SERVICE OVERVIEW, PRODUCT OFFERS AND ARCHITECTURE

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

Overview of Fiber To The Premises (FTTP) Deployment

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

- **Verizon Communications companies began deploying FTTP in twelve states in 2004. Verizon passed six million homes with FTTP in sixteen states by the end of 2006.**
- **Cable television services deployment will be a subset that is ancillary to the voice and data FTTP services. Select FTTP-enabled wire centers will be deployed for cable service in the first instance.**

Service Overview

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

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

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

Product Offers

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

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

Service Delivery/Connection Method

Connection Method

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

Connection Method – Set Top Box

The technician will have a set top box that will need to be installed near the TV. The technician will connect a coaxial cable from the wall outlet to the set top and another coaxial cable from the set top box to the TV. The technician will also connect the customer's VCR and/or DVD device and check for proper operation. A fee may be charged for non-standard installations involving multiple components such as surround sound systems or other electronic equipment. This process will be followed for any boxes installed.

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

Connection Method: - PPV

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

Equipment Changes and Re-Configurations

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

[balance of page intentionally left blank]

FTTP System Architecture

End-to-End Architecture

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

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

Figure 1-High Level End to End Architecture

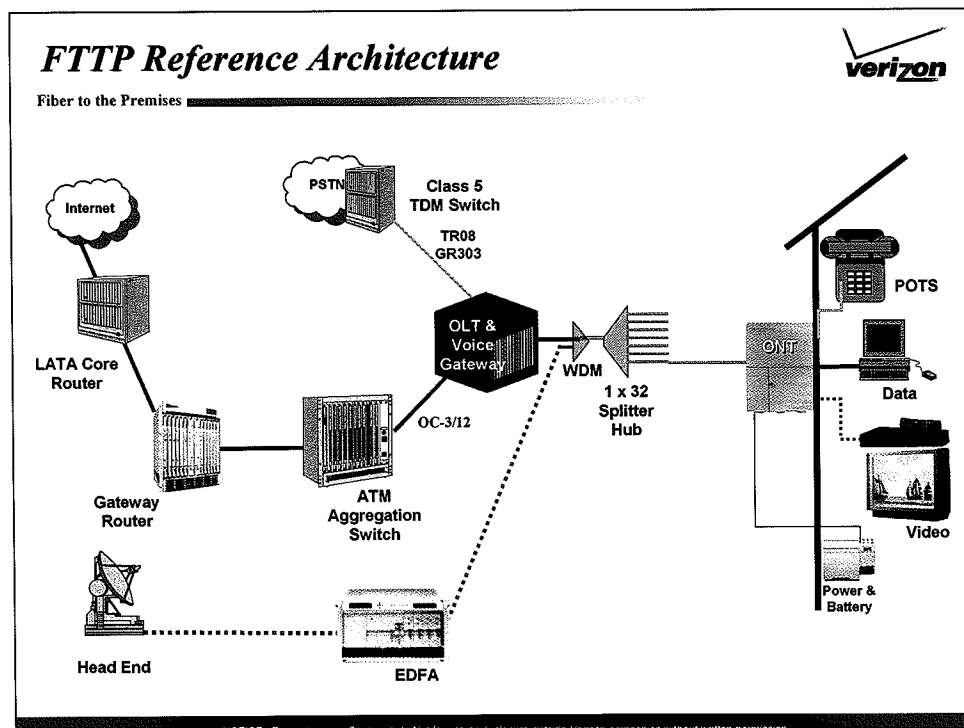
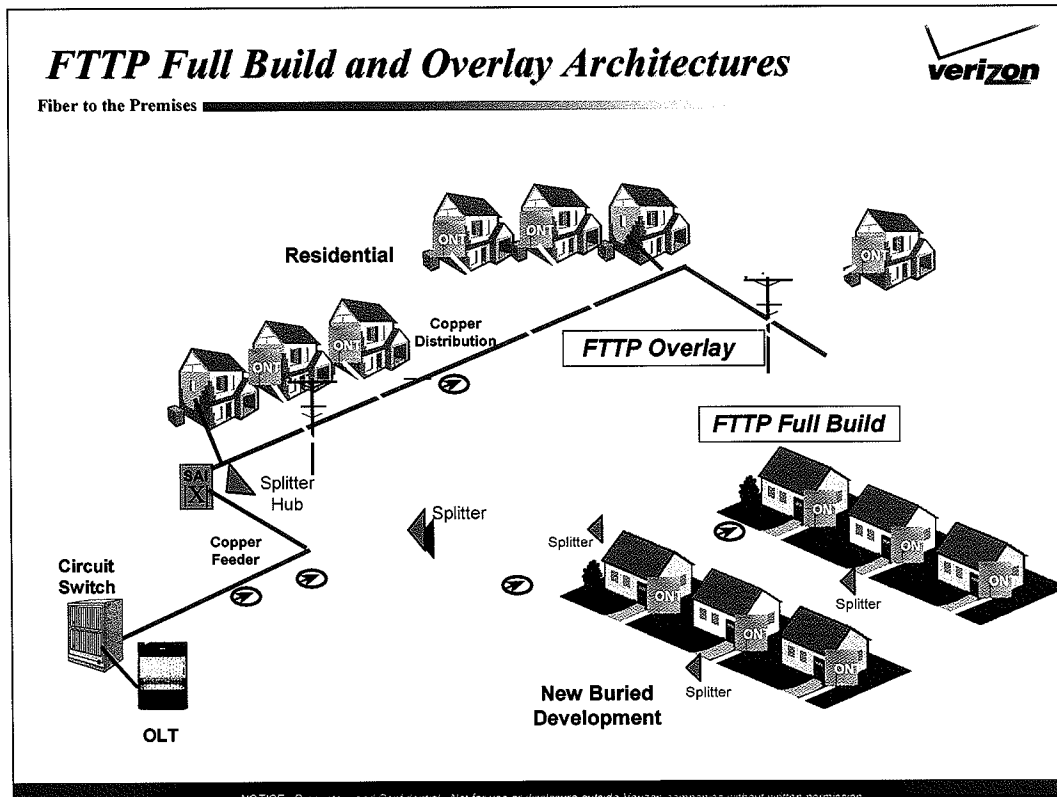


Figure 2-FTTP Full Build and Overlay Architectures



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

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

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

At the premise, the optical cable television signal is de-multiplexed and converted to an electrical signal, which meets cable television industry standards for cable services. Standard home wiring practices, using coaxial cables, as well as alternative media, shall distribute the signal to cable ready TVs and standard set top boxes.

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

Super Headend (SHE)

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

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

The key functions of the SHE include:

Content Reception

Signal Processing

Encoding

Network Interface

The majority of cable television sources shall be individual content provider programming. A mix of standard and high definition formats shall be supported. All content shall be encoded into MPEG2 streams, formatted for SONET, and transported via an OC48c to a local point-of-presence (POP) for wide area (national) transport.

Wide Area Transport

In support of the cable television service, Verizon will use OC48c SONET facilities in the POPs serving target cable markets. Where multiple POPs exist within a market, redundancy options shall dictate if a single or multiple POPs shall be designated for supporting the cable television traffic.

In most cases, it is expected that the cable television traffic shall traverse multiple interconnected rings between the SHE and the destination market. Once the cable traffic reaches a POP located in a target market, it will be forwarded to an OC48c SONET interface connected to metro/local SONET facilities. These facilities shall connect the POP to a Video Hub Office (VHO). VHOs are capable of serving multiple communities within a target market. If more than one VHO is required, the metro SONET ring(s) would be deployed to cover multiple sites.

Video Hub Office (VHO)

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

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

WAN Interface for Cable television Transport

Ad Insertion

PEG Content

Signal Grooming and Multiplexing

Emergency Alert Service

Interactive Program Guide

Conditional Access

Local Content

The VHO shall aggregate three basic sources of content: national broadcast channels, local broadcast channels, and public, educational, & government (PEG) channels. The national content is the traffic sent from the SHE and is delivered via an OC48c SONET interface from the SONETPOP. The local broadcast channels shall be received off-air via antennas or terrestrial fiber transport located at the VHO site. The PEG channels shall be collected via terrestrial connections from each local franchising area (LFA) served by the VHO.

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

signals are transported on the 1550 nm wavelength of the G.983-specified Enhancement band to Verizon Video Serving Offices (VSOs).

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

Metro Area Transport

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

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

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

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

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

Customer Premises

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

[balance of page intentionally left blank]

LEGAL AUTHORITY TO CONSTRUCT FIBER TO THE PREMISES

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

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

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

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

Furthermore, on June 15, 2005, the New York Public Service Commission ruled that Verizon does not need to obtain a cable franchise before constructing its FTTP network. The

Commission found that unlike cable companies, Verizon already has the necessary authority under state law to use the public rights-of-way. Thus, the Commission concluded that Verizon has the right to upgrade its telecommunications network to make it capable of providing cable service. See Declaratory Ruling on Verizon Communication, Inc.'s Built-Out of its Fiber to the Premises Network, NY Public Service Commission, Case 05-M-0520/05-M-0247, June 15, 2005.

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

VERIZON NEW YORK INC.

VERIZON FiOS TV – NEW YORK AREA CHANNEL LINEUP

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

Verizon FiOS TV New York Channel Lineup

EFFECTIVE APRIL 2007

HD	HD Broadcast	VIDEO ON DEMAND**	800 FIOS On Demand
801	CW — WPX HD	ALL FREE	Home & Leisure
802	CBS — WCBS HD	Home & Leisure	Info & Education
803	PBS — WNET HD	Kids	Marketplace
804	NBC — WNBC HD	Music	News
805	FOX — WNYW HD	People & Culture	Sports
806	ABC — WABC HD	Pop Culture	Women
807	FOX — WNYW HD	En Español	En Español
808	My WJOW HD	Movies	International Films
809	My WJOW HD	Library	Movie Trailers
810	TNT HD	New Releases	En Español
811	ESPN HD	En Español	Cinemax
812	ESPN 2 HD	HBO	Showtime
813	NFL Network HD	Starz	Sundance
814	YES HD	The Movie Channel	Playboy
815	SportsNet New York HD	here!	Karaoke Channel
816	HD Net	WWE 24-7	
817	HD Net Movies	Events	
818	Universal HD	Sports	
819	Discovery HD	Uncensored	
820	Discovery 2 HD	En Español	
821	Discovery 3 HD	Adult	
822	Discovery 4 HD	FIOS TV Help	
823	Discovery 5 HD		
824	Discovery 6 HD		
825	Discovery 7 HD		
826	Discovery 8 HD		
827	Discovery 9 HD		
828	Discovery 10 HD		
829	Discovery 11 HD		
830	Discovery 12 HD		
831	Discovery 13 HD		
832	Discovery 14 HD		
833	Discovery 15 HD		
834	Discovery 16 HD		
835	Discovery 17 HD		
836	Discovery 18 HD		
837	Discovery 19 HD		
838	Discovery 20 HD		
839	Discovery 21 HD		
840	Discovery 22 HD		
841	Discovery 23 HD		
842	Discovery 24 HD		
843	Discovery 25 HD		
844	Discovery 26 HD		
845	Discovery 27 HD		
846	Discovery 28 HD		
847	Discovery 29 HD		
848	Discovery 30 HD		
849	Discovery 31 HD		
850	Discovery 32 HD		
851	Discovery 33 HD		
852	Discovery 34 HD		
853	Discovery 35 HD		
854	Discovery 36 HD		
855	Discovery 37 HD		
856	Discovery 38 HD		
857	Discovery 39 HD		
858	Discovery 40 HD		
859	Discovery 41 HD		
860	Discovery 42 HD		
861	Discovery 43 HD		
862	Discovery 44 HD		
863	Discovery 45 HD		
864	Discovery 46 HD		
865	Discovery 47 HD		
866	Discovery 48 HD		
867	Discovery 49 HD		
868	Discovery 50 HD		
869	Discovery 51 HD		
870	Discovery 52 HD		
871	Discovery 53 HD		
872	Discovery 54 HD		
873	Discovery 55 HD		
874	Discovery 56 HD		
875	Discovery 57 HD		
876	Discovery 58 HD		
877	Discovery 59 HD		
878	Discovery 60 HD		
879	Discovery 61 HD		
880	Discovery 62 HD		
881	Discovery 63 HD		
882	Discovery 64 HD		
883	Discovery 65 HD		
884	Discovery 66 HD		
885	Discovery 67 HD		
886	Discovery 68 HD		
887	Discovery 69 HD		
888	Discovery 70 HD		
889	Discovery 71 HD		
890	Discovery 72 HD		
891	Discovery 73 HD		
892	Discovery 74 HD		
893	Discovery 75 HD		
894	Discovery 76 HD		
895	Discovery 77 HD		
896	Discovery 78 HD		
897	Discovery 79 HD		
898	Discovery 80 HD		
899	Discovery 81 HD		
900	Discovery 82 HD		
901	Discovery 83 HD		
902	Discovery 84 HD		
903	Discovery 85 HD		
904	Discovery 86 HD		
905	Discovery 87 HD		
906	Discovery 88 HD		
907	Discovery 89 HD		
908	Discovery 90 HD		
909	Discovery 91 HD		
910	Discovery 92 HD		
911	Discovery 93 HD		
912	Discovery 94 HD		
913	Discovery 95 HD		
914	Discovery 96 HD		
915	Discovery 97 HD		
916	Discovery 98 HD		
917	Discovery 99 HD		
918	Discovery 100 HD		
919	Discovery 101 HD		
920	Discovery 102 HD		
921	Discovery 103 HD		
922	Discovery 104 HD		
923	Discovery 105 HD		
924	Discovery 106 HD		
925	Discovery 107 HD		
926	Discovery 108 HD		
927	Discovery 109 HD		
928	Discovery 110 HD		
929	Discovery 111 HD		
930	Discovery 112 HD		
931	Discovery 113 HD		
932	Discovery 114 HD		
933	Discovery 115 HD		
934	Discovery 116 HD		
935	Discovery 117 HD		
936	Discovery 118 HD		
937	Discovery 119 HD		
938	Discovery 120 HD		
939	Discovery 121 HD		
940	Discovery 122 HD		
941	Discovery 123 HD		
942	Discovery 124 HD		
943	Discovery 125 HD		
944	Discovery 126 HD		
945	Discovery 127 HD		
946	Discovery 128 HD		
947	Discovery 129 HD		
948	Discovery 130 HD		
949	Discovery 131 HD		
950	Discovery 132 HD		
951	Discovery 133 HD		
952	Discovery 134 HD		
953	Discovery 135 HD		
954	Discovery 136 HD		
955	Discovery 137 HD		
956	Discovery 138 HD		
957	Discovery 139 HD		
958	Discovery 140 HD		
959	Discovery 141 HD		
960	Discovery 142 HD		
961	Discovery 143 HD		
962	Discovery 144 HD		
963	Discovery 145 HD		
964	Discovery 146 HD		
965	Discovery 147 HD		
966	Discovery 148 HD		
967	Discovery 149 HD		
968	Discovery 150 HD		
969	Discovery 151 HD		
970	Discovery 152 HD		
971	Discovery 153 HD		
972	Discovery 154 HD		
973	Discovery 155 HD		
974	Discovery 156 HD		
975	Discovery 157 HD		
976	Discovery 158 HD		
977	Discovery 159 HD		
978	Discovery 160 HD		
979	Discovery 161 HD		
980	Discovery 162 HD		
981	Discovery 163 HD		
982	Discovery 164 HD		
983	Discovery 165 HD		
984	Discovery 166 HD		
985	Discovery 167 HD		
986	Discovery 168 HD		
987	Discovery 169 HD		
988	Discovery 170 HD		
989	Discovery 171 HD		
990	Discovery 172 HD		
991	Discovery 173 HD		
992	Discovery 174 HD		
993	Discovery 175 HD		
994	Discovery 176 HD		
995	Discovery 177 HD		
996	Discovery 178 HD		
997	Discovery 179 HD		
998	Discovery 180 HD		
999	Discovery 181 HD		
1000	Discovery 182 HD		

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

©2007 Verizon. All Rights Reserved.

4/07 VRZNFHFC0804

©2007 Verizon. All Rights Reserved.



FIOS TV PREMIER
(continued)

- Children**
- 220 Disney
 - 221 Toon Disney
 - 222 Nickelodeon
 - 223 Nick Too
 - 224 Nick Toons
 - 225 GAS
 - 226 Noggin
 - 227 Cartoon Network (ESP)*
 - 228 Boomerang (ESP)*
 - 229 Discovery Kids
 - 230 Varsity
 - 231 FUNimation
 - 232 PBS KIDS Sprout
- People & Culture**
- 240 BET
 - 241 TV One
 - 242 Black Family Channel
 - 243 MTV Tr3s
 - 244 Galavisión
 - 245 Mun2
 - 246 Si TV
 - 247 AZN Television
 - 248 Bridges TV
- Religion**
- 260 EWTN
 - 261 INSP
 - 262 i-Life
 - 263 Church
 - 264 JCTV
 - 265 BYU
 - 266 Three Angels
 - 267 The Word Network
 - 268 Daystar
 - 269 Smile of a Child
 - 270 Trinity Broadcast Network

(X)

SPORTS**

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

(X)

MOVIES**

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

(X)

PREMIUMS**

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

(X)

INTERNATIONAL PREMIUMS**

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

(X)

LA CONEXIÓN

- Entertainment**
- 500 USA Network
 - 501 TNT
 - 502 TBS
 - 503 Galavisión
 - 504 FX
 - 505 Spike TV
- Sports**
- 508 ESPN Deportes
 - 511 YES
 - 512 SportsNet NY
 - 513 Fox Sports en Español
 - 514 Fox Soccer Channel
 - 515 MSG
 - 516 GoTV
 - 517 Fox Sports Net NY
- News**
- 518 CNN en Español
 - 519 CNN
 - 520 CNN Headline News
 - 521 Fox News
 - 522 CNBC
 - 524 C-SPAN
 - 525 Canal SUR
- International**
- 529 TVE Internacional
 - 530 History Español
 - 531 Discovery Channel
 - 532 Discovery en Español
 - 534 Animal Planet
 - 535 TLC (The Learning Channel)

(X)

SPANISH LANGUAGE**

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

(X)

Women

- 537 Lifetime
 - 538 Lifetime Movie Network
- Shopping**
- 540 QVC
 - 541 HSN
 - 543 Shop NBC
- Home & Leisure**
- 545 Discovery Health
 - 546 Viajar y Vivir
 - 549 Infinito
 - 550 Food Network
 - 551 HGTV (Home & Garden Television)
 - 552 Travel Channel
- Pop Culture**
- 555 E! Entertainment Television
 - 556 A&E
 - 557 Si TV
 - 558 Mun2
 - 559 Comedy Central
 - 560 Sci-Fi Channel

(X)

Music

- 562 MTV Tr3s
 - 563 MTV2
 - 564 Telehit
 - 565 VH Uno
 - 566 CMT
- Movies**
- 569 De Película
 - 570 De Película Clásico
 - 571 Cine Mexicano
 - 572 Cine Latino
- Family**
- 574 ABC Family
 - 575 La Familia
 - 576 TV Chile
 - 577 TV Colombia
 - 578 TV Land
- Children**
- 580 Nickelodeon
 - 581 Disney en Español
 - 582 Toon Disney Español
 - 583 Boomerang (ESP)*
 - 584 Cartoon Network (ESP)*
 - 585 Sorpresa
 - 586 Discovery Kids en Español
- Religion**
- 588 TBN Enlace
 - 589 EWTN Español

(X)

MUSIC CHOICE

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

(X)

PAY PER VIEW

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

(X)

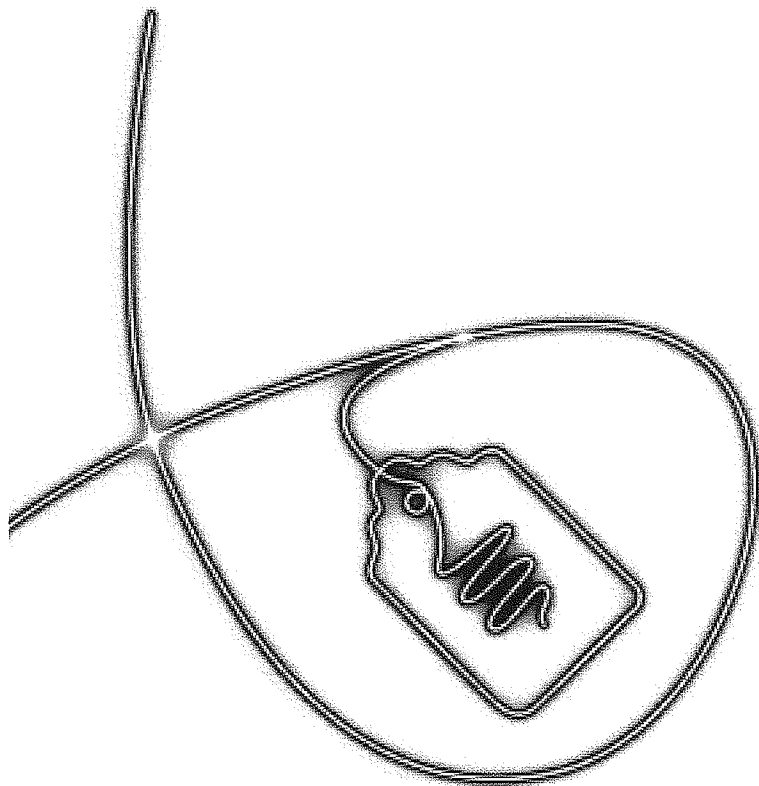
*A Spanish-language Secondary Audio Program (SAP) is available for selection.
**Subscription to corresponding premium channels and packages required.
Programming services offered within each package are subject to change, and not all programming services will be available at all times. Blackout restrictions also apply.

EXHIBIT 3

*APPLICATION FOR A CABLE TELEVISION FRANCHISE
CITY OF NEW ROCHELLE/VERIZON NEW YORK INC.*

Verizon FiOSTV

Rates & Packages



Get more from your
fiber-optic experience.

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

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

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

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

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

Premiums ⁵ (Requires STB)	Number of Channels	Monthly Price
HBO®	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 ⁶ (Requires STB)	Number of Channels	Monthly Price
International Premium Channels	17	Individually Priced

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

On Demand Movies

New Releases	\$3.99
Library	\$2.99

On Demand Subscriptions

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

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

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

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

Subsequent Installations/Charges	One-Time Charges
Set Top Box Addition or Upgrade/Downgrade	\$24.99
Premise Visit 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

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

*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 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.

VEFIF60157-307

©2007 Verizon. All Rights Reserved.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

CABLE FRANCHISE AGREEMENT

BY AND BETWEEN

THE CITY OF NEW ROCHELLE, NEW YORK

AND

VERIZON NEW YORK, INC.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
1. DEFINITIONS.....	2
2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS	7
3. PROVISION OF CABLE SERVICE	9
4. SYSTEM FACILITIES	11
5. PEG SERVICES AND FRANCHISE GRANT	11
6. FRANCHISE FEES	14
7. REPORTS AND RECORDS	16
8. INSURANCE AND INDEMNIFICATION	17
9. TRANSFER OF FRANCHISE.....	19
10. RENEWAL OF FRANCHISE.....	19
11. ENFORCEMENT AND TERMINATION OF FRANCHISE	20
12. MISCELLANEOUS PROVISIONS.....	22

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

THIS CABLE FRANCHISE AGREEMENT (the "Franchise" or "Agreement") is entered into by and between the City of New Rochelle, 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;

WHEREAS, the LFA has determined that the terms and conditions contained in this Franchise comply with and satisfy the requirements of its local ordinances, rules, and regulations with respect to the provision of Cable Service; 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; and,

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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*: The tier of Cable Service which includes, at a minimum, the retransmission of all local television broadcast signals provided to any Subscriber and any PEG Channels required by this Franchise or NY PSC rules, and which may also include any additional video programming signals as determined by Franchisee.

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 required by this Agreement to be designated by the Franchisee for noncommercial use by local public schools and public school districts in the Franchise Area and other not-for-profit educational institutions

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

chartered or licensed by the New York State Department of Education or Board of Regents in the Franchise Area as specified by the LFA.

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

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

1.13. *Franchise Area*: The entire existing territorial limits of the LFA and such additional areas as may be annexed or acquired, during the term of this Franchise.

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, as defined herein and as may be amended under federal law, 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) fees from video on demand and pay-per-view;

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

(vi) 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.

Except as provided above, Gross Revenue shall not include:

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

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

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

(iv) any revenues classified as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with federal law, rules, regulations, standards or orders. Should revenue from Telecommunications or Information Services, or any other service provided over the Cable System be deemed a Cable Service by a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, the LFA shall be entitled, after notification to Franchisee, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from Franchisee's provision of such service as Gross Revenue, and Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the date of issuance of an order from the NY PSC approving such amendment;

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

payment for the use of the Cable System for the sale of such merchandise shall be included in Gross Revenue;

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

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

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

(ix) any foregone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise (provided, however, that such foregone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue);

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

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

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

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

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

1.19. *Local Franchise Authority (LFA)*: The City of New Rochelle, 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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

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

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

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

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

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

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

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

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

1.31. *Transfer of the Franchise:*

1.31.1. Any transaction in which:

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

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

1.31.2. However, notwithstanding Sub-subsections 1.31.1.1 and 1.31.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

2.3. *Effective Date and Term*: This Franchise shall become effective on the date that the NY PSC issues a certificate of confirmation for this Franchise (the "Effective Date"), following its approval by the LFA's governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be ten (10) years from the Effective Date unless the Franchise is earlier revoked as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFA in writing of the same, which notification shall become a part of this Franchise. If subsequent to the Effective Date, there is a change in federal or state law that eliminates the authority of the LFA to require, grant or maintain this Franchise, then to the extent permitted by law, this Franchise shall survive such legislation and remain in effect for the term of this Franchise.

2.4. *Grant Not Exclusive*: The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall be non-exclusive, and the LFA has granted and 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, except as permitted by applicable law, with existing facilities of the Cable System or Franchisee's FTTP Network.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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 and FCC and NY PSC rules, regulations, standards and orders, as amended from time to time, including but not limited to the Communications Act.

2.6. *No Waiver:*

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

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

2.7. *Construction of Agreement:*

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

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

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

2.8 *Local Authority:* The LFA reserves the right to adopt, enact, implement, and enforce, in addition to the implementation and enforcement of the provisions contained in the Franchise and existing applicable ordinances, such additional regulations as it shall find necessary in the exercise of its police power; provided, however, that such regulations are

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

reasonable and not materially in conflict with the privileges granted in the Franchise and consistent with all federal and state laws, rules, 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 at Franchisee's expense.

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

3. PROVISION OF CABLE SERVICE

3.1. *Service Area:*

3.1.1. *Service Commitment Area:* Subject to the issuance of all necessary permits by the LFA, Franchisee shall offer Cable Service to significant numbers of residential Subscribers within the Service Area and may make Cable Service available to businesses in the Service Area, within twelve (12) months and shall offer Cable Service to all residential Subscribers in the Service Area within five (5) years, of the Effective Date of this Franchise, or, in both instances, such longer period as may be permitted by the Cable Law, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in developments or buildings that 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 dwelling unit density does not meet the density and other requirements set forth in Sub-subsection 3.1.1.1. and Section 3.2.

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

3.2. *Availability of Cable Service:*

3.2.1. *Availability of Cable Service Generally:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of aerial trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed one hundred fifty (150) feet or are in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile and the actual costs incurred to connect any non-residential dwelling unit Subscriber, provided, however, that Franchisee may seek a waiver of any requirement that it extend service to any party requesting the same in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility. For underground installations, Franchisee shall charge the Subscriber no more than Franchisee's actual cost. Such costs shall be submitted to said Subscriber in writing before installation is begun.

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

3.3. *Cable Service to School, Library, and Municipal Buildings:* Subject to Section 3.1, Franchisee shall provide, without charge within the Service Area, one service outlet activated for Basic Service to each primary or secondary school chartered or licensed by the State of New York, public library, and such other buildings used for municipal purposes as may be designated by the LFA as provided in **Exhibit A** attached hereto; or as designated by the LFA in the future during the Franchise term, upon sixty (60) days prior written notice to the Franchisee and within the Franchisee's approved video validated area; provided however that any new additional buildings added to **Exhibit A** by the LFA cannot exceed a total of more than two (2) additional buildings per year or, in the aggregate, a total of five (5) additional buildings over the life of the Agreement; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to 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. 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. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

4. SYSTEM FACILITIES

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

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

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

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

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

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

5. PEG SERVICES AND FRANCHISE GRANT

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 one (1) dedicated Public Access Channel, one (1) dedicated Educational Access Channel, and one (1) dedicated Government Access Channel (collectively, "PEG Channels").

5.1.2. The programming to be carried on each of the PEG Channels will be provided by the LFA, the City of New Rochelle School District, and the public. 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 as provided in the Cable Law, 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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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.

5.1.4. The PEG Channels shall be carried on the Basic Service tier in a format that provides the same technical quality of picture and sound as the majority of the other Channels carried on the Basic Service tier; however, the quality of picture and sound of the PEG Channels is not required to exceed the quality of the source programming provided by the LFA or by the incumbent cable provider through interconnection.

5.2. *PEG Access Connections:*

5.2.1. LFA shall designate in its sole discretion not more than three (3) sites within the Franchise Area for the connection of PEG access facilities with the Cable System (each, a "PEG Access Origination Point"), as designated on Exhibit C to this Agreement.

5.2.2. Subject to the successful completion of all required site preparation work by the LFA and provision of access to Franchisee for equipment installation and provisioning, Franchisee shall, without charge to the LFA, provide upstream PEG Channel transmission connections between its video channel aggregation point and each PEG Access Origination Point in order to permit the signals to be correctly routed from the PEG Access Origination Points to the appropriate PEG Access Channel for distribution to Subscribers as follows: (i) one (1) PEG Access Origination Point (G/P Site) shall be operable within one hundred eighty (180) days of the Effective Date and (ii) two (2) PEG Access Origination Points (E Sites) shall be operable within two hundred seventy (270) days of the Effective Date.

The LFA shall provide to Franchisee at each PEG Access Origination Point a suitable video signal for each PEG Channel. Franchisee, upon receipt of the suitable video signal, shall provide, install and maintain in good working order the equipment necessary for transmitting the PEG signal to the channel aggregation site for further processing for distribution to Subscribers. Franchisee's obligations with respect to such upstream transmission equipment and facilities shall be subject to the availability, without charge to Franchisee, of suitable required space, environmental conditions, electrical power supply, access, pathway, and other facilities and such cooperation of the LFA as is reasonably necessary for Franchisee to fulfill such obligations. Should Franchisee determine that it cannot fulfill such obligations as a result of LFA's failure to cooperate or to provide suitable required space, environmental conditions, electrical power supply, access, pathway, or other facilities, it shall so notify LFA in a writing detailing the requirements of Franchisee that will enable it to fulfill its obligations hereunder.

5.3. *PEG Grant:*

5.3.1. Franchisee shall provide to the LFA financial contributions for use in support of the production of local PEG programming. The financial contributions shall consist of the two grants: (a) a grant in the amount of TWO HUNDRED FORTY THOUSAND DOLLARS (\$240,000) payable in three (3) installments (the "Initial PEG Grant"); and (b) an

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

annual grant in the amount of FORTY THOUSAND DOLLARS (\$40,000) per year, commencing in the second year of the term of this Agreement (the "Annual PEG Grant").

5.3.2. The Initial PEG Grant shall be payable in three (3) installments. The first (1st) installment of ONE HUNDRED TWENTY THOUSAND DOLLARS (\$120,000), shall be payable within thirty (30) days after the Effective Date. The second (2nd) installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the first (1st) anniversary of the Effective Date. The third (3rd), and final installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the second (2nd) anniversary of the Effective Date.

5.3.3. Annual PEG Grant payments shall be due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date, as set forth in Section 5.3.1, until the Franchise expires or is terminated by either party. The LFA shall impose an equivalent obligation to the obligations contained in this Section 5.3 (including the total amount of the Initial PEG Grant and amounts of the Annual PEG Grant) on all new and renewed providers of cable service in the Service Area. In any event, if any new or renewed franchise agreement contains obligations that are lesser in amount or aggregate value than the obligations imposed in this Section 5.3 (including the total amount of the Initial PEG Grant and the amounts of the Annual PEG Grant), Franchisee's obligations under Section 5.3 shall thereafter be reduced to an equivalent amount, but no refund will be required from the LFA.

5.3.4. The Initial PEG Grant and the Annual PEG Grant shall be used by LFA as permitted by law.

5.3.5. The LFA shall provide Franchisee with an annual report setting forth a summary of all expenditures for PEG access equipment and facilities from the PEG Grants paid to the LFA and the amounts, if any, reserved for future capital expenditures for such purposes.

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

5.5 *Franchise Grant:* The Franchisee shall provide to the LFA financial contributions ("Franchise Grant") of thirty thousand dollars (\$30,000) to be paid over the term of the Agreement in increments of three thousand dollars (\$3,000), with such three thousand dollars (\$3,000) payments due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date.

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

6. FRANCHISE FEES

6.1. *Payment to 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. Late payments shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) during the period such unpaid amount is owed.

6.2. *Supporting Information:* Each Franchise Fee payment shall be accompanied by a brief report prepared by a representative of Franchisee, as designated by 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.

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

6.5. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise, Franchisee shall be responsible for making available to the LFA for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees, whether the records are held by the Franchisee, an Affiliate, or any other entity that collects or receives funds related to the Franchisee's Cable Services operation in the LFA subject to the payment of Franchise Fees under this Agreement, including, by way of illustration and not limitation, any entity that sells advertising on the Franchisee's behalf. Franchisee shall maintain such records for six (6) years, provided that, if the LFA commences an audit within that six (6) year period, Franchisee shall continue to maintain such records for the duration of any audit in progress at the end of that six (6) year period. The LFA shall conduct all audits expeditiously, and neither the LFA nor Franchisee shall unreasonably delay the completion of an audit. The LFA's audit expenses shall be borne by the LFA unless the audit determines that the payment to the LFA should be increased by five percent (5%) or more in the audited period, in which case the reasonable and customary costs of the audit, together with any additional amounts due to the LFA as a result of such audit, shall be paid by Franchisee to the LFA within sixty (60) days following written notice to Franchisee by the LFA of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFA's audit expenses shall not exceed an aggregate of fifteen thousand dollars (\$15,000) per audit. If re-computation results in additional revenue to be paid to the LFA, such amount shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules per annum during the period such unpaid amount is owed. If the audit determines that there has been an overpayment by Franchisee, the Franchisee may credit any overpayment against its next quarterly payment. Said audit shall be conducted by an independent third party and no auditor so employed by the LFA shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFA shall not conduct an audit more frequently than once every three (3) years.

7. REPORTS AND RECORDS

7.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area at any time during Normal Business Hours and on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than six (6) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Service Area. Subject to the requirements of the New York Freedom of Information Law ("FOIL"), the LFA shall treat any information disclosed by Franchisee as proprietary and confidential under Section 87(2)(d) of the New York Public Officers Law and shall only disclose it to employees, representatives, and agents thereof who the LFA deems to have a need to know, or in order to enforce the provisions hereof. For purposes of this Section, "proprietary or confidential"

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

information includes, but is not limited to: information related to the Cable System design; trade secrets; Subscriber lists; marketing plans; financial information; or, other information that is reasonably determined by the Franchisee to be competitively sensitive. If the LFA receives a request under FOIL or similar law for the disclosure of information that Franchisee has designated as confidential, trade secret, or proprietary, the LFA shall notify Franchisee of such request. If the LFA determines in good faith that public disclosure of the requested information is required under FOIL, the LFA shall so notify Franchisee and, before making disclosure, shall, not inconsistently with the New York Public Officers Law, give Franchisee a reasonable period of time to seek to obtain judicial redress to preclude disclosure. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

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

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

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

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

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

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

7.3. *System-Wide Statistics:* Subject to the requirements of Section 895.1(t) of the NY PSC rules and regulations, any valid reporting requirement in the Franchise may be satisfied with system-wide statistics, except those related to Franchise Fees and consumer complaints.

7.4. *Reports:* Franchisee's sole reporting obligation shall be to file those reports required by the Cable Law.

8. INSURANCE AND INDEMNIFICATION

8.1. *Insurance:*

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

8.1.1.1. Commercial General Liability Insurance in the amount of two million dollars (\$2,000,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA.

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

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

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

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

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

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. Franchisee shall deliver to LFA Certificates of Insurance showing evidence of all required coverages under this Agreement on or before the Effective Date and providing for at least thirty (30) days prior written notice to be given to LFA of cancellation, intent not to renew or any adverse material change.

8.2. *Indemnification:*

8.2.1. Franchisee agrees to defend and indemnify the LFA, its officers, agents, and employees for, and hold it or them harmless from all suits, proceedings, actions, demands, liabilities, damages, costs or expenses arising from claims of injury to persons or damage to property occasioned by reason of any conduct undertaken pursuant to the Franchise,

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

or by reason of any suit or claim for royalties, programming license fees or infringement of patent rights arising out of Franchisee's provision of Cable Services over the Cable System other than PEG facilities and Channels, provided that the LFA shall give Franchisee timely written notice of its obligation to indemnify the LFA, but in any event, the LFA shall provide such notice to Franchisee within a sufficient period of time from receipt of a claim or action pursuant to this Subsection to enable Franchisee to timely answer complaints, raise defenses and defend all claims. Notwithstanding the foregoing, Franchisee shall not be required to indemnify the LFA for any suits, proceedings, actions, demands, damages, liabilities or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, or attorneys, acting in their official capacity on behalf of the LFA or for any activity or function conducted by any Person other than Franchisee on behalf of the LFA 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 if Franchisee shall bear the entire cost of the settlement. In the event that the terms of any such proposed settlement includes the release of the LFA and the LFA does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the LFA shall in no event exceed the amount of such settlement.

8.2.3. The LFA shall be responsible for its own acts of willful misconduct, negligence, or willful 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 solely committed on the part of the LFA which constitute willful misconduct or negligence on the part of the LFA, its officers, employees, agents, attorneys, consultants, independent contractors or third parties acting in their official capacity on behalf of the LFA.

9. TRANSFER OF FRANCHISE

9.1. *LFA Consent Required:* 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.

9.2. *LFA Consent Not Required for Certain Transactions:* No prior consent of the LFA shall be required 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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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 12.12 below, the Cable Law and Section 626 of the Communications Act, 47 U.S.C. § 546, as amended.

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

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

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

11. ENFORCEMENT AND TERMINATION OF FRANCHISE

11.1. *Notice of Violation:* If at any time the LFA believes that Franchisee has not complied with the terms of the Franchise, the LFA shall notify Franchisee in writing of the exact nature of the alleged noncompliance (for purposes of this Article, the "Noncompliance Notice").

11.2. *Franchisee's Right to Cure or Respond:* 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 timely 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, except that noncompliance in a) making payments for the PEG Grant, the Franchise Grant, and Franchise Fees, b) the maintenance of the required insurance, and c) fulfilling the indemnification requirements shall not be eligible for this subsection 11.2(iii). 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 (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied or commenced to remedy the alleged noncompliance

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

within sixty (60) days or the date projected pursuant to Section 11.2(iii) above. The LFA shall provide Franchisee at least thirty (30) calendar days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide Franchisee the opportunity to be heard.

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

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

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

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

11.5. *Revocation:* If the LFA seeks to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 11.3, then the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have ninety (90) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing. The LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

11.5.1. At the designated public hearing, Franchisee shall be provided a fair opportunity for full participation, including the rights to be represented by legal counsel, to introduce relevant evidence, to require the production of evidence, to compel the relevant testimony of the officials, agents, employees or consultants of the LFA, to compel the testimony of other persons as permitted by law, and to question and/or cross examine witnesses. A complete verbatim record and transcript shall be made of the hearing, and Franchisee shall promptly reimburse LFA for the expense of making such verbatim record and transcript up to, but no greater than, Five Thousand Dollars (\$5,000).

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 timely 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. The parties may appeal such written determination of the LFA to an appropriate court, which shall have the power to review the decision of the LFA

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

de novo, to the extent permitted by law. Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Franchisee's receipt of the written determination of the LFA.

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

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

12. MISCELLANEOUS PROVISIONS

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

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

12.3. *Preemption*: In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required by law, except that such provision shall survive such preemption and shall remain in effect for the term of this Agreement to the extent permitted 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 and was timely cured by Franchisee.

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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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:

City Manager
City Hall, 515 North Avenue
New Rochelle, NY 10801

12.5.3. with a copy to:

Corporation Counsel
City Hall, 515 North Avenue
New Rochelle, NY 10801

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. The LFA acknowledges and agrees that all the elements of its local ordinances, rules, and regulations with respect to the provision of Cable Service over Franchisee's Cable System ("Local Law") are fully reflected by the terms and conditions of this Agreement and are satisfied by the Franchisee's compliance with the terms and conditions of this Agreement, and in the event of a material conflict between a provision of this Agreement and a provision of the Local Law, this Agreement shall be controlling.

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

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

12.9. *Severability:* With the exception of this Agreement's Section 1.16 (Definition of Gross Revenue), and Articles V (PEG Services and Franchise Grant), VI (Franchise Fees), and, VIII (Insurance and Indemnification) in its entirety, 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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

on the validity of any other section, subsection, sub-subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

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

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

12.12. *NY PSC Approval*: This Franchise and any amendment or modification hereof 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*: Franchisee shall 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 or any protected category of persons under federal or state law.

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

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

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

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

12.20. *Performance Review*: The LFA may, at its discretion but no more than once per three (3) year 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 Franchisee at the Performance Review shall be treated by the LFA as confidential. The LFA shall provide Franchisee with at least sixty (60) 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 sixty (60) 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; provided, however, that the Performance Review Report shall not contain any confidential information disclosed by Franchisee during the Performance Review.

12.21. *Section 626 Treatment*: Franchisee agrees that it will not apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, for the first two (2) years following the issuance by the NY PSC of an order confirming this Agreement. Thereafter, Franchisee reserves the right to apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, in an amount not to exceed the highest deduction available to any other cable franchisee in the City (based upon the other cable franchisee's yearly tax invoice payable to the LFA) until such time that the LFA obtains a written complete waiver of the full amount of the special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFA or as a credit against the special franchise tax) from such existing and any new provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area. Upon securing such written waiver from all existing and new providers of Cable Service or cable service (as such term may be defined by other providers) in the Service Area, Franchisee agrees to no longer apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626 beginning in the next full calendar month after such waiver becomes legally binding on the City's existing cable franchisee. The operation of this Section 12.21 shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee's rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

AGREED TO THIS ____ DAY OF _____, 2007.

LFA:

Approved as to Form:

By: _____
Title _____

By: _____
Title _____

Verizon New York Inc.

Approved as to Form:

By: _____
Title _____

By: _____
Title _____

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

H. Doyle Center
94 Davis Avenue
City of New Rochelle, NY 10805

City of New Rochelle City Hall
515 North Avenue
City of New Rochelle, NY 10801

City of New Rochelle City Hall
Annex
515 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
166 Webster Avenue
City of New Rochelle, NY 10801

New Rochelle Library
1 Library Plaza
City of New Rochelle, NY 10801

Hudson County School
340 Quaker Ridge Road
City of New Rochelle, NY 10804

Donovan School
100 Overlook Circle
City of New Rochelle, NY 10804

Blessed Sacrament School
26 Maple Avenue
City of New Rochelle, NY 10801

Blessed Sacrament School
Annex
24 Shea Place
New Rochelle, NY 10801

Davis Elementary School
80 Iselin Drive
City of New Rochelle, NY 10804

Alternative High School
50 Washington Avenue
City of New Rochelle, NY 10801

Albert Leonard Middle School
25 Gerada Lane
City of New Rochelle, NY 10804

Iona Prep
25 Stratton Road
City of New Rochelle, NY 10804

M. Toms Day School
48 Mount Tom Road
City of New Rochelle, NY 10805

New Rochelle High School
265 Clove Road
City of New Rochelle, NY 10801

New Rochelle High School
Annex
265 Clove Road
City of New Rochelle, NY 10801

S. Columbus Elementary School
275 Washington Avenue
City of New Rochelle, NY 10801

T. Donovan School
144 Overlook Circle
City of New Rochelle, NY 10804

Salesian High School
148 Main Street
City of New Rochelle, NY 10801

Webster Elementary School
95 Glenmore Drive
City of New Rochelle, NY 10801

Trinity School
180 Pelham Road
City of New Rochelle, NY 10805

Halen School
97 Centre Avenue
City of New Rochelle, NY 10801

Jefferson School
131 Weyman Avenue
City of New Rochelle, NY 10805

Barnard School
129 Barnard Road
City of New Rochelle, NY 10801

Ursuline School
1354 North Avenue
City of New Rochelle, NY 10804

Holy Name School
70 Petersville Road
City of New Rochelle, NY 10801

Community Center
95 Lincoln Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
756 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
45 Harrison Street
City of New Rochelle, NY 10801

Ambulance Corps
Firehouse Annex
45 Harrison Street
City of New Rochelle, NY 10801

New Rochelle City Yard
224 East Main Street
City of New Rochelle, NY 10801

Fire Headquarters
90 Beaufort Place
City of New Rochelle, NY 10801

New Rochelle Firehouse
155 Drake Avenue
City of New Rochelle, NY 10805

Police Headquarters
475 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
496 Stratton Road
City of New Rochelle, NY 10804

Huguenot Childrens Library
794 North Avenue
City of New Rochelle, NY 10801

Department of Public Works
40 Pelham Road
City of New Rochelle, NY 10801

Department of Public Works (future location)
85 Beechwood Avenue
City of New Rochelle, NY 10801

Isaac E. Young Middle School
270 Centre Avenue
City of New Rochelle, NY 10805

Westchester Area School
456 Webster Avenue
City of New Rochelle, NY 10801

Ward School
311 Broadfield Road
City of New Rochelle, NY 10804

Municipal Marina
22 Pelham Road
City of New Rochelle, NY 10801

Police Harbor Facility
Hudson Park
City of New Rochelle, NY 10801

EXHIBIT B

SERVICE AREA

The Service Area is 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 22% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule calls for 52% deployment by October 2007, 61% deployment by April 2008, 70% deployment by October 2008, 75% deployment by April 2009, 80% deployment by October 2009, 85% deployment by April 2010, 90% deployment by October 2010, 95% deployment by April 2011, 97% deployment by October 2011, and 100% deployment by February 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.

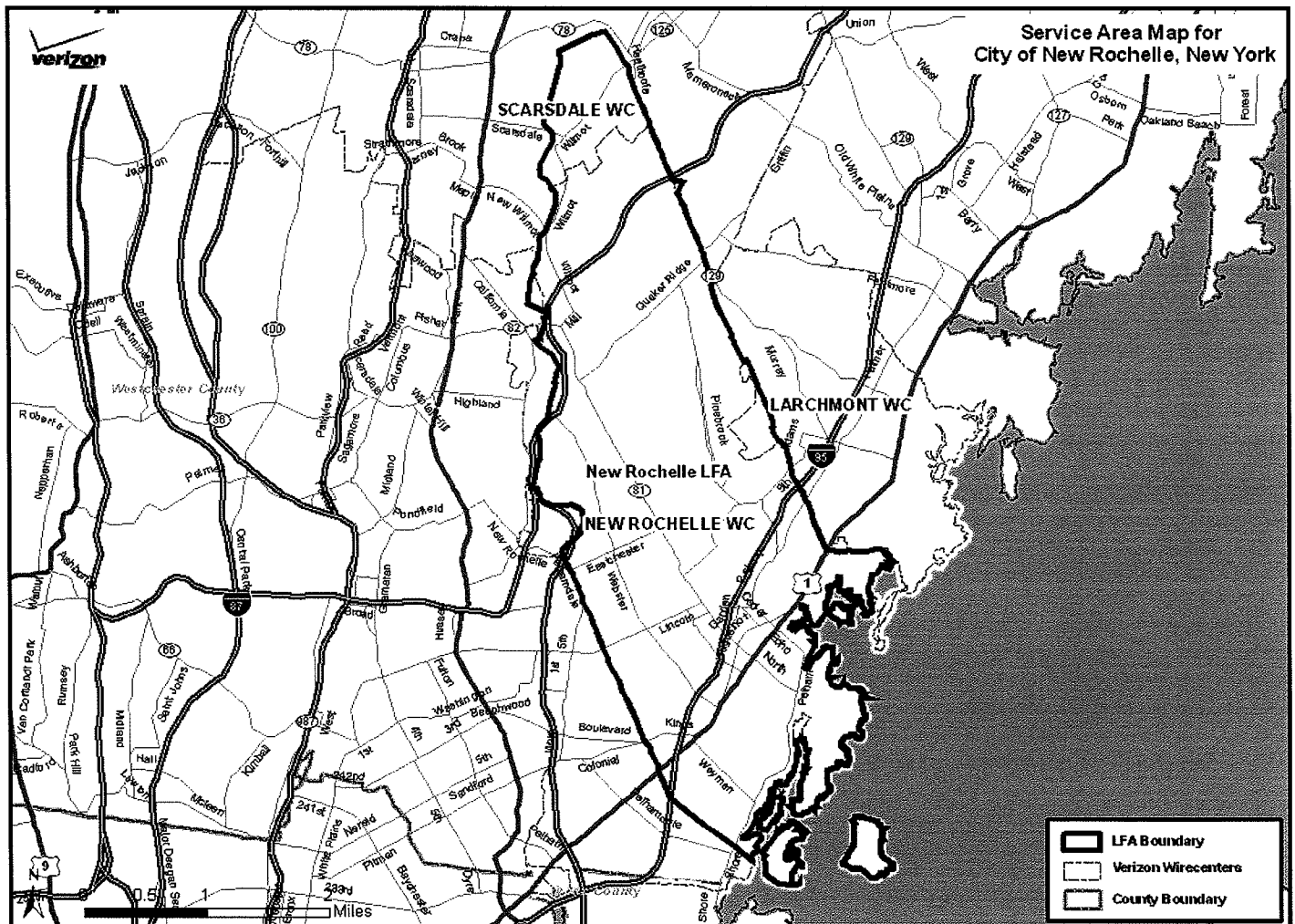


EXHIBIT C

PEG ACCESS INTERCONNECTION SITES

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following (1) Government (G) and (1) Public Access (P) Channel PEG Access Interconnection Site shall be activated within one hundred eighty (180) days of the Effective Date:

G/P Site: City of New Rochelle City Hall
 515 North Ave., New Rochelle, NY 10801

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following (2) Educational Access (E) Channel PEG Access Interconnection Sites shall be activated within two hundred seventy (270) days of the Effective Date:

E Sites: New Rochelle High School
 265 Clove Road, New Rochelle, NY 10801

 Isaac E. Young Middle School
 270 Centre Avenue, New Rochelle, NY 10801

The Educational Access Channel PEG Interconnection Site at the New Rochelle High School shall serve as the aggregation point for the Isaac E. Young Middle School Site designated to feed signals to the Primary Educational Access Channel PEG Interconnection Site at the High School. For purposes of permitting LFA to select and switch feeds coming into the aggregation point, Franchisee shall provide the LFA, without charge, such capability at the aggregation point.

Tab 2

From: Copiz, Adrian
Sent: Friday, July 27, 2007 1:57 PM
To: Shapiro, Bernis
Cc: Powell, Kenneth; Small, Omar; Scott Parr
Subject: Verizon - New Rochelle Agreement

Bernis,

Following up on our discussions this morning, attached is the updated agreement (clean and blacklined), including changes to the following:

- Section 1.20: Non-Cable Services;
- Section 5.5: Franchise Grant in Lieu of Free Internet Service;
- Section 12.22: Level Playing Field; and,
- Corrections to numbering in the Table of Contents.

Both Scott and I are available for a conference call on Wednesday, August 1, at any time before 10:00 a.m. Please let us know at what time you would like to start the conference call and I will provide conference bridge information.

Best regards,

Adrian



Final (7-27-07)



Blackline

Proposed New R... mparison of New Rc

*Adrian B. Copiz
Alston & Bird LLP
The Atlantic Building
950 F Street, N.W.
Washington, D.C. 20004-1404
202-756-3572
Fax: 202-654-4882
email: adrian.copiz@alston.com*

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

CABLE FRANCHISE AGREEMENT

BY AND BETWEEN

THE CITY OF NEW ROCHELLE, NEW YORK

AND

VERIZON NEW YORK, INC.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
1. DEFINITIONS.....	2
2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS	7
3. PROVISION OF CABLE SERVICE	9
4. SYSTEM FACILITIES	11
5. PEG SERVICES AND FRANCHISE GRANT	11
6. FRANCHISE FEES	14
7. REPORTS AND RECORDS	15
8. INSURANCE AND INDEMNIFICATION	17
9. TRANSFER OF FRANCHISE.....	18
10. RENEWAL OF FRANCHISE.....	19
11. ENFORCEMENT AND TERMINATION OF FRANCHISE	19
12. MISCELLANEOUS PROVISIONS.....	21

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the City of New Rochelle, 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;

WHEREAS, the LFA has determined that the terms and conditions contained in this Franchise comply with and satisfy the requirements of its local ordinances, rules, and regulations with respect to the provision of Cable Service; 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; and,

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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*: The tier of Cable Service which includes, at a minimum, the retransmission of all local television broadcast signals provided to any Subscriber and any PEG Channels required by this Franchise or NY PSC rules, and which may also include any additional video programming signals as determined by Franchisee.

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 required by this Agreement to be designated by the Franchisee for noncommercial use by local public schools and public school districts in the Franchise Area and other not-for-profit educational institutions

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

chartered or licensed by the New York State Department of Education or Board of Regents in the Franchise Area as specified by the LFA.

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

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

1.13. *Franchise Area*: The entire existing territorial limits of the LFA and such additional areas as may be annexed or acquired, during the term of this Franchise.

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, as defined herein and as may be amended under federal law, 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) fees from video on demand and pay-per-view;

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

(vi) 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.

Except as provided above, Gross Revenue shall not include:

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

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

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

(iv) any revenues classified as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with federal law, rules, regulations, standards or orders. Should revenue from Telecommunications or Information Services, or any other service provided over the Cable System be deemed a Cable Service by a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, the LFA shall be entitled, after notification to Franchisee, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from Franchisee's provision of such service as Gross Revenue, and Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the date of issuance of an order from the NY PSC approving such amendment;

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

payment for the use of the Cable System for the sale of such merchandise shall be included in Gross Revenue;

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

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

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

(ix) any foregone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise (provided, however, that such foregone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue);

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

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

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

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

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

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

1.20. *Non-Cable Services*: Any service that does not constitute Cable Service pursuant to this Franchise including, but not limited to, Information Services and Telecommunications Services.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

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

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

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

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

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

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

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

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

1.31. *Transfer of the Franchise:*

1.31.1. Any transaction in which:

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

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

1.31.2. However, notwithstanding Sub-subsections 1.31.1.1 and 1.31.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues a certificate of confirmation for this Franchise (the "Effective Date"), following its approval by the LFA's governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be ten (10) years from the Effective Date unless the Franchise is earlier revoked as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFA in writing of the same, which notification shall become a part of this Franchise. If subsequent to the Effective Date, there is a change in federal or state law that eliminates the authority of the LFA to require, grant or maintain this Franchise, then to the extent permitted by law, this Franchise shall survive such legislation and remain in effect for the term of this Franchise.

2.4. *Grant Not Exclusive:* The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall be non-exclusive, and the LFA has granted and 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, except as permitted by applicable law, with existing facilities of the Cable System or Franchisee's FTTP Network.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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 and FCC and NY PSC rules, regulations, standards and orders, as amended from time to time, including but not limited to the Communications Act.

2.6. *No Waiver:*

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

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

2.7. *Construction of Agreement:*

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

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

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

2.8. *Local Authority:* The LFA reserves the right to adopt, enact, implement, and enforce, in addition to the implementation and enforcement of the provisions contained in the Franchise and existing applicable ordinances, such additional regulations as it shall find necessary in the exercise of its police power; provided, however, that such regulations are

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

reasonable and not materially in conflict with the privileges granted in the Franchise and consistent with all federal and state laws, rules, 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 at Franchisee's expense.

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

3. PROVISION OF CABLE SERVICE

3.1. *Service Area:*

3.1.1. *Service Commitment Area:* Subject to the issuance of all necessary permits by the LFA, Franchisee shall offer Cable Service to significant numbers of residential Subscribers within the Service Area and may make Cable Service available to businesses in the Service Area, within twelve (12) months and shall offer Cable Service to all residential Subscribers in the Service Area within five (5) years, of the Effective Date of this Franchise, or, in both instances, such longer period as may be permitted by the Cable Law, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in developments or buildings that 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 dwelling unit density does not meet the density and other requirements set forth in Sub-subsection 3.1.1.1. and Section 3.2.

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

3.2. *Availability of Cable Service:*

3.2.1. *Availability of Cable Service Generally:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of aerial trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed one hundred fifty (150) feet or are in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile and the actual costs incurred to connect any non-residential dwelling unit Subscriber, provided, however, that Franchisee may seek a waiver of any requirement that it extend service to any party requesting the same in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility. For underground installations, Franchisee shall charge the Subscriber no more than Franchisee's actual cost. Such costs shall be submitted to said Subscriber in writing before installation is begun.

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

3.3. *Cable Service to School, Library, and Municipal Buildings:* Subject to Section 3.1, Franchisee shall provide, without charge within the Service Area, one service outlet activated for Basic Service to each primary or secondary school chartered or licensed by the State of New York, public library, and such other buildings used for municipal purposes as may be designated by the LFA as provided in **Exhibit A** attached hereto; or as designated by the LFA in the future during the Franchise term, upon sixty (60) days prior written notice to the Franchisee and within the Franchisee's approved video validated area; provided however that any new additional buildings added to **Exhibit A** by the LFA cannot exceed a total of more than two (2) additional buildings per year or, in the aggregate, a total of five (5) additional buildings over the life of the Agreement; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to 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. 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. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

4. SYSTEM FACILITIES

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

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

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

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

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

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

5. PEG SERVICES AND FRANCHISE GRANT

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 one (1) dedicated Public Access Channel, one (1) dedicated Educational Access Channel, and one (1) dedicated Government Access Channel (collectively, "PEG Channels").

5.1.2. The programming to be carried on each of the PEG Channels will be provided by the LFA, the City of New Rochelle School District, and the public. 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 as provided in the Cable Law, 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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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.

5.1.4. The PEG Channels shall be carried on the Basic Service tier in a format that provides the same technical quality of picture and sound as the majority of the other Channels carried on the Basic Service tier; however, the quality of picture and sound of the PEG Channels is not required to exceed the quality of the source programming provided by the LFA or by the incumbent cable provider through interconnection.

5.2. PEG Access Connections:

5.2.1. LFA shall designate in its sole discretion not more than three (3) sites within the Franchise Area for the connection of PEG access facilities with the Cable System (each, a “PEG Access Origination Point”), as designated on Exhibit C to this Agreement.

5.2.2. Subject to the successful completion of all required site preparation work by the LFA and provision of access to Franchisee for equipment installation and provisioning, Franchisee shall, without charge to the LFA, provide upstream PEG Channel transmission connections between its video channel aggregation point and each PEG Access Origination Point in order to permit the signals to be correctly routed from the PEG Access Origination Points to the appropriate PEG Access Channel for distribution to Subscribers as follows: (i) one (1) PEG Access Origination Point (G/P Site) shall be operable within one hundred eighty (180) days of the Effective Date and (ii) two (2) PEG Access Origination Points (E Sites) shall be operable within two hundred seventy (270) days of the Effective Date.

The LFA shall provide to Franchisee at each PEG Access Origination Point a suitable video signal for each PEG Channel. Franchisee, upon receipt of the suitable video signal, shall provide, install and maintain in good working order the equipment necessary for transmitting the PEG signal to the channel aggregation site for further processing for distribution to Subscribers. Franchisee’s obligations with respect to such upstream transmission equipment and facilities shall be subject to the availability, without charge to Franchisee, of suitable required space, environmental conditions, electrical power supply, access, pathway, and other facilities and such cooperation of the LFA as is reasonably necessary for Franchisee to fulfill such obligations. Should Franchisee determine that it cannot fulfill such obligations as a result of LFA’s failure to cooperate or to provide suitable required space, environmental conditions, electrical power supply, access, pathway, or other facilities, it shall so notify LFA in a writing detailing the requirements of Franchisee that will enable it to fulfill its obligations hereunder.

5.3. PEG Grant:

5.3.1. Franchisee shall provide to the LFA financial contributions for use in support of the production of local PEG programming. The financial contributions shall consist of the two grants: (a) a grant in the amount of TWO HUNDRED FORTY THOUSAND DOLLARS (\$240,000) payable in three (3) installments (the “Initial PEG Grant”); and (b) an

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

annual grant in the amount of FORTY THOUSAND DOLLARS (\$40,000) per year, commencing in the second year of the term of this Agreement (the “Annual PEG Grant”).

5.3.2. The Initial PEG Grant shall be payable in three (3) installments. The first (1st) installment of ONE HUNDRED TWENTY THOUSAND DOLLARS (\$120,000), shall be payable within thirty (30) days after the Effective Date. The second (2nd) installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the first (1st) anniversary of the Effective Date. The third (3rd), and final installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the second (2nd) anniversary of the Effective Date.

5.3.3. Annual PEG Grant payments shall be due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date, as set forth in Section 5.3.1, until the Franchise expires or is terminated by either party. The LFA shall impose an equivalent obligation to the obligations contained in this Section 5.3 (including the total amount of the Initial PEG Grant and amounts of the Annual PEG Grant) on all new and renewed providers of cable service in the Service Area. In any event, if any new or renewed franchise agreement contains obligations that are lesser in amount or aggregate value than the obligations imposed in this Section 5.3 (including the total amount of the Initial PEG Grant and the amounts of the Annual PEG Grant), Franchisee’s obligations under Section 5.3 shall thereafter be reduced to an equivalent amount, but no refund will be required from the LFA.

5.3.4. The Initial PEG Grant and the Annual PEG Grant shall be used by LFA as permitted by law.

5.3.5. The LFA shall provide Franchisee with an annual report setting forth a summary of all expenditures for PEG access equipment and facilities from the PEG Grants paid to the LFA and the amounts, if any, reserved for future capital expenditures for such purposes.

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

5.5 *Franchise Grant in Lieu of Free Internet Service:* The Franchisee shall provide to the LFA financial contributions (“Franchise Grant”) of thirty thousand dollars (\$30,000) to be paid over the term of the Agreement in increments of three thousand dollars (\$3,000), with such three thousand dollars (\$3,000) payments due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date. The parties agree that this provision for a Franchise Grant in lieu of free Internet service is in accordance with Section 12.22 herein.

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

6. FRANCHISE FEES

6.1. *Payment to 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. Late payments shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) during the period such unpaid amount is owed.

6.2. *Supporting Information:* Each Franchise Fee payment shall be accompanied by a brief report prepared by a representative of Franchisee, as designated by 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.

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

allocated to Cable Service revenue on a *pro rata* basis, where *pro rata* allocation of bundled discounts is commercially practical for any bundled offering.

6.5. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise, Franchisee shall be responsible for making available to the LFA for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees, whether the records are held by the Franchisee, an Affiliate, or any other entity that collects or receives funds related to the Franchisee's Cable Services operation in the LFA subject to the payment of Franchise Fees under this Agreement, including, by way of illustration and not limitation, any entity that sells advertising on the Franchisee's behalf. Franchisee shall maintain such records for six (6) years, provided that, if the LFA commences an audit within that six (6) year period, Franchisee shall continue to maintain such records for the duration of any audit in progress at the end of that six (6) year period. The LFA shall conduct all audits expeditiously, and neither the LFA nor Franchisee shall unreasonably delay the completion of an audit. The LFA's audit expenses shall be borne by the LFA unless the audit determines that the payment to the LFA should be increased by five percent (5%) or more in the audited period, in which case the reasonable and customary costs of the audit, together with any additional amounts due to the LFA as a result of such audit, shall be paid by Franchisee to the LFA within sixty (60) days following written notice to Franchisee by the LFA of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFA's audit expenses shall not exceed an aggregate of fifteen thousand dollars (\$15,000) per audit. If re-computation results in additional revenue to be paid to the LFA, such amount shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules per annum during the period such unpaid amount is owed. If the audit determines that there has been an overpayment by Franchisee, the Franchisee may credit any overpayment against its next quarterly payment. Said audit shall be conducted by an independent third party and no auditor so employed by the LFA shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFA shall not conduct an audit more frequently than once every three (3) years.

7. REPORTS AND RECORDS

7.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area at any time during Normal Business Hours and on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than six (6) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Service Area. Subject to the requirements of the New York Freedom of Information Law ("FOIL"), the LFA shall treat any information disclosed by Franchisee as proprietary and confidential under Section

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

87(2)(d) of the New York Public Officers Law and shall only disclose it to employees, representatives, and agents thereof who the LFA deems to have a need to know, or in order to enforce the provisions hereof. For purposes of this Section, “proprietary or confidential” information includes, but is not limited to: information related to the Cable System design; trade secrets; Subscriber lists; marketing plans; financial information; or, other information that is reasonably determined by the Franchisee to be competitively sensitive. If the LFA receives a request under FOIL or similar law for the disclosure of information that Franchisee has designated as confidential, trade secret, or proprietary, the LFA shall notify Franchisee of such request. If the LFA determines in good faith that public disclosure of the requested information is required under FOIL, the LFA shall so notify Franchisee and, before making disclosure, shall, not inconsistently with the New York Public Officers Law, give Franchisee a reasonable period of time to seek to obtain judicial redress to preclude disclosure. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

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

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

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

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

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

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

7.3. *System-Wide Statistics:* Subject to the requirements of Section 895.1(t) of the NY PSC rules and regulations, any valid reporting requirement in the Franchise may be satisfied with system-wide statistics, except those related to Franchise Fees and consumer complaints.

7.4. *Reports:* Franchisee’s sole reporting obligation shall be to file those reports required by the Cable Law.

8. INSURANCE AND INDEMNIFICATION

8.1. *Insurance:*

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

8.1.1.1. Commercial General Liability Insurance in the amount of two million dollars (\$2,000,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA.

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

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

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

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

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

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. Franchisee shall deliver to LFA Certificates of Insurance showing evidence of all required coverages under this Agreement on or before the Effective Date and providing for at least thirty (30) days prior written notice to be given to LFA of cancellation, intent not to renew or any adverse material change.

8.2. *Indemnification:*

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

8.2.1. Franchisee agrees to defend and indemnify the LFA, its officers, agents, and employees for, and hold it or them harmless from all suits, proceedings, actions, demands, liabilities, damages, costs or expenses arising from claims of injury to persons or damage to property occasioned by reason of any conduct undertaken pursuant to the Franchise, or by reason of any suit or claim for royalties, programming license fees or infringement of patent rights arising out of Franchisee's provision of Cable Services over the Cable System other than PEG facilities and Channels, provided that the LFA shall give Franchisee timely written notice of its obligation to indemnify the LFA, but in any event, the LFA shall provide such notice to Franchisee within a sufficient period of time from receipt of a claim or action pursuant to this Subsection to enable Franchisee to timely answer complaints, raise defenses and defend all claims. Notwithstanding the foregoing, Franchisee shall not be required to indemnify the LFA for any suits, proceedings, actions, demands, damages, liabilities or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, or attorneys, acting in their official capacity on behalf of the LFA or for any activity or function conducted by any Person other than Franchisee on behalf of the LFA 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 if Franchisee shall bear the entire cost of the settlement. In the event that the terms of any such proposed settlement includes the release of the LFA and the LFA does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the LFA shall in no event exceed the amount of such settlement.

8.2.3. The LFA shall be responsible for its own acts of willful misconduct, negligence, or willful 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 solely committed on the part of the LFA which constitute willful misconduct or negligence on the part of the LFA, its officers, employees, agents, attorneys, consultants, independent contractors or third parties acting in their official capacity on behalf of the LFA.

9. TRANSFER OF FRANCHISE

9.1. *LFA Consent Required:* 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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

9.2. *LFA Consent Not Required for Certain Transactions:* No prior consent of the LFA shall be required 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 12.12 below, the Cable Law and Section 626 of the Communications Act, 47 U.S.C. § 546, as amended.

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

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

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

11. ENFORCEMENT AND TERMINATION OF FRANCHISE

11.1. *Notice of Violation:* If at any time the LFA believes that Franchisee has not complied with the terms of the Franchise, the LFA shall notify Franchisee in writing of the exact nature of the alleged noncompliance (for purposes of this Article, the “Noncompliance Notice”).

11.2. *Franchisee’s Right to Cure or Respond:* 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 timely 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, except that noncompliance in a) making payments for the PEG Grant, the Franchise Grant, and Franchise Fees, b) the maintenance of the required insurance, and c) fulfilling the indemnification requirements shall not be eligible for this subsection 11.2(iii).

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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 (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied or commenced to remedy the alleged noncompliance within sixty (60) days or the date projected pursuant to Section 11.2(iii) above. The LFA shall provide Franchisee at least thirty (30) calendar days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide Franchisee the opportunity to be heard.

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

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

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

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

11.5. *Revocation:* If the LFA seeks to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 11.3, then the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have ninety (90) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing. The LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

11.5.1. At the designated public hearing, Franchisee shall be provided a fair opportunity for full participation, including the rights to be represented by legal counsel, to introduce relevant evidence, to require the production of evidence, to compel the relevant testimony of the officials, agents, employees or consultants of the LFA, to compel the testimony of other persons as permitted by law, and to question and/or cross examine witnesses. A complete verbatim record and transcript shall be made of the hearing, and Franchisee shall promptly reimburse LFA for the expense of making such verbatim record and transcript up to, but no greater than, Five Thousand Dollars (\$5,000).

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

has been cured or will be timely 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. The parties 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*, to the extent permitted by law. Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Franchisee's receipt of the written determination of the LFA.

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

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

12. MISCELLANEOUS PROVISIONS

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

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

12.3. *Preemption:* In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required by law, except that such provision shall survive such preemption and shall remain in effect for the term of this Agreement to the extent permitted 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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

violations of the Franchise where the violation was a good faith error that resulted in no or minimal negative impact on Subscribers and was timely cured by Franchisee.

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:

City Manager
City Hall, 515 North Avenue
New Rochelle, NY 10801

12.5.3. with a copy to:

Corporation Counsel
City Hall, 515 North Avenue
New Rochelle, NY 10801

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. The LFA acknowledges and agrees that all the elements of its local ordinances, rules, and regulations with respect to the provision of Cable Service over Franchisee's Cable System ("Local Law") are fully reflected by the terms and conditions of this Agreement and are satisfied by the Franchisee's compliance with the terms and conditions of this Agreement, and in the event of a material conflict between a provision of this Agreement and a provision of the Local Law, this Agreement shall be controlling.

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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

12.9. *Severability:* With the exception of this Agreement's Section 1.16 (Definition of Gross Revenue), and Articles V (PEG Services and Franchise Grant), VI (Franchise Fees), and, VIII (Insurance and Indemnification) in its entirety, 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, sub-subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

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

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

12.12. *NY PSC Approval:* This Franchise and any amendment or modification hereof 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:* Franchisee shall 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 or any protected category of persons under federal or state law.

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

12.17. *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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

12.20. *Performance Review:* The LFA may, at its discretion but no more than once per three (3) year 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 Franchisee at the Performance Review shall be treated by the LFA as confidential. The LFA shall provide Franchisee with at least sixty (60) 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 sixty (60) 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; provided, however, that the Performance Review Report shall not contain any confidential information disclosed by Franchisee during the Performance Review.

12.21. *Section 626 Treatment:* Franchisee agrees that it will not apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, for the first two (2) years following the issuance by the NY PSC of an order confirming this Agreement. Thereafter, Franchisee reserves the right to apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, in an amount not to exceed the highest deduction available to any other cable franchisee in the City (based upon the other cable franchisee's yearly tax invoice payable to the LFA) until such time that the LFA obtains a written complete waiver of the full amount of the special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFA or as a credit against the special franchise tax) from such existing and any new provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area. Upon securing such written waiver from all existing and new providers of Cable Service or cable service (as such term may be defined by other providers) in the Service Area, Franchisee agrees to no longer apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626 beginning in the next full calendar month after such waiver becomes legally binding on the City's existing cable franchisee. The operation of this Section 12.21 shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee's rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

12.22. *Level Playing Field:* The parties agree that the terms and conditions of this Agreement are in compliance with the level playing field requirements of the NY PSC.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

AGREED TO THIS ____ DAY OF _____, 2007.

LFA:

Approved as to Form:

By: _____
Title _____

By: _____
Title _____

Verizon New York Inc.

Approved as to Form:

By: _____
Title _____

By: _____
Title _____

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

H. Doyle Center
94 Davis Avenue
City of New Rochelle, NY 10805

City of New Rochelle City Hall
515 North Avenue
City of New Rochelle, NY 10801

City of New Rochelle City Hall
Annex
515 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
166 Webster Avenue
City of New Rochelle, NY 10801

New Rochelle Library
1 Library Plaza
City of New Rochelle, NY 10801

Hudson County School
340 Quaker Ridge Road
City of New Rochelle, NY 10804

Donovan School
100 Overlook Circle
City of New Rochelle, NY 10804

Blessed Sacrament School
26 Maple Avenue
City of New Rochelle, NY 10801

Blessed Sacrament School
Annex
24 Shea Place
New Rochelle, NY 10801

Davis Elementary School
80 Iselin Drive
City of New Rochelle, NY 10804

Alternative High School
50 Washington Avenue
City of New Rochelle, NY 10801

Albert Leonard Middle School
25 Gerada Lane
City of New Rochelle, NY 10804

Iona Prep
25 Stratton Road
City of New Rochelle, NY 10804

M. Toms Day School
48 Mount Tom Road
City of New Rochelle, NY 10805

New Rochelle High School
265 Clove Road
City of New Rochelle, NY 10801

New Rochelle High School
Annex
265 Clove Road
City of New Rochelle, NY 10801

S. Columbus Elementary School
275 Washington Avenue
City of New Rochelle, NY 10801

T. Donovan School
144 Overlook Circle
City of New Rochelle, NY 10804

Salesian High School
148 Main Street
City of New Rochelle, NY 10801

Webster Elementary School
95 Glenmore Drive
City of New Rochelle, NY 10801

Trinity School
180 Pelham Road
City of New Rochelle, NY 10805

Halen School
97 Centre Avenue
City of New Rochelle, NY 10801

Jefferson School
131 Weyman Avenue
City of New Rochelle, NY 10805

Barnard School
129 Barnard Road
City of New Rochelle, NY 10801

Ursuline School
1354 North Avenue
City of New Rochelle, NY 10804

Holy Name School
70 Petersville Road
City of New Rochelle, NY 10801

Community Center
95 Lincoln Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
756 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
45 Harrison Street
City of New Rochelle, NY 10801

Ambulance Corps
Firehouse Annex
45 Harrison Street
City of New Rochelle, NY 10801

New Rochelle City Yard
224 East Main Street
City of New Rochelle, NY 10801

Fire Headquarters
90 Beaufort Place
City of New Rochelle, NY 10801

New Rochelle Firehouse
155 Drake Avenue
City of New Rochelle, NY 10805

Police Headquarters
475 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
496 Stratton Road
City of New Rochelle, NY 10804

Huguenot Childrens Library
794 North Avenue
City of New Rochelle, NY 10801

Department of Public Works
40 Pelham Road
City of New Rochelle, NY 10801

Department of Public Works (future location)
85 Beechwood Avenue
City of New Rochelle, NY 10801

Isaac E. Young Middle School
270 Centre Avenue
City of New Rochelle, NY 10805

Westchester Area School
456 Webster Avenue
City of New Rochelle, NY 10801

Ward School
311 Broadfield Road
City of New Rochelle, NY 10804

Municipal Marina
22 Pelham Road
City of New Rochelle, NY 10801

Police Harbor Facility
Hudson Park
City of New Rochelle, NY 10801

EXHIBIT B

SERVICE AREA

The Service Area is 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 22% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule calls for 52% deployment by October 2007, 61% deployment by April 2008, 70% deployment by October 2008, 75% deployment by April 2009, 80% deployment by October 2009, 85% deployment by April 2010, 90% deployment by October 2010, 95% deployment by April 2011, 97% deployment by October 2011, and 100% deployment by February 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.

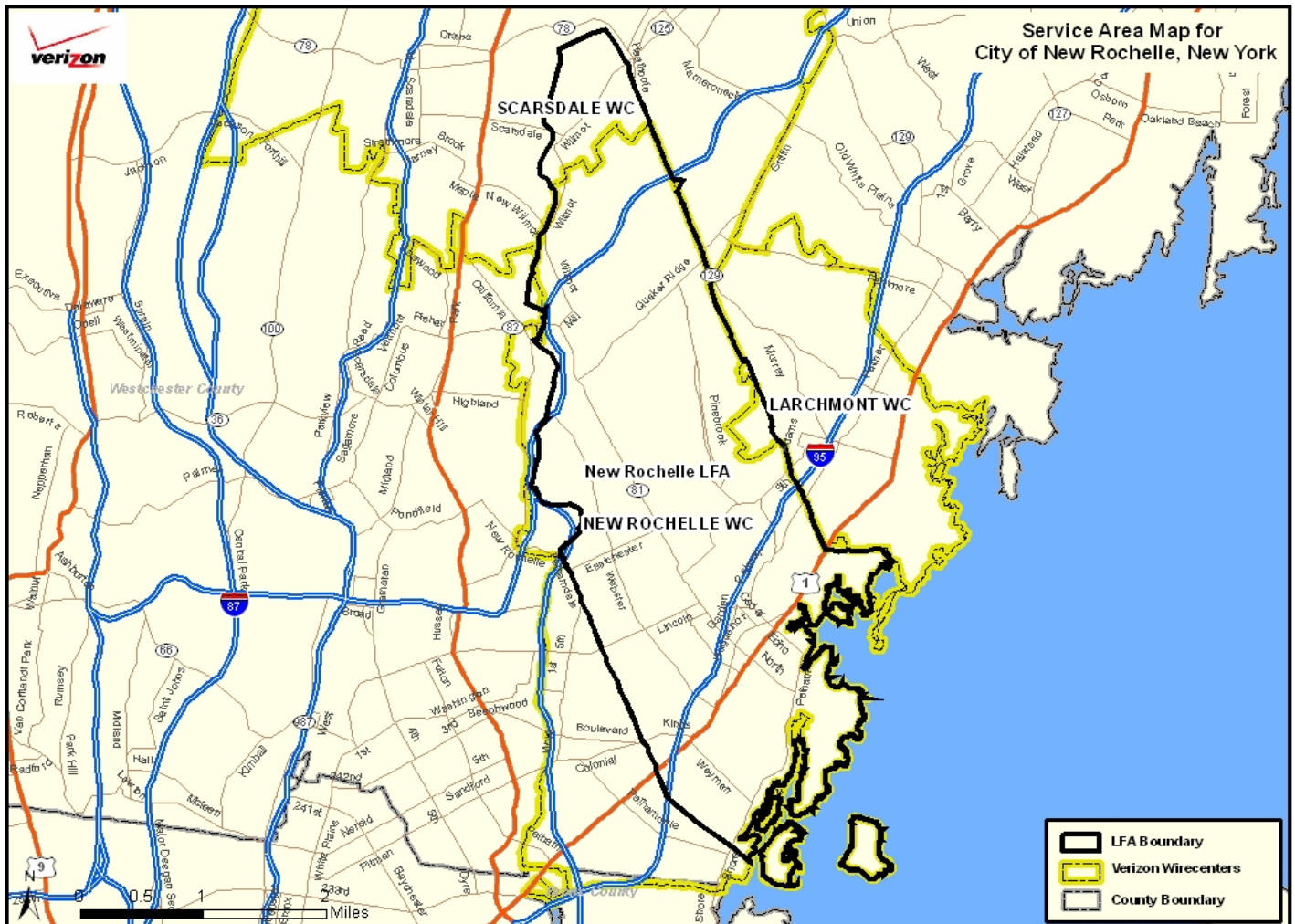


EXHIBIT C

PEG ACCESS INTERCONNECTION SITES

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following (1) Government (G) and (1) Public Access (P) Channel PEG Access Interconnection Site shall be activated within one hundred eighty (180) days of the Effective Date:

G/P Site: City of New Rochelle City Hall
 515 North Ave., New Rochelle, NY 10801

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following (2) Educational Access (E) Channel PEG Access Interconnection Sites shall be activated within two hundred seventy (270) days of the Effective Date:

E Sites: New Rochelle High School
 265 Clove Road, New Rochelle, NY 10801

 Isaac E. Young Middle School
 270 Centre Avenue, New Rochelle, NY 10801

The Educational Access Channel PEG Interconnection Site at the New Rochelle High School shall serve as the aggregation point for the Isaac E. Young Middle School Site designated to feed signals to the Primary Educational Access Channel PEG Interconnection Site at the High School. For purposes of permitting LFA to select and switch feeds coming into the aggregation point, Franchisee shall provide the LFA, without charge, such capability at the aggregation point.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

CABLE FRANCHISE AGREEMENT

BY AND BETWEEN

THE CITY OF NEW ROCHELLE, NEW YORK

AND

VERIZON NEW YORK, INC.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
1. DEFINITIONS.....	2
2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS	7
3. PROVISION OF CABLE SERVICE	9
4. SYSTEM FACILITIES	11
5. PEG SERVICES AND FRANCHISE GRANT	11
6. FRANCHISE FEES	14
7. REPORTS AND RECORDS	16 15
8. INSURANCE AND INDEMNIFICATION	17
9. TRANSFER OF FRANCHISE	19 18
10. RENEWAL OF FRANCHISE.....	19
11. ENFORCEMENT AND TERMINATION OF FRANCHISE	20 19
12. MISCELLANEOUS PROVISIONS.....	22 21

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the City of New Rochelle, 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;

WHEREAS, the LFA has determined that the terms and conditions contained in this Franchise comply with and satisfy the requirements of its local ordinances, rules, and regulations with respect to the provision of Cable Service; 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; and,

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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*: The tier of Cable Service which includes, at a minimum, the retransmission of all local television broadcast signals provided to any Subscriber and any PEG Channels required by this Franchise or NY PSC rules, and which may also include any additional video programming signals as determined by Franchisee.

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 required by this Agreement to be designated by the Franchisee for noncommercial use by local public schools and public school districts in the Franchise Area and other not-for-profit educational institutions

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

chartered or licensed by the New York State Department of Education or Board of Regents in the Franchise Area as specified by the LFA.

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

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

1.13. *Franchise Area*: The entire existing territorial limits of the LFA and such additional areas as may be annexed or acquired, during the term of this Franchise.

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, as defined herein and as may be amended under federal law, 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) fees from video on demand and pay-per-view;

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

(vi) 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.

Except as provided above, Gross Revenue shall not include:

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

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

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

(iv) any revenues classified as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with federal law, rules, regulations, standards or orders. Should revenue from Telecommunications or Information Services, or any other service provided over the Cable System be deemed a Cable Service by a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, the LFA shall be entitled, after notification to Franchisee, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from Franchisee's provision of such service as Gross Revenue, and Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the date of issuance of an order from the NY PSC approving such amendment;

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

payment for the use of the Cable System for the sale of such merchandise shall be included in Gross Revenue;

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

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

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

(ix) any foregone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise (provided, however, that such foregone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue);

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

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

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

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

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

1.19. *Local Franchise Authority (LFA)*: The City of New Rochelle, 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~~ Cable Service pursuant to this Franchise Area including, but not limited to, Information Services and Telecommunications Services.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

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

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

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

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

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

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

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

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

1.31. *Transfer of the Franchise:*

1.31.1. Any transaction in which:

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

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

1.31.2. However, notwithstanding Sub-subsections 1.31.1.1 and 1.31.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues a certificate of confirmation for this Franchise (the "Effective Date"), following its approval by the LFA's governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be ten (10) years from the Effective Date unless the Franchise is earlier revoked as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFA in writing of the same, which notification shall become a part of this Franchise. If subsequent to the Effective Date, there is a change in federal or state law that eliminates the authority of the LFA to require, grant or maintain this Franchise, then to the extent permitted by law, this Franchise shall survive such legislation and remain in effect for the term of this Franchise.

2.4. *Grant Not Exclusive:* The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall be non-exclusive, and the LFA has granted and 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, except as permitted by applicable law, with existing facilities of the Cable System or Franchisee's FTTP Network.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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 and FCC and NY PSC rules, regulations, standards and orders, as amended from time to time, including but not limited to the Communications Act.

2.6. *No Waiver:*

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

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

2.7. *Construction of Agreement:*

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

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

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

2.8. *Local Authority:* The LFA reserves the right to adopt, enact, implement, and enforce, in addition to the implementation and enforcement of the provisions contained in the Franchise and existing applicable ordinances, such additional regulations as it shall find necessary in the exercise of its police power; provided, however, that such regulations are

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

reasonable and not materially in conflict with the privileges granted in the Franchise and consistent with all federal and state laws, rules, 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 at Franchisee's expense.

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

3. PROVISION OF CABLE SERVICE

3.1. *Service Area:*

3.1.1. *Service Commitment Area:* Subject to the issuance of all necessary permits by the LFA, Franchisee shall offer Cable Service to significant numbers of residential Subscribers within the Service Area and may make Cable Service available to businesses in the Service Area, within twelve (12) months and shall offer Cable Service to all residential Subscribers in the Service Area within five (5) years, of the Effective Date of this Franchise, or, in both instances, such longer period as may be permitted by the Cable Law, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in developments or buildings that 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 dwelling unit density does not meet the density and other requirements set forth in Sub-subsection 3.1.1.1. and Section 3.2.

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

3.2. *Availability of Cable Service:*

3.2.1. *Availability of Cable Service Generally:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of aerial trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed one hundred fifty (150) feet or are in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile and the actual costs incurred to connect any non-residential dwelling unit Subscriber, provided, however, that Franchisee may seek a waiver of any requirement that it extend service to any party requesting the same in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility. For underground installations, Franchisee shall charge the Subscriber no more than Franchisee's actual cost. Such costs shall be submitted to said Subscriber in writing before installation is begun.

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

3.3. *Cable Service to School, Library, and Municipal Buildings:* Subject to Section 3.1, Franchisee shall provide, without charge within the Service Area, one service outlet activated for Basic Service to each primary or secondary school chartered or licensed by the State of New York, public library, and such other buildings used for municipal purposes as may be designated by the LFA as provided in **Exhibit A** attached hereto; or as designated by the LFA in the future during the Franchise term, upon sixty (60) days prior written notice to the Franchisee and within the Franchisee's approved video validated area; provided however that any new additional buildings added to **Exhibit A** by the LFA cannot exceed a total of more than two (2) additional buildings per year or, in the aggregate, a total of five (5) additional buildings over the life of the Agreement; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to 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. 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. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

4. SYSTEM FACILITIES

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

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

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

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

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

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

5. PEG SERVICES AND FRANCHISE GRANT

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 one (1) dedicated Public Access Channel, one (1) dedicated Educational Access Channel, and one (1) dedicated Government Access Channel (collectively, "PEG Channels").

5.1.2. The programming to be carried on each of the PEG Channels will be provided by the LFA, the City of New Rochelle School District, and the public. 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 as provided in the Cable Law, 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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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.

5.1.4. The PEG Channels shall be carried on the Basic Service tier in a format that provides the same technical quality of picture and sound as the majority of the other Channels carried on the Basic Service tier; however, the quality of picture and sound of the PEG Channels is not required to exceed the quality of the source programming provided by the LFA or by the incumbent cable provider through interconnection.

5.2. PEG Access Connections:

5.2.1. LFA shall designate in its sole discretion not more than three (3) sites within the Franchise Area for the connection of PEG access facilities with the Cable System (each, a “PEG Access Origination Point”), as designated on Exhibit C to this Agreement.

5.2.2. Subject to the successful completion of all required site preparation work by the LFA and provision of access to Franchisee for equipment installation and provisioning, Franchisee shall, without charge to the LFA, provide upstream PEG Channel transmission connections between its video channel aggregation point and each PEG Access Origination Point in order to permit the signals to be correctly routed from the PEG Access Origination Points to the appropriate PEG Access Channel for distribution to Subscribers as follows: (i) one (1) PEG Access Origination Point (G/P Site) shall be operable within one hundred eighty (180) days of the Effective Date and (ii) two (2) PEG Access Origination Points (E Sites) shall be operable within two hundred seventy (270) days of the Effective Date.

The LFA shall provide to Franchisee at each PEG Access Origination Point a suitable video signal for each PEG Channel. Franchisee, upon receipt of the suitable video signal, shall provide, install and maintain in good working order the equipment necessary for transmitting the PEG signal to the channel aggregation site for further processing for distribution to Subscribers. Franchisee’s obligations with respect to such upstream transmission equipment and facilities shall be subject to the availability, without charge to Franchisee, of suitable required space, environmental conditions, electrical power supply, access, pathway, and other facilities and such cooperation of the LFA as is reasonably necessary for Franchisee to fulfill such obligations. Should Franchisee determine that it cannot fulfill such obligations as a result of LFA’s failure to cooperate or to provide suitable required space, environmental conditions, electrical power supply, access, pathway, or other facilities, it shall so notify LFA in a writing detailing the requirements of Franchisee that will enable it to fulfill its obligations hereunder.

5.3. PEG Grant:

5.3.1. Franchisee shall provide to the LFA financial contributions for use in support of the production of local PEG programming. The financial contributions shall consist of the two grants: (a) a grant in the amount of TWO HUNDRED FORTY THOUSAND DOLLARS (\$240,000) payable in three (3) installments (the “Initial PEG Grant”); and (b) an

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

annual grant in the amount of FORTY THOUSAND DOLLARS (\$40,000) per year, commencing in the second year of the term of this Agreement (the “Annual PEG Grant”).

5.3.2. The Initial PEG Grant shall be payable in three (3) installments. The first (1st) installment of ONE HUNDRED TWENTY THOUSAND DOLLARS (\$120,000), shall be payable within thirty (30) days after the Effective Date. The second (2nd) installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the first (1st) anniversary of the Effective Date. The third (3rd), and final installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the second (2nd) anniversary of the Effective Date.

5.3.3. Annual PEG Grant payments shall be due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date, as set forth in Section 5.3.1, until the Franchise expires or is terminated by either party. The LFA shall impose an equivalent obligation to the obligations contained in this Section 5.3 (including the total amount of the Initial PEG Grant and amounts of the Annual PEG Grant) on all new and renewed providers of cable service in the Service Area. In any event, if any new or renewed franchise agreement contains obligations that are lesser in amount or aggregate value than the obligations imposed in this Section 5.3 (including the total amount of the Initial PEG Grant and the amounts of the Annual PEG Grant), Franchisee’s obligations under Section 5.3 shall thereafter be reduced to an equivalent amount, but no refund will be required from the LFA.

5.3.4. The Initial PEG Grant and the Annual PEG Grant shall be used by LFA as permitted by law.

5.3.5. The LFA shall provide Franchisee with an annual report setting forth a summary of all expenditures for PEG access equipment and facilities from the PEG Grants paid to the LFA and the amounts, if any, reserved for future capital expenditures for such purposes.

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

5.5 *Franchise Grant in Lieu of Free Internet Service*: The Franchisee shall provide to the LFA financial contributions ("Franchise Grant") of thirty thousand dollars (\$30,000) to be paid over the term of the Agreement in increments of three thousand dollars (\$3,000), with such three thousand dollars (\$3,000) payments due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date. The parties agree that this provision for a Franchise Grant in lieu of free Internet service is in accordance with Section 12.22 herein.

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

6. FRANCHISE FEES

6.1. *Payment to 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. Late payments shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) during the period such unpaid amount is owed.

6.2. *Supporting Information*: Each Franchise Fee payment shall be accompanied by a brief report prepared by a representative of Franchisee, as designated by 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.

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

allocated to Cable Service revenue on a *pro rata* basis, where *pro rata* allocation of bundled discounts is commercially practical for any bundled offering.

6.5. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise, Franchisee shall be responsible for making available to the LFA for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees, whether the records are held by the Franchisee, an Affiliate, or any other entity that collects or receives funds related to the Franchisee's Cable Services operation in the LFA subject to the payment of Franchise Fees under this Agreement, including, by way of illustration and not limitation, any entity that sells advertising on the Franchisee's behalf. Franchisee shall maintain such records for six (6) years, provided that, if the LFA commences an audit within that six (6) year period, Franchisee shall continue to maintain such records for the duration of any audit in progress at the end of that six (6) year period. The LFA shall conduct all audits expeditiously, and neither the LFA nor Franchisee shall unreasonably delay the completion of an audit. The LFA's audit expenses shall be borne by the LFA unless the audit determines that the payment to the LFA should be increased by five percent (5%) or more in the audited period, in which case the reasonable and customary costs of the audit, together with any additional amounts due to the LFA as a result of such audit, shall be paid by Franchisee to the LFA within sixty (60) days following written notice to Franchisee by the LFA of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFA's audit expenses shall not exceed an aggregate of fifteen thousand dollars (\$15,000) per audit. If re-computation results in additional revenue to be paid to the LFA, such amount shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules per annum during the period such unpaid amount is owed. If the audit determines that there has been an overpayment by Franchisee, the Franchisee may credit any overpayment against its next quarterly payment. Said audit shall be conducted by an independent third party and no auditor so employed by the LFA shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFA shall not conduct an audit more frequently than once every three (3) years.

7. REPORTS AND RECORDS

7.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area at any time during Normal Business Hours and on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than six (6) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Service Area. Subject to the requirements of the New York Freedom of Information Law ("FOIL"), the LFA shall treat any information disclosed by Franchisee as proprietary and confidential under Section

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

87(2)(d) of the New York Public Officers Law and shall only disclose it to employees, representatives, and agents thereof who the LFA deems to have a need to know, or in order to enforce the provisions hereof. For purposes of this Section, “proprietary or confidential” information includes, but is not limited to: information related to the Cable System design; trade secrets; Subscriber lists; marketing plans; financial information; or, other information that is reasonably determined by the Franchisee to be competitively sensitive. If the LFA receives a request under FOIL or similar law for the disclosure of information that Franchisee has designated as confidential, trade secret, or proprietary, the LFA shall notify Franchisee of such request. If the LFA determines in good faith that public disclosure of the requested information is required under FOIL, the LFA shall so notify Franchisee and, before making disclosure, shall, not inconsistently with the New York Public Officers Law, give Franchisee a reasonable period of time to seek to obtain judicial redress to preclude disclosure. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

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

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

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

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

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

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

7.3. *System-Wide Statistics:* Subject to the requirements of Section 895.1(t) of the NY PSC rules and regulations, any valid reporting requirement in the Franchise may be satisfied with system-wide statistics, except those related to Franchise Fees and consumer complaints.

7.4. *Reports:* Franchisee’s sole reporting obligation shall be to file those reports required by the Cable Law.

8. INSURANCE AND INDEMNIFICATION

8.1. *Insurance:*

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

8.1.1.1. Commercial General Liability Insurance in the amount of two million dollars (\$2,000,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA.

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

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

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

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

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

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. Franchisee shall deliver to LFA Certificates of Insurance showing evidence of all required coverages under this Agreement on or before the Effective Date and providing for at least thirty (30) days prior written notice to be given to LFA of cancellation, intent not to renew or any adverse material change.

8.2. *Indemnification:*

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

8.2.1. Franchisee agrees to defend and indemnify the LFA, its officers, agents, and employees for, and hold it or them harmless from all suits, proceedings, actions, demands, liabilities, damages, costs or expenses arising from claims of injury to persons or damage to property occasioned by reason of any conduct undertaken pursuant to the Franchise, or by reason of any suit or claim for royalties, programming license fees or infringement of patent rights arising out of Franchisee's provision of Cable Services over the Cable System other than PEG facilities and Channels, provided that the LFA shall give Franchisee timely written notice of its obligation to indemnify the LFA, but in any event, the LFA shall provide such notice to Franchisee within a sufficient period of time from receipt of a claim or action pursuant to this Subsection to enable Franchisee to timely answer complaints, raise defenses and defend all claims. Notwithstanding the foregoing, Franchisee shall not be required to indemnify the LFA for any suits, proceedings, actions, demands, damages, liabilities or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, or attorneys, acting in their official capacity on behalf of the LFA or for any activity or function conducted by any Person other than Franchisee on behalf of the LFA 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 if Franchisee shall bear the entire cost of the settlement. In the event that the terms of any such proposed settlement includes the release of the LFA and the LFA does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the LFA shall in no event exceed the amount of such settlement.

8.2.3. The LFA shall be responsible for its own acts of willful misconduct, negligence, or willful 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 solely committed on the part of the LFA which constitute willful misconduct or negligence on the part of the LFA, its officers, employees, agents, attorneys, consultants, independent contractors or third parties acting in their official capacity on behalf of the LFA.

9. TRANSFER OF FRANCHISE

9.1. *LFA Consent Required:* 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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

9.2. *LFA Consent Not Required for Certain Transactions:* No prior consent of the LFA shall be required 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 12.12 below, the Cable Law and Section 626 of the Communications Act, 47 U.S.C. § 546, as amended.

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

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

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

11. ENFORCEMENT AND TERMINATION OF FRANCHISE

11.1. *Notice of Violation:* If at any time the LFA believes that Franchisee has not complied with the terms of the Franchise, the LFA shall notify Franchisee in writing of the exact nature of the alleged noncompliance (for purposes of this Article, the “Noncompliance Notice”).

11.2. *Franchisee’s Right to Cure or Respond:* 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 timely 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, except that noncompliance in a) making payments for the PEG Grant, the Franchise Grant, and Franchise Fees, b) the maintenance of the required insurance, and c) fulfilling the indemnification requirements shall not be eligible for this subsection 11.2(iii).

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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 (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied or commenced to remedy the alleged noncompliance within sixty (60) days or the date projected pursuant to Section 11.2(iii) above. The LFA shall provide Franchisee at least thirty (30) calendar days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide Franchisee the opportunity to be heard.

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

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

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

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

11.5. *Revocation:* If the LFA seeks to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 11.3, then the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have ninety (90) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing. The LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

11.5.1. At the designated public hearing, Franchisee shall be provided a fair opportunity for full participation, including the rights to be represented by legal counsel, to introduce relevant evidence, to require the production of evidence, to compel the relevant testimony of the officials, agents, employees or consultants of the LFA, to compel the testimony of other persons as permitted by law, and to question and/or cross examine witnesses. A complete verbatim record and transcript shall be made of the hearing, and Franchisee shall promptly reimburse LFA for the expense of making such verbatim record and transcript up to, but no greater than, Five Thousand Dollars (\$5,000).

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

has been cured or will be timely 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. The parties 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*, to the extent permitted by law. Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Franchisee's receipt of the written determination of the LFA.

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

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

12. MISCELLANEOUS PROVISIONS

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

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

12.3. *Preemption:* In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required by law, except that such provision shall survive such preemption and shall remain in effect for the term of this Agreement to the extent permitted 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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

violations of the Franchise where the violation was a good faith error that resulted in no or minimal negative impact on Subscribers and was timely cured by Franchisee.

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:

City Manager
City Hall, 515 North Avenue
New Rochelle, NY 10801

12.5.3. with a copy to:

Corporation Counsel
City Hall, 515 North Avenue
New Rochelle, NY 10801

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. The LFA acknowledges and agrees that all the elements of its local ordinances, rules, and regulations with respect to the provision of Cable Service over Franchisee's Cable System ("Local Law") are fully reflected by the terms and conditions of this Agreement and are satisfied by the Franchisee's compliance with the terms and conditions of this Agreement, and in the event of a material conflict between a provision of this Agreement and a provision of the Local Law, this Agreement shall be controlling.

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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

12.9. *Severability:* With the exception of this Agreement's Section 1.16 (Definition of Gross Revenue), and Articles V (PEG Services and Franchise Grant), VI (Franchise Fees), and, VIII (Insurance and Indemnification) in its entirety, 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, sub-subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

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

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

12.12. *NY PSC Approval:* This Franchise and any amendment or modification hereof 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:* Franchisee shall 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 or any protected category of persons under federal or state law.

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

12.17. *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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

12.20. *Performance Review:* The LFA may, at its discretion but no more than once per three (3) year 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 Franchisee at the Performance Review shall be treated by the LFA as confidential. The LFA shall provide Franchisee with at least sixty (60) 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 sixty (60) 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; provided, however, that the Performance Review Report shall not contain any confidential information disclosed by Franchisee during the Performance Review.

12.21. *Section 626 Treatment:* Franchisee agrees that it will not apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, for the first two (2) years following the issuance by the NY PSC of an order confirming this Agreement. Thereafter, Franchisee reserves the right to apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, in an amount not to exceed the highest deduction available to any other cable franchisee in the City (based upon the other cable franchisee's yearly tax invoice payable to the LFA) until such time that the LFA obtains a written complete waiver of the full amount of the special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFA or as a credit against the special franchise tax) from such existing and any new provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area. Upon securing such written waiver from all existing and new providers of Cable Service or cable service (as such term may be defined by other providers) in the Service Area, Franchisee agrees to no longer apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626 beginning in the next full calendar month after such waiver becomes legally binding on the City's existing cable franchisee. The operation of this Section 12.21 shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee's rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

12.22. *Level Playing Field:* The parties agree that the terms and conditions of this Agreement are in compliance with the level playing field requirements of the NY PSC.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

AGREED TO THIS ____ DAY OF _____, 2007.

LFA:

Approved as to Form:

By: _____
Title _____

By: _____
Title _____

Verizon New York Inc.

Approved as to Form:

By: _____
Title _____

By: _____
Title _____

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

H. Doyle Center
94 Davis Avenue
City of New Rochelle, NY 10805

City of New Rochelle City Hall
515 North Avenue
City of New Rochelle, NY 10801

City of New Rochelle City Hall
Annex
515 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
166 Webster Avenue
City of New Rochelle, NY 10801

New Rochelle Library
1 Library Plaza
City of New Rochelle, NY 10801

Hudson County School
340 Quaker Ridge Road
City of New Rochelle, NY 10804

Donovan School
100 Overlook Circle
City of New Rochelle, NY 10804

Blessed Sacrament School
26 Maple Avenue
City of New Rochelle, NY 10801

Blessed Sacrament School
Annex
24 Shea Place
New Rochelle, NY 10801

Davis Elementary School
80 Iselin Drive
City of New Rochelle, NY 10804

Alternative High School
50 Washington Avenue
City of New Rochelle, NY 10801

Albert Leonard Middle School
25 Gerada Lane
City of New Rochelle, NY 10804

Iona Prep
25 Stratton Road
City of New Rochelle, NY 10804

M. Toms Day School
48 Mount Tom Road
City of New Rochelle, NY 10805

New Rochelle High School
265 Clove Road
City of New Rochelle, NY 10801

New Rochelle High School
Annex
265 Clove Road
City of New Rochelle, NY 10801

S. Columbus Elementary School
275 Washington Avenue
City of New Rochelle, NY 10801

T. Donovan School
144 Overlook Circle
City of New Rochelle, NY 10804

Salesian High School
148 Main Street
City of New Rochelle, NY 10801

Webster Elementary School
95 Glenmore Drive
City of New Rochelle, NY 10801

Trinity School
180 Pelham Road
City of New Rochelle, NY 10805

Halen School
97 Centre Avenue
City of New Rochelle, NY 10801

Jefferson School
131 Weyman Avenue
City of New Rochelle, NY 10805

Barnard School
129 Barnard Road
City of New Rochelle, NY 10801

Ursuline School
1354 North Avenue
City of New Rochelle, NY 10804

Holy Name School
70 Petersville Road
City of New Rochelle, NY 10801

Community Center
95 Lincoln Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
756 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
45 Harrison Street
City of New Rochelle, NY 10801

Ambulance Corps
Firehouse Annex
45 Harrison Street
City of New Rochelle, NY 10801

New Rochelle City Yard
224 East Main Street
City of New Rochelle, NY 10801

Fire Headquarters
90 Beaufort Place
City of New Rochelle, NY 10801

New Rochelle Firehouse
155 Drake Avenue
City of New Rochelle, NY 10805

Police Headquarters
475 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
496 Stratton Road
City of New Rochelle, NY 10804

Huguenot Childrens Library
794 North Avenue
City of New Rochelle, NY 10801

Department of Public Works
40 Pelham Road
City of New Rochelle, NY 10801

Department of Public Works (future location)
85 Beechwood Avenue
City of New Rochelle, NY 10801

Isaac E. Young Middle School
270 Centre Avenue
City of New Rochelle, NY 10805

Westchester Area School
456 Webster Avenue
City of New Rochelle, NY 10801

Ward School
311 Broadfield Road
City of New Rochelle, NY 10804

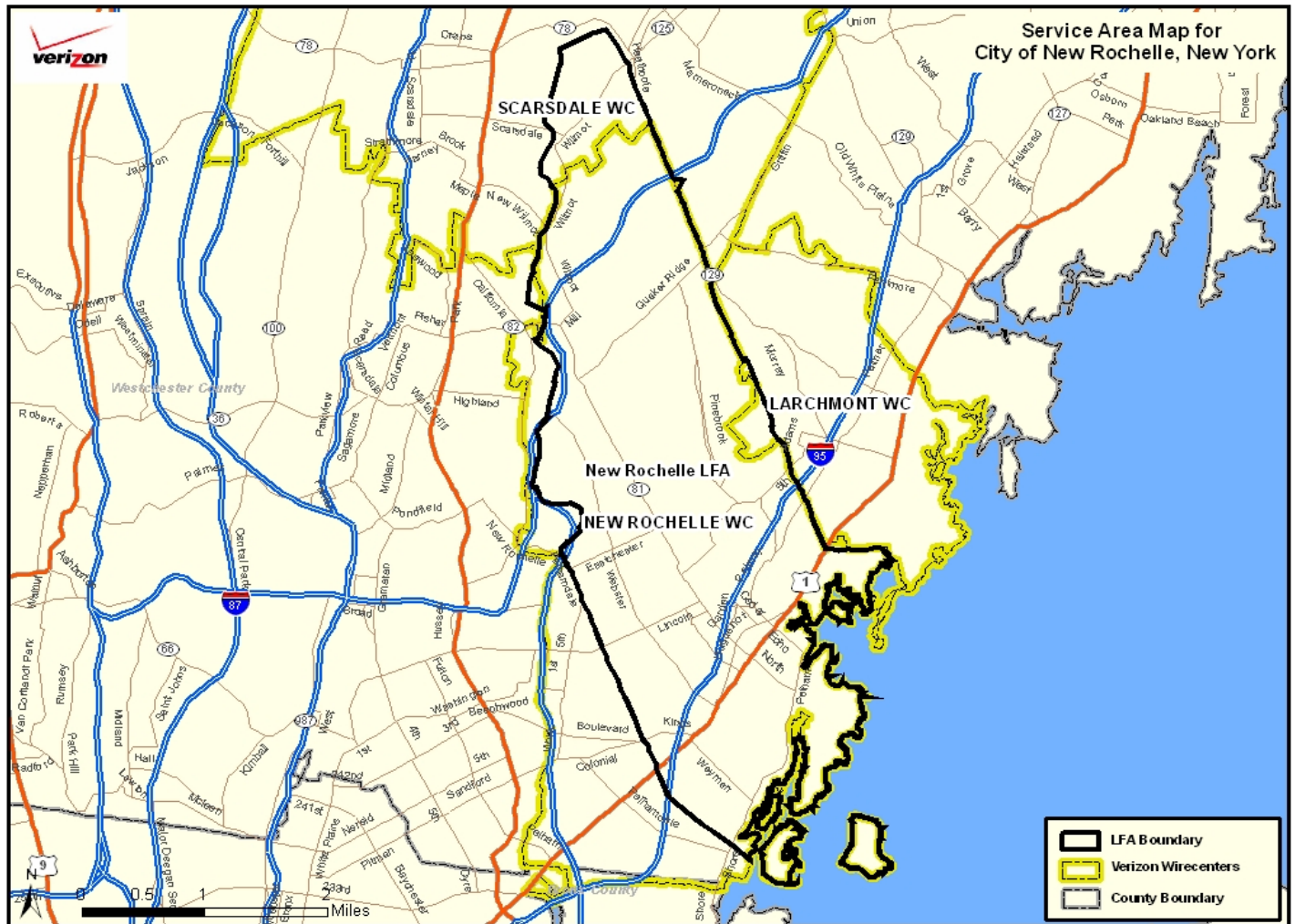
Municipal Marina
22 Pelham Road
City of New Rochelle, NY 10801

Police Harbor Facility
Hudson Park
City of New Rochelle, NY 10801

EXHIBIT B

SERVICE AREA

The Service Area is 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 22% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule calls for 52% deployment by October 2007, 61% deployment by April 2008, 70% deployment by October 2008, 75% deployment by April 2009, 80% deployment by October 2009, 85% deployment by April 2010, 90% deployment by October 2010, 95% deployment by April 2011, 97% deployment by October 2011, and 100% deployment by February 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.



FNS-APRIL2007-V1

CONFIDENTIAL

EXHIBIT C

PEG ACCESS INTERCONNECTION SITES

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following (1) Government (G) and (1) Public Access (P) Channel PEG Access Interconnection Site shall be activated within one hundred eighty (180) days of the Effective Date:

G/P Site: City of New Rochelle City Hall
 515 North Ave., New Rochelle, NY 10801

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following (2) Educational Access (E) Channel PEG Access Interconnection Sites shall be activated within two hundred seventy (270) days of the Effective Date:

E Sites: New Rochelle High School
 265 Clove Road, New Rochelle, NY 10801

 Isaac E. Young Middle School
 270 Centre Avenue, New Rochelle, NY 10801

The Educational Access Channel PEG Interconnection Site at the New Rochelle High School shall serve as the aggregation point for the Isaac E. Young Middle School Site designated to feed signals to the Primary Educational Access Channel PEG Interconnection Site at the High School. For purposes of permitting LFA to select and switch feeds coming into the aggregation point, Franchisee shall provide the LFA, without charge, such capability at the aggregation point.

Document comparison done by Workshare DeltaView on Friday, July 27, 2007 1:02:15 PM

Input:	
Document 1	interwovenSite://IWDMSATL/LEGAL02/30456008/1
Document 2	interwovenSite://IWDMSATL/LEGAL02/30466667/1
Rendering set	standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	9
Deletions	6
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	15

Tab 3

ALSTON & BIRD LLP

The Atlantic Building
950 F Street, NW
Washington, DC 20004-1404

202-756-3300
Fax: 202-756-3333
www.alston.com

Adrian Copiz

Direct Dial: 202-756-3572

E-mail: adrian.copiz@alston.com

July 30, 2007

VIA E-MAIL AND OVERNIGHT DELIVERY

Bernis Shapiro
Corporation Counsel
City Hall, City of New Rochelle
515 North Avenue
New Rochelle, New York 10801

*Re: Cable Franchise Agreement by and between the City of New Rochelle and
Verizon New York Inc. (the "Verizon Franchise")*

Dear Ms. Shapiro:

On behalf of Verizon New York Inc. ("Verizon"), thank you for your diligent representation on behalf of the City during the negotiations and for taking into consideration this letter in light of the upcoming August 2, 2007 public hearing (the "Public Hearing") regarding its application (the "Application") to the City of New Rochelle ("New Rochelle" or the "City") for a cable television franchise.

EXECUTIVE SUMMARY

- The City and Verizon have worked diligently to introduce the benefits of cable competition to New Rochelle residents. The incumbent cable service provider will lobby to protect its pecuniary interest by denying New Rochelle residents the 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 recent multiple repudiations of the same.

One Atlantic Center
1201 West Peachtree Street
Atlanta, GA 30309-3424
404-881-7000
Fax: 404-881-7777

Bank of America Plaza
101 South Tryon Street, Suite 4000
Charlotte, NC 28280-4000
704-444-1000
Fax: 704-444-1111

90 Park Avenue
New York, NY 10016
212-210-9400
Fax: 212-210-9444

3201 Beechleaf Court, Suite 600
Raleigh, NC 27604-1062
919-862-2200
Fax: 919-862-2260

- Verizon has independent authority to conduct activities in the public rights-of-way. Cablevision's sole authority to conduct activities in the public rights-of-way is 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 and unambiguous.
- Neither Verizon nor Cablevision can abandon cable service without the City's prior written consent.
- The Verizon Franchise is the result of a lengthy, rigorous negotiation.
- 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 City and Verizon have worked diligently to introduce the benefits of cable competition to New Rochelle residents. The incumbent cable service provider will lobby to protect its pecuniary interest by denying New Rochelle residents the ability to choose an alternate cable provider.

The Public Hearing represents the culmination of a substantial effort on the part of the City and Verizon to introduce cable competition and its attendant benefits to New Rochelle. 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 data services, including video service, to New Rochelle 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 New Rochelle 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 City residents, which will open the market to unprecedented competition.

The City has demonstrated a strong commitment to benefit its residents through the introduction of cable competition. In numerous negotiation sessions, your negotiators labored

industriously with Verizon to reach an agreement that is legally sound, fulfills New Rochelle's cable-related needs and interests, and will enable Verizon to compete with the incumbent on a competitively-neutral basis.

While the City and Verizon have worked closely to advance the public interest by introducing the benefits of cable competition, the incumbent cable service provider Cablevision most likely will engage in a vigorous campaign designed to thwart the creation of a competitive market in the City, as they have done elsewhere. This campaign is designed to intimidate the City 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 City's interests but rather to preclude New Rochelle residents from having the opportunity to switch providers. It is essential that the City 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 City that it has repeatedly propounded throughout the process in just about every 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, build out, force majeure, indemnification, enforceability, and customer service. Cablevision further intimates that the definition of “gross revenues” 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 in support of the City's commitment to deliver competition to its residents. This information also includes discussion to address any level playing field concerns that the City 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 recent multiple repudiations of same.*

The NY PSC renumbered and amended cable television rules last year, 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.” 16 NYCRR § 895.3 (emphasis added). 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 permit 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.²

Cablevision will likely assert that NY PSC regulations contemplate a role for the incumbent cable operator because it is entitled to a level playing field.”³ Most significantly, however, the NY PSC has overruled Cablevision’s identical claim by holding on multiple occasions that Verizon’s proposed franchise agreement for various municipalities “does not 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

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

² *Id.* at 4 (emphasis added).

³ See, e.g., Transcript of Grand View-on-Hudson Public Hearing on Proposed Verizon Franchise Agreement at 95 (June 19, 2006).

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.*

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

the remaining 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.

LOCAL RIGHT OF WAY AUTHORITY; INDEMNIFICATION

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

In an attempt to create an appearance of inequality between the Verizon Franchise and its current franchise,⁷ 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 Cablevision's Expired 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.⁸

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 A Franchise Renewal Agreement between the City of New Rochelle, Westchester County, State of New York and Cablevision of Southern Westchester, Inc. (5/9/95) (the "Cablevision Franchise").

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

In these confirmation orders, the Commission cited its Declaratory Ruling⁹ in which it recognized that local governments have oversight authority for facilities 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.”¹⁰ Consistent with this regulatory guidance, Section 2.2 of the Verizon Franchise provides:

The FTTP Network: Notwithstanding that, upon delivery of Cable Service, Franchisee’s mixed-use facilities become subject to the NY PSC’s minimum franchise standards and the LFA’s police power, the parties acknowledge that the LFA is not granted, as a consequence thereof, any 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 identical language in other municipalities (without success).¹¹ For example, in the case of the City 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.*¹²

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.

⁹ Cases 05-M-0520 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*”).

¹⁰ *Nyack Order* at 7-8, *South Nyack Order* at 7-8.

¹¹ See, e.g., Section 2.2 of Verizon’s franchise with the City 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.”

¹² Case 06-V-0427, “Order and Certificate of Confirmation” (Issued and Effective May 18, 2006) (the “*Hempstead Order*”) at 6-7 (emphasis added).

In a similar vein, Cablevision will likely recommend to the City that it should demand that Verizon add to the indemnification provisions of the Verizon Franchise 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.¹³

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.”¹⁴

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 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 City is underway. 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 City; a transparent objective to create a level playing field issue where none exists.¹⁵ Verizon’s

¹³ *Declaratory Ruling* at 20-21.

¹⁴ *Nyack Order* at 8, *South Nyack Order* at 8.

¹⁵ We note further that, unlike the Verizon Franchise, which defines the Cable System using the federal definition, the Cablevision Franchise does not contain a “cable system” definition. Instead, Cablevision’s Franchise defines a “Communications System” or “System” as “the facility, which is the subject of this franchise, consisting of antennae, wire, coaxial cable, amplifiers, towers, microwave links, wave guide, optical fibers, optical transmitters and receivers, satellite receive/transmit antennae, and/or other equipment designed and constructed for the purpose

indemnification obligations exceed the NY PSC's minimum indemnification requirements and fully protect the City. 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 City resident with false allegations that the Verizon Franchise does not require Verizon to provide ubiquitous service. This argument has no basis in fact. Verizon has already constructed its FTTP Network to serve many portions of the entire City, including the installation of aerial trunk lines, and has plans to complete the remaining deployment in the timelines provided for Exhibit B of the Verizon Franchise. Once the franchise is approved by the City and confirmed by the NY PSC, Verizon will offer cable television service to each City resident within the built out area. Any additional construction consists of feeder lines to individual properties that require permits or are the ongoing subject of property access negotiations with third parties (such as multiple dwelling unit owners), a process over which Verizon has little control.

Verizon complies with the law and does not engage in redlining or other illegal discriminatory practices. Verizon makes this unequivocal commitment to the City in Sections 3.2 and 3.2.2 of the Verizon Franchise. Discriminatory conduct violates Verizon's deployment practices. Moreover, it only makes financial sense for Verizon to exercise its best efforts to serve every City resident as soon as possible. Toward that end, Verizon is actively seeking access to all private and public multi-dwelling units in the City and other locations where property access must be negotiated. 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 City resident. Verizon is committed to ensuring that the benefits of cable competition will be made available to *all* City 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 8.5 of the Cablevision Franchise provides:

Franchisee shall not be held in default or noncompliance with the provisions of the Franchise, nor suffer any enforcement or penalty relating thereto, where such noncompliance or alleged defaults are caused by strikes, acts of God, or *other events beyond its*

reasonable ability to control. No provision herein is intended to excuse Franchisee from compliance with any otherwise applicable provisions of the rules and regulations of the NYSCCT (*except with respect to such events beyond the reasonable control of the 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 that directly or indirectly results in Franchisee’s non-compliance with, or delay in the performance of, any obligation hereunder. This may include, but is not limited to, severe or unusual weather conditions, strikes, labor disturbances and disputes, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, incidences of terrorism, acts of vandalism, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which the Franchisee is not primarily responsible, fire, flood, or other acts of God, or work delays resulting from unaffiliated utility providers failure to service, monitor or maintain utility poles to which Franchisee’s FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

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 “*other events beyond its reasonable ability to control.*”

Cablevision may urge the City 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 highly appropriate.

First, the majority of utility poles in Westchester County are owned by the power company Con Edison (“Con Ed”). If Con Ed fails to service, monitor or maintain its poles, there is a possibility that Verizon may encounter work delays. Second, Verizon is a telecommunications company, not an equipment manufacturer. Unlike Verizon, traditional cable companies have influence over the engineering and design of their products because of their long-standing relationships with those companies responsible for design and distribution of cable hardware and equipment. Furthermore, as the June 2006 merger announcement of 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. Finally, 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 lockout, 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 and unambiguous.

Cablevision will likely try to manufacture a level playing field issue by insinuating that the definition of "Gross Revenue" in the Verizon Franchise is not as far-reaching 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, as defined herein and as may be amended under federal law, in the Service Area." Verizon Franchise §1.16. Verizon's definition of "Gross Revenue" is comprehensive and unambiguous.

EVASION OF PERFORMANCE

Neither company can abandon cable service without the City'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 11.6 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 3.14 of the Cablevision Franchise, which provides: "[f]ranchisee shall not during the term of this Agreement abandon the Cable System or any portion thereof, within the Service Area in the City, without the written consent of the City."

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 City 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 and was timely cured by Franchisee.

The City 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 Section 11.4.3:

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 11.4.3.

As a practical matter, Section 12.4.1 is unlikely to be a significant factor in the overall burdens imposed upon Verizon by the franchise. It is difficult to imagine a circumstance severe enough to warrant City action under Section 11.5.3, which would nevertheless be insignificant enough to warrant a Verizon claim to relief under Section 12.4.1. Thus, although Section 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 has 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

¹⁶ *Hempstead Order* at 6. In fact the Town of Hempstead agreement included the additional phrase "or where strict performance would result in unreasonable difficulties and undue hardship being placed upon the Franchisee which outweigh the benefit to be derived by the LFA and/or Subscribers." As part of its negotiations with the City, Verizon agreed to delete that phrase from the Verizon Agreement.

CONSTRUCTION OF AGREEMENT

The Verizon Franchise is the result of a lengthy, rigorous negotiation.

The Verizon Franchise was rigorously negotiated as an arms-length transaction, and, during the course of negotiations, the City proposed language that was ultimately incorporated into the Verizon Franchise.

The NY PSC *routinely* states in all cable television franchise confirmation orders that

[t]he proposed franchise agreement contains additional provisions not required by Part 895 of our rules. We approve these provisions to the extent that they are consistent with Article 11 and its regulations. In the event of an ambiguity in any such provision, the provision will be construed in a manner most favorable to the LFA.¹⁷

Additionally, in two recent orders approving the applications of Cablevision and Time Warner for renewal franchises, the NY PSC determined:

[t]he franchise agreement contains additional provisions not required by Part 895 of the Commission's rules. Our approval of these provisions will be granted to the extent that they pertain to the provision of cable television service and are, and remain, consistent with Article 11, our regulations, policies, and orders and applicable federal statutes and regulations. In the event of an ambiguity in any such provision, or among separate provisions, the provision will be construed in the manner most favorable to the franchisor.¹⁸

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 City 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

¹⁷ *Id.* at 7-8.

¹⁸ Case 06-V-0028, "Order Approving Renewal" (Issued and Effective June 1, 2006) at 2 and Case 02-V-1063, "Order Approving Renewal" (Issued and Effective June 1, 2006) at 3.

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 and state law as it may be amended, including but not limited to the Communications Act." Second, New Rochelle 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.

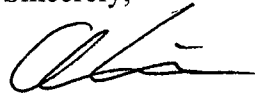
Finally, as a competitive market entrant, Verizon will be held to a higher standard by consumers seeking improved customer service. If Verizon's customer service is not exemplary, subscribers will return to the incumbent. At the present time, City residents are left with no choice. As a result of competition,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

CONCLUSION

Verizon is eager to introduce cable competition to New Rochelle and to offer New Rochelle residents the opportunity to choose among cable providers. To fulfill their commitment to bring choice to City residents, the City 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 New Rochelle residents the benefits of a competitive alternative. The self-serving assertions relate not to the inherent fairness of permitting Verizon to compete head-to-head for video subscribers in New Rochelle, 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 City review Cablevision's grievances in this very narrow context.

Verizon anticipates the Board's approval of its franchise at the Public Hearing, or at a continuation of the Public Hearing, and is excited to benefit City residents through the introduction of cable competition. To assist you in your deliberations, I previously provided examples of the type of written submission that Cablevision will likely make attacking the Verizon Franchise (Village of Tuckahoe and City of White Plains), and a copies of Verizon's written responses to those submissions. In the meantime, we remain available to answer any questions that you may have.

Sincerely,



Adrian B. Copiz

cc: Omar Small (New Rochelle Assistant to the City Manager)
Verizon New York Inc.

Tab 4

ALSTON & BIRD LLP

The Atlantic Building
950 F Street, NW
Washington, DC 20004-1404

202-756-3300
Fax: 202-756-3333
www.alston.com

Adrian Copiz

Direct Dial: 202-756-3572

E-mail: adrian.copiz@alston.com

July 30, 2007

BY E-MAIL AND OVERNIGHT DELIVERY

Omar Small
Assistant to the City Manager
City Hall, City of New Rochelle
515 North Avenue
New Rochelle, New York 10801

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

Dear Mr. Small:

In response to inquiries you made of Scott Parr with respect to the Verizon's ability to access multi-dwelling units (MDUs) in the City of New Rochelle, I am providing you with this brief overview of the New York right-of-entry law.

Section 3.1.1 of the proposed cable franchise agreement between the City and Verizon (Agreement) provides exceptions to meeting the cable service deployment requirements, including on the grounds that Verizon may not be able to gain access to developments or buildings, i.e., MDUs. The New York Public Service Commission (PSC) confirmed these exceptions in all of Verizon's prior granted franchise agreements. The MDU access exceptions are necessary because the applicable law does not ensure that Verizon can gain access to MDUs in a timely manner or, in certain types of buildings or developments, even at all.

Article 11, § 228 of the Public Service Law establishes guidelines governing the relationship between cable television companies, landlords, and tenants. This statute, in sum, provides that landlords are to not interfere with the installation of cable facilities; however, it does set several exceptions by which landlords are permitted to intervene on the grounds of protecting safety, functioning and appearance of the premises, the convenience and well being of tenants, how costs of installation, operation, or removal are to be borne by the provider and/or the tenants, and for purposes of indemnifying the landlord. Furthermore, a landlord is to not charge a provider for access to the premises in an amount that is in excess of any amount that the NY PSC determines to be reasonable. Clearly, these exceptions for landlord intervention, although not restricting access, can result in substantial delays for a provider to gain access.

One Atlantic Center
1201 West Peachtree Street
Atlanta, GA 30309-3424
404-881-7000
Fax: 404-881-7777

Bank of America Plaza
101 South Tryon Street, Suite 4000
Charlotte, NC 28280-4000
704-444-1000
Fax: 704-444-1111

90 Park Avenue
New York, NY 10016
212-210-9400
Fax: 212-210-9444

3201 Beechleaf Court, Suite 600
Raleigh, NC 27604-1062
919-862-2200
Fax: 919-862-2260

The NY PSC adopted rules, 16 NYCRR, § 898.3, implementing the Section 228 law. These rules provide steps to facilitate a cable provider to gain access to the landlord's property. The steps include 1) the requirement that the cable provider give written notice to the landlord at least 15 days prior to commencement of installation, 2) the requirements for a cable provider to petition the NY PSC for an "order of entry" if the landlord refuses installation, 3) the opportunity for the landlord to file a written answer to the petition within 20 days of the filing of the petition, 4) a 10 day period for the cable provider to reply, and, 5) a decision by the NY PSC to grant or deny the cable provider's petition (with a petition being granted where the cable provider has complied with the statutory requirements). Finally, when the NY PSC grants an order of entry, the landlord may challenge such order with the Appellate Division of the Supreme Court pursuant to Article 78.

Clearly significant delays of an uncertain duration can occur when a cable provider seeks access to property owned by a landlord unwilling to grant access for any variety of his/her own reasons, including the existence of an exclusive arrangement with another cable service provider. In addition, the law and rules that address access, albeit with timelines that can result in substantial foot dragging by the landlord, only address landlord-tenant properties and do not address other types of properties, such as condominiums. For such properties a cable provider may encounter a denial of access and no legal mechanisms by which to gain access.

Therefore, the notable delays that may be encountered with landlord-tenant properties and the potential total curtailment of access at other types of properties necessitate the inclusion of exceptions contained in Section 3.1.1 of the Agreement. Verizon cannot agree to a term in its franchise agreement (i.e., cable service deployment to all residents within 5 years without exceptions) that exposes the company to a potential breach of agreement triggered entirely by a third party's lack of cooperation as a result of that third party protecting its own interests.

Notwithstanding the need for exceptions contained in Section 3.1.1., from an operations perspective, Verizon has a strong competitive incentive to serve as many City residents as possible, including those living in MDUs, where there is a high concentration of potential subscribers.

Should you wish to discuss this further, please do not hesitate to contact Scott Parr at 774-323-0037 or me at 202-756-3572.

Sincerely,



Adrian B. Copiz

Cc: Bernis Shapiro (New Rochelle Corporation Counsel)

Tab 5



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

July 31, 2007

The Honorable Noam Bramson
City of New Rochelle
515 North Avenue
New Rochelle, NY 10801

Dear Mayor Bramson:

Verizon is looking forward to the public hearing on August 2 in the City of New Rochelle 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 New Rochelle.

I respect and thank you and those who negotiated on behalf of the city 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 New Rochelle. I trust that the franchising team has answered all of your questions. Please feel free to contact me at the number above if there is additional information that you need.

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

Again, thank you for your commitment to bringing cable choice and a new video technology to the City of New Rochelle

Sincerely,

A handwritten signature in black ink, appearing to be "MA", written over the word "Monica Azare".

Monica Azare

cc: The Honorable Michael E. Boyle, Jr.
The Honorable Christina Selin
The Honorable James C. Stowe
The Honorable Roberto Lopez
The Honorable Barry R. Fertel
The Honorable Marianne L. Sussman
Charles B. Strome, III, City Manager

Verizon FiOS TV

City of New Rochelle, NY



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

Favorable action on Verizon's proposed cable franchise agreement positions New Rochelle 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 New Rochelle** – 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 City of New Rochelle is among the first.

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

Broadband. The City of New Rochelle has a lot riding on it.



More Choices. Right Before Your Eyes.

Top 10 Reasons Why New Yorkers Want FiOS TV

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

Competition Works!

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

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

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

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

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

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



Power to the people who have fiber-optic TV!



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

More Value

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

A Superior Network

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

On Demand

With FiOS TV, you have instant access to a library of approximately 8,600 of the latest titles; blockbuster movies, kids' shows, sporting events and much more, all at a touch of a button.

HDTV

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

More Control

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

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

FiOS TV gives you the freedom to pause and rewind live TV, record one show while watching another - and fast forward to your favorite part - all without a VCR, tapes or DVDs. And our Home Media DVR allows you to view recorded programs from any room in the house with a television and set-top box and easily access photos and music from your personal computer and play them on your entertainment center. FiOS TV Widgets gives you local weather and traffic on your TV screen at the touch of a button, without interrupting what you're watching.

Global Reach

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

More channels. More choices. Verizon FiOS TV.

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

Verizon FiOS TV New York Channel Lineup

EFFECTIVE JULY 2007

LOCAL PLUS

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

PAY PER VIEW

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

HD

HD Broadcast
801 CW — WPTX HD
802 CBS — WGBS HD
803 PBS — WNET HD
804 NBC — WNBC HD
805 FOX — WNYW HD
807 ABC — WABC HD
809 My WWOR HD

VIDEO ON DEMAND**

800 FiOS On Demand
ALL FREE

Home & Leisure
Info & Education
Kids
Marketplace
Music
News
People & Culture
Pop Culture
Sports
Women
En Español

MOVIES

International Films
Library
Movie Trailers
New Releases
En Español

SUBSCRIPTIONS

Cinemax
HBO
Showtime
Starz
Sundance
The Movie Channel
Playboy
here!
Karaoke Channel
WWE 24/7

EVENTS

Sports
Uncensored
En Español

ADULT

FiOS TV Help

PUBLIC/EDUCATION/GOVERNMENT

Ardsley/Greenburgh/Irvington/
Tarrytown
32 Government Access Channel
34 Public Access Channel 1
35 Government Access Channel 2

DOBS FERRY

46 Government Access Channel
47 Educational Access Channel

EASTCHESTER

40 Eastchester Town Gov. Access 1
Elmwood

LYNBROOK

32 Lynbrook Education
33 Lynbrook Government 1
34 Lynbrook Government 2

MINEROLA

40 Minerva Education &
Government Access

PORT CHESTER

42 Public Access/Local
Programming
43 Government Access
44 Educational Access

SMITHTOWN

27 Smithtown Government

**Subscription to corresponding premium channels and packages required.

***Not all local public, educational and governmental (PEG) channels may be available at the time of installation.

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

FiOS TV LOCAL

2 CBS — WGBS-TV 2
4 NBC — WNBC-TV 4
5 FOX — WNYW-TV 5
6 WRNN-TV 62
7 ABC — WABC-TV 7
8 Superstation — WGN-TV
9 My WWOR-TV 9
10 WLNY-TV 55
11 CW — WPIX-TV 11
12 Telemundo — WNUJ-TV 47
13 PBS — WNET-TV 13
17 WFTV-TV 67

WMBD-TV 63

21 PBS — WLW-TV 21
23 PBS — WJUN-TV 50
25 NYC-TV
27 Local Programming
29 PBS — WPMI-TV 66
30 Local Programming
31 ION-TV31
32-35 Local Programming
37 Public Access
38 Public Access
39 Local Programming
40 Local Programming
41 Univision — WXTV-TV 41
42-44 Local Programming
46 Local Programming
47 Local Programming
48 TV Guide
49 WeatherScan Local

FiOS TV PREMIER

Entertainment

50 USA Network
51 TNT
52 TBS
53 FX
54 Spike TV

Sports

60 ESPN
61 ESPN Classic Sports
62 ESPN News
63 ESPN
64 ESPN 2
66 YES
67 SportsNet NY
68 MSG
69 Fox Sports Net NY
71 Speed Channel
72 NFL Network
75 VERSUS
76 Fox Soccer Channel

FiOS TV LOCAL

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

Discovery Channel

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

Women

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

Shopping

130 QVC
131 HSN
135 Jewelry
137 Shop NBC

Home & Leisure

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

Pop Culture

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

Music

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

Movies

200 Turner Classic Movies
201 AMC
202 Fox Movie Channel
210 Hallmark Channel (East)
212 Family Net
213 American Life TV
214 TV Land

Children

220 Disney
221 Toon Disney
222 Nickelodeon
223 Nick Too
224 Nick Toons
225 G4S
226 Noggin
227 Cartoon Network (ESP)*
228 Boomerang (ESP)*
229 Discovery Kids
230 Varsity
231 FUNimation
232 PBS KIDS Sprout



7107 VRZNF0987
©2007 Verizon. All Rights Reserved.

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

FiOS TV Local Arts & Entertainment Sports News & Information Lifestyle

Pay Per View HD Local Plus
VOD Local Public/Education/Government

FIOS TV PREMIER

People & Culture

- 240 BET
- 241 TV One
- 243 MTV Tr3s
- 244 Galavisión
- 245 Mun2
- 246 Si TV
- 247 AZN Television
- 248 Bridges TV

Religion

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

SPORTS**

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

MOVIES**

- 340 Starz
- 341 Starz West
- 342 Starz Edge
- 343 Starz Edge West
- 344 Starz in Black
- 345 Starz Kids & Family
- 346 Starz Cinema
- 347 Starz Comedy
- 348 Encore
- 349 Encore West
- 350 Encore Love
- 351 Encore Love West
- 352 Encore Westerns

Other Premiums

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

SPANISH LANGUAGE**

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

INTERNATIONAL PREMIUMS**

- 480 SBTN (Vietnamese)
- 481 CCTV4 (Mandarin Chinese)
- 482 GTI — Zhong Tian Channel (Chinese)
- 483 TV Japan
- 484 MBC (Korean)
- 485 The Filipino Channel
- 486 TV Asia
- 487 ART (Arabic)
- 488 RAI (Italian)
- 489 TV 5 (French)
- 490 TVP Polonia (Polish)
- 491 Rang A Rang (Farsi)
- 492 RTN Russian
- 493 Channel 1 Russian

PREMIUMS**

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

Cinemax

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

LA CONEXIÓN

Entertainment

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

Sports

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

Religion

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

MUSIC CHOICE

- 600 Showcase
- 601 Today's Country
- 602 Classic Country
- 603 Bluegrass
- 604 R&B and Hip-Hop
- 605 Classic R&B
- 606 Smooth R&B
- 607 R&B Hits
- 608 Rap
- 609 Metal
- 610 Rock
- 611 Arena Rock
- 612 Classic Rock
- 613 Alternative
- 614 Retro-Active
- 615 Electronica
- 616 Dance
- 617 Adult Alternative
- 618 Soft Rock
- 619 Hit List
- 620 Party Favorites
- 621 90s
- 622 80s
- 623 70s
- 624 Solid Gold Oldies
- 625 Singers & Standards
- 626 Big Band & Swing
- 627 Easy Listening
- 628 Smooth Jazz
- 629 Jazz
- 630 Blues
- 631 Reggae
- 632 Soundscapes
- 633 Classical Masterpieces
- 634 Opera
- 635 Light Classical
- 636 Show Tunes

Home & Leisure

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

Pop Culture

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

MUSIC

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

Other Premiums

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

SPANISH LANGUAGE**

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

INTERNATIONAL PREMIUMS**

- 480 SBTN (Vietnamese)
- 481 CCTV4 (Mandarin Chinese)
- 482 GTI — Zhong Tian Channel (Chinese)
- 483 TV Japan
- 484 MBC (Korean)
- 485 The Filipino Channel
- 486 TV Asia
- 487 ART (Arabic)
- 488 RAI (Italian)
- 489 TV 5 (French)
- 490 TVP Polonia (Polish)
- 491 Rang A Rang (Farsi)
- 492 RTN Russian
- 493 Channel 1 Russian

URGENT RADIO

Crunch

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

Family

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

Children

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

Religion

- 588 TBN Enlace
- 589 EWTN Español

MUSIC CHOICE

- 600 Showcase
- 601 Today's Country
- 602 Classic Country
- 603 Bluegrass
- 604 R&B and Hip-Hop
- 605 Classic R&B
- 606 Smooth R&B
- 607 R&B Hits
- 608 Rap
- 609 Metal
- 610 Rock
- 611 Arena Rock
- 612 Classic Rock
- 613 Alternative
- 614 Retro-Active
- 615 Electronica
- 616 Dance
- 617 Adult Alternative
- 618 Soft Rock
- 619 Hit List
- 620 Party Favorites
- 621 90s
- 622 80s
- 623 70s
- 624 Solid Gold Oldies
- 625 Singers & Standards
- 626 Big Band & Swing
- 627 Easy Listening
- 628 Smooth Jazz
- 629 Jazz
- 630 Blues
- 631 Reggae
- 632 Soundscapes
- 633 Classical Masterpieces
- 634 Opera
- 635 Light Classical
- 636 Show Tunes

Home & Leisure

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

Pop Culture

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

MUSIC

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

Other Premiums

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

SPANISH LANGUAGE**

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

MOVIES

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

URGENT RADIO

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

Family

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

Children

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

Religion

- 588 TBN Enlace
- 589 EWTN Español

MUSIC CHOICE

- 600 Showcase
- 601 Today's Country
- 602 Classic Country
- 603 Bluegrass
- 604 R&B and Hip-Hop
- 605 Classic R&B
- 606 Smooth R&B
- 607 R&B Hits
- 608 Rap
- 609 Metal
- 610 Rock
- 611 Arena Rock
- 612 Classic Rock
- 613 Alternative
- 614 Retro-Active
- 615 Electronica
- 616 Dance
- 617 Adult Alternative
- 618 Soft Rock
- 619 Hit List
- 620 Party Favorites
- 621 90s
- 622 80s
- 623 70s
- 624 Solid Gold Oldies
- 625 Singers & Standards
- 626 Big Band & Swing
- 627 Easy Listening
- 628 Smooth Jazz
- 629 Jazz
- 630 Blues
- 631 Reggae
- 632 Soundscapes
- 633 Classical Masterpieces
- 634 Opera
- 635 Light Classical
- 636 Show Tunes

Home & Leisure

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

Pop Culture

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

MUSIC

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

Other Premiums

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

LA CONEXIÓN

Entertainment

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

Sports

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

Religion

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

MUSIC CHOICE

- 600 Showcase
- 601 Today's Country
- 602 Classic Country
- 603 Bluegrass
- 604 R&B and Hip-Hop
- 605 Classic R&B
- 606 Smooth R&B
- 607 R&B Hits
- 608 Rap
- 609 Metal
- 610 Rock
- 611 Arena Rock
- 612 Classic Rock
- 613 Alternative
- 614 Retro-Active
- 615 Electronica
- 616 Dance
- 617 Adult Alternative
- 618 Soft Rock
- 619 Hit List
- 620 Party Favorites
- 621 90s
- 622 80s
- 623 70s
- 624 Solid Gold Oldies
- 625 Singers & Standards
- 626 Big Band & Swing
- 627 Easy Listening
- 628 Smooth Jazz
- 629 Jazz
- 630 Blues
- 631 Reggae
- 632 Soundscapes
- 633 Classical Masterpieces
- 634 Opera
- 635 Light Classical
- 636 Show Tunes

Home & Leisure

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

Pop Culture

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

MUSIC

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

Other Premiums

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

SPANISH LANGUAGE**

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

INTERNATIONAL PREMIUMS**

- 480 SBTN (Vietnamese)
- 481 CCTV4 (Mandarin Chinese)
- 482 GTI — Zhong Tian Channel (Chinese)
- 483 TV Japan
- 484 MBC (Korean)
- 485 The Filipino Channel
- 486 TV Asia
- 487 ART (Arabic)
- 488 RAI (Italian)
- 489 TV 5 (French)
- 490 TVP Polonia (Polish)
- 491 Rang A Rang (Farsi)
- 492 RTN Russian
- 493 Channel 1 Russian

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

**Subscription to corresponding premium channels and packages required.

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

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

Scroll through a library of approximately 8,600 movies and shows that are waiting for you to watch. Use your remote and the Interactive Programming Guide to browse, then make your selection - it's that easy. Need to pause to get more popcorn? Fast forward to skip the scary part or rewind to see it again? No problem! You can do it all from your remote any time you want, day or night.

Free On Demand	Choose from a selection of free programming -- sports, home & leisure, music, pop culture and more -- from our FiOS TV library. Channels include Disney, Discovery, ESPN, Home & Garden, MTV and many others.
Movies On Demand	Find the blockbuster movies and your old favorites at the press of a button for a fraction of the cost of a movie ticket.
Premium On Demand	When you subscribe to HBO, Cinemax or the Movie Package, you automatically have access to original programming and shows. Not to mention, the hottest movie releases - anytime you want.
Pay Per View	Get a front row seat (your couch) to the most anticipated sporting events, concerts, movies and much more in entertainment with our Pay Per View listings.

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

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

FiOS TV with HDTV programming offers:

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

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

Finally, regularly scheduled programs for your irregularly scheduled life.

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

With a FiOS TV DVR you can:

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



Home Media DVR with Media Manager

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

Verizon FiOS TV

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

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

Service	Number of Channels	Monthly Price
FiOS TV Local ¹	15-35	\$12.99
Digital Service (Requires Set Top Box [STB] and Router ²)		
FiOS TV Premier ³	228 + FiOS TV Local	\$42.99
La Conexión ⁴	162 + FiOS TV Local	\$32.99

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

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

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

International Premiums ⁵ (Requires STB)	Number of Channels	Monthly Price
International Premium Channels	14	Individually Priced

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

On Demand Movies

New Releases	\$3.99
Library	\$2.99

On Demand Subscriptions

WWE	\$7.99/mo.
Karaoke	\$7.99/mo.
On Demand Adult	\$14.99/each
PPV Events	Varies
PPV Sports	Varies
ESPN GamePlan — NCAA Football	\$21.99/daily, \$129.99 season*
ESPN FullCourt — NCAA Basketball	\$14.99/daily, \$109.99 season*

Set Top Box (STB)	Monthly Price
Digital Adapter**	\$3.99
Standard Definition (SD)	\$4.99
High Definition (includes HD channels)	\$9.99
Standard Definition Digital Video Recorder**	\$12.99
High Definition Digital Video Recorder (includes HD channels)	\$15.99
SD Home Media DVR (features Multi-Room DVR & Media Manager)**	\$17.99
HD Home Media DVR (features Multi-Room DVR & Media Manager)	\$19.99

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

Subsequent Installations/Charges	One-Time Charges
Premise Visit ⁷	\$49.99
New Outlet Installation (per outlet)	\$54.99
Outlet Relocation (per outlet)	\$54.99
Setup of TV Equipment (new TV with existing STB)	\$49.99
Downgrade of Service from Digital to Analog	\$49.99
Set Top Box Addition or Upgrade (requiring Technician visit)	\$24.99
Set Top Box Return or Downgrade with equipment drop off at Verizon authorized locations	Free
Set Top Box Return or Downgrade (requiring Technician visit)	\$29.99
FiOS TV Full Service Disconnect with equipment drop off at Verizon authorized locations	Free
FiOS TV Full Service Disconnect with Technician visit for equipment retrieval	\$74.99

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

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

**Available Fall 2007.



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

² If service is cancelled within the first 12 months, router must be returned or \$99.99 equipment fee applies.

³ FiOS TV Premier includes all FiOS TV Local channels, additional all-digital programming, digital music channels and access to Pay Per View and Video On Demand.

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

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

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

⁷ A premise visit charge is assessed when a technician installation is required to set up a new or additional TV with an existing FiOS TV Set Top Box. A premise visit charge is not assessed when adding new, upgrading/downgrading existing, or disconnecting Set Top Box receivers.

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

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

©2007 Verizon. All Rights Reserved.

VRZN_FIFF_C0984

Tab 6

From: Scott Parr [mailto:sparr@telecominsightgroup.com]

Sent: Wednesday, August 01, 2007 1:44 PM

To: Small, Omar

Cc: Strome, Chuck; Copiz, Adrian

Subject: Request of Mayor Bramson - View of Staff on Benefits of Vote August 2

At our meeting yesterday, Mayor Bramson asked what the benefit to the City would be in voting tomorrow, August 2, rather than deferring a vote the next scheduled meeting, on September 10. He indicated a correspondence from the City Manager in this regard, and in particular a correspondence recommending an August 2 vote (if this is the staff view) would be helpful.

The Mayor asked us to share our response with you, as follows:

1. We are able to begin marketing and installing cable service only after confirmation by the PSC.
2. PSC hearings are scheduled for August 22, September 19, and October 17.
3. If we secure a vote on August 2, the PSC staff has agreed to expedite setting the New Rochelle Franchise for the August 22 agenda (this will required providing them the signed agreement no later than Monday, August 6).
4. If the vote occurs at the next scheduled hearing in New Rochelle, on September 10, that vote will be too late to make the September 19 PSC Agenda, and will be scheduled for October 17.
5. Verizon's engineers advise us that we will be able to provide FiOS cable TV serve to approximately 16,000 households in New Rochelle as of the end of August.
6. If the City of New Rochelle votes in favor of the Verizon franchise on August 2, therefore, approximately 16,000 New Rochelle households will have access to FiOS TV in August, rather than in October.

We have received internal Verizon approval to make the changes in the agreement requested by New Rochelle (including restoration of private property, an increase in the number of free service drops to match Cablevision, and the addition of two auxiliary PEG origination sites, at the Albert Leonard Middle School and at the New Rochelle Library). These will be reflected in a new agreement that we should be able to get to you this evening or tomorrow morning.

Thanks for your continued support. If I can provide any additional information, please feel free to call.

Tab 7

From: Copiz, Adrian
Sent: Wednesday, August 01, 2007 6:48 PM
To: Shapiro, Bernis
Cc: Powell, Kenneth; Small, Omar; sparr@telecominsightgroup.com
Subject: Verizon Agreement

Bernis, Ken, and Omar,

Following up on our conversations today, attached is a new proposed agreement. Also attached is a blackline comparing into the prior version sent on Friday afternoon, July 27. We look forward to catching up with you tomorrow morning.

Adrian

<<Final (8-1-07) Proposed New Rochelle Franchise Agreement_1.DOC>> <<Blackline Comparison of Final New Rochelle Drafts 7-27-07 and 8-1-07_1.DOC>>

Proprietary and Confidential
Attorney-Client Privileged

Adrian B. Copiz
Alston & Bird LLP
The Atlantic Building
950 F Street, N.W.
Washington, D.C. 20004-1404
202-756-3572
Fax: 202-654-4882
email: adrian.copiz@alston.com

IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS and other taxing authorities, we inform you that any tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties that may be imposed on any taxpayer or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

NOTICE: This e-mail message and all attachments transmitted with it may contain legally privileged and confidential information intended solely for the use of the addressee. If the reader of this message is not the intended recipient, you are hereby notified that any reading, dissemination, distribution, copying, or other use of this message or its attachments is strictly prohibited. If you have received this message in error, please notify the sender immediately by telephone (404-881-7000) or by electronic mail (postmaster@alston.com), and delete this message and all copies and backups thereof. Thank you.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

CABLE FRANCHISE AGREEMENT

BY AND BETWEEN

THE CITY OF NEW ROCHELLE, NEW YORK

AND

VERIZON NEW YORK, INC.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
1. DEFINITIONS.....	2
2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS	7
3. PROVISION OF CABLE SERVICE	9
4. SYSTEM FACILITIES	11
5. PEG SERVICES AND FRANCHISE GRANT	11
6. FRANCHISE FEES	14
7. REPORTS AND RECORDS	15
8. INSURANCE AND INDEMNIFICATION	17
9. TRANSFER OF FRANCHISE.....	18
10. RENEWAL OF FRANCHISE.....	19
11. ENFORCEMENT AND TERMINATION OF FRANCHISE	19
12. MISCELLANEOUS PROVISIONS.....	21

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the City of New Rochelle, 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;

WHEREAS, the LFA has determined that the terms and conditions contained in this Franchise comply with and satisfy the requirements of its local ordinances, rules, and regulations with respect to the provision of Cable Service; 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; and,

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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*: The tier of Cable Service which includes, at a minimum, the retransmission of all local television broadcast signals provided to any Subscriber and any PEG Channels required by this Franchise or NY PSC rules, and which may also include any additional video programming signals as determined by Franchisee.

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 required by this Agreement to be designated by the Franchisee for noncommercial use by local public schools and public school districts in the Franchise Area and other not-for-profit educational institutions

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

chartered or licensed by the New York State Department of Education or Board of Regents in the Franchise Area as specified by the LFA.

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

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

1.13. *Franchise Area*: The entire existing territorial limits of the LFA and such additional areas as may be annexed or acquired, during the term of this Franchise.

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, as defined herein and as may be amended under federal law, 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) fees from video on demand and pay-per-view;

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

(vi) 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.

Except as provided above, Gross Revenue shall not include:

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

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

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

(iv) any revenues classified as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with federal law, rules, regulations, standards or orders. Should revenue from Telecommunications or Information Services, or any other service provided over the Cable System be deemed a Cable Service by a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, the LFA shall be entitled, after notification to Franchisee, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from Franchisee's provision of such service as Gross Revenue, and Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the date of issuance of an order from the NY PSC approving such amendment;

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

payment for the use of the Cable System for the sale of such merchandise shall be included in Gross Revenue;

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

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

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

(ix) any foregone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise (provided, however, that such foregone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue);

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

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

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

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

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

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

1.20. *Non-Cable Services*: Any service that does not constitute Cable Service pursuant to this Franchise including, but not limited to, Information Services and Telecommunications Services.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

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

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

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

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

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

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

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

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

1.31. *Transfer of the Franchise:*

1.31.1. Any transaction in which:

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

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

1.31.2. However, notwithstanding Sub-subsections 1.31.1.1 and 1.31.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues a certificate of confirmation for this Franchise (the "Effective Date"), following its approval by the LFA's governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be ten (10) years from the Effective Date unless the Franchise is earlier revoked as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFA in writing of the same, which notification shall become a part of this Franchise. If subsequent to the Effective Date, there is a change in federal or state law that eliminates the authority of the LFA to require, grant or maintain this Franchise, then to the extent permitted by law, this Franchise shall survive such legislation and remain in effect for the term of this Franchise.

2.4. *Grant Not Exclusive:* The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall be non-exclusive, and the LFA has granted and 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, except as permitted by applicable law, with existing facilities of the Cable System or Franchisee's FTTP Network.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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 and FCC and NY PSC rules, regulations, standards and orders, as amended from time to time, including but not limited to the Communications Act.

2.6. *No Waiver:*

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

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

2.7. *Construction of Agreement:*

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

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

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

2.8. *Local Authority:* The LFA reserves the right to adopt, enact, implement, and enforce, in addition to the implementation and enforcement of the provisions contained in the Franchise and existing applicable ordinances, such additional regulations as it shall find necessary in the exercise of its police power; provided, however, that such regulations are

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

reasonable and not materially in conflict with the privileges granted in the Franchise and consistent with all federal and state laws, rules, 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 at Franchisee's expense.

2.10 *Restoration of Private Property:* The Franchisee shall ensure that private real property is restored to its pre-existing condition if damaged by the Franchisee's employees or agents in any respect in connection with the installation, repair, maintenance, or disconnection of Cable Service.

3. PROVISION OF CABLE SERVICE

3.1. *Service Area:*

3.1.1. *Service Commitment Area:* Subject to the issuance of all necessary permits by the LFA, Franchisee shall offer Cable Service to significant numbers of residential Subscribers within the Service Area and may make Cable Service available to businesses in the Service Area, within twelve (12) months and shall offer Cable Service to all residential Subscribers in the Service Area within five (5) years, of the Effective Date of this Franchise, or, in both instances, such longer period as may be permitted by the Cable Law, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in developments or buildings that 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 dwelling unit density does not meet the density and other requirements set forth in Sub-subsection 3.1.1.1. and Section 3.2.

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

3.2. *Availability of Cable Service:*

3.2.1. *Availability of Cable Service Generally:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of aerial trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed one hundred fifty (150) feet or are in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile and the actual costs incurred to connect any non-residential dwelling unit Subscriber, provided, however, that Franchisee may seek a waiver of any requirement that it extend service to any party requesting the same in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility. For underground installations, Franchisee shall charge the Subscriber no more than Franchisee's actual cost. Such costs shall be submitted to said Subscriber in writing before installation is begun.

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

3.3. *Cable Service to School, Library, and Municipal Buildings:* Subject to Section 3.1, Franchisee shall provide, without charge within the Service Area, one service outlet activated for Basic Service to each primary or secondary school chartered or licensed by the State of New York, public library, and such other buildings used for municipal purposes as may be designated by the LFA as provided in **Exhibit A** attached hereto, or as designated by the LFA in the future during the Franchise term, all upon ninety (90) days prior written notice to the Franchisee by the school, library, or municipal building, as the case may be, and within the area of the Service Area in which Franchisee's Cable Service is available; provided however that any new additional buildings added to **Exhibit A** by the LFA cannot exceed a total of more than three (3) additional buildings per year or, in the aggregate, a total of seven (7) additional buildings over the life of the Agreement; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to 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. 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. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

4. SYSTEM FACILITIES

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

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

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

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

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

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

5. PEG SERVICES AND FRANCHISE GRANT

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 one (1) dedicated Public Access Channel, one (1) dedicated Educational Access Channel, and one (1) dedicated Government Access Channel (collectively, "PEG Channels").

5.1.2. The programming to be carried on each of the PEG Channels will be provided by the LFA, the City of New Rochelle School District, and the public. 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 as provided in the Cable Law, 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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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.

5.1.4. The PEG Channels shall be carried on the Basic Service tier in a format that provides the same technical quality of picture and sound as the majority of the other Channels carried on the Basic Service tier; however, the quality of picture and sound of the PEG Channels is not required to exceed the quality of the source programming provided by the LFA or by the incumbent cable provider through interconnection.

5.2. PEG Access Connections:

5.2.1. LFA shall designate in its sole discretion not more than five (5) sites within the Franchise Area for the connection of PEG access facilities with the Cable System (each, a “PEG Access Interconnection Site” or “PEG Content Origination Point”, generally or collectively “PEG Access Origination Points”), as designated on Exhibit C to this Agreement.

5.2.2. Subject to the successful completion of all required site preparation work by the LFA and provision of access to Franchisee for equipment installation and provisioning, Franchisee shall, without charge to the LFA, provide upstream PEG Channel transmission connections between its video channel aggregation point and each PEG Access Origination Point in order to permit the signals to be correctly routed from the PEG Access Origination Points to the appropriate PEG Access Channel for distribution to Subscribers as follows: (i) one (1) PEG Access Interconnection Site (No. 1) shall be operable within one hundred eighty (180) days of the Effective Date; (ii) one (1) PEG Content Origination Point (No. 1) shall be operable within one hundred eighty (180) days after written request to be provided no earlier than one hundred eighty (180) days after the Effective Date; (iii) one (1) PEG Access Interconnection Site (No. 2) shall be operable within two hundred seventy (270) days of the Effective Date; (iv) two (2) PEG Content Origination Points (No. 2 and No. 3) shall be operable within one hundred eighty (180) days after written request from the LFA for such activation, with such request to be provided no earlier than two hundred seventy (270) days after the Effective Date. The LFA shall impose the same obligation for PEG Content Origination Points, and any switching capabilities, for the Albert Leonard Middle School and the New Rochelle Library on all other providers of Cable Service in the Service Area.

The LFA shall provide to Franchisee at each PEG Access Origination Point a suitable video signal for each PEG Channel. Franchisee, upon receipt of the suitable video signal, shall provide, install and maintain in good working order the equipment necessary for transmitting the PEG signal to the channel aggregation site for further processing for distribution to Subscribers. Franchisee’s obligations with respect to such upstream transmission equipment and facilities shall be subject to the availability, without charge to Franchisee, of suitable required space, environmental conditions, electrical power supply, access, pathway, and other facilities and such cooperation of the LFA as is reasonably necessary for Franchisee to fulfill such obligations. Should Franchisee determine that it cannot fulfill such obligations as a result of LFA’s failure to cooperate or to provide suitable required space, environmental conditions, electrical power

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

supply, access, pathway, or other facilities, it shall so notify LFA in a writing detailing the requirements of Franchisee that will enable it to fulfill its obligations hereunder.

5.3. *PEG Grant:*

5.3.1. Franchisee shall provide to the LFA financial contributions for use in support of the production of local PEG programming. The financial contributions shall consist of the two grants: (a) a grant in the amount of TWO HUNDRED FORTY THOUSAND DOLLARS (\$240,000) payable in three (3) installments (the “Initial PEG Grant”); and (b) an annual grant in the amount of FORTY THOUSAND DOLLARS (\$40,000) per year, commencing in the second year of the term of this Agreement (the “Annual PEG Grant”).

5.3.2. The Initial PEG Grant shall be payable in three (3) installments. The first (1st) installment of ONE HUNDRED TWENTY THOUSAND DOLLARS (\$120,000), shall be payable within thirty (30) days after the Effective Date. The second (2nd) installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the first (1st) anniversary of the Effective Date. The third (3rd), and final installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the second (2nd) anniversary of the Effective Date.

5.3.3. Annual PEG Grant payments shall be due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date, as set forth in Section 5.3.1, until the Franchise expires or is terminated by either party. The LFA shall impose an equivalent obligation to the obligations contained in this Section 5.3 (including the total amount of the Initial PEG Grant and amounts of the Annual PEG Grant) on all new and renewed providers of cable service in the Service Area. In any event, if any new or renewed franchise agreement contains obligations that are lesser in amount or aggregate value than the obligations imposed in this Section 5.3 (including the total amount of the Initial PEG Grant and the amounts of the Annual PEG Grant), Franchisee’s obligations under Section 5.3 shall thereafter be reduced to an equivalent amount, but no refund will be required from the LFA.

5.3.4. The Initial PEG Grant and the Annual PEG Grant shall be used by LFA as permitted by law.

5.3.5. The LFA shall provide Franchisee with an annual report setting forth a summary of all expenditures for PEG access equipment and facilities from the PEG Grants paid to the LFA and the amounts, if any, reserved for future capital expenditures for such purposes.

5.4 *Indemnity for PEG:* The LFA shall require all local producers and users of any of the PEG facilities or Channels to agree in writing to authorize Franchisee to transmit programming consistent with this Agreement and to defend and hold harmless Franchisee and the LFA from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims for failure to comply

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

5.5 *Franchise Grant in Lieu of Free Internet Service:* The Franchisee shall provide to the LFA financial contributions ("Franchise Grant") of thirty thousand dollars (\$30,000) to be paid over the term of the Agreement in increments of three thousand dollars (\$3,000), with such three thousand dollars (\$3,000) payments due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date. The parties agree that this provision for a Franchise Grant in lieu of free Internet service is in accordance with Section 12.22 herein.

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

6. FRANCHISE FEES

6.1. *Payment to LFA:* Franchisee shall pay to the LFA a Franchise Fee of five percent (5%) of annual Gross Revenue (the "Franchise Fee"). In accordance with Title VI, the twelve (12) month period applicable under the Franchise for the computation of the Franchise Fee shall be a calendar year. Such payments shall be made no later than forty-five (45) days following the end of each calendar quarter. Franchisee shall be allowed to submit or correct any payments that were incorrectly omitted, and shall be refunded any payments that were incorrectly submitted, in connection with the quarterly Franchise Fee remittances within ninety (90) days following the close of the calendar year for which such payments were applicable. Late payments shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) during the period such unpaid amount is owed.

6.2. *Supporting Information:* Each Franchise Fee payment shall be accompanied by a brief report prepared by a representative of Franchisee, as designated by 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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

6.5. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise, Franchisee shall be responsible for making available to the LFA for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees, whether the records are held by the Franchisee, an Affiliate, or any other entity that collects or receives funds related to the Franchisee's Cable Services operation in the LFA subject to the payment of Franchise Fees under this Agreement, including, by way of illustration and not limitation, any entity that sells advertising on the Franchisee's behalf. Franchisee shall maintain such records for six (6) years, provided that, if the LFA commences an audit within that six (6) year period, Franchisee shall continue to maintain such records for the duration of any audit in progress at the end of that six (6) year period. The LFA shall conduct all audits expeditiously, and neither the LFA nor Franchisee shall unreasonably delay the completion of an audit. The LFA's audit expenses shall be borne by the LFA unless the audit determines that the payment to the LFA should be increased by five percent (5%) or more in the audited period, in which case the reasonable and customary costs of the audit, together with any additional amounts due to the LFA as a result of such audit, shall be paid by Franchisee to the LFA within sixty (60) days following written notice to Franchisee by the LFA of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFA's audit expenses shall not exceed an aggregate of fifteen thousand dollars (\$15,000) per audit. If re-computation results in additional revenue to be paid to the LFA, such amount shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules per annum during the period such unpaid amount is owed. If the audit determines that there has been an overpayment by Franchisee, the Franchisee may credit any overpayment against its next quarterly payment. Said audit shall be conducted by an independent third party and no auditor so employed by the LFA shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFA shall not conduct an audit more frequently than once every three (3) years.

7. REPORTS AND RECORDS

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

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

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

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

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

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

7.3. *System-Wide Statistics:* Subject to the requirements of Section 895.1(t) of the NY PSC rules and regulations, any valid reporting requirement in the Franchise may be satisfied with system-wide statistics, except those related to Franchise Fees and consumer complaints.

7.4. *Reports:* Franchisee's sole reporting obligation shall be to file those reports required by the Cable Law.

8. INSURANCE AND INDEMNIFICATION

8.1. *Insurance:*

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

8.1.1.1. Commercial General Liability Insurance in the amount of two million dollars (\$2,000,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA.

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

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

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

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

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

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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

8.1.5. Franchisee shall deliver to LFA Certificates of Insurance showing evidence of all required coverages under this Agreement on or before the Effective Date and providing for at least thirty (30) days prior written notice to be given to LFA of cancellation, intent not to renew or any adverse material change.

8.2. *Indemnification:*

8.2.1. Franchisee agrees to defend and indemnify the LFA, its officers, agents, and employees for, and hold it or them harmless from all suits, proceedings, actions, demands, liabilities, damages, costs or expenses arising from claims of injury to persons or damage to property occasioned by reason of any conduct undertaken pursuant to the Franchise, or by reason of any suit or claim for royalties, programming license fees or infringement of patent rights arising out of Franchisee's provision of Cable Services over the Cable System other than PEG facilities and Channels, provided that the LFA shall give Franchisee timely written notice of its obligation to indemnify the LFA, but in any event, the LFA shall provide such notice to Franchisee within a sufficient period of time from receipt of a claim or action pursuant to this Subsection to enable Franchisee to timely answer complaints, raise defenses and defend all claims. Notwithstanding the foregoing, Franchisee shall not be required to indemnify the LFA for any suits, proceedings, actions, demands, damages, liabilities or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, or attorneys, acting in their official capacity on behalf of the LFA or for any activity or function conducted by any Person other than Franchisee on behalf of the LFA 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 if Franchisee shall bear the entire cost of the settlement. In the event that the terms of any such proposed settlement includes the release of the LFA and the LFA does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the LFA shall in no event exceed the amount of such settlement.

8.2.3. The LFA shall be responsible for its own acts of willful misconduct, negligence, or willful 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 solely committed on the part of the LFA which constitute willful misconduct or negligence on the part of the LFA, its officers, employees, agents, attorneys, consultants, independent contractors or third parties acting in their official capacity on behalf of the LFA.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

9. TRANSFER OF FRANCHISE

9.1. *LFA Consent Required:* 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.

9.2. *LFA Consent Not Required for Certain Transactions:* No prior consent of the LFA shall be required 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 12.12 below, the Cable Law and Section 626 of the Communications Act, 47 U.S.C. § 546, as amended.

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

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

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

11. ENFORCEMENT AND TERMINATION OF FRANCHISE

11.1. *Notice of Violation:* If at any time the LFA believes that Franchisee has not complied with the terms of the Franchise, the LFA shall notify Franchisee in writing of the exact nature of the alleged noncompliance (for purposes of this Article, the "Noncompliance Notice").

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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 timely 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, except that noncompliance in a) making payments for the PEG Grant, the Franchise Grant, and Franchise Fees, b) the maintenance of the required insurance, and c) fulfilling the indemnification requirements shall not be eligible for this subsection 11.2(iii). 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 (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied or commenced to remedy the alleged noncompliance within sixty (60) days or the date projected pursuant to Section 11.2(iii) above. The LFA shall provide Franchisee at least thirty (30) calendar days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide Franchisee the opportunity to be heard.

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

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

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

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

11.5. *Revocation:* If the LFA seeks to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 11.3, then the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have ninety (90) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing. The LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

11.5.1. At the designated public hearing, Franchisee shall be provided a fair opportunity for full participation, including the rights to be represented by legal counsel, to introduce relevant evidence, to require the production of evidence, to compel the relevant testimony of the officials, agents, employees or consultants of the LFA, to compel the testimony

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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 the hearing, and Franchisee shall promptly reimburse LFA for the expense of making such verbatim record and transcript up to, but no greater than, Five Thousand Dollars (\$5,000).

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 timely 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. The parties 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*, to the extent permitted by law. Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Franchisee's receipt of the written determination of the LFA.

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

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

12. MISCELLANEOUS PROVISIONS

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

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

12.3. *Preemption:* In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required by law, except that such provision shall survive such preemption and shall remain in effect for the term of this Agreement to the extent permitted 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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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 and was timely cured by Franchisee.

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:

City Manager
City Hall, 515 North Avenue
New Rochelle, NY 10801

12.5.3. with a copy to:

Corporation Counsel
City Hall, 515 North Avenue
New Rochelle, NY 10801

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. The LFA acknowledges and agrees that all the elements of its local ordinances, rules, and regulations with respect to the provision of Cable Service over Franchisee's Cable System ("Local Law") are fully reflected by the terms and conditions of this Agreement and are satisfied by the Franchisee's compliance with the terms and

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

conditions of this Agreement, and in the event of a material conflict between a provision of this Agreement and a provision of the Local Law, this Agreement shall be controlling.

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

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

12.9. *Severability:* With the exception of this Agreement's Section 1.16 (Definition of Gross Revenue), and Articles V (PEG Services and Franchise Grant), VI (Franchise Fees), and, VIII (Insurance and Indemnification) in its entirety, 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, sub-subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

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

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

12.12. *NY PSC Approval:* This Franchise and any amendment or modification hereof 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:* Franchisee shall omit publishing information specified in 47 C.F.R. § 76.952 from Subscriber bills.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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 or any protected category of persons under federal or state law.

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

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

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

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

12.20. *Performance Review:* The LFA may, at its discretion but no more than once per three (3) year 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 Franchisee at the Performance Review shall be treated by the LFA as confidential. The LFA shall provide Franchisee with at least sixty (60) 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 sixty (60) 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; provided, however, that the Performance Review Report shall not contain any confidential information disclosed by Franchisee during the Performance Review.

12.21. *Section 626 Treatment:* Franchisee agrees that it will not apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, for the first two (2) years following the issuance by the NY PSC of an order confirming this Agreement. Thereafter, Franchisee reserves the right to apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, in an amount not to exceed the highest deduction available to any other cable franchisee in the City (based upon the other cable franchisee's yearly tax invoice payable to the LFA) until such time that the LFA obtains a written complete waiver of the full amount of the special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFA or as a credit against the special franchise tax) from such existing and any new provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area. Upon securing such written waiver from all existing and new providers of Cable Service or cable service (as such term may be defined by other providers) in the Service

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

Area, Franchisee agrees to no longer apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626 beginning in the next full calendar month after such waiver becomes legally binding on the City's existing cable franchisee. The operation of this Section 12.21 shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee's rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

12.22. *Level Playing Field:* The parties agree that the terms and conditions of this Agreement are in compliance with the level playing field requirements of the NY PSC.

AGREED TO THIS ____ DAY OF _____, 2007.

LFA:

Approved as to Form:

By: _____
Title _____

By: _____
Title _____

Verizon New York Inc.

Approved as to Form:

By: _____
Title _____

By: _____
Title _____

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

Subject to the notification procedures of Section 3.3, certain buildings are entitled to receive multiple outlets as indicated in parenthesis below.

H. Doyle Center
94 Davis Avenue
City of New Rochelle, NY 10805

City of New Rochelle City Hall (up to 2 outlets)
515 North Avenue
City of New Rochelle, NY 10801

City of New Rochelle City Hall
Annex
515 North Avenue
City of New Rochelle, NY 10801

New Rochelle Board of Education (up to 2 outlets)
515 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
166 Webster Avenue
City of New Rochelle, NY 10801

New Rochelle Library
1 Library Plaza
City of New Rochelle, NY 10801

Hudson County School
340 Quaker Ridge Road
City of New Rochelle, NY 10804

Donovan School
100 Overlook Circle
City of New Rochelle, NY 10804

Blessed Sacrament School
26 Maple Avenue
City of New Rochelle, NY 10801

Blessed Sacrament School
Annex

24 Shea Place
New Rochelle, NY 10801

Davis Elementary School (up to 3 outlets)
80 Iselin Drive
City of New Rochelle, NY 10804

Alternative High School
50 Washington Avenue
City of New Rochelle, NY 10801

Albert Leonard Middle School
25 Gerada Lane
City of New Rochelle, NY 10804

Iona Prep
25 Stratton Road
City of New Rochelle, NY 10804

M. Toms Day School
48 Mount Tom Road
City of New Rochelle, NY 10805

New Rochelle High School (up to 4 outlets)
265 Clove Road
City of New Rochelle, NY 10801

New Rochelle High School
Annex
265 Clove Road
City of New Rochelle, NY 10801

S. Columbus Elementary School (up to 4 outlets)
275 Washington Avenue
City of New Rochelle, NY 10801

T. Donovan School (up to 5 outlets)
144 Overlook Circle
City of New Rochelle, NY 10804

Salesian High School (up to 2 outlets)
148 Main Street
City of New Rochelle, NY 10801

Webster Elementary School (up to 7 outlets)
95 Glenmore Drive

City of New Rochelle, NY 10801

Trinity School (up to 3 outlets)
180 Pelham Road
City of New Rochelle, NY 10805

Halen School (up to 3 outlets)
97 Centre Avenue
City of New Rochelle, NY 10801

Jefferson School
131 Weyman Avenue
City of New Rochelle, NY 10805

Barnard School
129 Barnard Road
City of New Rochelle, NY 10801

Ursuline School
1354 North Avenue
City of New Rochelle, NY 10804

Holy Name School
70 Petersville Road
City of New Rochelle, NY 10801

Community Center
95 Lincoln Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
756 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
45 Harrison Street
City of New Rochelle, NY 10801

Ambulance Corps
Firehouse Annex
45 Harrison Street
City of New Rochelle, NY 10801

New Rochelle City Yard
224 East Main Street
City of New Rochelle, NY 10801

Fire Headquarters
90 Beaufort Place
City of New Rochelle, NY 10801

New Rochelle Firehouse
155 Drake Avenue
City of New Rochelle, NY 10805

Police Headquarters
475 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
496 Stratton Road
City of New Rochelle, NY 10804

Huguenot Childrens Library
794 North Avenue
City of New Rochelle, NY 10801

Department of Public Works
40 Pelham Road
City of New Rochelle, NY 10801

Department of Public Works (future location)
85 Beechwood Avenue
City of New Rochelle, NY 10801

Isaac E. Young Middle School
270 Centre Avenue
City of New Rochelle, NY 10805

Westchester Area School
456 Webster Avenue
City of New Rochelle, NY 10801

Ward School
311 Broadfield Road
City of New Rochelle, NY 10804

Municipal Marina
22 Pelham Road
City of New Rochelle, NY 10801

Police Harbor Facility
Hudson Park
City of New Rochelle, NY 10801

SERVICE AREA

The Service Area is 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 22% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule calls for 52% deployment by October 2007, 61% deployment by April 2008, 70% deployment by October 2008, 75% deployment by April 2009, 80% deployment by October 2009, 85% deployment by April 2010, 90% deployment by October 2010, 95% deployment by April 2011, 97% deployment by October 2011, and 100% deployment by February 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.

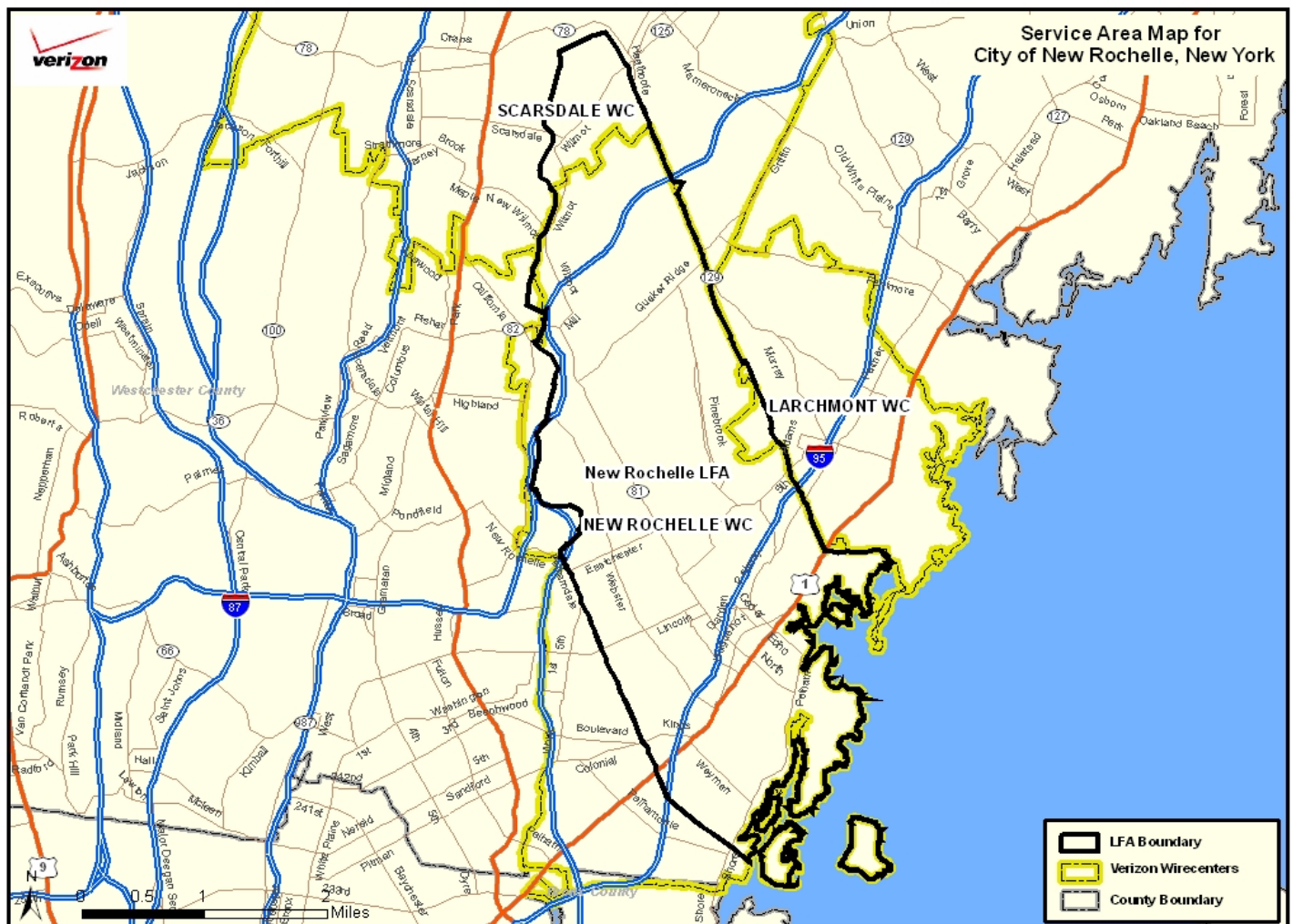


EXHIBIT C

PEG ACCESS INTERCONNECTION SITES

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following one (1) Government Access Channel and one (1) Public Access Channel PEG Access Interconnection Site (“PEG Access Interconnection Site No. 1”) shall be activated within one hundred eighty (180) days of the Effective Date:

City of New Rochelle City Hall, 515 North Ave., New Rochelle, NY 10801

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following one (1) Educational Access Channel PEG Access Interconnection Site (“PEG Access Interconnection Site No. 2”) shall be activated within two hundred seventy (270) days of the Effective Date:

New Rochelle High School, 265 Clove Road, New Rochelle, NY 10801

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

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Government or Public Access Channel PEG Content Origination Point No. 1 feeding signals to PEG Access Interconnection Point No. 1 shall be activated within one hundred eighty (180) days after written request from the LFA or the Library for activation when such PEG Access Origination Point No. 1 is fully functional for its intended purpose, with such request to be provided no earlier than one hundred eighty (180) days after the Effective Date.

New Rochelle Library, 1 Library Plaza, New Rochelle, NY 10801

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Educational Access Channel PEG Content Origination Points No. 2 and No. 3 feeding signals to PEG Access Interconnection Site No. 2 shall be activated within two hundred and seventy (270) days after written request from the LFA for activation when such PEG Access Origination Points No. 2 and No. 3 are fully functional for its intended purpose, with such request to be provided no earlier than one hundred eighty (180) days after the Effective Date.

Isaac E. Young Middle School, 270 Centre Avenue, New Rochelle, NY 10801
Albert Leonard Middle School, 25 Gerada Lane, New Rochelle, NY 10804

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

CABLE FRANCHISE AGREEMENT

BY AND BETWEEN

THE CITY OF NEW ROCHELLE, NEW YORK

AND

VERIZON NEW YORK, INC.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
1. DEFINITIONS.....	2
2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS	7
3. PROVISION OF CABLE SERVICE	9
4. SYSTEM FACILITIES	11
5. PEG SERVICES AND FRANCHISE GRANT	11
6. FRANCHISE FEES	14
7. REPORTS AND RECORDS	15
8. INSURANCE AND INDEMNIFICATION	17
9. TRANSFER OF FRANCHISE.....	18
10. RENEWAL OF FRANCHISE.....	19
11. ENFORCEMENT AND TERMINATION OF FRANCHISE	19
12. MISCELLANEOUS PROVISIONS.....	21

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the City of New Rochelle, 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;

WHEREAS, the LFA has determined that the terms and conditions contained in this Franchise comply with and satisfy the requirements of its local ordinances, rules, and regulations with respect to the provision of Cable Service; 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; and,

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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*: The tier of Cable Service which includes, at a minimum, the retransmission of all local television broadcast signals provided to any Subscriber and any PEG Channels required by this Franchise or NY PSC rules, and which may also include any additional video programming signals as determined by Franchisee.

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 required by this Agreement to be designated by the Franchisee for noncommercial use by local public schools and public school districts in the Franchise Area and other not-for-profit educational institutions

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

chartered or licensed by the New York State Department of Education or Board of Regents in the Franchise Area as specified by the LFA.

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

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

1.13. *Franchise Area*: The entire existing territorial limits of the LFA and such additional areas as may be annexed or acquired, during the term of this Franchise.

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, as defined herein and as may be amended under federal law, 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) fees from video on demand and pay-per-view;

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

(vi) 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.

Except as provided above, Gross Revenue shall not include:

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

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

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

(iv) any revenues classified as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with federal law, rules, regulations, standards or orders. Should revenue from Telecommunications or Information Services, or any other service provided over the Cable System be deemed a Cable Service by a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, the LFA shall be entitled, after notification to Franchisee, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from Franchisee's provision of such service as Gross Revenue, and Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the date of issuance of an order from the NY PSC approving such amendment;

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

payment for the use of the Cable System for the sale of such merchandise shall be included in Gross Revenue;

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

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

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

(ix) any foregone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise (provided, however, that such foregone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue);

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

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

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

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

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

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

1.20. *Non-Cable Services*: Any service that does not constitute Cable Service pursuant to this Franchise including, but not limited to, Information Services and Telecommunications Services.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

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

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

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

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

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

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

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

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

1.31. *Transfer of the Franchise:*

1.31.1. Any transaction in which:

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

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

1.31.2. However, notwithstanding Sub-subsections 1.31.1.1 and 1.31.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues a certificate of confirmation for this Franchise (the "Effective Date"), following its approval by the LFA's governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be ten (10) years from the Effective Date unless the Franchise is earlier revoked as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFA in writing of the same, which notification shall become a part of this Franchise. If subsequent to the Effective Date, there is a change in federal or state law that eliminates the authority of the LFA to require, grant or maintain this Franchise, then to the extent permitted by law, this Franchise shall survive such legislation and remain in effect for the term of this Franchise.

2.4. *Grant Not Exclusive:* The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall be non-exclusive, and the LFA has granted and 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, except as permitted by applicable law, with existing facilities of the Cable System or Franchisee's FTTP Network.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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 and FCC and NY PSC rules, regulations, standards and orders, as amended from time to time, including but not limited to the Communications Act.

2.6. *No Waiver:*

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

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

2.7. *Construction of Agreement:*

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

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

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

2.8. *Local Authority:* The LFA reserves the right to adopt, enact, implement, and enforce, in addition to the implementation and enforcement of the provisions contained in the Franchise and existing applicable ordinances, such additional regulations as it shall find necessary in the exercise of its police power; provided, however, that such regulations are

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

reasonable and not materially in conflict with the privileges granted in the Franchise and consistent with all federal and state laws, rules, 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 at Franchisee's expense.

2.10 *Restoration of ~~Subscriber Premises~~ Private Property:* The Franchisee shall ~~insure, at Franchisee's expense that Subscriber premises are~~ ensure that private real property is restored to its pre-existing condition if damaged by the Franchisee's employees or agents in any respect in connection with the installation, repair, maintenance, or disconnection of Cable Service.

3. PROVISION OF CABLE SERVICE

3.1. *Service Area:*

3.1.1. *Service Commitment Area:* Subject to the issuance of all necessary permits by the LFA, Franchisee shall offer Cable Service to significant numbers of residential Subscribers within the Service Area and may make Cable Service available to businesses in the Service Area, within twelve (12) months and shall offer Cable Service to all residential Subscribers in the Service Area within five (5) years, of the Effective Date of this Franchise, or, in both instances, such longer period as may be permitted by the Cable Law, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in developments or buildings that 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 dwelling unit density does not meet the density and other requirements set forth in Sub-subsection 3.1.1.1. and Section 3.2.

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

3.2. *Availability of Cable Service:*

3.2.1. *Availability of Cable Service Generally:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

discriminate between or among any individuals in the availability of Cable Service or based upon the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of aerial trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, the actual costs incurred for residential dwelling unit connections that exceed one hundred fifty (150) feet or are in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile and the actual costs incurred to connect any non-residential dwelling unit Subscriber, provided, however, that Franchisee may seek a waiver of any requirement that it extend service to any party requesting the same in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility. For underground installations, Franchisee shall charge the Subscriber no more than Franchisee's actual cost. Such costs shall be submitted to said Subscriber in writing before installation is begun.

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

3.3. *Cable Service to School, Library, and Municipal Buildings:* Subject to Section 3.1, Franchisee shall provide, without charge within the Service Area, one service outlet activated for Basic Service to each primary or secondary school ~~chartered~~chartered or licensed by the State of New York, public library, and such other buildings used for municipal purposes as may be designated by the LFA as provided in **Exhibit A** attached hereto; or as designated by the LFA in the future during the Franchise term, all upon ~~sixty~~sixty-nine (~~60~~90) days prior written notice to the Franchisee by the school, library, or municipal building, as the case may be, and within the area of the Service Area in which Franchisee's ~~approved-video-validated-area~~Cable Service is available; provided however that any new additional buildings added to **Exhibit A** by the LFA cannot exceed a total of more than ~~two~~three (~~2~~3) additional buildings per year or, in the aggregate, a total of ~~five~~seven (~~5~~7) additional buildings over the life of the Agreement; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to 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. 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. 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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

4. SYSTEM FACILITIES

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

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

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

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

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

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

5. PEG SERVICES AND FRANCHISE GRANT

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 one (1) dedicated Public Access Channel, one (1) dedicated Educational Access Channel, and one (1) dedicated Government Access Channel (collectively, "PEG Channels").

5.1.2. The programming to be carried on each of the PEG Channels will be provided by the LFA, the City of New Rochelle School District, and the public. 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 as provided in the Cable Law, 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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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.

5.1.4. The PEG Channels shall be carried on the Basic Service tier in a format that provides the same technical quality of picture and sound as the majority of the other Channels carried on the Basic Service tier; however, the quality of picture and sound of the PEG Channels is not required to exceed the quality of the source programming provided by the LFA or by the incumbent cable provider through interconnection.

5.2. PEG Access Connections:

5.2.1. LFA shall designate in its sole discretion not more than ~~three~~five (35) sites within the Franchise Area for the connection of PEG access facilities with the Cable System (each, a “PEG Access Interconnection Site” or “PEG Content Origination Point”, generally or collectively “PEG Access Origination Points”), as designated on Exhibit C to this Agreement.

5.2.2. Subject to the successful completion of all required site preparation work by the LFA and provision of access to Franchisee for equipment installation and provisioning, Franchisee shall, without charge to the LFA, provide upstream PEG Channel transmission connections between its video channel aggregation point and each PEG Access Origination Point in order to permit the signals to be correctly routed from the PEG Access Origination Points to the appropriate PEG Access Channel for distribution to Subscribers as follows: (i) one (1) PEG Access Interconnection Site (No. 1) shall be operable within one hundred eighty (180) days of the Effective Date; (ii) one (1) PEG Content Origination Point (G/P Site No. 1) shall be operable within one hundred eighty (180) days of after written request to be provided no earlier than one hundred eighty (180) days after the Effective Date ~~and (ii) two (2);~~ (iii) one (1) PEG Access ~~Origination Points (E-Sites)~~ Interconnection Site (No. 2) shall be operable within two hundred seventy (270) days of the Effective Date; (iv) two (2) PEG Content Origination Points (No. 2 and No. 3) shall be operable within one hundred eighty (180) days after written request from the LFA for such activation, with such request to be provided no earlier than two hundred seventy (270) days after the Effective Date. The LFA shall impose the same obligation for PEG Content Origination Points, and any switching capabilities, for the Albert Leonard Middle School and the New Rochelle Library on all other providers of Cable Service in the Service Area.

The LFA shall provide to Franchisee at each PEG Access Origination Point a suitable video signal for each PEG Channel. Franchisee, upon receipt of the suitable video signal, shall provide, install and maintain in good working order the equipment necessary for transmitting the PEG signal to the channel aggregation site for further processing for distribution to Subscribers. Franchisee’s obligations with respect to such upstream transmission equipment and facilities

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

shall be subject to the availability, without charge to Franchisee, of suitable required space, environmental conditions, electrical power supply, access, pathway, and other facilities and such cooperation of the LFA as is reasonably necessary for Franchisee to fulfill such obligations. Should Franchisee determine that it cannot fulfill such obligations as a result of LFA's failure to cooperate or to provide suitable required space, environmental conditions, electrical power supply, access, pathway, or other facilities, it shall so notify LFA in a writing detailing the requirements of Franchisee that will enable it to fulfill its obligations hereunder.

5.3. *PEG Grant:*

5.3.1. Franchisee shall provide to the LFA financial contributions for use in support of the production of local PEG programming. The financial contributions shall consist of the two grants: (a) a grant in the amount of TWO HUNDRED FORTY THOUSAND DOLLARS (\$240,000) payable in three (3) installments (the "Initial PEG Grant"); and (b) an annual grant in the amount of FORTY THOUSAND DOLLARS (\$40,000) per year, commencing in the second year of the term of this Agreement (the "Annual PEG Grant").

5.3.2. The Initial PEG Grant shall be payable in three (3) installments. The first (1st) installment of ONE HUNDRED TWENTY THOUSAND DOLLARS (\$120,000), shall be payable within thirty (30) days after the Effective Date. The second (2nd) installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the first (1st) anniversary of the Effective Date. The third (3rd), and final installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the second (2nd) anniversary of the Effective Date.

5.3.3. Annual PEG Grant payments shall be due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date, as set forth in Section 5.3.1, until the Franchise expires or is terminated by either party. The LFA shall impose an equivalent obligation to the obligations contained in this Section 5.3 (including the total amount of the Initial PEG Grant and amounts of the Annual PEG Grant) on all new and renewed providers of cable service in the Service Area. In any event, if any new or renewed franchise agreement contains obligations that are lesser in amount or aggregate value than the obligations imposed in this Section 5.3 (including the total amount of the Initial PEG Grant and the amounts of the Annual PEG Grant), Franchisee's obligations under Section 5.3 shall thereafter be reduced to an equivalent amount, but no refund will be required from the LFA.

5.3.4. The Initial PEG Grant and the Annual PEG Grant shall be used by LFA as permitted by law.

5.3.5. The LFA shall provide Franchisee with an annual report setting forth a summary of all expenditures for PEG access equipment and facilities from the PEG Grants paid to the LFA and the amounts, if any, reserved for future capital expenditures for such purposes.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

5.5 *Franchise Grant in Lieu of Free Internet Service:* The Franchisee shall provide to the LFA financial contributions ("Franchise Grant") of thirty thousand dollars (\$30,000) to be paid over the term of the Agreement in increments of three thousand dollars (\$3,000), with such three thousand dollars (\$3,000) payments due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date. The parties agree that this provision for a Franchise Grant in lieu of free Internet service is in accordance with Section 12.22 herein.

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

6. FRANCHISE FEES

6.1. *Payment to 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. Late payments shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) during the period such unpaid amount is owed.

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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.

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

6.5. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise, Franchisee shall be responsible for making available to the LFA for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees, whether the records are held by the Franchisee, an Affiliate, or any other entity that collects or receives funds related to the Franchisee's Cable Services operation in the LFA subject to the payment of Franchise Fees under this Agreement, including, by way of illustration and not limitation, any entity that sells advertising on the Franchisee's behalf. Franchisee shall maintain such records for six (6) years, provided that, if the LFA commences an audit within that six (6) year period, Franchisee shall continue to maintain such records for the duration of any audit in progress at the end of that six (6) year period. The LFA shall conduct all audits expeditiously, and neither the LFA nor Franchisee shall unreasonably delay the completion of an audit. The LFA's audit expenses shall be borne by the LFA unless the audit determines that the payment to the LFA should be increased by five percent (5%) or more in the audited period, in which case the reasonable and customary costs of the audit, together with any additional amounts due to the LFA as a result of such audit, shall be paid by Franchisee to the LFA within sixty (60) days following written notice to Franchisee by the LFA of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFA's audit expenses shall not exceed an aggregate of fifteen thousand dollars (\$15,000) per audit. If re-computation results in additional revenue to be paid to the LFA, such amount shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules per annum during the period such unpaid amount is owed. If the audit determines that there has been an overpayment by Franchisee, the Franchisee may credit any overpayment against its next quarterly payment. Said audit shall be conducted by an independent third party and no auditor so employed by the LFA shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFA shall not conduct an audit more frequently than once every three (3) years.

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

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

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

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

7.3. *System-Wide Statistics:* Subject to the requirements of Section 895.1(t) of the NY PSC rules and regulations, any valid reporting requirement in the Franchise may be satisfied with system-wide statistics, except those related to Franchise Fees and consumer complaints.

7.4. *Reports:* Franchisee's sole reporting obligation shall be to file those reports required by the Cable Law.

8. INSURANCE AND INDEMNIFICATION

8.1. *Insurance:*

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

8.1.1.1. Commercial General Liability Insurance in the amount of two million dollars (\$2,000,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA.

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

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

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

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

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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. Franchisee shall deliver to LFA Certificates of Insurance showing evidence of all required coverages under this Agreement on or before the Effective Date and providing for at least thirty (30) days prior written notice to be given to LFA of cancellation, intent not to renew or any adverse material change.

8.2. *Indemnification:*

8.2.1. Franchisee agrees to defend and indemnify the LFA, its officers, agents, and employees for, and hold it or them harmless from all suits, proceedings, actions, demands, liabilities, damages, costs or expenses arising from claims of injury to persons or damage to property occasioned by reason of any conduct undertaken pursuant to the Franchise, or by reason of any suit or claim for royalties, programming license fees or infringement of patent rights arising out of Franchisee's provision of Cable Services over the Cable System other than PEG facilities and Channels, provided that the LFA shall give Franchisee timely written notice of its obligation to indemnify the LFA, but in any event, the LFA shall provide such notice to Franchisee within a sufficient period of time from receipt of a claim or action pursuant to this Subsection to enable Franchisee to timely answer complaints, raise defenses and defend all claims. Notwithstanding the foregoing, Franchisee shall not be required to indemnify the LFA for any suits, proceedings, actions, demands, damages, liabilities or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, or attorneys, acting in their official capacity on behalf of the LFA or for any activity or function conducted by any Person other than Franchisee on behalf of the LFA 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 if Franchisee shall bear the entire cost of the settlement. In the event that the terms of any such proposed settlement includes the release of the 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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

8.2.3. The LFA shall be responsible for its own acts of willful misconduct, negligence, or willful 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 solely committed on the part of the LFA which constitute willful misconduct or negligence on the part of the LFA, its officers, employees, agents, attorneys, consultants, independent contractors or third parties acting in their official capacity on behalf of the LFA.

9. TRANSFER OF FRANCHISE

9.1. *LFA Consent Required:* 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.

9.2. *LFA Consent Not Required for Certain Transactions:* No prior consent of the LFA shall be required 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 12.12 below, the Cable Law and Section 626 of the Communications Act, 47 U.S.C. § 546, as amended.

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

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

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

11. ENFORCEMENT AND TERMINATION OF FRANCHISE

11.1. *Notice of Violation:* If at any time the LFA believes that Franchisee has not complied with the terms of the Franchise, the LFA shall notify Franchisee in writing of the exact nature of the alleged noncompliance (for purposes of this Article, the “Noncompliance Notice”).

11.2. *Franchisee’s Right to Cure or Respond:* 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 timely 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, except that noncompliance in a) making payments for the PEG Grant, the Franchise Grant, and Franchise Fees, b) the maintenance of the required insurance, and c) fulfilling the indemnification requirements shall not be eligible for this subsection 11.2(iii). 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 (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied or commenced to remedy the alleged noncompliance within sixty (60) days or the date projected pursuant to Section 11.2(iii) above. The LFA shall provide Franchisee at least thirty (30) calendar days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide Franchisee the opportunity to be heard.

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

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

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

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

11.5. *Revocation:* If the LFA seeks to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 11.3, then the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have ninety (90) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing. The LFA shall cause to be served upon the Franchisee, at

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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 the hearing, and Franchisee shall promptly reimburse LFA for the expense of making such verbatim record and transcript up to, but no greater than, Five Thousand Dollars (\$5,000).

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 timely 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. The parties 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*, to the extent permitted by law. Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Franchisee's receipt of the written determination of the LFA.

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

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

12. MISCELLANEOUS PROVISIONS

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

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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, except that such provision shall survive such preemption and shall remain in effect for the term of this Agreement to the extent permitted 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 and was timely cured by Franchisee.

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:

City Manager
City Hall, 515 North Avenue
New Rochelle, NY 10801

12.5.3. with a copy to:

Corporation Counsel
City Hall, 515 North Avenue
New Rochelle, NY 10801

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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. The LFA acknowledges and agrees that all the elements of its local ordinances, rules, and regulations with respect to the provision of Cable Service over Franchisee's Cable System ("Local Law") are fully reflected by the terms and conditions of this Agreement and are satisfied by the Franchisee's compliance with the terms and conditions of this Agreement, and in the event of a material conflict between a provision of this Agreement and a provision of the Local Law, this Agreement shall be controlling.

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

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

12.9. *Severability:* With the exception of this Agreement's Section 1.16 (Definition of Gross Revenue), and Articles V (PEG Services and Franchise Grant), VI (Franchise Fees), and, VIII (Insurance and Indemnification) in its entirety, 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, sub-subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

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

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

12.12. *NY PSC Approval:* This Franchise and any amendment or modification hereof 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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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:* Franchisee shall 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 or any protected category of persons under federal or state law.

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

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

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

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

12.20. *Performance Review:* The LFA may, at its discretion but no more than once per three (3) year 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 Franchisee at the Performance Review shall be treated by the LFA as confidential. The LFA shall provide Franchisee with at least sixty (60) 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 sixty (60) 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; provided, however, that the Performance Review Report shall not contain any confidential information disclosed by Franchisee during the Performance Review.

12.21. *Section 626 Treatment:* Franchisee agrees that it will not apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, for the first two (2) years following the issuance by the NY PSC of an order confirming this Agreement. Thereafter, Franchisee reserves the right to apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, in an amount not to exceed the highest deduction available to any other cable franchisee in the City (based upon the other cable franchisee's yearly tax invoice payable to the

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

LFA) until such time that the LFA obtains a written complete waiver of the full amount of the special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFA or as a credit against the special franchise tax) from such existing and any new provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area. Upon securing such written waiver from all existing and new providers of Cable Service or cable service (as such term may be defined by other providers) in the Service Area, Franchisee agrees to no longer apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626 beginning in the next full calendar month after such waiver becomes legally binding on the City's existing cable franchisee. The operation of this Section 12.21 shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee's rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

12.22. *Level Playing Field:* The parties agree that the terms and conditions of this Agreement are in compliance with the level playing field requirements of the NY PSC.

AGREED TO THIS ____ DAY OF _____, 2007.

LFA:

Approved as to Form:

By: _____
Title _____

By: _____
Title _____

Verizon New York Inc.

Approved as to Form:

By: _____
Title _____

By: _____
Title _____

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

Subject to the notification procedures of Section 3.3, certain buildings are entitled to receive multiple outlets as indicated in parenthesis below.

H. Doyle Center
94 Davis ~~Avenue~~Avenue
City of New Rochelle, NY 10805

City of New Rochelle City Hall (up to 2 outlets)
515 North Avenue
City of New Rochelle, NY 10801

City of New Rochelle City Hall
Annex
515 North Avenue
City of New Rochelle, NY 10801

New Rochelle Board of Education (up to 2 outlets)
515 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
166 Webster Avenue
City of New Rochelle, NY 10801

New Rochelle Library
1 Library Plaza
City of New Rochelle, NY 10801

Hudson County School
340 Quaker Ridge Road
City of New Rochelle, NY 10804

Donovan School
100 Overlook Circle
City of New Rochelle, NY 10804

Blessed Sacrament School
26 Maple Avenue
City of New Rochelle, NY 10801

Blessed Sacrament School
Annex

24 Shea Place
New Rochelle, NY 10801

Davis Elementary School [\(up to 3 outlets\)](#)
80 Iselin Drive
City of New Rochelle, NY 10804

Alternative High School
50 Washington Avenue
City of New Rochelle, NY 10801

Albert Leonard Middle School
25 Gerada Lane
City of New Rochelle, NY 10804

Iona Prep
25 Stratton Road
City of New Rochelle, NY 10804

M. Toms Day School
48 Mount Tom Road
City of New Rochelle, NY 10805

New Rochelle High School [\(up to 4 outlets\)](#)
265 Clove Road
City of New Rochelle, NY 10801

New Rochelle High School
Annex
265 Clove Road
City of New Rochelle, NY 10801

S. Columbus Elementary School [\(up to 4 outlets\)](#)
275 Washington Avenue
City of New Rochelle, NY 10801

T. Donovan School [\(up to 5 outlets\)](#)
144 Overlook Circle
City of New Rochelle, NY 10804

Salesian High School [\(up to 2 outlets\)](#)
148 Main Street
City of New Rochelle, NY 10801

Webster Elementary School [\(up to 7 outlets\)](#)
95 Glenmore Drive

City of New Rochelle, NY 10801

Trinity School [\(up to 3 outlets\)](#)
180 Pelham Road
City of New Rochelle, NY 10805

Halen School [\(up to 3 outlets\)](#)
97 Centre Avenue
City of New Rochelle, NY 10801

Jefferson School
131 Weyman Avenue
City of New Rochelle, NY 10805

Barnard School
129 Barnard Road
City of New Rochelle, NY 10801

Ursuline School
1354 North Avenue
City of New Rochelle, NY 10804

Holy Name School
70 Petersville Road
City of New Rochelle, NY 10801

Community Center
95 Lincoln Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
756 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
45 Harrison Street
City of New Rochelle, NY 10801

Ambulance Corps
Firehouse Annex
45 Harrison Street
City of New Rochelle, NY 10801

New Rochelle City Yard
224 East Main Street
City of New Rochelle, NY 10801

Fire Headquarters
90 Beaufort Place
City of New Rochelle, NY 10801

New Rochelle Firehouse
155 Drake Avenue
City of New Rochelle, NY 10805

Police Headquarters
475 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
496 Stratton Road
City of New Rochelle, NY 10804

Huguenot Childrens Library
794 North Avenue
City of New Rochelle, NY 10801

Department of Public Works
40 Pelham Road
City of New Rochelle, NY 10801

Department of Public Works (future location)
85 Beechwood Avenue
City of New Rochelle, NY 10801

Isaac E. Young Middle School
270 Centre Avenue
City of New Rochelle, NY 10805

Westchester Area School
456 Webster Avenue
City of New Rochelle, NY 10801

Ward School
311 Broadfield Road
City of New Rochelle, NY 10804

Municipal Marina
22 Pelham Road
City of New Rochelle, NY 10801

Police Harbor Facility
Hudson Park
City of New Rochelle, NY 10801

EXHIBIT B

SERVICE AREA

The Service Area is 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 22% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule calls for 52% deployment by October 2007, 61% deployment by April 2008, 70% deployment by October 2008, 75% deployment by April 2009, 80% deployment by October 2009, 85% deployment by April 2010, 90% deployment by October 2010, 95% deployment by April 2011, 97% deployment by October 2011, and 100% deployment by February 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 ACCESS INTERCONNECTION SITES

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following one (1) Government ~~(G)~~ Access Channel and one (1) Public Access ~~(P)~~ Channel PEG Access Interconnection Site (“PEG Access Interconnection Site No. 1”) shall be activated within one hundred eighty (180) days of the Effective Date:

~~G/P Site:~~ — City of New Rochelle City Hall, 515 North Ave., New Rochelle, NY 10801

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following one (21) Educational Access ~~(E)~~ Channel PEG Access Interconnection Sites Site (“PEG Access Interconnection Site No. 2”) shall be activated within two hundred seventy (270) days of the Effective Date:

~~E Sites:~~ — New Rochelle High School, 265 Clove Road, New Rochelle, NY 10801

~~Isaac E. Young Middle School
270 Centre Avenue, New Rochelle, NY 10801~~

~~The Educational~~ PEG Access ~~Channel PEG~~ Interconnection Site ~~at the New Rochelle High School~~ No. 1 and PEG Access Interconnection Site No. 2 shall serve as the aggregation point ~~for the Isaac E. Young Middle School Site designated to feed signals to the Primary Educational Access Channel PEG Interconnection Site at the High School.~~ points for those PEG Access Origination Points designated below (each, a “PEG Content Origination Point”) feeding signals to the Government, Public, and Educational Access Channels. For purposes of permitting LFA to select and switch feeds coming into ~~the~~ an aggregation point, Franchisee shall provide the LFA, without charge, such capability at ~~the~~ such aggregation point. Operation and maintenance of any equipment associated therewith shall be the responsibility of the LFA.

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Government or Public Access Channel PEG Content Origination Point No. 1 feeding signals to PEG Access Interconnection Point No. 1 shall be activated within one hundred eighty (180) days after written request from the LFA or the Library for activation when such PEG Access Origination Point No. 1 is fully functional for its intended purpose, with such request to be provided no earlier than one hundred eighty (180) days after the Effective Date.

New Rochelle Library, 1 Library Plaza, New Rochelle, NY 10801

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Educational Access Channel PEG Content Origination Points No. 2 and No. 3 feeding signals to PEG Access Interconnection Site No. 2 shall be activated within two hundred and seventy (270)

days after written request from the LFA for activation when such PEG Access Origination Points No. 2 and No. 3 are fully functional for its intended purpose, with such request to be provided no earlier than one hundred eighty (180) days after the Effective Date.

Isaac E. Young Middle School, 270 Centre Avenue, New Rochelle, NY 10801
Albert Leonard Middle School, 25 Gerada Lane, New Rochelle, NY 10804

Document comparison done by Workshare DeltaView on Wednesday, August 01, 2007
6:32:27 PM

Input:	
Document 1	interwovenSite://IWDMSATL/LEGAL02/30466667/1
Document 2	interwovenSite://IWDMSATL/LEGAL02/30473407/1
Rendering set	standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	60
Deletions	31
Moved from	2
Moved to	2
Style change	0
Format changed	0
Total changes	95

Tab 8

From: Copiz, Adrian
Sent: Thursday, August 02, 2007 4:07 PM
To: 'Shapiro, Bernis'
Cc: Small, Omar; Powell, Kenneth; sparr@telecominsightgroup.com
Subject: Revised Verizon - New Rochelle Cable Franchise Agreement

Bernis, following up on our conversation, attached is the revised agreement (clean and blacklined). Adrian

IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS and other taxing authorities, we inform you that any tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties that may be imposed on any taxpayer or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

NOTICE: This e-mail message and all attachments transmitted with it may contain legally privileged and confidential information intended solely for the use of the addressee. If the reader of this message is not the intended recipient, you are hereby notified that any reading, dissemination, distribution, copying, or other use of this message or its attachments is strictly prohibited. If you have received this message in error, please notify the sender immediately by telephone (404-881-7000) or by electronic mail (postmaster@alston.com), and delete this message and all copies and backups thereof. Thank you.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

CABLE FRANCHISE AGREEMENT

BY AND BETWEEN

THE CITY OF NEW ROCHELLE, NEW YORK

AND

VERIZON NEW YORK, INC.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
1. DEFINITIONS.....	2
2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS	7
3. PROVISION OF CABLE SERVICE	9
4. SYSTEM FACILITIES	10
5. PEG SERVICES AND FRANCHISE GRANT	11
6. FRANCHISE FEES	14
7. REPORTS AND RECORDS	15
8. INSURANCE AND INDEMNIFICATION	16
9. TRANSFER OF FRANCHISE.....	18
10. RENEWAL OF FRANCHISE.....	19
11. ENFORCEMENT AND TERMINATION OF FRANCHISE	19
12. MISCELLANEOUS PROVISIONS.....	21

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the City of New Rochelle, 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;

WHEREAS, the LFA has determined that the terms and conditions contained in this Franchise comply with and satisfy the requirements of its local ordinances, rules, and regulations with respect to the provision of Cable Service; 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; and,

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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*: The tier of Cable Service which includes, at a minimum, the retransmission of all local television broadcast signals provided to any Subscriber and any PEG Channels required by this Franchise or NY PSC rules, and which may also include any additional video programming signals as determined by Franchisee.

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 required by this Agreement to be designated by the Franchisee for noncommercial use by local public schools and public school districts in the Franchise Area and other not-for-profit educational institutions

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

chartered or licensed by the New York State Department of Education or Board of Regents in the Franchise Area as specified by the LFA.

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

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

1.13. *Franchise Area*: The entire existing territorial limits of the LFA and such additional areas as may be annexed or acquired, during the term of this Franchise.

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, as defined herein and as may be amended under federal law, 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) fees from video on demand and pay-per-view;

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

(vi) 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.

Except as provided above, Gross Revenue shall not include:

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

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

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

(iv) any revenues classified as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with federal law, rules, regulations, standards or orders. Should revenue from Telecommunications or Information Services, or any other service provided over the Cable System be deemed a Cable Service by a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, the LFA shall be entitled, after notification to Franchisee, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from Franchisee's provision of such service as Gross Revenue, and Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the date of issuance of an order from the NY PSC approving such amendment;

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

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

(ix) any foregone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise (provided, however, that such foregone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue);

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

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

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

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

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

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

1.20. *Non-Cable Services*: Any service that does not constitute Cable Service pursuant to this Franchise including, but not limited to, Information Services and Telecommunications Services.

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

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

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

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

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

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

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

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

1.31. *Transfer of the Franchise*:

1.31.1. Any transaction in which:

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

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

1.31.2. However, notwithstanding Sub-subsections 1.31.1.1 and 1.31.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues a certificate of confirmation for this Franchise (the "Effective Date"), following its approval by the LFA's governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be ten (10) years from the Effective Date unless the Franchise is earlier revoked as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFA in writing of the same, which notification shall become a part of this Franchise. If subsequent to the Effective Date, there is a change in federal or state law that eliminates the authority of the LFA to require, grant or maintain this Franchise, then to the extent permitted by law, this Franchise shall survive such legislation and remain in effect for the term of this Franchise.

2.4. *Grant Not Exclusive:* The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall be non-exclusive, and the LFA has granted and 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, except as permitted by applicable law, with existing facilities of the Cable System or 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 and FCC and NY PSC rules, regulations, standards and orders, as amended from time to time, including but not limited to the Communications Act.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

2.6. *No Waiver:*

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

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

2.7. *Construction of Agreement:*

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

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

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

2.8 *Local Authority:* The LFA reserves the right to adopt, enact, implement, and enforce, in addition to the implementation and enforcement of the provisions contained in the Franchise and existing applicable ordinances, such additional regulations as it shall find necessary in the exercise of its police power; provided, however, that such regulations are reasonable and not materially in conflict with the privileges granted in the Franchise and consistent with all federal and state laws, rules, 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 at Franchisee's expense.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

2.10 *Restoration of Private Property:* The Franchisee shall ensure that private real property is restored to its pre-existing condition if damaged by the Franchisee's employees or agents in any respect in connection with the installation, repair, maintenance, or disconnection of Cable Service.

3. PROVISION OF CABLE SERVICE

3.1. *Service Area:*

3.1.1. *Service Commitment Area:* Subject to the issuance of all necessary permits by the LFA, Franchisee shall offer Cable Service to significant numbers of residential Subscribers within the Service Area and may make Cable Service available to businesses in the Service Area, within twelve (12) months and shall offer Cable Service to all residential Subscribers in the Service Area within five (5) years, of the Effective Date of this Franchise, or, in both instances, such longer period as may be permitted by the Cable Law, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in developments or buildings that 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 dwelling unit density does not meet the density and other requirements set forth in Sub-subsection 3.1.1.1. and Section 3.2.

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

3.2. *Availability of Cable Service:*

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

dwelling units per mile and the actual costs incurred to connect any non-residential dwelling unit Subscriber, provided, however, that Franchisee may seek a waiver of any requirement that it extend service to any party requesting the same in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility. For underground installations, Franchisee shall charge the Subscriber no more than Franchisee's actual cost. Such costs shall be submitted to said Subscriber in writing before installation is begun.

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

3.3. *Cable Service to School, Library, and Municipal Buildings:* Subject to Section 3.1, Franchisee shall provide, without charge within the Service Area, one service outlet activated for Basic Service to each primary or secondary school chartered or licensed by the State of New York, public library, and such other buildings used for municipal purposes as may be designated by the LFA as provided in **Exhibit A** attached hereto, or as designated by the LFA in the future during the Franchise term, all upon ninety (90) days prior written notice to the Franchisee by the school, library, or municipal building, as the case may be, and within the area of the Service Area in which Franchisee's Cable Service is available; provided however that any new additional buildings added to **Exhibit A** by the LFA cannot exceed a total of more than three (3) additional buildings per year or, in the aggregate, a total of seven (7) additional buildings over the life of the Agreement; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to 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. 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. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

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

4. SYSTEM FACILITIES

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

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

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

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

5. PEG SERVICES AND FRANCHISE GRANT

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 one (1) dedicated Public Access Channel, one (1) dedicated Educational Access Channel, and one (1) dedicated Government Access Channel (collectively, "PEG Channels").

5.1.2. The programming to be carried on each of the PEG Channels will be provided by the LFA, the City of New Rochelle School District, and the public. 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 as provided in the Cable Law, 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.

5.1.4. The PEG Channels shall be carried on the Basic Service tier in a format that provides the same technical quality of picture and sound as the majority of the other

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

Channels carried on the Basic Service tier; however, the quality of picture and sound of the PEG Channels is not required to exceed the quality of the source programming provided by the LFA or by the incumbent cable provider through interconnection.

5.2. PEG Access Connections:

5.2.1. LFA shall designate in its sole discretion not more than five (5) sites within the Franchise Area for the connection of PEG access facilities with the Cable System (each, a “PEG Access Interconnection Site” or “PEG Content Origination Point”, generally or collectively “PEG Access Origination Points”), as designated on Exhibit C to this Agreement. Each PEG Access Interconnection Site is also a PEG Content Origination Point.

5.2.2. Subject to the successful completion of all required site preparation work by the LFA and provision of access to Franchisee for equipment installation and provisioning, Franchisee shall, without charge to the LFA, provide upstream PEG Channel transmission connections between its video channel aggregation point and each PEG Access Origination Point in order to permit the signals to be correctly routed from the PEG Access Origination Points to the appropriate PEG Access Channel for distribution to Subscribers as set forth on Exhibit C.

The LFA shall provide to Franchisee at each PEG Access Origination Point a suitable video signal for each PEG Channel. Franchisee, upon receipt of the suitable video signal, shall provide, install and maintain in good working order the equipment necessary for transmitting the PEG signal to the channel aggregation site for further processing for distribution to Subscribers. Franchisee’s obligations with respect to such upstream transmission equipment and facilities shall be subject to the availability, without charge to Franchisee, of suitable required space, environmental conditions, electrical power supply, access, pathway, and other facilities and such cooperation of the LFA as is reasonably necessary for Franchisee to fulfill such obligations. Should Franchisee determine that it cannot fulfill such obligations as a result of LFA’s failure to cooperate or to provide suitable required space, environmental conditions, electrical power supply, access, pathway, or other facilities, it shall so notify LFA in a writing detailing the requirements of Franchisee that will enable it to fulfill its obligations hereunder.

5.3. PEG Grant:

5.3.1. Franchisee shall provide to the LFA financial contributions for use in support of the production of local PEG programming. The financial contributions shall consist of the two grants: (a) a grant in the amount of TWO HUNDRED FORTY THOUSAND DOLLARS (\$240,000) payable in three (3) installments (the “Initial PEG Grant”); and (b) an annual grant in the amount of FORTY THOUSAND DOLLARS (\$40,000) per year, commencing in the second year of the term of this Agreement (the “Annual PEG Grant”).

5.3.2. The Initial PEG Grant shall be payable in three (3) installments. The first (1st) installment of ONE HUNDRED TWENTY THOUSAND DOLLARS (\$120,000), shall be payable within thirty (30) days after the Effective Date. The second (2nd) installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the first (1st) anniversary of the Effective Date. The third

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

(3rd), and final installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the second (2nd) anniversary of the Effective Date.

5.3.3. Annual PEG Grant payments shall be due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date, as set forth in Section 5.3.1, until the Franchise expires or is terminated by either party. The LFA shall impose an equivalent obligation to the obligations contained in this Section 5.3 (including the total amount of the Initial PEG Grant and amounts of the Annual PEG Grant) on all new and renewed providers of cable service in the Service Area. In any event, if any new or renewed franchise agreement contains obligations that are lesser in amount or aggregate value than the obligations imposed in this Section 5.3 (including the total amount of the Initial PEG Grant and the amounts of the Annual PEG Grant), Franchisee's obligations under Section 5.3 shall thereafter be reduced to an equivalent amount, but no refund will be required from the LFA.

5.3.4. The Initial PEG Grant and the Annual PEG Grant shall be used by LFA as permitted by law.

5.3.5. The LFA shall provide Franchisee with an annual report setting forth a summary of all expenditures for PEG access equipment and facilities from the PEG Grants paid to the LFA and the amounts, if any, reserved for future capital expenditures for such purposes.

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

5.5 *Franchise Grant in Lieu of Free Internet Service:* The Franchisee shall provide to the LFA financial contributions ("Franchise Grant") of thirty thousand dollars (\$30,000) to be paid over the term of the Agreement in increments of three thousand dollars (\$3,000), with such three thousand dollars (\$3,000) payments due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date. The parties agree that this provision for a Franchise Grant in lieu of free Internet service is in accordance with Section 12.22 herein.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

6. FRANCHISE FEES

6.1. *Payment to 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. Late payments shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) during the period such unpaid amount is owed.

6.2. *Supporting Information:* Each Franchise Fee payment shall be accompanied by a brief report prepared by a representative of Franchisee, as designated by 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.

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

6.5. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise, Franchisee shall be responsible for making available to the LFA for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees, whether the records are held by the Franchisee, an Affiliate, or any other entity that collects or receives funds related to the Franchisee's Cable Services operation in the LFA subject to the payment of Franchise Fees under this Agreement, including, by way of illustration and not limitation, any

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

entity that sells advertising on the Franchisee's behalf. Franchisee shall maintain such records for six (6) years, provided that, if the LFA commences an audit within that six (6) year period, Franchisee shall continue to maintain such records for the duration of any audit in progress at the end of that six (6) year period. The LFA shall conduct all audits expeditiously, and neither the LFA nor Franchisee shall unreasonably delay the completion of an audit. The LFA's audit expenses shall be borne by the LFA unless the audit determines that the payment to the LFA should be increased by five percent (5%) or more in the audited period, in which case the reasonable and customary costs of the audit, together with any additional amounts due to the LFA as a result of such audit, shall be paid by Franchisee to the LFA within sixty (60) days following written notice to Franchisee by the LFA of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFA's audit expenses shall not exceed an aggregate of fifteen thousand dollars (\$15,000) per audit. If re-computation results in additional revenue to be paid to the LFA, such amount shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules per annum during the period such unpaid amount is owed. If the audit determines that there has been an overpayment by Franchisee, the Franchisee may credit any overpayment against its next quarterly payment. Said audit shall be conducted by an independent third party and no auditor so employed by the LFA shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFA shall not conduct an audit more frequently than once every three (3) years.

7. REPORTS AND RECORDS

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

is required under FOIL, the LFA shall so notify Franchisee and, before making disclosure, shall, not inconsistently with the New York Public Officers Law, give Franchisee a reasonable period of time to seek to obtain judicial redress to preclude disclosure. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

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

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

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

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

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

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

7.3. *System-Wide Statistics:* Subject to the requirements of Section 895.1(t) of the NY PSC rules and regulations, any valid reporting requirement in the Franchise may be satisfied with system-wide statistics, except those related to Franchise Fees and consumer complaints.

7.4. *Reports:* Franchisee’s sole reporting obligation shall be to file those reports required by the Cable Law.

8. INSURANCE AND INDEMNIFICATION

8.1. *Insurance:*

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

8.1.1.1. Commercial General Liability Insurance in the amount of two million dollars (\$2,000,000) combined single limit for property damage and bodily injury.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA.

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

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

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

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

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

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. Franchisee shall deliver to LFA Certificates of Insurance showing evidence of all required coverages under this Agreement on or before the Effective Date and providing for at least thirty (30) days prior written notice to be given to LFA of cancellation, intent not to renew or any adverse material change.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

8.2. *Indemnification:*

8.2.1. Franchisee agrees to defend and indemnify the LFA, its officers, agents, and employees for, and hold it or them harmless from all suits, proceedings, actions, demands, liabilities, damages, costs or expenses arising from claims of injury to persons or damage to property occasioned by reason of any conduct undertaken pursuant to the Franchise, or by reason of any suit or claim for royalties, programming license fees or infringement of patent rights arising out of Franchisee's provision of Cable Services over the Cable System other than PEG facilities and Channels, provided that the LFA shall give Franchisee timely written notice of its obligation to indemnify the LFA, but in any event, the LFA shall provide such notice to Franchisee within a sufficient period of time from receipt of a claim or action pursuant to this Subsection to enable Franchisee to timely answer complaints, raise defenses and defend all claims. Notwithstanding the foregoing, Franchisee shall not be required to indemnify the LFA for any suits, proceedings, actions, demands, damages, liabilities or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, or attorneys, acting in their official capacity on behalf of the LFA or for any activity or function conducted by any Person other than Franchisee on behalf of the LFA 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 if Franchisee shall bear the entire cost of the settlement. In the event that the terms of any such proposed settlement includes the release of the LFA and the LFA does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the LFA shall in no event exceed the amount of such settlement.

8.2.3. The LFA shall be responsible for its own acts of willful misconduct, negligence, or willful 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 solely committed on the part of the LFA which constitute willful misconduct or negligence on the part of the LFA, its officers, employees, agents, attorneys, consultants, independent contractors or third parties acting in their official capacity on behalf of the LFA.

9. **TRANSFER OF FRANCHISE**

9.1. *LFA Consent Required:* 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)

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

other qualifications necessary to continue to operate the Cable System consistent with the terms of the Franchise.

9.2. *LFA Consent Not Required for Certain Transactions:* No prior consent of the LFA shall be required 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 12.12 below, the Cable Law and Section 626 of the Communications Act, 47 U.S.C. § 546, as amended.

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

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

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

11. ENFORCEMENT AND TERMINATION OF FRANCHISE

11.1. *Notice of Violation:* If at any time the LFA believes that Franchisee has not complied with the terms of the Franchise, the LFA shall notify Franchisee in writing of the exact nature of the alleged noncompliance (for purposes of this Article, the “Noncompliance Notice”).

11.2. *Franchisee’s Right to Cure or Respond:* 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 timely 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, except that noncompliance in a) making payments for the PEG Grant, the Franchise Grant, and Franchise Fees, b) the maintenance of the required insurance, and c)

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

fulfilling the indemnification requirements shall not be eligible for this subsection 11.2(iii). 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 (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied or commenced to remedy the alleged noncompliance within sixty (60) days or the date projected pursuant to Section 11.2(iii) above. The LFA shall provide Franchisee at least thirty (30) calendar days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide Franchisee the opportunity to be heard.

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

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

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

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

11.5. *Revocation:* If the LFA seeks to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 11.3, then the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have ninety (90) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing. The LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

11.5.1. At the designated public hearing, Franchisee shall be provided a fair opportunity for full participation, including the rights to be represented by legal counsel, to introduce relevant evidence, to require the production of evidence, to compel the relevant testimony of the officials, agents, employees or consultants of the LFA, to compel the testimony of other persons as permitted by law, and to question and/or cross examine witnesses. A complete verbatim record and transcript shall be made of the hearing, and Franchisee shall promptly reimburse LFA for the expense of making such verbatim record and transcript up to, but no greater than, Five Thousand Dollars (\$5,000).

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

has been cured or will be timely 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. The parties 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*, to the extent permitted by law. Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Franchisee's receipt of the written determination of the LFA.

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

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

12. MISCELLANEOUS PROVISIONS

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

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

12.3. *Preemption:* In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required by law, except that such provision shall survive such preemption and shall remain in effect for the term of this Agreement to the extent permitted 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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

violations of the Franchise where the violation was a good faith error that resulted in no or minimal negative impact on Subscribers and was timely cured by Franchisee.

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:

City Manager
City Hall, 515 North Avenue
New Rochelle, NY 10801

12.5.3. with a copy to:

Corporation Counsel
City Hall, 515 North Avenue
New Rochelle, NY 10801

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. The LFA acknowledges and agrees that all the elements of its local ordinances, rules, and regulations with respect to the provision of Cable Service over Franchisee's Cable System ("Local Law") are fully reflected by the terms and conditions of this Agreement and are satisfied by the Franchisee's compliance with the terms and conditions of this Agreement, and in the event of a material conflict between a provision of this Agreement and a provision of the Local Law, this Agreement shall be controlling.

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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

12.9. *Severability:* With the exception of this Agreement's Section 1.16 (Definition of Gross Revenue), and Articles V (PEG Services and Franchise Grant), VI (Franchise Fees), and, VIII (Insurance and Indemnification) in its entirety, 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, sub-subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

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

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

12.12. *NY PSC Approval:* This Franchise and any amendment or modification hereof 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:* Franchisee shall 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 or any protected category of persons under federal or state law.

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

12.17. *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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

12.20. *Performance Review:* The LFA may, at its discretion but no more than once per three (3) year 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 Franchisee at the Performance Review shall be treated by the LFA as confidential. The LFA shall provide Franchisee with at least sixty (60) 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 sixty (60) 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; provided, however, that the Performance Review Report shall not contain any confidential information disclosed by Franchisee during the Performance Review.

12.21. *Section 626 Treatment:* Franchisee agrees that it will not apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, for the first two (2) years following the issuance by the NY PSC of an order confirming this Agreement. Thereafter, Franchisee reserves the right to apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, in an amount not to exceed the highest deduction available to any other cable franchisee in the City (based upon the other cable franchisee's yearly tax invoice payable to the LFA) until such time that the LFA obtains a written complete waiver of the full amount of the special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFA or as a credit against the special franchise tax) from such existing and any new provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area. Upon securing such written waiver from all existing and new providers of Cable Service or cable service (as such term may be defined by other providers) in the Service Area, Franchisee agrees to no longer apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626 beginning in the next full calendar month after such waiver becomes legally binding on the City's existing cable franchisee. The operation of this Section 12.21 shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee's rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

12.22. *Level Playing Field:* The parties agree that the terms and conditions of this Agreement are in compliance with the level playing field requirements of the NY PSC.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

AGREED TO THIS ____ DAY OF _____, 2007.

LFA:

Approved as to Form:

By: _____
Title _____

By: _____
Title _____

Verizon New York Inc.

Approved as to Form:

By: _____
Title _____

By: _____
Title _____

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

Subject to the notification procedures of Section 3.3, certain buildings are entitled to receive multiple outlets as indicated in parenthesis below.

H. Doyle Center
94 Davis Avenue
City of New Rochelle, NY 10805

City of New Rochelle City Hall (up to 2 outlets)
515 North Avenue
City of New Rochelle, NY 10801

City of New Rochelle City Hall
Annex
515 North Avenue
City of New Rochelle, NY 10801

New Rochelle Board of Education (up to 2 outlets)
515 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
166 Webster Avenue
City of New Rochelle, NY 10801

New Rochelle Library
1 Library Plaza
City of New Rochelle, NY 10801

Hudson County School
340 Quaker Ridge Road
City of New Rochelle, NY 10804

Donovan School
100 Overlook Circle
City of New Rochelle, NY 10804

Blessed Sacrament School
26 Maple Avenue
City of New Rochelle, NY 10801

Blessed Sacrament School
Annex

24 Shea Place
New Rochelle, NY 10801

Davis Elementary School (up to 3 outlets)
80 Iselin Drive
City of New Rochelle, NY 10804

Alternative High School
50 Washington Avenue
City of New Rochelle, NY 10801

Albert Leonard Middle School
25 Gerada Lane
City of New Rochelle, NY 10804

Iona Prep
25 Stratton Road
City of New Rochelle, NY 10804

M. Toms Day School
48 Mount Tom Road
City of New Rochelle, NY 10805

New Rochelle High School (up to 4 outlets)
265 Clove Road
City of New Rochelle, NY 10801

New Rochelle High School
Annex
265 Clove Road
City of New Rochelle, NY 10801

S. Columbus Elementary School (up to 4 outlets)
275 Washington Avenue
City of New Rochelle, NY 10801

T. Donovan School (up to 5 outlets)
144 Overlook Circle
City of New Rochelle, NY 10804

Salesian High School (up to 2 outlets)
148 Main Street
City of New Rochelle, NY 10801

Webster Elementary School (up to 7 outlets)
95 Glenmore Drive

City of New Rochelle, NY 10801

Trinity School (up to 3 outlets)
180 Pelham Road
City of New Rochelle, NY 10805

Halen School (up to 3 outlets)
97 Centre Avenue
City of New Rochelle, NY 10801

Jefferson School
131 Weyman Avenue
City of New Rochelle, NY 10805

Barnard School
129 Barnard Road
City of New Rochelle, NY 10801

Ursuline School
1354 North Avenue
City of New Rochelle, NY 10804

Holy Name School
70 Petersville Road
City of New Rochelle, NY 10801

Community Center
95 Lincoln Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
756 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
45 Harrison Street
City of New Rochelle, NY 10801

Ambulance Corps
Firehouse Annex
45 Harrison Street
City of New Rochelle, NY 10801

New Rochelle City Yard
224 East Main Street
City of New Rochelle, NY 10801

Fire Headquarters
90 Beaufort Place
City of New Rochelle, NY 10801

New Rochelle Firehouse
155 Drake Avenue
City of New Rochelle, NY 10805

Police Headquarters
475 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
496 Stratton Road
City of New Rochelle, NY 10804

Huguenot Childrens Library
794 North Avenue
City of New Rochelle, NY 10801

Department of Public Works
40 Pelham Road
City of New Rochelle, NY 10801

Department of Public Works (future location)
85 Beechwood Avenue
City of New Rochelle, NY 10801

Isaac E. Young Middle School
270 Centre Avenue
City of New Rochelle, NY 10805

Westchester Area School
456 Webster Avenue
City of New Rochelle, NY 10801

Ward School
311 Broadfield Road
City of New Rochelle, NY 10804

Municipal Marina
22 Pelham Road
City of New Rochelle, NY 10801

Police Harbor Facility
Hudson Park
City of New Rochelle, NY 10801

EXHIBIT B

SERVICE AREA

The Service Area is 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 22% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule calls for 52% deployment by October 2007, 61% deployment by April 2008, 70% deployment by October 2008, 75% deployment by April 2009, 80% deployment by October 2009, 85% deployment by April 2010, 90% deployment by October 2010, 95% deployment by April 2011, 97% deployment by October 2011, and 100% deployment by February 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.

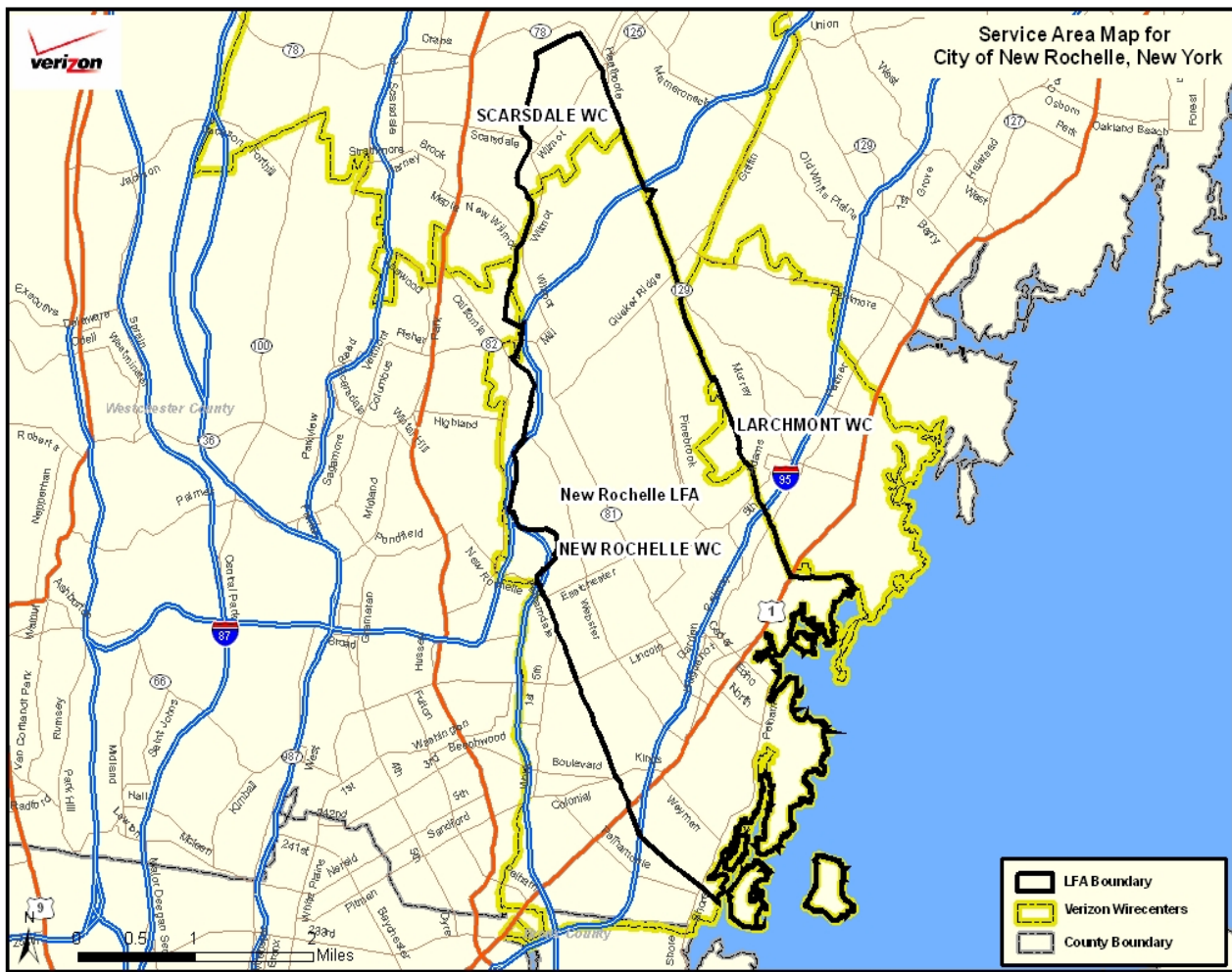


EXHIBIT C

PEG ACCESS INTERCONNECTION SITES

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following one (1) Government Access Channel and one (1) Public Access Channel PEG Access Interconnection Site (“PEG Access Interconnection Site No. 1”) shall be activated within one hundred eighty (180) days of the Effective Date:

City of New Rochelle City Hall, 515 North Ave., New Rochelle, NY 10801

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following one (1) Educational Access Channel PEG Access Interconnection Site (“PEG Access Interconnection Site No. 2”) shall be activated within two hundred seventy (270) days of the Effective Date:

New Rochelle High School, 265 Clove Road, New Rochelle, NY 10801

PEG Access Interconnection Site No. 1 and PEG Access Interconnection Site No. 2 shall additionally serve as the aggregation points for PEG Content Origination Points 1-3, below, feeding signals to the Government, Public, and Educational Access Channels. For purposes of permitting LFA to select and switch feeds coming into an aggregation point, Franchisee shall provide the LFA, without charge, such capability at such aggregation point. Operation and maintenance of any equipment associated therewith shall be the responsibility of the LFA or the New Rochelle City School District, as the case may be.

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Government or Public Access Channel PEG Content Origination Point No. 1 feeding signals to PEG Access Interconnection Point No. 1 shall be activated within three hundred sixty (360) days of the Effective Date.

New Rochelle Library, 1 Library Plaza, New Rochelle, NY 10801 (PEG Content Origination Point # 1)

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Educational Access Channel PEG Content Origination Points No. 2 and No. 3 feeding signals to PEG Access Interconnection Site No. 2 shall be activated within two hundred and seventy (270) days after the Effective Date.

Isaac E. Young Middle School, 270 Centre Avenue, New Rochelle, NY 10801 (PEG Content Origination Point # 2)

Albert Leonard Middle School, 25 Gerada Lane, New Rochelle, NY 10804 (PEG Content Origination Point # 3)

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

CABLE FRANCHISE AGREEMENT

BY AND BETWEEN

THE CITY OF NEW ROCHELLE, NEW YORK

AND

VERIZON NEW YORK, INC.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
1. DEFINITIONS.....	2
2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS	7
3. PROVISION OF CABLE SERVICE	9
4. SYSTEM FACILITIES	11 10
5. PEG SERVICES AND FRANCHISE GRANT	11
6. FRANCHISE FEES	14
7. REPORTS AND RECORDS.....	15
8. INSURANCE AND INDEMNIFICATION	17 16
9. TRANSFER OF FRANCHISE.....	18
10. RENEWAL OF FRANCHISE.....	19
11. ENFORCEMENT AND TERMINATION OF FRANCHISE	19
12. MISCELLANEOUS PROVISIONS.....	21

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the City of New Rochelle, 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;

WHEREAS, the LFA has determined that the terms and conditions contained in this Franchise comply with and satisfy the requirements of its local ordinances, rules, and regulations with respect to the provision of Cable Service; 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; and,

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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*: The tier of Cable Service which includes, at a minimum, the retransmission of all local television broadcast signals provided to any Subscriber and any PEG Channels required by this Franchise or NY PSC rules, and which may also include any additional video programming signals as determined by Franchisee.

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 required by this Agreement to be designated by the Franchisee for noncommercial use by local public schools and public school districts in the Franchise Area and other not-for-profit educational institutions

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

chartered or licensed by the New York State Department of Education or Board of Regents in the Franchise Area as specified by the LFA.

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

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

1.13. *Franchise Area*: The entire existing territorial limits of the LFA and such additional areas as may be annexed or acquired, during the term of this Franchise.

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, as defined herein and as may be amended under federal law, 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) fees from video on demand and pay-per-view;

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

(vi) 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.

Except as provided above, Gross Revenue shall not include:

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

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

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

(iv) any revenues classified as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with federal law, rules, regulations, standards or orders. Should revenue from Telecommunications or Information Services, or any other service provided over the Cable System be deemed a Cable Service by a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, the LFA shall be entitled, after notification to Franchisee, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from Franchisee's provision of such service as Gross Revenue, and Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the date of issuance of an order from the NY PSC approving such amendment;

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

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

(ix) any foregone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise (provided, however, that such foregone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue);

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

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

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

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

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

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

1.20. *Non-Cable Services*: Any service that does not constitute Cable Service pursuant to this Franchise including, but not limited to, Information Services and Telecommunications Services.

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

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

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

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

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

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

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

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

1.31. *Transfer of the Franchise*:

1.31.1. Any transaction in which:

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

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

1.31.2. However, notwithstanding Sub-subsections 1.31.1.1 and 1.31.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues a certificate of confirmation for this Franchise (the "Effective Date"), following its approval by the LFA's governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be ten (10) years from the Effective Date unless the Franchise is earlier revoked as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFA in writing of the same, which notification shall become a part of this Franchise. If subsequent to the Effective Date, there is a change in federal or state law that eliminates the authority of the LFA to require, grant or maintain this Franchise, then to the extent permitted by law, this Franchise shall survive such legislation and remain in effect for the term of this Franchise.

2.4. *Grant Not Exclusive:* The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall be non-exclusive, and the LFA has granted and 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, except as permitted by applicable law, with existing facilities of the Cable System or 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 and FCC and NY PSC rules, regulations, standards and orders, as amended from time to time, including but not limited to the Communications Act.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

2.6. *No Waiver:*

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

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

2.7. *Construction of Agreement:*

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

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

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

2.8 *Local Authority:* The LFA reserves the right to adopt, enact, implement, and enforce, in addition to the implementation and enforcement of the provisions contained in the Franchise and existing applicable ordinances, such additional regulations as it shall find necessary in the exercise of its police power; provided, however, that such regulations are reasonable and not materially in conflict with the privileges granted in the Franchise and consistent with all federal and state laws, rules, 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 at Franchisee's expense.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

2.10 *Restoration of Private Property:* The Franchisee shall ensure that private real property is restored to its pre-existing condition if damaged by the Franchisee's employees or agents in any respect in connection with the installation, repair, maintenance, or disconnection of Cable Service.

3. PROVISION OF CABLE SERVICE

3.1. *Service Area:*

3.1.1. *Service Commitment Area:* Subject to the issuance of all necessary permits by the LFA, Franchisee shall offer Cable Service to significant numbers of residential Subscribers within the Service Area and may make Cable Service available to businesses in the Service Area, within twelve (12) months and shall offer Cable Service to all residential Subscribers in the Service Area within five (5) years, of the Effective Date of this Franchise, or, in both instances, such longer period as may be permitted by the Cable Law, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in developments or buildings that 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 dwelling unit density does not meet the density and other requirements set forth in Sub-subsection 3.1.1.1. and Section 3.2.

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

3.2. *Availability of Cable Service:*

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

dwelling units per mile and the actual costs incurred to connect any non-residential dwelling unit Subscriber, provided, however, that Franchisee may seek a waiver of any requirement that it extend service to any party requesting the same in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility. For underground installations, Franchisee shall charge the Subscriber no more than Franchisee's actual cost. Such costs shall be submitted to said Subscriber in writing before installation is begun.

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

3.3. *Cable Service to School, Library, and Municipal Buildings:* Subject to Section 3.1, Franchisee shall provide, without charge within the Service Area, one service outlet activated for Basic Service to each primary or secondary school chartered or licensed by the State of New York, public library, and such other buildings used for municipal purposes as may be designated by the LFA as provided in **Exhibit A** attached hereto, or as designated by the LFA in the future during the Franchise term, all upon ninety (90) days prior written notice to the Franchisee by the school, library, or municipal building, as the case may be, and within the area of the Service Area in which Franchisee's Cable Service is available; provided however that any new additional buildings added to **Exhibit A** by the LFA cannot exceed a total of more than three (3) additional buildings per year or, in the aggregate, a total of seven (7) additional buildings over the life of the Agreement; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to 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. 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. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

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

4. SYSTEM FACILITIES

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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

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

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

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

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

5. PEG SERVICES AND FRANCHISE GRANT

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 one (1) dedicated Public Access Channel, one (1) dedicated Educational Access Channel, and one (1) dedicated Government Access Channel (collectively, "PEG Channels").

5.1.2. The programming to be carried on each of the PEG Channels will be provided by the LFA, the City of New Rochelle School District, and the public. 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 as provided in the Cable Law, 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.

5.1.4. The PEG Channels shall be carried on the Basic Service tier in a format that provides the same technical quality of picture and sound as the majority of the other

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

Channels carried on the Basic Service tier; however, the quality of picture and sound of the PEG Channels is not required to exceed the quality of the source programming provided by the LFA or by the incumbent cable provider through interconnection.

5.2. PEG Access Connections:

5.2.1. LFA shall designate in its sole discretion not more than five (5) sites within the Franchise Area for the connection of PEG access facilities with the Cable System (each, a “PEG Access Interconnection Site” or “PEG Content Origination Point”, generally or collectively “PEG Access Origination Points”), as designated on Exhibit C to this Agreement. Each PEG Access Interconnection Site is also a PEG Content Origination Point.

5.2.2. Subject to the successful completion of all required site preparation work by the LFA and provision of access to Franchisee for equipment installation and provisioning, Franchisee shall, without charge to the LFA, provide upstream PEG Channel transmission connections between its video channel aggregation point and each PEG Access Origination Point in order to permit the signals to be correctly routed from the PEG Access Origination Points to the appropriate PEG Access Channel for distribution to Subscribers as follows: ~~(i) one (1) PEG Access Interconnection Site (No. 1) shall be operable within one hundred eighty (180) days of the Effective Date; (ii) one (1) PEG Content Origination Point (No. 1) shall be operable within one hundred eighty (180) days after written request to be provided no earlier than one hundred eighty (180) days after the Effective Date; (iii) one (1) PEG Access Interconnection Site (No. 2) shall be operable within two hundred seventy (270) days of the Effective Date; (iv) two (2) PEG Content Origination Points (No. 2 and No. 3) shall be operable within one hundred eighty (180) days after written request from the LFA for such activation, with such request to be provided no earlier than two hundred seventy (270) days after the Effective Date. The LFA shall impose the same obligation for PEG Content Origination Points, and any switching capabilities, for the Albert Leonard Middle School and the New Rochelle Library on all other providers of Cable Service in the Service Area~~ set forth on Exhibit C.

The LFA shall provide to Franchisee at each PEG Access Origination Point a suitable video signal for each PEG Channel. Franchisee, upon receipt of the suitable video signal, shall provide, install and maintain in good working order the equipment necessary for transmitting the PEG signal to the channel aggregation site for further processing for distribution to Subscribers. Franchisee’s obligations with respect to such upstream transmission equipment and facilities shall be subject to the availability, without charge to Franchisee, of suitable required space, environmental conditions, electrical power supply, access, pathway, and other facilities and such cooperation of the LFA as is reasonably necessary for Franchisee to fulfill such obligations. Should Franchisee determine that it cannot fulfill such obligations as a result of LFA’s failure to cooperate or to provide suitable required space, environmental conditions, electrical power supply, access, pathway, or other facilities, it shall so notify LFA in a writing detailing the requirements of Franchisee that will enable it to fulfill its obligations hereunder.

5.3. PEG Grant:

5.3.1. Franchisee shall provide to the LFA financial contributions for use in support of the production of local PEG programming. The financial contributions shall consist

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

of the two grants: (a) a grant in the amount of TWO HUNDRED FORTY THOUSAND DOLLARS (\$240,000) payable in three (3) installments (the “Initial PEG Grant”); and (b) an annual grant in the amount of FORTY THOUSAND DOLLARS (\$40,000) per year, commencing in the second year of the term of this Agreement (the “Annual PEG Grant”).

5.3.2. The Initial PEG Grant shall be payable in three (3) installments. The first (1st) installment of ONE HUNDRED TWENTY THOUSAND DOLLARS (\$120,000), shall be payable within thirty (30) days after the Effective Date. The second (2nd) installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the first (1st) anniversary of the Effective Date. The third (3rd), and final installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the second (2nd) anniversary of the Effective Date.

5.3.3. Annual PEG Grant payments shall be due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date, as set forth in Section 5.3.1, until the Franchise expires or is terminated by either party. The LFA shall impose an equivalent obligation to the obligations contained in this Section 5.3 (including the total amount of the Initial PEG Grant and amounts of the Annual PEG Grant) on all new and renewed providers of cable service in the Service Area. In any event, if any new or renewed franchise agreement contains obligations that are lesser in amount or aggregate value than the obligations imposed in this Section 5.3 (including the total amount of the Initial PEG Grant and the amounts of the Annual PEG Grant), Franchisee’s obligations under Section 5.3 shall thereafter be reduced to an equivalent amount, but no refund will be required from the LFA.

5.3.4. The Initial PEG Grant and the Annual PEG Grant shall be used by LFA as permitted by law.

5.3.5. The LFA shall provide Franchisee with an annual report setting forth a summary of all expenditures for PEG access equipment and facilities from the PEG Grants paid to the LFA and the amounts, if any, reserved for future capital expenditures for such purposes.

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

5.5 *Franchise Grant in Lieu of Free Internet Service:* The Franchisee shall provide to the LFA financial contributions (“Franchise Grant”) of thirty thousand dollars (\$30,000) to be paid over the term of the Agreement in increments of three thousand dollars (\$3,000), with such three thousand dollars (\$3,000) payments due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date. The parties agree that this provision for a Franchise Grant in lieu of free Internet service is in accordance with Section 12.22 herein.

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

6. FRANCHISE FEES

6.1. *Payment to 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. Late payments shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) during the period such unpaid amount is owed.

6.2. *Supporting Information:* Each Franchise Fee payment shall be accompanied by a brief report prepared by a representative of Franchisee, as designated by 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.

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

allocated to Cable Service revenue on a *pro rata* basis, where *pro rata* allocation of bundled discounts is commercially practical for any bundled offering.

6.5. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise, Franchisee shall be responsible for making available to the LFA for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees, whether the records are held by the Franchisee, an Affiliate, or any other entity that collects or receives funds related to the Franchisee's Cable Services operation in the LFA subject to the payment of Franchise Fees under this Agreement, including, by way of illustration and not limitation, any entity that sells advertising on the Franchisee's behalf. Franchisee shall maintain such records for six (6) years, provided that, if the LFA commences an audit within that six (6) year period, Franchisee shall continue to maintain such records for the duration of any audit in progress at the end of that six (6) year period. The LFA shall conduct all audits expeditiously, and neither the LFA nor Franchisee shall unreasonably delay the completion of an audit. The LFA's audit expenses shall be borne by the LFA unless the audit determines that the payment to the LFA should be increased by five percent (5%) or more in the audited period, in which case the reasonable and customary costs of the audit, together with any additional amounts due to the LFA as a result of such audit, shall be paid by Franchisee to the LFA within sixty (60) days following written notice to Franchisee by the LFA of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFA's audit expenses shall not exceed an aggregate of fifteen thousand dollars (\$15,000) per audit. If re-computation results in additional revenue to be paid to the LFA, such amount shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules per annum during the period such unpaid amount is owed. If the audit determines that there has been an overpayment by Franchisee, the Franchisee may credit any overpayment against its next quarterly payment. Said audit shall be conducted by an independent third party and no auditor so employed by the LFA shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFA shall not conduct an audit more frequently than once every three (3) years.

7. REPORTS AND RECORDS

7.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area at any time during Normal Business Hours and on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than six (6) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Service Area. Subject to the requirements of the New York Freedom of Information Law ("FOIL"), the LFA shall treat any information disclosed by Franchisee as proprietary and confidential under Section

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

87(2)(d) of the New York Public Officers Law and shall only disclose it to employees, representatives, and agents thereof who the LFA deems to have a need to know, or in order to enforce the provisions hereof. For purposes of this Section, "proprietary or confidential" information includes, but is not limited to: information related to the Cable System design; trade secrets; Subscriber lists; marketing plans; financial information; or, other information that is reasonably determined by the Franchisee to be competitively sensitive. If the LFA receives a request under FOIL or similar law for the disclosure of information that Franchisee has designated as confidential, trade secret, or proprietary, the LFA shall notify Franchisee of such request. If the LFA determines in good faith that public disclosure of the requested information is required under FOIL, the LFA shall so notify Franchisee and, before making disclosure, shall, not inconsistently with the New York Public Officers Law, give Franchisee a reasonable period of time to seek to obtain judicial redress to preclude disclosure. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

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

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

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

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

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

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

7.3. *System-Wide Statistics:* Subject to the requirements of Section 895.1(t) of the NY PSC rules and regulations, any valid reporting requirement in the Franchise may be satisfied with system-wide statistics, except those related to Franchise Fees and consumer complaints.

7.4. *Reports:* Franchisee's sole reporting obligation shall be to file those reports required by the Cable Law.

8. INSURANCE AND INDEMNIFICATION

8.1. *Insurance:*

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

8.1.1.1. Commercial General Liability Insurance in the amount of two million dollars (\$2,000,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA.

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

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

8.1.1.4. Employers' Liability Insurance in the following amounts: (A) Bodily Injury by Accident: \$100,000; and (B) Bodily Injury by Disease: \$100,000 employee limit; \$500,000 policy limit.

8.1.1.5. Excess liability or umbrella coverage of not less than ten million dollars (\$10,000,000).

8.1.2. The LFA shall be designated as an additional insured under each of the insurance policies required in this Article 8 except Worker's Compensation Insurance and Employer's Liability Insurance. The commercial general liability insurance, automobile liability, and excess liability or umbrella coverage shall be primary to any other insurance held by the LFA.

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. Franchisee shall deliver to LFA Certificates of Insurance showing evidence of all required coverages under this Agreement on or before the Effective Date and providing for at least thirty (30) days prior written notice to be given to LFA of cancellation, intent not to renew or any adverse material change.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

8.2. *Indemnification:*

8.2.1. Franchisee agrees to defend and indemnify the LFA, its officers, agents, and employees for, and hold it or them harmless from all suits, proceedings, actions, demands, liabilities, damages, costs or expenses arising from claims of injury to persons or damage to property occasioned by reason of any conduct undertaken pursuant to the Franchise, or by reason of any suit or claim for royalties, programming license fees or infringement of patent rights arising out of Franchisee's provision of Cable Services over the Cable System other than PEG facilities and Channels, provided that the LFA shall give Franchisee timely written notice of its obligation to indemnify the LFA, but in any event, the LFA shall provide such notice to Franchisee within a sufficient period of time from receipt of a claim or action pursuant to this Subsection to enable Franchisee to timely answer complaints, raise defenses and defend all claims. Notwithstanding the foregoing, Franchisee shall not be required to indemnify the LFA for any suits, proceedings, actions, demands, damages, liabilities or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, or attorneys, acting in their official capacity on behalf of the LFA or for any activity or function conducted by any Person other than Franchisee on behalf of the LFA 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 if Franchisee shall bear the entire cost of the settlement. In the event that the terms of any such proposed settlement includes the release of the LFA and the LFA does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the LFA shall in no event exceed the amount of such settlement.

8.2.3. The LFA shall be responsible for its own acts of willful misconduct, negligence, or willful 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 solely committed on the part of the LFA which constitute willful misconduct or negligence on the part of the LFA, its officers, employees, agents, attorneys, consultants, independent contractors or third parties acting in their official capacity on behalf of the LFA.

9. **TRANSFER OF FRANCHISE**

9.1. *LFA Consent Required:* 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)

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

other qualifications necessary to continue to operate the Cable System consistent with the terms of the Franchise.

9.2. *LFA Consent Not Required for Certain Transactions:* No prior consent of the LFA shall be required 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 12.12 below, the Cable Law and Section 626 of the Communications Act, 47 U.S.C. § 546, as amended.

10.2. *Needs Assessment:* In addition to the procedures set forth in Section 626 of the Communications Act, the LFA shall notify Franchisee of all of its assessments regarding the identity of future cable-related community needs and interests, as well as the past performance of Franchisee under the then current Franchise term. Such assessments shall be provided to Franchisee by the LFA promptly so that Franchisee will have adequate time to submit a proposal under 47 U.S.C. § 546 and complete renewal of the Franchise prior to expiration of its term.

10.3. *Informal Negotiations:* Notwithstanding anything to the contrary set forth herein, Franchisee and the LFA agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the LFA and Franchisee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the LFA may grant a renewal thereof.

10.4. *Consistent Terms:* Franchisee and the LFA consider the terms set forth in this Article 10 to be consistent with the express provisions of 47 U.S.C. § 546 and the Cable Law.

11. ENFORCEMENT AND TERMINATION OF FRANCHISE

11.1. *Notice of Violation:* If at any time the LFA believes that Franchisee has not complied with the terms of the Franchise, the LFA shall notify Franchisee in writing of the exact nature of the alleged noncompliance (for purposes of this Article, the “Noncompliance Notice”).

11.2. *Franchisee’s Right to Cure or Respond:* 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 timely 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, except that noncompliance in a) making payments for the PEG Grant, the Franchise Grant, and Franchise Fees, b) the maintenance of the required insurance, and c)

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

fulfilling the indemnification requirements shall not be eligible for this subsection 11.2(iii). 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 (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied or commenced to remedy the alleged noncompliance within sixty (60) days or the date projected pursuant to Section 11.2(iii) above. The LFA shall provide Franchisee at least thirty (30) calendar days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide Franchisee the opportunity to be heard.

11.4. *Enforcement:* Subject to Section 12.11 below and applicable federal and state law, in the event that the LFA, after the public hearing set forth in Section 11.3, determines that Franchisee is in default of any provision of this Franchise, the LFA may:

11.4.1. Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages; or

11.4.2. Commence an action at law for monetary damages or seek other equitable relief; or

11.4.3. In the case of a substantial noncompliance with a material provision of this Franchise, seek to revoke the Franchise in accordance with Section 11.5.

11.5. *Revocation:* If the LFA seeks to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 11.3, then the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have ninety (90) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing. The LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

11.5.1. At the designated public hearing, Franchisee shall be provided a fair opportunity for full participation, including the rights to be represented by legal counsel, to introduce relevant evidence, to require the production of evidence, to compel the relevant testimony of the officials, agents, employees or consultants of the LFA, to compel the testimony of other persons as permitted by law, and to question and/or cross examine witnesses. A complete verbatim record and transcript shall be made of the hearing, and Franchisee shall promptly reimburse LFA for the expense of making such verbatim record and transcript up to, but no greater than, Five Thousand Dollars (\$5,000).

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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

has been cured or will be timely 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. The parties 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*, to the extent permitted by law. Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Franchisee's receipt of the written determination of the LFA.

11.5.3. The LFA may, at its sole discretion, take any lawful action that it deems appropriate to enforce the LFA's rights under the Franchise in lieu of revocation of the Franchise.

11.6. *Abandonment of Service:* Franchisee shall not abandon any Cable Service or portion thereof without the LFA's prior written consent as provided in the Cable Law.

12. MISCELLANEOUS PROVISIONS

12.1. *Actions of Parties:* In any action by the LFA or Franchisee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious, and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld, delayed or conditioned.

12.2. *Binding Acceptance:* This Agreement shall bind and benefit the parties hereto and their respective heirs, beneficiaries, administrators, executors, receivers, trustees, successors and assigns, and the promises and obligations herein shall survive the expiration date hereof.

12.3. *Preemption:* In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required by law, except that such provision shall survive such preemption and shall remain in effect for the term of this Agreement to the extent permitted 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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

violations of the Franchise where the violation was a good faith error that resulted in no or minimal negative impact on Subscribers and was timely cured by Franchisee.

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:

City Manager
City Hall, 515 North Avenue
New Rochelle, NY 10801

12.5.3. with a copy to:

Corporation Counsel
City Hall, 515 North Avenue
New Rochelle, NY 10801

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. The LFA acknowledges and agrees that all the elements of its local ordinances, rules, and regulations with respect to the provision of Cable Service over Franchisee's Cable System ("Local Law") are fully reflected by the terms and conditions of this Agreement and are satisfied by the Franchisee's compliance with the terms and conditions of this Agreement, and in the event of a material conflict between a provision of this Agreement and a provision of the Local Law, this Agreement shall be controlling.

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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

12.9. *Severability:* With the exception of this Agreement's Section 1.16 (Definition of Gross Revenue), and Articles V (PEG Services and Franchise Grant), VI (Franchise Fees), and, VIII (Insurance and Indemnification) in its entirety, 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, sub-subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

12.10. *Recitals:* The recitals set forth in this Agreement are incorporated into the body of this Agreement as if they had been originally set forth herein.

12.11. *FTTP Network Transfer Prohibition:* Under no circumstance including, without limitation, upon expiration, revocation, termination, denial of renewal of the Franchise or any other action to forbid or disallow Franchisee from providing Cable Services, shall Franchisee or its assignees be required to sell any right, title, interest, use or control of any portion of Franchisee's FTTP Network including, without limitation, the Cable System and any capacity used for Cable Service or otherwise, to the LFA or any third party. Franchisee shall not be required to remove the FTTP Network or to relocate the FTTP Network or any portion thereof as a result of revocation, expiration, termination, denial of renewal or any other action to forbid or disallow Franchisee from providing Cable Services. This provision is not intended to contravene leased access requirements under Title VI or PEG requirements set out in this Agreement.

12.12. *NY PSC Approval:* This Franchise and any amendment or modification hereof 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:* Franchisee shall 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 or any protected category of persons under federal or state law.

12.16. *Customer Service:* Franchisee shall comply with the consumer protection and customer service standards set forth in Parts 890 and 896 of the NY PSC rules and regulations.

12.17. *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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

12.18. *LFA Official:* The City Manager of the LFA is the LFA official that is responsible for the continuing administration of this Agreement.

12.19. *No Waiver of LFA's Rights:* Notwithstanding anything to the contrary in this Agreement, no provision of this Agreement shall be construed as a waiver of the LFA's rights under applicable federal and state law.

12.20. *Performance Review:* The LFA may, at its discretion but no more than once per three (3) year 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 Franchisee at the Performance Review shall be treated by the LFA as confidential. The LFA shall provide Franchisee with at least sixty (60) 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 sixty (60) 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; provided, however, that the Performance Review Report shall not contain any confidential information disclosed by Franchisee during the Performance Review.

12.21. *Section 626 Treatment:* Franchisee agrees that it will not apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, for the first two (2) years following the issuance by the NY PSC of an order confirming this Agreement. Thereafter, Franchisee reserves the right to apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, in an amount not to exceed the highest deduction available to any other cable franchisee in the City (based upon the other cable franchisee's yearly tax invoice payable to the LFA) until such time that the LFA obtains a written complete waiver of the full amount of the special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFA or as a credit against the special franchise tax) from such existing and any new provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area. Upon securing such written waiver from all existing and new providers of Cable Service or cable service (as such term may be defined by other providers) in the Service Area, Franchisee agrees to no longer apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626 beginning in the next full calendar month after such waiver becomes legally binding on the City's existing cable franchisee. The operation of this Section 12.21 shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee's rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

12.22. *Level Playing Field:* The parties agree that the terms and conditions of this Agreement are in compliance with the level playing field requirements of the NY PSC.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

AGREED TO THIS ____ DAY OF _____, 2007.

LFA:

Approved as to Form:

By: _____
Title _____

By: _____
Title _____

Verizon New York Inc.

Approved as to Form:

By: _____
Title _____

By: _____
Title _____

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

Subject to the notification procedures of Section 3.3, certain buildings are entitled to receive multiple outlets as indicated in parenthesis below.

H. Doyle Center
94 Davis Avenue
City of New Rochelle, NY 10805

City of New Rochelle City Hall (up to 2 outlets)
515 North Avenue
City of New Rochelle, NY 10801

City of New Rochelle City Hall
Annex
515 North Avenue
City of New Rochelle, NY 10801

New Rochelle Board of Education (up to 2 outlets)
515 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
166 Webster Avenue
City of New Rochelle, NY 10801

New Rochelle Library
1 Library Plaza
City of New Rochelle, NY 10801

Hudson County School
340 Quaker Ridge Road
City of New Rochelle, NY 10804

Donovan School
100 Overlook Circle
City of New Rochelle, NY 10804

Blessed Sacrament School
26 Maple Avenue
City of New Rochelle, NY 10801

Blessed Sacrament School
Annex

24 Shea Place
New Rochelle, NY 10801

Davis Elementary School (up to 3 outlets)
80 Iselin Drive
City of New Rochelle, NY 10804

Alternative High School
50 Washington Avenue
City of New Rochelle, NY 10801

Albert Leonard Middle School
25 Gerada Lane
City of New Rochelle, NY 10804

Iona Prep
25 Stratton Road
City of New Rochelle, NY 10804

M. Toms Day School
48 Mount Tom Road
City of New Rochelle, NY 10805

New Rochelle High School (up to 4 outlets)
265 Clove Road
City of New Rochelle, NY 10801

New Rochelle High School
Annex
265 Clove Road
City of New Rochelle, NY 10801

S. Columbus Elementary School (up to 4 outlets)
275 Washington Avenue
City of New Rochelle, NY 10801

T. Donovan School (up to 5 outlets)
144 Overlook Circle
City of New Rochelle, NY 10804

Salesian High School (up to 2 outlets)
148 Main Street
City of New Rochelle, NY 10801

Webster Elementary School (up to 7 outlets)
95 Glenmore Drive

City of New Rochelle, NY 10801

Trinity School (up to 3 outlets)
180 Pelham Road
City of New Rochelle, NY 10805

Halen School (up to 3 outlets)
97 Centre Avenue
City of New Rochelle, NY 10801

Jefferson School
131 Weyman Avenue
City of New Rochelle, NY 10805

Barnard School
129 Barnard Road
City of New Rochelle, NY 10801

Ursuline School
1354 North Avenue
City of New Rochelle, NY 10804

Holy Name School
70 Petersville Road
City of New Rochelle, NY 10801

Community Center
95 Lincoln Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
756 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
45 Harrison Street
City of New Rochelle, NY 10801

Ambulance Corps
Firehouse Annex
45 Harrison Street
City of New Rochelle, NY 10801

New Rochelle City Yard
224 East Main Street
City of New Rochelle, NY 10801

Fire Headquarters
90 Beaufort Place
City of New Rochelle, NY 10801

New Rochelle Firehouse
155 Drake Avenue
City of New Rochelle, NY 10805

Police Headquarters
475 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
496 Stratton Road
City of New Rochelle, NY 10804

Huguenot Childrens Library
794 North Avenue
City of New Rochelle, NY 10801

Department of Public Works
40 Pelham Road
City of New Rochelle, NY 10801

Department of Public Works (future location)
85 Beechwood Avenue
City of New Rochelle, NY 10801

Isaac E. Young Middle School
270 Centre Avenue
City of New Rochelle, NY 10805

Westchester Area School
456 Webster Avenue
City of New Rochelle, NY 10801

Ward School
311 Broadfield Road
City of New Rochelle, NY 10804

Municipal Marina
22 Pelham Road
City of New Rochelle, NY 10801

Police Harbor Facility
Hudson Park
City of New Rochelle, NY 10801

EXHIBIT B

SERVICE AREA

The Service Area is 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 22% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule calls for 52% deployment by October 2007, 61% deployment by April 2008, 70% deployment by October 2008, 75% deployment by April 2009, 80% deployment by October 2009, 85% deployment by April 2010, 90% deployment by October 2010, 95% deployment by April 2011, 97% deployment by October 2011, and 100% deployment by February 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.

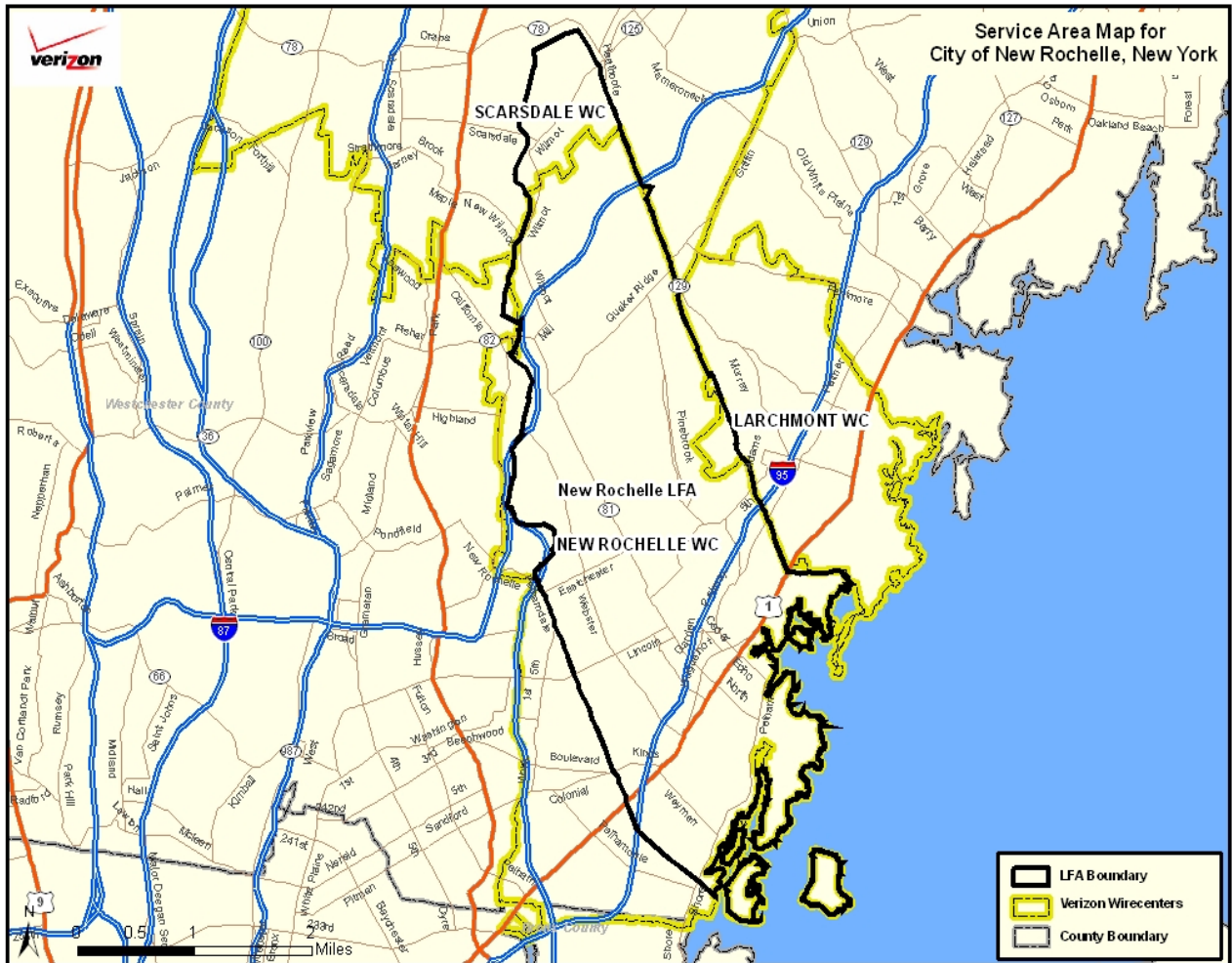


EXHIBIT C

PEG ACCESS INTERCONNECTION SITES

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following one (1) Government Access Channel and one (1) Public Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 1") shall be activated within one hundred eighty (180) days of the Effective Date:

City of New Rochelle City Hall, 515 North Ave., New Rochelle, NY 10801

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following one (1) Educational Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 2") shall be activated within two hundred seventy (270) days of the Effective Date:

New Rochelle High School, 265 Clove Road, New Rochelle, NY 10801

PEG Access Interconnection Site No. 1 and PEG Access Interconnection Site No. 2 shall additionally serve as the aggregation points for ~~those~~ PEG ~~Access~~ Content Origination Points ~~designated 1-3, below (each, a "PEG Content Origination Point")~~, feeding signals to the Government, Public, and Educational Access Channels. For purposes of permitting LFA to select and switch feeds coming into an aggregation point, Franchisee shall provide the LFA, without charge, such capability at such aggregation point. Operation and maintenance of any equipment associated therewith shall be the responsibility of the LFA or the New Rochelle City School District, as the case may be.

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Government or Public Access Channel PEG Content Origination Point No. 1 feeding signals to PEG Access Interconnection Point No. 1 shall be activated within ~~one~~three hundred ~~eighty (180) days after written request from the LFA or the Library for activation when such PEG Access Origination Point No. 1 is fully functional for its intended purpose, with such request to be provided no earlier than one hundred eighty (180) days after~~sixty (360) days of the Effective Date.

New Rochelle Library, 1 Library Plaza, New Rochelle, NY 10801 (PEG Content Origination Point # 1)

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Educational Access Channel PEG Content Origination Points No. 2 and No. 3 feeding signals to PEG Access Interconnection Site No. 2 shall be activated within two hundred and seventy (270) days after ~~written request from the LFA for activation when such PEG Access Origination Points No. 2 and No. 3 are fully functional for its intended purpose, with such request to be provided no earlier than one hundred eighty (180) days after~~ the Effective Date.

Isaac E. Young Middle School, 270 Centre Avenue, New Rochelle, NY 10801 [\(PEG Content Origination Point # 2\)](#)

Albert Leonard Middle School, 25 Gerada Lane, New Rochelle, NY 10804 [\(PEG Content Origination Point # 3\)](#)

Document comparison done by DeltaView on Thursday, August 02, 2007 3:58:55 PM

Input:	
Document 1	interwovenSite://IWDMSATL/LEGAL02/30473407/1
Document 2	interwovenSite://iwdmsatl/LEGAL02/30474796/1
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	14
Deletions	10
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	24

Tab 9

From: Scott Parr [mailto:sparr@telecominsightgroup.com]
Sent: Tuesday, August 07, 2007 12:29 PM
To: Osmall@ci.new-rochelle.ny.us
Cc: Strome, Chuck; Shapiro, Bernis; 'Powell, Kenneth'; Copiz, Adrian
Subject: Transcript Extracts

Omar –

I thought the attached extracts from the transcript might be helpful. The shorter exchange with Member Sussman is also included in the larger set of extracts.

Scott

IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS and other taxing authorities, we inform you that any tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties that may be imposed on any taxpayer or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

NOTICE: This e-mail message and all attachments transmitted with it may contain legally privileged and confidential information intended solely for the use of the addressee. If the reader of this message is not the intended recipient, you are hereby notified that any reading, dissemination, distribution, copying, or other use of this message or its attachments is strictly prohibited. If you have received this message in error, please notify the sender immediately by telephone (404-881-7000) or by electronic mail (postmaster@alston.com), and delete this message and all copies and backups thereof. Thank you.

MS. SUSSMAN

Page 62.

4

And so we have these two

5 schedules that you have presented,
6 one being a very fast schedule and
7 then, of course, the schedule that
8 stands in the Agreement still has the
9 five-year buildout, though, you have
10 frontloaded that which -- with higher
11 percentages early on in the schedule,
12 and what's troubling to me is that we
13 have no assurance that that schedule
14 which you have committed to,
15 verbally, or in a memo is not
16 incorporated, and I understand, as
17 our Corporation Counsel said, that
18 you are permitted or, in fact, it's
19 your practice to have the five-year
20 schedule.

21 And, so, I'd like to ask: What
22 kind of assurance can we have that
23 this - this process, which, you know,
24 puts some areas that may be a little
25 more challenging off for some periods

1 Proceedings
2 of years, what assurance can we have
3 that you are really going to move
4 forward faster?

MR. PARR, followed by MAYOR BRAMSON, followed by MS. SUSSMAN, followed by Mr. PARR

Page. 63

5 MR. PARR: Fair question,
6 Counsel Member, and if I could take
7 it in pieces.

[OMMITTED]

18 Secondly and, perhaps, most
19 importantly, when we look at the
20 percentages that are attached to the
21 Franchise, that is not Verizon's
22 plan. That is what I - what I
23 believe Mr. Mayor Bramson, correctly,
24 referred to as the outside boundary.
25 The percentage, which if we miss it,

1 Proceedings

2 our Agreement can be revoked or the
3 City could take legal action against
4 us. Not surprisingly, we try to put
5 the kind of padding in that that
6 people often put into a bid in a hand
7 of bridge. We do not commit to what
8 we believe and plan and budget we
9 will do. We try to create a figure
10 that we are certain that we can meet
11 so we never run the risk of sanction
12 by the community for failure to do
13 so.

14 What we've shared with you, on
15 the other hand, and it's not common
16 that we do that because it is more
17 internal and runs the risk of
18 disclosing more competitive
19 information are some of the maps and
20 some of the plans that our local
21 engineering group has to be able to
22 bring service to all of the
23 single-family households in the
24 community and to all of the M.D.U.s,
25 multiple dwelling units, as quickly

1 Proceedings

2 as possible.

3 In our planning, the one area
4 that we, simply, do not control is
5 when we get permission to bring
6 service into multiple dwelling units.
7 That makes up about 30, 35 percent of
8 the households here in New Rochelle.

9 So, we're always more confident
10 in being able to say here's how we
11 get to the single families, here's
12 how we complete the overhead build
13 that we control, and what we've done
14 is to reflect that confidence by
15 significantly increasing the
16 percentages in the early period of
17 the contract where we expect to
18 complete that.

19 When we get past 2008, we're
20 starting to really see the potential
21 that if multiple dwelling units are
22 resistant to Verizon's entry, they're
23 gonna delay us because we do not have
24 control over that and because the
25 consequences of falling short in

1 Proceedings
2 terms of that schedule are so adverse
3 and expensive, we're very cautious in
4 the way that we structure that - that
5 part of the Franchise Agreement.

6 MAYOR BRAMSON: Anything else,
7 Council Member?
8 MS. SUSSMAN: Well, I now have
9 your statement on - on the
10 stenographic record. I hope we can
11 count on you to carry through.

MR. PARR

Page 14.

3 We have changed some of the
4 definitions of - of terms within the
5 Agreement at the request of the
6 Corporation Counsel and we have made
7 significant changes to the commitment
8 to build out in New Rochelle with an
9 - with an effort to respond to the
10 specific concerns of individual
11 districts and individual Council
12 Members.

13 Ms. Shapiro has provided an
14 update. As you can see, there's been
15 a significant increase in the
16 percentage that we anticipate to
17 complete.

MR. HOCH

Page 17.

10 Further, the benchmarks in
11 Exhibit B attached to the proposed
12 Franchise are misleading, as Verizon
13 uses words like "anticipated" and
14 "calls for," and, upon reaching the
15 five-year mark, several escape

16 clauses in Section 2.3 of the
17 proposed Franchise allow Verizon to
18 not fulfill its buildout commitment,
19 particularly, with regard to multiple
20 dwellings.

[Section omitted]

11 This Council has a right to be
12 more demanding on the buildout issue
13 and to set strict guidelines. You
14 have a right to know where Verizon is
15 building and when.

16 The P.S.C. says you have a
17 right to demand a shorter time frame
18 for construction.

19 You have a right to eliminate
20 the murky language of anticipated and
21 called-for schedules and unreasonable
22 loopholes that allow Verizon to
23 deprive service to multiple dwellings
24 beyond five years.

25 Further, do not settle for

1 Proceedings
2 their oral representations made here,
3 tonight.

MS. SHAPIRO

Page 21.

15 MS. SHAPIRO: Yeah. I just
16 wanted to speak to the five years.
17 The five year is a standard period of
18 time in P.S.C. Regulations and, also,
19 Federal Law for allowing a buildout
20 for a new provider who's coming to a
21 community.

MR. PARR

Page 54.

20 Cablevision has spoken and, as
21 you would expect, while - while
22 speaking constructively, their
23 motivation is to delay the entry of
24 Verizon into this market and to defer
25 competition, not to accelerate the

1 Proceedings

2 speed at which we build out our
3 network and achieve the ability to
4 compete more quickly.

5 I think that the suggestions
6 that the Agreement is deficient that
7 have been made are addressed,
8 correctly, by your staff in the
9 manner in which they've negotiated
10 the Agreement and - and achieved a
11 measure of control over Verizon,
12 which I think is sufficient and
13 contradicts many of the risks that
14 Verizon would have you believe exist
15 -- that Cablevision would you have
16 you believe exist.

17 In fact, in Verizon's defense
18 here in New Rochelle, we had no
19 intention of bringing cable
20 television service to you in 2007.

21 As you know from our previous
22 discussions, we were encouraged to
23 come into the City and have done so.

24 We've moved from zero
25 percentage build to a 22 percent

1 Proceedings
2 build to a current build of almost
3 45 percent, and even in the period
4 between our meeting about two weeks
5 ago, at which point we - we indicated
6 that the overall Verizon network
7 would be completed in New Rochelle
8 with the exception of four
9 neighborhoods, we have been able to
10 accelerate the build plan to bring
11 those four neighborhoods into our
12 plan for 2007 and reflected that in
13 the increased percentages that are
14 provided in your resolution and that
15 will be provided in the Franchise
16 Agreement.

MS. SUSSMAN

Page 62.

4 And so we have these two
5 schedules that you have presented,
6 one being a very fast schedule and
7 then, of course, the schedule that
8 stands in the Agreement still has the
9 five-year buildout, though, you have

10 frontloaded that which -- with higher
11 percentages early on in the schedule,
12 and what's troubling to me is that we
13 have no assurance that that schedule
14 which you have committed to,
15 verbally, or in a memo is not
16 incorporated, and I understand, as
17 our Corporation Counsel said, that
18 you are permitted or, in fact, it's
19 your practice to have the five-year
20 schedule.

21 And, so, I'd like to ask: What
22 kind of assurance can we have that
23 this - this process, which, you know,
24 puts some areas that may be a little
25 more challenging off for some periods

1 Proceedings
2 of years, what assurance can we have
3 that you are really going to move
4 forward faster?

MR. PARR, followed by MAYOR BRAMSON, followed by MS. SUSSMAN, followed by Mr. PARR

Page. 63

5 MR. PARR: Fair question,
6 Counsel Member, and if I could take
7 it in pieces.

[OMMITTED]

18 Secondly and, perhaps, most
19 importantly, when we look at the
20 percentages that are attached to the
21 Franchise, that is not Verizon's
22 plan. That is what I - what I
23 believe Mr. Mayor Bramson, correctly,
24 referred to as the outside boundary.
25 The percentage, which if we miss it,

1 Proceedings

2 our Agreement can be revoked or the
3 City could take legal action against
4 us. Not surprisingly, we try to put
5 the kind of padding in that that
6 people often put into a bid in a hand
7 of bridge. We do not commit to what
8 we believe and plan and budget we
9 will do. We try to create a figure
10 that we are certain that we can meet
11 so we never run the risk of sanction
12 by the community for failure to do
13 so.

14 What we've shared with you, on
15 the other hand, and it's not common
16 that we do that because it is more
17 internal and runs the risk of
18 disclosing more competitive
19 information are some of the maps and
20 some of the plans that our local
21 engineering group has to be able to
22 bring service to all of the
23 single-family households in the
24 community and to all of the M.D.U.s,
25 multiple dwelling units, as quickly

1 Proceedings

2 as possible.

3 In our planning, the one area
4 that we, simply, do not control is
5 when we get permission to bring
6 service into multiple dwelling units.
7 That makes up about 30, 35 percent of
8 the households here in New Rochelle.

9 So, we're always more confident
10 in being able to say here's how we
11 get to the single families, here's
12 how we complete the overhead build
13 that we control, and what we've done
14 is to reflect that confidence by
15 significantly increasing the
16 percentages in the early period of
17 the contract where we expect to
18 complete that.

19 When we get past 2008, we're
20 starting to really see the potential
21 that if multiple dwelling units are
22 resistant to Verizon's entry, they're
23 gonna delay us because we do not have
24 control over that and because the
25 consequences of falling short in

1 Proceedings
2 terms of that schedule are so adverse
3 and expensive, we're very cautious in
4 the way that we structure that - that
5 part of the Franchise Agreement.

6 MAYOR BRAMSON: Anything else,
7 Council Member?

8 MS. SUSSMAN: Well, I now have
9 your statement on - on the
10 stenographic record. I hope we can
11 count on you to carry through.

MR. URBAN, followed by MR. FERTEL

Page 68.

2 The Public Service Commission's
3 Regulation on this is that Verizon
4 cannot exceed five years. They're
5 not permitted five years. They can't
6 exceed five years.

7 So, that's the Public Service
8 Commission's view on buildout.

9 They allow you to define
10 buildout beyond that.

11 And I would just --

12 MR. FERTEL: No. You could
13 respond to it, later. I know you
14 want to respond to what he said, I
15 think, but deal with my questions,
16 first.

17 I guess, the next question is:
18 But do you intend to submit in
19 response to the application being
20 made by Verizon an objection to their
21 application or is some sort of
22 conditions on it that may include
23 some of the things you've raised
24 before?

25 MR. URBAN: Well, first of all,

1 Proceedings
2 we respect your authority and the
3 decision that you make, tonight.

MR. PARR

Page 71.

16 MR. PARR: If I may - may
17 summarize the laws that we work
18 within in this area.
19 When we look at multiple
20 dwelling units, they may be
21 condominiums, they may be
22 cooperatives or they may be rental
23 units, and condos and co-ops fall
24 into a different category.
25 If an association board at a

1 Proceedings

2 co-op or a condominium says we don't
3 want FiOS, we're out. Nothing we
4 could do about it and nothing we
5 would do about it. They have the
6 absolute right to select their
7 provider or providers.

8 A rental dwelling unit is
9 different.

10 Under the New York State Law,
11 we have certain rights to be able to
12 object to being denied access, and
13 those rights are through the Public
14 Service Commission and I believe,
15 likely, through the courts, as well.

16 Verizon has taken the position
17 that if a - if an apartment manager
18 or supervisor or owner or management
19 company elects not to let Verizon in,
20 we're very reluctant to sue somebody
21 to be able to get in the door.

22 As you can imagine, that's a
23 terrible issue for public relations.
24 It's a terrible issue for us in terms
25 of building a rapport with customers.

1 Proceedings

2 Far better for the residents of that
3 rental unit to put pressure on their
4 management to allow Verizon access.

5 In that area -- Well, let me
6 take a step back.

7 In the area of condominiums and
8 co-ops, we have no control.

9 In the area of rental units,
10 the control we have would require a
11 very antagonistic legal action that
12 we're reluctant to take, and that's
13 really why we're cautious in saying
14 here's how much penetration we'll
15 have within this segment of your
16 residents over any given period of
17 time.

18 And I hope that answers your
19 question.

MR. PARR (responding to question from MR. BOYLE)

Page 75.

9 MR. PARR: I know that the
10 commitment that was made to
11 accelerate the build was really a

Tab 10

From: Copiz, Adrian
Sent: Wednesday, August 08, 2007 10:00 AM
To: Shapiro, Bernis; Powell, Kenneth
Cc: Small, Omar; sparr@telecominsightgroup.com
Subject: Insurance Certificate - Verizon

Bernis,

Upon your request and as a courtesy, attached is the insurance certificate.

Adrian

<<Verizon - New Rochelle Certificate of Insurance.pdf>>
Proprietary and Confidential
Attorney-Client Privileged

Adrian B. Copiz
Alston & Bird LLP
The Atlantic Building
950 F Street, N.W.
Washington, D.C. 20004-1404
202-756-3572
Fax: 202-654-4882
email: adrian.copiz@alston.com

IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS and other taxing authorities, we inform you that any tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties that may be imposed on any taxpayer or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

NOTICE: This e-mail message and all attachments transmitted with it may contain legally privileged and confidential information intended solely for the use of the addressee. If the reader of this message is not the intended recipient, you are hereby notified that any reading, dissemination, distribution, copying, or other use of this message or its attachments is strictly prohibited. If you have received this message in error, please notify the sender immediately by telephone (404-881-7000) or by electronic mail (postmaster@alston.com), and delete this message and all copies and backups thereof. Thank you.

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/07/2007

PRODUCER
Aon Risk Services, Inc. of New York
199 Water Street
New York NY 10038-3551 USA

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY
AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS
CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE
COVERAGE AFFORDED BY THE POLICIES BELOW.

PHONE (866) 283-7122 FAX (847) 953-5390

INSURED
Verizon New York Inc.
140 West Street
New York NY 10007-2109 USA

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	American Home Assurance Co.	19380
INSURER B:	Illinois National Insurance Co	23817
INSURER C:	National Union Insurance Co.	30333
INSURER D:	Insurance Company of the State of PA	19429
INSURER E:	National Union Fire Ins Co of Pittsburgh	19445

COVERAGES SIR May Apply

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	1595312 General Liability	06/30/07	06/30/08	EACH OCCURRENCE	\$2,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$2,000,000
						MED EXP (Any one person)	
						PERSONAL & ADV INJURY	\$2,000,000
						GENERAL AGGREGATE	\$2,000,000
						PRODUCTS - COMP/OP AGG	\$2,000,000
A		AUTOMOBILE LIABILITY	1606848	06/30/07	06/30/08	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
A		<input checked="" type="checkbox"/> ANY AUTO	AOS	06/30/07	06/30/08		
A		<input type="checkbox"/> ALL OWNED AUTOS	1606849	06/30/07	06/30/08	BODILY INJURY (Per person)	
		<input type="checkbox"/> SCHEDULED AUTOS	MA			BODILY INJURY (Per accident)	
		<input type="checkbox"/> HIRED AUTOS	1606850	06/30/07	06/30/08	PROPERTY DAMAGE (Per accident)	
		<input type="checkbox"/> NON OWNED AUTOS	VA				
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	
		<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	
						AGG	
E		EXCESS / UMBRELLA LIABILITY	BE9834994	06/30/07	06/30/08	EACH OCCURRENCE	\$10,000,000
		<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$10,000,000
		<input type="checkbox"/> DEDUCTIBLE					
		<input type="checkbox"/> RETENTION					
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	1608125	06/30/07	06/30/08	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
A		Workers Compensation	1608126	06/30/07	06/30/08	E.L. EACH ACCIDENT	\$100,000
		ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED?	CA			E.L. DISEASE-EA EMPLOYEE	\$100,000
B		If yes, describe under SPECIAL PROVISIONS below	1608127	06/30/07	06/30/08	E.L. DISEASE-POLICY LIMIT	\$500,000
		FL					
		OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Re: Cable System and Cable Service. City of New Rochelle is included as Additional Insured, where required by written contract, except for Workers Compensation and Employers Liability. The policies certified hereon are primary to other insurance available to the certificate holder, but only to the extent required by written

CERTIFICATE HOLDER

City of New Rochelle
City Hall
515 North Avenue
New Rochelle NY 10801 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Aon Risk Services Inc., of New York

Attachment to ACORD Certificate for Verizon New York Inc.

The terms, conditions and provisions noted below are hereby attached to the captioned certificate as additional description of the coverage afforded by the insurer(s). This attachment does not contain all terms, conditions, coverages or exclusions contained in the policy.

INSURED

Verizon New York Inc.
140 West Street
New York NY 10007-2109 USA

INSURER F New Hampshire Ins Co	23841
INSURER	
INSURER	
INSURER	
INSURER	

ADDITIONAL POLICIES

If a policy below does not include limit information, refer to the corresponding policy on the ACORD certificate form for policy limits.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER POLICY DESCRIPTION	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS	
		WORKERS COMPENSATION					
C			1608128 OR	06/30/07	06/30/08		
F			1608130 MI, NY, WI	06/30/07	06/30/08		
D			1608129 AR, MA, TN, VA	06/30/07	06/30/08		

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

contract with the Insured, and always subject to the policy terms, conditions and exclusions.

Tab 11

From: Copiz, Adrian
Sent: Thursday, August 09, 2007 11:47 AM
To: Shapiro, Bernis; Powell, Kenneth; Small, Omar
Cc: Scott Parr
Subject: Verizon - New Rochelle

All,

Following up on our conversation yesterday, Verizon is able to agree with the service availability objective we discussed. To that end, attached is a revised agreement (clean and blacklined), including changes at Section 3.1.1 and in each of the exhibits (A - edits at the note and two more locations, B - Service Area language, and C - "or" to "and").

We would like to set up a conference call with the General Counsel of Verizon New York, Inc. to confirm the signature of Joseph A. DeMauro on the cable franchise agreement. I will call to follow up to determine what times may be convenient for you.

Thanks,

Adrian

<<Final (8-9-07) Verizon New Rochelle Agreement.pdf>> <<Blacline Comparison of 8-2-07 and 8-9-07 Versions of the Verizon New Rochelle Agreement.pdf>>

*Adrian B. Copiz
Alston & Bird LLP
The Atlantic Building
950 F Street, N.W.
Washington, D.C. 20004-1404
202-756-3572
Fax: 202-654-4882
email: adrian.copiz@alston.com*

IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS and other taxing authorities, we inform you that any tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties that may be imposed on any taxpayer or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

NOTICE: This e-mail message and all attachments transmitted with it may contain legally privileged and confidential information intended solely for the use of the addressee. If the reader of this message is not the intended recipient, you are hereby notified that any reading, dissemination, distribution, copying, or other use of this message or its attachments is strictly prohibited. If you have received this message in error, please notify the sender immediately by telephone (404-881-7000) or by electronic mail (postmaster@alston.com), and delete this message and all copies and backups thereof. Thank you.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

CABLE FRANCHISE AGREEMENT

BY AND BETWEEN

THE CITY OF NEW ROCHELLE, NEW YORK

AND

VERIZON NEW YORK, INC.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
1. DEFINITIONS.....	2
2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS	7
3. PROVISION OF CABLE SERVICE	9
4. SYSTEM FACILITIES	10
5. PEG SERVICES AND FRANCHISE GRANT	11
6. FRANCHISE FEES	14
7. REPORTS AND RECORDS.....	15
8. INSURANCE AND INDEMNIFICATION	16
9. TRANSFER OF FRANCHISE.....	18
10. RENEWAL OF FRANCHISE.....	18
11. ENFORCEMENT AND TERMINATION OF FRANCHISE	19
12. MISCELLANEOUS PROVISIONS.....	21

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the City of New Rochelle, 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;

WHEREAS, the LFA has determined that the terms and conditions contained in this Franchise comply with and satisfy the requirements of its local ordinances, rules, and regulations with respect to the provision of Cable Service; 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; and,

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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*: The tier of Cable Service which includes, at a minimum, the retransmission of all local television broadcast signals provided to any Subscriber and any PEG Channels required by this Franchise or NY PSC rules, and which may also include any additional video programming signals as determined by Franchisee.

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 required by this Agreement to be designated by the Franchisee for noncommercial use by local public schools and public school districts in the Franchise Area and other not-for-profit educational institutions

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

chartered or licensed by the New York State Department of Education or Board of Regents in the Franchise Area as specified by the LFA.

1.11. *FCC*: The United States Federal Communications Commission, or successor governmental entity thereto.

1.12. *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control that directly or indirectly results in Franchisee's non-compliance with, or delay in the performance of, any obligation hereunder. This may include, but is not limited to, severe or unusual weather conditions, strikes, labor disturbances and disputes, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, incidences of terrorism, acts of vandalism, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which the Franchisee is not primarily responsible, fire, flood, or other acts of God, or work delays resulting from unaffiliated utility providers failure to service, monitor or maintain utility poles to which Franchisee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

1.13. *Franchise Area*: The entire existing territorial limits of the LFA and such additional areas as may be annexed or acquired, during the term of this Franchise.

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, as defined herein and as may be amended under federal law, 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) fees from video on demand and pay-per-view;

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

(v) Franchise Fees imposed on Franchisee by the LFA that are passed through from Franchisee as a line item paid by Subscribers; and

(vi) 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.

Except as provided above, Gross Revenue shall not include:

(i) Revenues received by any Affiliate or other Person in exchange for supplying goods or services used by Franchisee to provide Cable Service over the Cable System;

(ii) bad debts written off by Franchisee in the normal course of its business (provided, however, that bad debt recoveries shall be included in Gross Revenue during the period collected);

(iii) refunds, rebates or discounts made to Subscribers or other third parties;

(iv) any revenues classified as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with federal law, rules, regulations, standards or orders. Should revenue from Telecommunications or Information Services, or any other service provided over the Cable System be deemed a Cable Service by a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, the LFA shall be entitled, after notification to Franchisee, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from Franchisee's provision of such service as Gross Revenue, and Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the date of issuance of an order from the NY PSC approving such amendment;

(v) any revenue of Franchisee or any other Person which is received directly from the sale of merchandise through any Cable Service distributed over the Cable System, however, that portion of such revenue which represents or can be attributed to a Subscriber fee or a payment for the use of the Cable System for the sale of such merchandise shall be included in Gross Revenue;

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

(vi) the sale of Cable Services on the Cable System for resale in which the purchaser is required to collect cable Franchise Fees from purchaser's customer;

(vii) the sale of Cable Services to customers, which are exempt, as required or allowed by the LFA including, without limitation, the provision of Cable Services to public institutions as required or permitted herein;

(viii) any tax of general applicability imposed upon Franchisee or upon Subscribers by a city, state, federal or any other governmental entity and required to be collected by Franchisee and remitted to the taxing entity (including, but not limited to, sales/use tax, gross receipts tax, excise tax, utility users tax, public service tax, communication taxes and non-cable franchise fees);

(ix) any foregone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise (provided, however, that such foregone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue);

(x) sales of capital assets or sales of surplus equipment; program launch fees, i.e., reimbursement by programmers to Franchisee of marketing costs incurred by Franchisee for the introduction of new programming;

(xi) directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement and electronic publishing; or

(xii) any fees or charges collected from Subscribers or other third parties for any PEG Grant or Franchise Grant payments.

1.17. *Information Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. §153(20), as amended.

1.18. *Internet Access*: Dial-up or broadband access service that enables Subscribers to access the Internet.

1.19. *Local Franchise Authority (LFA)*: The City of New Rochelle, New York, or the lawful successor, transferee, or assignee thereof.

1.20. *Non-Cable Services*: Any service that does not constitute Cable Service pursuant to this Franchise including, but not limited to, Information Services and Telecommunications Services.

1.21. *Normal Business Hours*: Those hours during which most similar businesses in the community are open to serve customers. In all cases, "normal business hours" must include some evening hours at least one night per week and/or some weekend hours.

1.22. *NY PSC*: The New York Public Service Commission.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

1.23. *PEG*: Public, Educational, and Governmental.

1.24. *Person*: An individual, partnership, association, joint stock company, trust, corporation, or governmental entity.

1.25. *Public Access Channel*: An Access Channel available for noncommercial use solely by the residents in the Franchise Area on a first-come, first-served, nondiscriminatory basis.

1.26. *Public Rights-of-Way*: The surface and the area across, in, over, along, upon and below the surface of the public streets, roads, bridges, sidewalks, lanes, courts, ways, alleys, and boulevards, including, public utility easements and public lands and waterways used as Public Rights-of-Way, as the same now or may thereafter exist, which are under the jurisdiction or control of the LFA. Public Rights-of-Way do not include the airwaves above a right-of-way with regard to cellular or other nonwire communications or broadcast services.

1.27. *Service Area*: All portions of the Franchise Area where Cable Service is being offered as described in **Exhibit B** attached hereto.

1.28. *Subscriber*: A Person who lawfully receives Cable Service over the Cable System with Franchisee's express permission.

1.29. *Telecommunication Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(46), as amended.

1.30. *Title VI*: Title VI of the Communications Act, Cable Communications, as amended.

1.31. *Transfer of the Franchise*:

1.31.1. Any transaction in which:

1.31.1.1. a fifty percent ownership or other interest in Franchisee is transferred, directly or indirectly, from one Person or group of Persons to another Person or group of Persons, so that Control of Franchisee is transferred; or

1.31.1.2. the rights held by Franchisee under the Franchise and the certificate of confirmation issued therefor by the NY PSC are transferred or assigned to another Person or group of Persons.

1.31.2. However, notwithstanding Sub-subsections 1.31.1.1 and 1.31.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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:* Notwithstanding that, upon delivery of Cable Service, Franchisee's mixed-use facilities become subject to the NY PSC's minimum franchise standards and the LFA's police power, the parties acknowledge that the LFA is not granted, as a consequence thereof, any broad new authority over the construction, placement and operation of Franchisee's mixed-use facilities; provided, however, that nothing herein shall be construed to limit the LFA's existing authority with respect to the Franchisee's mixed use facilities pursuant to Title II of the Communications Act, Section 27 of the Transportation Corporations Law, and lawful and applicable local laws, including any lawful right to compel relocation of such facilities in the event of road-widenings and other similar adjustments to the Public-Rights-of-Way, consistent with the NY PSC rules and regulations and orders.

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues a certificate of confirmation for this Franchise (the "Effective Date"), following its approval by the LFA's governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be ten (10) years from the Effective Date unless the Franchise is earlier revoked as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFA in writing of the same, which notification shall become a part of this Franchise. If subsequent to the Effective Date, there is a change in federal or state law that eliminates the authority of the LFA to require, grant or maintain this Franchise, then to the extent permitted by law, this Franchise shall survive such legislation and remain in effect for the term of this Franchise.

2.4. *Grant Not Exclusive:* The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall be non-exclusive, and the LFA has granted and 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, except as permitted by applicable law, with existing facilities of the Cable System or 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 and FCC and NY PSC rules, regulations, standards and orders, as amended from time to time, including but not limited to the Communications Act.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

2.6. *No Waiver:*

2.6.1. The failure of the LFA on one or more occasions to exercise a right under this Franchise, the Cable Law or other applicable state or federal law, or to require compliance or performance under this Franchise, shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance of this Agreement, nor shall it excuse Franchisee from compliance or performance, unless such right or such compliance or performance has been specifically waived in writing.

2.6.2. The failure of the Franchisee on one or more occasions to exercise a right under this Franchise, the Cable Law or other applicable state or federal law, or to require performance under this Franchise, shall not be deemed to constitute a waiver of such right or a waiver of performance of this Agreement, nor shall it excuse the LFA from performance, unless such right or such performance has been specifically waived in writing.

2.7. *Construction of Agreement:*

2.7.1. The provisions of this Franchise shall be liberally construed to effectuate their objectives.

2.7.2. Nothing herein shall be construed to limit the scope or applicability of Section 625 of the Communications Act, 47 U.S.C. § 545, as amended.

2.7.3. Should any change to state law, rules or regulations have the lawful effect of materially altering the terms and conditions of this Franchise, then the parties shall modify this Franchise to the mutual satisfaction of both parties to ameliorate the negative effects on the Franchisee of the material alteration. Any modification to this Franchise shall be in writing and shall be subject to Section 222 of the New York Public Service Law and Title 16, Chapter VIII, Part 892, Subpart 892-1, Section 892-1.4 of the Official Compilation of Codes, Rules and Regulations of the State of New York requiring application to the NY PSC and approval of any modification. If the parties cannot reach agreement on the above-referenced modification to the Franchise, then Franchisee may terminate this Agreement without further obligation to the LFA or, at Franchisee's option, the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

2.8 *Local Authority:* The LFA reserves the right to adopt, enact, implement, and enforce, in addition to the implementation and enforcement of the provisions contained in the Franchise and existing applicable ordinances, such additional regulations as it shall find necessary in the exercise of its police power; provided, however, that such regulations are reasonable and not materially in conflict with the privileges granted in the Franchise and consistent with all federal and state laws, rules, 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 at Franchisee's expense.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

2.10 *Restoration of Private Property:* The Franchisee shall ensure that private real property is restored to its pre-existing condition if damaged by the Franchisee's employees or agents in any respect in connection with the installation, repair, maintenance, or disconnection of Cable Service.

3. PROVISION OF CABLE SERVICE

3.1. *Service Area:*

3.1.1. *Service Commitment Area:* Subject to the availability requirement set forth in Exhibit B, and subject to the issuance of all necessary permits by the LFA, Franchisee shall offer Cable Service to significant numbers of residential Subscribers within the Service Area and may make Cable Service available to businesses in the Service Area, within twelve (12) months and shall offer Cable Service to all residential Subscribers in the Service Area within five (5) years, of the Effective Date of this Franchise, or, in both instances, such longer period as may be permitted by the Cable Law, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in developments or buildings that 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 dwelling unit density does not meet the density and other requirements set forth in Sub-subsection 3.1.1.1. and Section 3.2.

3.1.1.1. *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units in all areas of the Service Area where the average density is equal to or greater than twenty-five (25) occupied residential dwelling units per mile as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line. If, as a result of new construction, an area within the Service Area meets the density requirements after the time stated for providing Cable Service as set forth in Subsection 3.1.1, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from the LFA that the density requirements have been met.

3.2. *Availability of Cable Service:*

3.2.1. *Availability of Cable Service Generally:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of 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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

(150) feet or are in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile and the actual costs incurred to connect any non-residential dwelling unit Subscriber, provided, however, that Franchisee may seek a waiver of any requirement that it extend service to any party requesting the same in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility. For underground installations, Franchisee shall charge the Subscriber no more than Franchisee's actual cost. Such costs shall be submitted to said Subscriber in writing before installation is begun.

3.2.2. *No Discrimination in the Availability of Cable Service:* Franchisee shall not deny access to Cable Service to any group of potential residential Subscribers because of the income of the residents of the local area in which such group resides.

3.3. *Cable Service to School, Library, and Municipal Buildings:* Subject to Section 3.1, Franchisee shall provide, without charge within the Service Area, one service outlet activated for Basic Service to each primary or secondary school chartered or licensed by the State of New York, public library, and such other buildings used for municipal purposes as may be designated by the LFA as provided in **Exhibit A** attached hereto, or as designated by the LFA in the future during the Franchise term, all upon ninety (90) days prior written notice to the Franchisee by the school, library, or municipal building, as the case may be, and within the area of the Service Area in which Franchisee's Cable Service is available; provided however that any new additional buildings added to **Exhibit A** by the LFA cannot exceed a total of more than three (3) additional buildings per year or, in the aggregate, a total of seven (7) additional buildings over the life of the Agreement; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to 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. 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. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

3.4. *Contribution in Aid:* Notwithstanding the foregoing, Franchisee shall comply at all times with the requirements of Section 895.5 of the NY PSC rules and regulations.

4. SYSTEM FACILITIES

4.1. *Quality of Materials and Work:* Franchisee shall construct and maintain its System using materials of good and durable quality, and all work involved in the construction, installation, maintenance and repair of the Cable System shall be performed in a safe, thorough and reliable manner.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

4.2. *System Characteristics:* During the term hereof Franchisee's Cable System shall meet or exceed the following requirements:

4.2.1. The System shall be designed and operated with an initial analog and digital carrier passband between 50 and 860 MHz and shall provide for a minimum channel capacity of not less than 77 channels on the Effective Date.

4.2.2. The System shall be designed to be an active two-way plant for subscriber interaction, if any, required for the selection or use of Cable Service.

4.3. *Interconnection:* The Franchisee shall design its Cable System so that it may be interconnected with other cable systems in the Franchise Area. Interconnection of systems may be made by direct cable connection, microwave link, satellite, or other appropriate methods.

4.4. *Emergency Alert System:* Franchisee shall comply with the Emergency Alert System ("EAS") requirements of the FCC and the State of New York, including the NY PSC's rules and regulations and the current New York EAS Plan in order that emergency messages may be distributed over the System.

5. PEG SERVICES AND FRANCHISE GRANT

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 one (1) dedicated Public Access Channel, one (1) dedicated Educational Access Channel, and one (1) dedicated Government Access Channel (collectively, "PEG Channels").

5.1.2. The programming to be carried on each of the PEG Channels will be provided by the LFA, the City of New Rochelle School District, and the public. 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 as provided in the Cable Law, 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.

5.1.4. The PEG Channels shall be carried on the Basic Service tier in a format that provides the same technical quality of picture and sound as the majority of the other

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

Channels carried on the Basic Service tier; however, the quality of picture and sound of the PEG Channels is not required to exceed the quality of the source programming provided by the LFA or by the incumbent cable provider through interconnection.

5.2. PEG Access Connections:

5.2.1. LFA shall designate in its sole discretion not more than five (5) sites within the Franchise Area for the connection of PEG access facilities with the Cable System (each, a “PEG Access Interconnection Site” or “PEG Content Origination Point”, generally or collectively “PEG Access Origination Points”), as designated on Exhibit C to this Agreement. Each PEG Access Interconnection Site is also a PEG Content Origination Point.

5.2.2. Subject to the successful completion of all required site preparation work by the LFA and provision of access to Franchisee for equipment installation and provisioning, Franchisee shall, without charge to the LFA, provide upstream PEG Channel transmission connections between its video channel aggregation point and each PEG Access Origination Point in order to permit the signals to be correctly routed from the PEG Access Origination Points to the appropriate PEG Access Channel for distribution to Subscribers as set forth on Exhibit C.

The LFA shall provide to Franchisee at each PEG Access Origination Point a suitable video signal for each PEG Channel. Franchisee, upon receipt of the suitable video signal, shall provide, install and maintain in good working order the equipment necessary for transmitting the PEG signal to the channel aggregation site for further processing for distribution to Subscribers. Franchisee’s obligations with respect to such upstream transmission equipment and facilities shall be subject to the availability, without charge to Franchisee, of suitable required space, environmental conditions, electrical power supply, access, pathway, and other facilities and such cooperation of the LFA as is reasonably necessary for Franchisee to fulfill such obligations. Should Franchisee determine that it cannot fulfill such obligations as a result of LFA’s failure to cooperate or to provide suitable required space, environmental conditions, electrical power supply, access, pathway, or other facilities, it shall so notify LFA in a writing detailing the requirements of Franchisee that will enable it to fulfill its obligations hereunder.

5.3. PEG Grant:

5.3.1. Franchisee shall provide to the LFA financial contributions for use in support of the production of local PEG programming. The financial contributions shall consist of the two grants: (a) a grant in the amount of TWO HUNDRED FORTY THOUSAND DOLLARS (\$240,000) payable in three (3) installments (the “Initial PEG Grant”); and (b) an annual grant in the amount of FORTY THOUSAND DOLLARS (\$40,000) per year, commencing in the second year of the term of this Agreement (the “Annual PEG Grant”).

5.3.2. The Initial PEG Grant shall be payable in three (3) installments. The first (1st) installment of ONE HUNDRED TWENTY THOUSAND DOLLARS (\$120,000), shall be payable within thirty (30) days after the Effective Date. The second (2nd) installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the first (1st) anniversary of the Effective Date. The third

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

(3rd), and final installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the second (2nd) anniversary of the Effective Date.

5.3.3. Annual PEG Grant payments shall be due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date, as set forth in Section 5.3.1, until the Franchise expires or is terminated by either party. The LFA shall impose an equivalent obligation to the obligations contained in this Section 5.3 (including the total amount of the Initial PEG Grant and amounts of the Annual PEG Grant) on all new and renewed providers of cable service in the Service Area. In any event, if any new or renewed franchise agreement contains obligations that are lesser in amount or aggregate value than the obligations imposed in this Section 5.3 (including the total amount of the Initial PEG Grant and the amounts of the Annual PEG Grant), Franchisee's obligations under Section 5.3 shall thereafter be reduced to an equivalent amount, but no refund will be required from the LFA.

5.3.4. The Initial PEG Grant and the Annual PEG Grant shall be used by LFA as permitted by law.

5.3.5. The LFA shall provide Franchisee with an annual report setting forth a summary of all expenditures for PEG access equipment and facilities from the PEG Grants paid to the LFA and the amounts, if any, reserved for future capital expenditures for such purposes.

5.4 *Indemnity for PEG:* The LFA shall require all local producers and users of any of the PEG facilities or Channels to agree in writing to authorize Franchisee to transmit programming consistent with this Agreement and to defend and hold harmless Franchisee and the LFA from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims for failure to comply with applicable federal laws, rules, regulations or other requirements of local, state or federal authorities; for claims of libel, slander, invasion of privacy, or the infringement of common law or statutory copyright; for unauthorized use of any trademark, trade name or service mark; for breach of contractual or other obligations owing to third parties by the producer or user; and for any other injury or damage in law or equity, which result from the use of a PEG facility or Channel. The LFA shall establish rules and regulations for use of PEG facilities, consistent with, and as required by, 47 U.S.C. §531.

5.5 *Franchise Grant in Lieu of Free Internet Service:* The Franchisee shall provide to the LFA financial contributions ("Franchise Grant") of thirty thousand dollars (\$30,000) to be paid over the term of the Agreement in increments of three thousand dollars (\$3,000), with such three thousand dollars (\$3,000) payments due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date. The parties agree that this provision for a Franchise Grant in lieu of free Internet service is in accordance with Section 12.22 herein.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

5.6 *Recovery of Costs:* To the extent permitted by federal law, the Franchisee shall be allowed to recover the costs of an Initial PEG Grant, Annual PEG Grant, and Franchise Grant, or any other costs arising from the provision of PEG services from Subscribers and to include such costs as a separately billed line item on each Subscriber's bill. Without limiting the foregoing, if allowed under state and federal laws, Franchisee may externalize, line-item, or otherwise pass-through interconnection and any franchise-related costs to Subscribers.

6. FRANCHISE FEES

6.1. *Payment to 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. Late payments shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) during the period such unpaid amount is owed.

6.2. *Supporting Information:* Each Franchise Fee payment shall be accompanied by a brief report prepared by a representative of Franchisee, as designated by 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.

6.4. *Bundled Services:* If Cable Services subject to the Franchise Fee required under this Article 6 are provided to Subscribers in conjunction with Non-Cable Services, the Franchise Fee shall be applied only to the value of the Cable Services, as reflected on the books and records of Franchisee in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders. The parties agree that tariffed telecommunication service rates that cannot be discounted by law or by regulation are to be excluded from the bundled discount allocation basis. The Franchisee will allocate the bundled discount such that the discount allocated to Cable Service revenues will not exceed the amount which would be allocated to Cable Service revenue on a *pro rata* basis, where *pro rata* allocation of bundled discounts is commercially practical for any bundled offering.

6.5. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise, Franchisee shall be responsible for making available to the LFA for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees, whether the records are held by the Franchisee, an Affiliate, or any other entity that collects or receives funds related to the Franchisee's Cable Services operation in the LFA subject to the payment of Franchise Fees under this Agreement, including, by way of illustration and not limitation, any

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

entity that sells advertising on the Franchisee's behalf. Franchisee shall maintain such records for six (6) years, provided that, if the LFA commences an audit within that six (6) year period, Franchisee shall continue to maintain such records for the duration of any audit in progress at the end of that six (6) year period. The LFA shall conduct all audits expeditiously, and neither the LFA nor Franchisee shall unreasonably delay the completion of an audit. The LFA's audit expenses shall be borne by the LFA unless the audit determines that the payment to the LFA should be increased by five percent (5%) or more in the audited period, in which case the reasonable and customary costs of the audit, together with any additional amounts due to the LFA as a result of such audit, shall be paid by Franchisee to the LFA within sixty (60) days following written notice to Franchisee by the LFA of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFA's audit expenses shall not exceed an aggregate of fifteen thousand dollars (\$15,000) per audit. If re-computation results in additional revenue to be paid to the LFA, such amount shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules per annum during the period such unpaid amount is owed. If the audit determines that there has been an overpayment by Franchisee, the Franchisee may credit any overpayment against its next quarterly payment. Said audit shall be conducted by an independent third party and no auditor so employed by the LFA shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFA shall not conduct an audit more frequently than once every three (3) years.

7. REPORTS AND RECORDS

7.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area at any time during Normal Business Hours and on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than six (6) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Service Area. Subject to the requirements of the New York Freedom of Information Law ("FOIL"), the LFA shall treat any information disclosed by Franchisee as proprietary and confidential under Section 87(2)(d) of the New York Public Officers Law and shall only disclose it to employees, representatives, and agents thereof who the LFA deems to have a need to know, or in order to enforce the provisions hereof. For purposes of this Section, "proprietary or confidential" information includes, but is not limited to: information related to the Cable System design; trade secrets; Subscriber lists; marketing plans; financial information; or, other information that is reasonably determined by the Franchisee to be competitively sensitive. If the LFA receives a request under FOIL or similar law for the disclosure of information that Franchisee has designated as confidential, trade secret, or proprietary, the LFA shall notify Franchisee of such request. If the LFA determines in good faith that public disclosure of the requested information

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

is required under FOIL, the LFA shall so notify Franchisee and, before making disclosure, shall, not inconsistently with the New York Public Officers Law, give Franchisee a reasonable period of time to seek to obtain judicial redress to preclude disclosure. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

7.2. *Records Required:* Franchisee shall at all times maintain:

7.2.1. Records of all written complaints for a period of six (6) years after receipt by Franchisee. The term “complaint” as used herein refers to complaints about any aspect of the Cable System or Franchisee’s cable operations, including, without limitation, complaints about employee courtesy. Complaints recorded will not be limited to complaints requiring an employee service call;

7.2.2. Records of outages for a period of six (6) years after occurrence, indicating date, duration, area, and the number of Subscribers affected, type of outage, and cause;

7.2.3. Records of service calls for repair and maintenance for a period of six (6) years after resolution by Franchisee, indicating the date and time service was required, the date of acknowledgment and date and time service was scheduled (if it was scheduled), and the date and time service was provided, and (if different) the date and time the problem was resolved;

7.2.4. Records of installation/reconnection and requests for service extension for a period of six (6) years after the request was fulfilled by Franchisee, indicating the date of request, date of acknowledgment, and the date and time service was extended; and

7.2.5. A map showing the area of coverage for the provisioning of Cable Services and estimated timetable to commence providing Cable Service.

7.3. *System-Wide Statistics:* Subject to the requirements of Section 895.1(t) of the NY PSC rules and regulations, any valid reporting requirement in the Franchise may be satisfied with system-wide statistics, except those related to Franchise Fees and consumer complaints.

7.4. *Reports:* Franchisee’s sole reporting obligation shall be to file those reports required by the Cable Law.

8. INSURANCE AND INDEMNIFICATION

8.1. *Insurance:*

8.1.1. Franchisee shall maintain in full force and effect, at its own cost and expense, during the Franchise Term, the following insurance coverage:

8.1.1.1. Commercial General Liability Insurance in the amount of two million dollars (\$2,000,000) combined single limit for property damage and bodily injury.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA.

8.1.1.2. Automobile Liability Insurance in the amount of one million dollars (\$1,000,000) combined single limit for bodily injury and property damage coverage.

8.1.1.3. Workers' Compensation Insurance meeting all legal requirements of the State of New York.

8.1.1.4. Employers' Liability Insurance in the following amounts: (A) Bodily Injury by Accident: \$100,000; and (B) Bodily Injury by Disease: \$100,000 employee limit; \$500,000 policy limit.

8.1.1.5. Excess liability or umbrella coverage of not less than ten million dollars (\$10,000,000).

8.1.2. The LFA shall be designated as an additional insured under each of the insurance policies required in this Article 8 except Worker's Compensation Insurance and Employer's Liability Insurance. The commercial general liability insurance, automobile liability, and excess liability or umbrella coverage shall be primary to any other insurance held by the LFA.

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. Franchisee shall deliver to LFA Certificates of Insurance showing evidence of all required coverages under this Agreement on or before the Effective Date and providing for at least thirty (30) days prior written notice to be given to LFA of cancellation, intent not to renew or any adverse material change.

8.2. Indemnification:

8.2.1. Franchisee agrees to defend and indemnify the LFA, its officers, agents, and employees for, and hold it or them harmless from all suits, proceedings, actions, demands, liabilities, damages, costs or expenses arising from claims of injury to persons or damage to property occasioned by reason of any conduct undertaken pursuant to the Franchise, or by reason of any suit or claim for royalties, programming license fees or infringement of patent rights arising out of Franchisee's provision of Cable Services over the Cable System other than PEG facilities and Channels, provided that the LFA shall give Franchisee timely written notice of its obligation to indemnify the LFA, but in any event, the LFA shall provide such notice to Franchisee within a sufficient period of time from receipt of a claim or action pursuant

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

to this Subsection to enable Franchisee to timely answer complaints, raise defenses and defend all claims. Notwithstanding the foregoing, Franchisee shall not be required to indemnify the LFA for any suits, proceedings, actions, demands, damages, liabilities or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, or attorneys, acting in their official capacity on behalf of the LFA or for any activity or function conducted by any Person other than Franchisee on behalf of the LFA 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 if Franchisee shall bear the entire cost of the settlement. In the event that the terms of any such proposed settlement includes the release of the LFA and the LFA does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the LFA shall in no event exceed the amount of such settlement.

8.2.3. The LFA shall be responsible for its own acts of willful misconduct, negligence, or willful 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 solely committed on the part of the LFA which constitute willful misconduct or negligence on the part of the LFA, its officers, employees, agents, attorneys, consultants, independent contractors or third parties acting in their official capacity on behalf of the LFA.

9. TRANSFER OF FRANCHISE

9.1. *LFA Consent Required:* 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.

9.2. *LFA Consent Not Required for Certain Transactions:* No prior consent of the LFA shall be required 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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

comply with the provisions of Section 12.12 below, the Cable Law and Section 626 of the Communications Act, 47 U.S.C. § 546, as amended.

10.2. *Needs Assessment:* In addition to the procedures set forth in Section 626 of the Communications Act, the LFA shall notify Franchisee of all of its assessments regarding the identity of future cable-related community needs and interests, as well as the past performance of Franchisee under the then current Franchise term. Such assessments shall be provided to Franchisee by the LFA promptly so that Franchisee will have adequate time to submit a proposal under 47 U.S.C. § 546 and complete renewal of the Franchise prior to expiration of its term.

10.3. *Informal Negotiations:* Notwithstanding anything to the contrary set forth herein, Franchisee and the LFA agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the LFA and Franchisee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the LFA may grant a renewal thereof.

10.4. *Consistent Terms:* Franchisee and the LFA consider the terms set forth in this Article 10 to be consistent with the express provisions of 47 U.S.C. § 546 and the Cable Law.

11. ENFORCEMENT AND TERMINATION OF FRANCHISE

11.1. *Notice of Violation:* If at any time the LFA believes that Franchisee has not complied with the terms of the Franchise, the LFA shall notify Franchisee in writing of the exact nature of the alleged noncompliance (for purposes of this Article, the “Noncompliance Notice”).

11.2. *Franchisee’s Right to Cure or Respond:* 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 timely 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, except that noncompliance in a) making payments for the PEG Grant, the Franchise Grant, and Franchise Fees, b) the maintenance of the required insurance, and c) fulfilling the indemnification requirements shall not be eligible for this subsection 11.2(iii). 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 (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied or commenced to remedy the alleged noncompliance within sixty (60) days or the date projected pursuant to Section 11.2(iii) above. The LFA shall provide Franchisee at least thirty (30) calendar days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide Franchisee the opportunity to be heard.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

11.4. *Enforcement:* Subject to Section 12.11 below and applicable federal and state law, in the event that the LFA, after the public hearing set forth in Section 11.3, determines that Franchisee is in default of any provision of this Franchise, the LFA may:

11.4.1. Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages; or

11.4.2. Commence an action at law for monetary damages or seek other equitable relief; or

11.4.3. In the case of a substantial noncompliance with a material provision of this Franchise, seek to revoke the Franchise in accordance with Section 11.5.

11.5. *Revocation:* If the LFA seeks to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 11.3, then the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have ninety (90) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing. The LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

11.5.1. At the designated public hearing, Franchisee shall be provided a fair opportunity for full participation, including the rights to be represented by legal counsel, to introduce relevant evidence, to require the production of evidence, to compel the relevant testimony of the officials, agents, employees or consultants of the LFA, to compel the testimony of other persons as permitted by law, and to question and/or cross examine witnesses. A complete verbatim record and transcript shall be made of the hearing, and Franchisee shall promptly reimburse LFA for the expense of making such verbatim record and transcript up to, but no greater than, Five Thousand Dollars (\$5,000).

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 timely 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. The parties 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*, to the extent permitted by law. Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Franchisee's receipt of the written determination of the LFA.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

11.5.3. The LFA may, at its sole discretion, take any lawful action that it deems appropriate to enforce the LFA's rights under the Franchise in lieu of revocation of the Franchise.

11.6. *Abandonment of Service:* Franchisee shall not abandon any Cable Service or portion thereof without the LFA's prior written consent as provided in the Cable Law.

12. MISCELLANEOUS PROVISIONS

12.1. *Actions of Parties:* In any action by the LFA or Franchisee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious, and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld, delayed or conditioned.

12.2. *Binding Acceptance:* This Agreement shall bind and benefit the parties hereto and their respective heirs, beneficiaries, administrators, executors, receivers, trustees, successors and assigns, and the promises and obligations herein shall survive the expiration date hereof.

12.3. *Preemption:* In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required by law, except that such provision shall survive such preemption and shall remain in effect for the term of this Agreement to the extent permitted 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 and was timely cured by Franchisee.

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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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:

City Manager
City Hall, 515 North Avenue
New Rochelle, NY 10801

12.5.3. with a copy to:

Corporation Counsel
City Hall, 515 North Avenue
New Rochelle, NY 10801

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. The LFA acknowledges and agrees that all the elements of its local ordinances, rules, and regulations with respect to the provision of Cable Service over Franchisee's Cable System ("Local Law") are fully reflected by the terms and conditions of this Agreement and are satisfied by the Franchisee's compliance with the terms and conditions of this Agreement, and in the event of a material conflict between a provision of this Agreement and a provision of the Local Law, this Agreement shall be controlling.

12.7. *Amendments and Modifications:* Amendments and/or modifications to this Franchise shall be mutually agreed to in writing by the parties and subject to the approval of the NY PSC, pursuant to the Cable Law.

12.8. *Captions:* The captions and headings of articles and sections throughout this Agreement are intended solely to facilitate reading and reference to the articles, sections and provisions of this Agreement. Such captions shall not affect the meaning or interpretation of this Agreement.

12.9. *Severability:* With the exception of this Agreement's Section 1.16 (Definition of Gross Revenue), and Articles V (PEG Services and Franchise Grant), VI (Franchise Fees), and, VIII (Insurance and Indemnification) in its entirety, 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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

on the validity of any other section, subsection, sub-subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

12.10. *Recitals:* The recitals set forth in this Agreement are incorporated into the body of this Agreement as if they had been originally set forth herein.

12.11. *FTTP Network Transfer Prohibition:* Under no circumstance including, without limitation, upon expiration, revocation, termination, denial of renewal of the Franchise or any other action to forbid or disallow Franchisee from providing Cable Services, shall Franchisee or its assignees be required to sell any right, title, interest, use or control of any portion of Franchisee's FTTP Network including, without limitation, the Cable System and any capacity used for Cable Service or otherwise, to the LFA or any third party. Franchisee shall not be required to remove the FTTP Network or to relocate the FTTP Network or any portion thereof as a result of revocation, expiration, termination, denial of renewal or any other action to forbid or disallow Franchisee from providing Cable Services. This provision is not intended to contravene leased access requirements under Title VI or PEG requirements set out in this Agreement.

12.12. *NY PSC Approval:* This Franchise and any amendment or modification hereof 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:* Franchisee shall 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 or any protected category of persons under federal or state law.

12.16. *Customer Service:* Franchisee shall comply with the consumer protection and customer service standards set forth in Parts 890 and 896 of the NY PSC rules and regulations.

12.17. *No Third Party Beneficiaries:* Except as expressly provided in this Agreement, this Agreement is not intended to, and does not, create any rights or benefits on behalf of any Person other than the parties to this Agreement.

12.18. *LFA Official:* The City Manager of the LFA is the LFA official that is responsible for the continuing administration of this Agreement.

12.19. *No Waiver of LFA's Rights:* Notwithstanding anything to the contrary in this Agreement, no provision of this Agreement shall be construed as a waiver of the LFA's rights under applicable federal and state law.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

12.20. *Performance Review*: The LFA may, at its discretion but no more than once per three (3) year 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 Franchisee at the Performance Review shall be treated by the LFA as confidential. The LFA shall provide Franchisee with at least sixty (60) 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 sixty (60) 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; provided, however, that the Performance Review Report shall not contain any confidential information disclosed by Franchisee during the Performance Review.

12.21. *Section 626 Treatment*: Franchisee agrees that it will not apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, for the first two (2) years following the issuance by the NY PSC of an order confirming this Agreement. Thereafter, Franchisee reserves the right to apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, in an amount not to exceed the highest deduction available to any other cable franchisee in the City (based upon the other cable franchisee’s yearly tax invoice payable to the LFA) until such time that the LFA obtains a written complete waiver of the full amount of the special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFA or as a credit against the special franchise tax) from such existing and any new provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area. Upon securing such written waiver from all existing and new providers of Cable Service or cable service (as such term may be defined by other providers) in the Service Area, Franchisee agrees to no longer apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626 beginning in the next full calendar month after such waiver becomes legally binding on the City’s existing cable franchisee. The operation of this Section 12.21 shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee’s rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

12.22. *Level Playing Field*: The parties agree that the terms and conditions of this Agreement are in compliance with the level playing field requirements of the NY PSC.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

AGREED TO THIS ____ DAY OF _____, 2007.

LFA:

Approved as to Form:

By: _____
Title _____

By: _____
Title _____

Verizon New York Inc.

Approved as to Form:

By: _____
Title _____

By: _____
Title _____

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

Note: Subject to the notification procedures of Section 3.3, certain buildings are entitled to receive multiple outlets as indicated in parentheses below.

H. Doyle Center
94 Davis Avenue
City of New Rochelle, NY 10805

City of New Rochelle City Hall (up to 2 outlets)
515 North Avenue
City of New Rochelle, NY 10801

City of New Rochelle City Hall
Annex
515 North Avenue
City of New Rochelle, NY 10801

New Rochelle Board of Education (up to 2 outlets)
515 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
166 Webster Avenue
City of New Rochelle, NY 10801

New Rochelle Library
1 Library Plaza
City of New Rochelle, NY 10801

Hudson County School
340 Quaker Ridge Road
City of New Rochelle, NY 10804

Donovan School
100 Overlook Circle
City of New Rochelle, NY 10804

Blessed Sacrament School
26 Maple Avenue
City of New Rochelle, NY 10801

Blessed Sacrament School
Annex
24 Shea Place
New Rochelle, NY 10801

Davis Elementary School
80 Iselin Drive
City of New Rochelle, NY 10804

(up to 3 outlets)

Alternative High School
50 Washington Avenue
City of New Rochelle, NY 10801

Albert Leonard Middle School
25 Gerada Lane
City of New Rochelle, NY 10804

Iona Prep
25 Stratton Road
City of New Rochelle, NY 10804

M. Toms Day School
48 Mount Tom Road
City of New Rochelle, NY 10805

New Rochelle High School
265 Clove Road
City of New Rochelle, NY 10801

(up to 4 outlets)

New Rochelle High School
Annex
265 Clove Road
City of New Rochelle, NY 10801

S. Columbus Elementary School
275 Washington Avenue
City of New Rochelle, NY 10801

(up to 4 outlets)

T. Donovan School
144 Overlook Circle
City of New Rochelle, NY 10804

(up to 5 outlets)

Salesian High School
148 Main Street
City of New Rochelle, NY 10801

(up to 2 outlets)

Webster Elementary School
95 Glenmore Drive
City of New Rochelle, NY 10801

(up to 7 outlets)

Trinity School
180 Pelham Road
City of New Rochelle, NY 10805

(up to 3 outlets)

Halen School
97 Centre Avenue
City of New Rochelle, NY 10801

(up to 3 outlets)

Jefferson School
131 Weyman Avenue
City of New Rochelle, NY 10805

Barnard School
129 Barnard Road
City of New Rochelle, NY 10801

Ursuline School
1354 North Avenue
City of New Rochelle, NY 10804

Holy Name School
70 Petersville Road
City of New Rochelle, NY 10801

Community Center
95 Lincoln Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
756 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
45 Harrison Street
City of New Rochelle, NY 10801

Ambulance Corps
Firehouse Annex
45 Harrison Street
City of New Rochelle, NY 10801

New Rochelle City Yard
224 East Main Street
City of New Rochelle, NY 10801

Fire Headquarters
90 Beaufort Place
City of New Rochelle, NY 10801

New Rochelle Firehouse
155 Drake Avenue
City of New Rochelle, NY 10805

Police Headquarters
475 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
496 Stratton Road
City of New Rochelle, NY 10804

Huguenot Childrens Library
794 North Avenue
City of New Rochelle, NY 10801

Department of Public Works
40 Pelham Road
City of New Rochelle, NY 10801

Department of Public Works (future location)
85 Beechwood Avenue
City of New Rochelle, NY 10801

Isaac E. Young Middle School
270 Centre Avenue
City of New Rochelle, NY 10805

Westchester Area School
456 Webster Avenue
City of New Rochelle, NY 10801

Ward School
311 Broadfield Road
City of New Rochelle, NY 10804

Municipal Marina
22 Pelham Road
City of New Rochelle, NY 10801

Police Harbor Facility
Hudson Park
City of New Rochelle, NY 10801

Boys' and Girls' Club of New Rochelle, Inc.
Feeney Park, Seventh Street
New Rochelle, NY 10801

Boys' and Girls' Club of New Rochelle, Inc.
116 Guion Place
New Rochelle, NY 10801

EXHIBIT B

SERVICE AREA

The Service Area is 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 45% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule calls for 66% deployment by February 2008, 70% deployment by August 2008, 74% deployment by February 2009, 78% deployment by August 2009, 82% deployment by February 2010, 85% deployment by August 2010, 89% deployment by February 2011, 93% deployment by August 2011, 96% deployment by February 2012, and 100% deployment by August 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. In any event, Cable Service availability shall be approximately 66% of all households in the Service Area by the end of February 2008, in accordance with Section 3.1.1 of this Agreement.

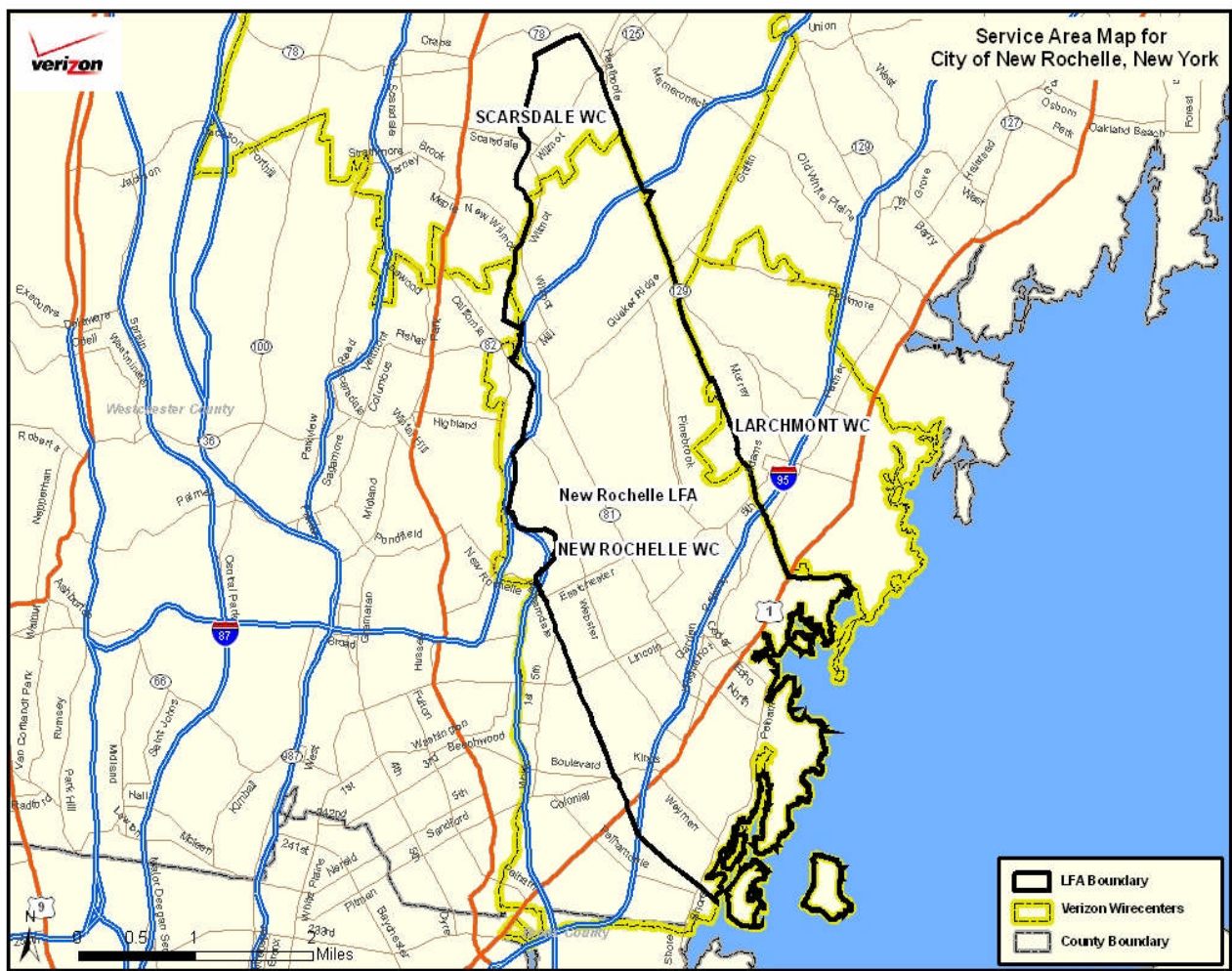


EXHIBIT C

PEG ACCESS INTERCONNECTION SITES

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following one (1) Government Access Channel and one (1) Public Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 1") shall be activated within one hundred eighty (180) days of the Effective Date:

City of New Rochelle City Hall, 515 North Ave., New Rochelle, NY 10801

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following one (1) Educational Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 2") shall be activated within two hundred seventy (270) days of the Effective Date:

New Rochelle High School, 265 Clove Road, New Rochelle, NY 10801

PEG Access Interconnection Site No. 1 and PEG Access Interconnection Site No. 2 shall additionally serve as the aggregation points for PEG Content Origination Points 1-3, below, feeding signals to the Government, Public, and Educational Access Channels. For purposes of permitting LFA to select and switch feeds coming into an aggregation point, Franchisee shall provide the LFA, without charge, such capability at such aggregation point. Operation and maintenance of any equipment associated therewith shall be the responsibility of the LFA or the New Rochelle City School District, as the case may be.

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Government and Public Access Channel PEG Content Origination Point No. 1 feeding signals to PEG Access Interconnection Point No. 1 shall be activated within three hundred sixty (360) days of the Effective Date.

New Rochelle Library, 1 Library Plaza, New Rochelle, NY 10801 (PEG Content Origination Point # 1)

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Educational Access Channel PEG Content Origination Points No. 2 and No. 3 feeding signals to PEG Access Interconnection Site No. 2 shall be activated within two hundred and seventy (270) days after the Effective Date.

Isaac E. Young Middle School, 270 Centre Avenue, New Rochelle, NY 10801 (PEG Content Origination Point # 2)

Albert Leonard Middle School, 25 Gerada Lane, New Rochelle, NY 10804 (PEG Content Origination Point # 3)

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

CABLE FRANCHISE AGREEMENT

BY AND BETWEEN

THE CITY OF NEW ROCHELLE, NEW YORK

AND

VERIZON NEW YORK, INC.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
1. DEFINITIONS.....	2
2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS	7
3. PROVISION OF CABLE SERVICE	9
4. SYSTEM FACILITIES	10
5. PEG SERVICES AND FRANCHISE GRANT	11
6. FRANCHISE FEES	14
7. REPORTS AND RECORDS.....	15
8. INSURANCE AND INDEMNIFICATION	16
9. TRANSFER OF FRANCHISE.....	18
10. RENEWAL OF FRANCHISE.....	18
11. ENFORCEMENT AND TERMINATION OF FRANCHISE	19
12. MISCELLANEOUS PROVISIONS.....	21

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the City of New Rochelle, 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;

WHEREAS, the LFA has determined that the terms and conditions contained in this Franchise comply with and satisfy the requirements of its local ordinances, rules, and regulations with respect to the provision of Cable Service; 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; and,

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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*: The tier of Cable Service which includes, at a minimum, the retransmission of all local television broadcast signals provided to any Subscriber and any PEG Channels required by this Franchise or NY PSC rules, and which may also include any additional video programming signals as determined by Franchisee.

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 required by this Agreement to be designated by the Franchisee for noncommercial use by local public schools and public school districts in the Franchise Area and other not-for-profit educational institutions

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

chartered or licensed by the New York State Department of Education or Board of Regents in the Franchise Area as specified by the LFA.

1.11. *FCC*: The United States Federal Communications Commission, or successor governmental entity thereto.

1.12. *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control that directly or indirectly results in Franchisee's non-compliance with, or delay in the performance of, any obligation hereunder. This may include, but is not limited to, severe or unusual weather conditions, strikes, labor disturbances and disputes, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, incidences of terrorism, acts of vandalism, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which the Franchisee is not primarily responsible, fire, flood, or other acts of God, or work delays resulting from unaffiliated utility providers failure to service, monitor or maintain utility poles to which Franchisee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

1.13. *Franchise Area*: The entire existing territorial limits of the LFA and such additional areas as may be annexed or acquired, during the term of this Franchise.

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, as defined herein and as may be amended under federal law, 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) fees from video on demand and pay-per-view;

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

(v) Franchise Fees imposed on Franchisee by the LFA that are passed through from Franchisee as a line item paid by Subscribers; and

(vi) 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.

Except as provided above, Gross Revenue shall not include:

(i) Revenues received by any Affiliate or other Person in exchange for supplying goods or services used by Franchisee to provide Cable Service over the Cable System;

(ii) bad debts written off by Franchisee in the normal course of its business (provided, however, that bad debt recoveries shall be included in Gross Revenue during the period collected);

(iii) refunds, rebates or discounts made to Subscribers or other third parties;

(iv) any revenues classified as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with federal law, rules, regulations, standards or orders. Should revenue from Telecommunications or Information Services, or any other service provided over the Cable System be deemed a Cable Service by a final determination or ruling of any agency or court having jurisdiction, after the exhaustion of all appeals related thereto, the LFA shall be entitled, after notification to Franchisee, to amend this Agreement in the manner prescribed under applicable state law or this Franchise to include revenue from Franchisee's provision of such service as Gross Revenue, and Franchisee shall include revenue from such service as Gross Revenue on a going forward basis commencing with the next available billing cycle following the date of issuance of an order from the NY PSC approving such amendment;

(v) any revenue of Franchisee or any other Person which is received directly from the sale of merchandise through any Cable Service distributed over the Cable System, however, that portion of such revenue which represents or can be attributed to a Subscriber fee or a payment for the use of the Cable System for the sale of such merchandise shall be included in Gross Revenue;

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

(vi) the sale of Cable Services on the Cable System for resale in which the purchaser is required to collect cable Franchise Fees from purchaser's customer;

(vii) the sale of Cable Services to customers, which are exempt, as required or allowed by the LFA including, without limitation, the provision of Cable Services to public institutions as required or permitted herein;

(viii) any tax of general applicability imposed upon Franchisee or upon Subscribers by a city, state, federal or any other governmental entity and required to be collected by Franchisee and remitted to the taxing entity (including, but not limited to, sales/use tax, gross receipts tax, excise tax, utility users tax, public service tax, communication taxes and non-cable franchise fees);

(ix) any foregone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise (provided, however, that such foregone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue);

(x) sales of capital assets or sales of surplus equipment; program launch fees, i.e., reimbursement by programmers to Franchisee of marketing costs incurred by Franchisee for the introduction of new programming;

(xi) directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement and electronic publishing; or

(xii) any fees or charges collected from Subscribers or other third parties for any PEG Grant or Franchise Grant payments.

1.17. *Information Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. §153(20), as amended.

1.18. *Internet Access*: Dial-up or broadband access service that enables Subscribers to access the Internet.

1.19. *Local Franchise Authority (LFA)*: The City of New Rochelle, New York, or the lawful successor, transferee, or assignee thereof.

1.20. *Non-Cable Services*: Any service that does not constitute Cable Service pursuant to this Franchise including, but not limited to, Information Services and Telecommunications Services.

1.21. *Normal Business Hours*: Those hours during which most similar businesses in the community are open to serve customers. In all cases, "normal business hours" must include some evening hours at least one night per week and/or some weekend hours.

1.22. *NY PSC*: The New York Public Service Commission.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

1.23. *PEG*: Public, Educational, and Governmental.

1.24. *Person*: An individual, partnership, association, joint stock company, trust, corporation, or governmental entity.

1.25. *Public Access Channel*: An Access Channel available for noncommercial use solely by the residents in the Franchise Area on a first-come, first-served, nondiscriminatory basis.

1.26. *Public Rights-of-Way*: The surface and the area across, in, over, along, upon and below the surface of the public streets, roads, bridges, sidewalks, lanes, courts, ways, alleys, and boulevards, including, public utility easements and public lands and waterways used as Public Rights-of-Way, as the same now or may thereafter exist, which are under the jurisdiction or control of the LFA. Public Rights-of-Way do not include the airwaves above a right-of-way with regard to cellular or other nonwire communications or broadcast services.

1.27. *Service Area*: All portions of the Franchise Area where Cable Service is being offered as described in **Exhibit B** attached hereto.

1.28. *Subscriber*: A Person who lawfully receives Cable Service over the Cable System with Franchisee's express permission.

1.29. *Telecommunication Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(46), as amended.

1.30. *Title VI*: Title VI of the Communications Act, Cable Communications, as amended.

1.31. *Transfer of the Franchise*:

1.31.1. Any transaction in which:

1.31.1.1. a fifty percent ownership or other interest in Franchisee is transferred, directly or indirectly, from one Person or group of Persons to another Person or group of Persons, so that Control of Franchisee is transferred; or

1.31.1.2. the rights held by Franchisee under the Franchise and the certificate of confirmation issued therefor by the NY PSC are transferred or assigned to another Person or group of Persons.

1.31.2. However, notwithstanding Sub-subsections 1.31.1.1 and 1.31.1.2 above, a *Transfer of the Franchise* shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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:* Notwithstanding that, upon delivery of Cable Service, Franchisee's mixed-use facilities become subject to the NY PSC's minimum franchise standards and the LFA's police power, the parties acknowledge that the LFA is not granted, as a consequence thereof, any broad new authority over the construction, placement and operation of Franchisee's mixed-use facilities; provided, however, that nothing herein shall be construed to limit the LFA's existing authority with respect to the Franchisee's mixed use facilities pursuant to Title II of the Communications Act, Section 27 of the Transportation Corporations Law, and lawful and applicable local laws, including any lawful right to compel relocation of such facilities in the event of road-widenings and other similar adjustments to the Public-Rights-of-Way, consistent with the NY PSC rules and regulations and orders.

2.3. *Effective Date and Term:* This Franchise shall become effective on the date that the NY PSC issues a certificate of confirmation for this Franchise (the "Effective Date"), following its approval by the LFA's governing authority authorized to grant franchises and its acceptance by the Franchisee. The term of this Franchise shall be ten (10) years from the Effective Date unless the Franchise is earlier revoked as provided herein. The Franchisee shall memorialize the Effective Date by notifying the LFA in writing of the same, which notification shall become a part of this Franchise. If subsequent to the Effective Date, there is a change in federal or state law that eliminates the authority of the LFA to require, grant or maintain this Franchise, then to the extent permitted by law, this Franchise shall survive such legislation and remain in effect for the term of this Franchise.

2.4. *Grant Not Exclusive:* The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall be non-exclusive, and the LFA has granted and 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, except as permitted by applicable law, with existing facilities of the Cable System or 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 and FCC and NY PSC rules, regulations, standards and orders, as amended from time to time, including but not limited to the Communications Act.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

2.6. *No Waiver:*

2.6.1. The failure of the LFA on one or more occasions to exercise a right under this Franchise, the Cable Law or other applicable state or federal law, or to require compliance or performance under this Franchise, shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance of this Agreement, nor shall it excuse Franchisee from compliance or performance, unless such right or such compliance or performance has been specifically waived in writing.

2.6.2. The failure of the Franchisee on one or more occasions to exercise a right under this Franchise, the Cable Law or other applicable state or federal law, or to require performance under this Franchise, shall not be deemed to constitute a waiver of such right or a waiver of performance of this Agreement, nor shall it excuse the LFA from performance, unless such right or such performance has been specifically waived in writing.

2.7. *Construction of Agreement:*

2.7.1. The provisions of this Franchise shall be liberally construed to effectuate their objectives.

2.7.2. Nothing herein shall be construed to limit the scope or applicability of Section 625 of the Communications Act, 47 U.S.C. § 545, as amended.

2.7.3. Should any change to state law, rules or regulations have the lawful effect of materially altering the terms and conditions of this Franchise, then the parties shall modify this Franchise to the mutual satisfaction of both parties to ameliorate the negative effects on the Franchisee of the material alteration. Any modification to this Franchise shall be in writing and shall be subject to Section 222 of the New York Public Service Law and Title 16, Chapter VIII, Part 892, Subpart 892-1, Section 892-1.4 of the Official Compilation of Codes, Rules and Regulations of the State of New York requiring application to the NY PSC and approval of any modification. If the parties cannot reach agreement on the above-referenced modification to the Franchise, then Franchisee may terminate this Agreement without further obligation to the LFA or, at Franchisee's option, the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

2.8 *Local Authority:* The LFA reserves the right to adopt, enact, implement, and enforce, in addition to the implementation and enforcement of the provisions contained in the Franchise and existing applicable ordinances, such additional regulations as it shall find necessary in the exercise of its police power; provided, however, that such regulations are reasonable and not materially in conflict with the privileges granted in the Franchise and consistent with all federal and state laws, rules, 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 at Franchisee's expense.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

2.10 *Restoration of Private Property:* The Franchisee shall ensure that private real property is restored to its pre-existing condition if damaged by the Franchisee's employees or agents in any respect in connection with the installation, repair, maintenance, or disconnection of Cable Service.

3. PROVISION OF CABLE SERVICE

3.1. *Service Area:*

3.1.1. *Service Commitment Area:* Subject to the [availability requirement set forth in Exhibit B, and subject to the](#) issuance of all necessary permits by the LFA, Franchisee shall offer Cable Service to significant numbers of residential Subscribers within the Service Area and may make Cable Service available to businesses in the Service Area, within twelve (12) months and shall offer Cable Service to all residential Subscribers in the Service Area within five (5) years, of the Effective Date of this Franchise, or, in both instances, such longer period as may be permitted by the Cable Law, except, in accordance with NY PSC rules and regulations: (A) for periods of Force Majeure; (B) for periods of delay caused by the LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in developments or buildings that 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 dwelling unit density does not meet the density and other requirements set forth in Sub-subsection 3.1.1.1. and Section 3.2.

3.1.1.1. *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units in all areas of the Service Area where the average density is equal to or greater than twenty-five (25) occupied residential dwelling units per mile as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line. If, as a result of new construction, an area within the Service Area meets the density requirements after the time stated for providing Cable Service as set forth in Subsection 3.1.1, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from the LFA that the density requirements have been met.

3.2. *Availability of Cable Service:*

3.2.1. *Availability of Cable Service Generally:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service or based upon the income in a local area. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of 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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

(150) feet or are in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile and the actual costs incurred to connect any non-residential dwelling unit Subscriber, provided, however, that Franchisee may seek a waiver of any requirement that it extend service to any party requesting the same in an area with a density of less than twenty-five (25) occupied residential dwelling units per mile if such would not be possible within the limitations of economic feasibility. For underground installations, Franchisee shall charge the Subscriber no more than Franchisee's actual cost. Such costs shall be submitted to said Subscriber in writing before installation is begun.

3.2.2. *No Discrimination in the Availability of Cable Service:* Franchisee shall not deny access to Cable Service to any group of potential residential Subscribers because of the income of the residents of the local area in which such group resides.

3.3. *Cable Service to School, Library, and Municipal Buildings:* Subject to Section 3.1, Franchisee shall provide, without charge within the Service Area, one service outlet activated for Basic Service to each primary or secondary school chartered or licensed by the State of New York, public library, and such other buildings used for municipal purposes as may be designated by the LFA as provided in **Exhibit A** attached hereto, or as designated by the LFA in the future during the Franchise term, all upon ninety (90) days prior written notice to the Franchisee by the school, library, or municipal building, as the case may be, and within the area of the Service Area in which Franchisee's Cable Service is available; provided however that any new additional buildings added to **Exhibit A** by the LFA cannot exceed a total of more than three (3) additional buildings per year or, in the aggregate, a total of seven (7) additional buildings over the life of the Agreement; provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to 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. 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. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen or damaged.

3.4. *Contribution in Aid:* Notwithstanding the foregoing, Franchisee shall comply at all times with the requirements of Section 895.5 of the NY PSC rules and regulations.

4. SYSTEM FACILITIES

4.1. *Quality of Materials and Work:* Franchisee shall construct and maintain its System using materials of good and durable quality, and all work involved in the construction, installation, maintenance and repair of the Cable System shall be performed in a safe, thorough and reliable manner.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

4.2. *System Characteristics:* During the term hereof Franchisee's Cable System shall meet or exceed the following requirements:

4.2.1. The System shall be designed and operated with an initial analog and digital carrier passband between 50 and 860 MHz and shall provide for a minimum channel capacity of not less than 77 channels on the Effective Date.

4.2.2. The System shall be designed to be an active two-way plant for subscriber interaction, if any, required for the selection or use of Cable Service.

4.3. *Interconnection:* The Franchisee shall design its Cable System so that it may be interconnected with other cable systems in the Franchise Area. Interconnection of systems may be made by direct cable connection, microwave link, satellite, or other appropriate methods.

4.4. *Emergency Alert System:* Franchisee shall comply with the Emergency Alert System ("EAS") requirements of the FCC and the State of New York, including the NY PSC's rules and regulations and the current New York EAS Plan in order that emergency messages may be distributed over the System.

5. PEG SERVICES AND FRANCHISE GRANT

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 one (1) dedicated Public Access Channel, one (1) dedicated Educational Access Channel, and one (1) dedicated Government Access Channel (collectively, "PEG Channels").

5.1.2. The programming to be carried on each of the PEG Channels will be provided by the LFA, the City of New Rochelle School District, and the public. 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 as provided in the Cable Law, 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.

5.1.4. The PEG Channels shall be carried on the Basic Service tier in a format that provides the same technical quality of picture and sound as the majority of the other

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

Channels carried on the Basic Service tier; however, the quality of picture and sound of the PEG Channels is not required to exceed the quality of the source programming provided by the LFA or by the incumbent cable provider through interconnection.

5.2. PEG Access Connections:

5.2.1. LFA shall designate in its sole discretion not more than five (5) sites within the Franchise Area for the connection of PEG access facilities with the Cable System (each, a “PEG Access Interconnection Site” or “PEG Content Origination Point”, generally or collectively “PEG Access Origination Points”), as designated on Exhibit C to this Agreement. Each PEG Access Interconnection Site is also a PEG Content Origination Point.

5.2.2. Subject to the successful completion of all required site preparation work by the LFA and provision of access to Franchisee for equipment installation and provisioning, Franchisee shall, without charge to the LFA, provide upstream PEG Channel transmission connections between its video channel aggregation point and each PEG Access Origination Point in order to permit the signals to be correctly routed from the PEG Access Origination Points to the appropriate PEG Access Channel for distribution to Subscribers as set forth on Exhibit C.

The LFA shall provide to Franchisee at each PEG Access Origination Point a suitable video signal for each PEG Channel. Franchisee, upon receipt of the suitable video signal, shall provide, install and maintain in good working order the equipment necessary for transmitting the PEG signal to the channel aggregation site for further processing for distribution to Subscribers. Franchisee’s obligations with respect to such upstream transmission equipment and facilities shall be subject to the availability, without charge to Franchisee, of suitable required space, environmental conditions, electrical power supply, access, pathway, and other facilities and such cooperation of the LFA as is reasonably necessary for Franchisee to fulfill such obligations. Should Franchisee determine that it cannot fulfill such obligations as a result of LFA’s failure to cooperate or to provide suitable required space, environmental conditions, electrical power supply, access, pathway, or other facilities, it shall so notify LFA in a writing detailing the requirements of Franchisee that will enable it to fulfill its obligations hereunder.

5.3. PEG Grant:

5.3.1. Franchisee shall provide to the LFA financial contributions for use in support of the production of local PEG programming. The financial contributions shall consist of the two grants: (a) a grant in the amount of TWO HUNDRED FORTY THOUSAND DOLLARS (\$240,000) payable in three (3) installments (the “Initial PEG Grant”); and (b) an annual grant in the amount of FORTY THOUSAND DOLLARS (\$40,000) per year, commencing in the second year of the term of this Agreement (the “Annual PEG Grant”).

5.3.2. The Initial PEG Grant shall be payable in three (3) installments. The first (1st) installment of ONE HUNDRED TWENTY THOUSAND DOLLARS (\$120,000), shall be payable within thirty (30) days after the Effective Date. The second (2nd) installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the first (1st) anniversary of the Effective Date. The third

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

(3rd), and final installment of the Initial PEG Grant in the amount of SIXTY THOUSAND DOLLARS (\$60,000), shall be payable within thirty (30) days after the second (2nd) anniversary of the Effective Date.

5.3.3. Annual PEG Grant payments shall be due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date, as set forth in Section 5.3.1, until the Franchise expires or is terminated by either party. The LFA shall impose an equivalent obligation to the obligations contained in this Section 5.3 (including the total amount of the Initial PEG Grant and amounts of the Annual PEG Grant) on all new and renewed providers of cable service in the Service Area. In any event, if any new or renewed franchise agreement contains obligations that are lesser in amount or aggregate value than the obligations imposed in this Section 5.3 (including the total amount of the Initial PEG Grant and the amounts of the Annual PEG Grant), Franchisee's obligations under Section 5.3 shall thereafter be reduced to an equivalent amount, but no refund will be required from the LFA.

5.3.4. The Initial PEG Grant and the Annual PEG Grant shall be used by LFA as permitted by law.

5.3.5. The LFA shall provide Franchisee with an annual report setting forth a summary of all expenditures for PEG access equipment and facilities from the PEG Grants paid to the LFA and the amounts, if any, reserved for future capital expenditures for such purposes.

5.4 *Indemnity for PEG:* The LFA shall require all local producers and users of any of the PEG facilities or Channels to agree in writing to authorize Franchisee to transmit programming consistent with this Agreement and to defend and hold harmless Franchisee and the LFA from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims for failure to comply with applicable federal laws, rules, regulations or other requirements of local, state or federal authorities; for claims of libel, slander, invasion of privacy, or the infringement of common law or statutory copyright; for unauthorized use of any trademark, trade name or service mark; for breach of contractual or other obligations owing to third parties by the producer or user; and for any other injury or damage in law or equity, which result from the use of a PEG facility or Channel. The LFA shall establish rules and regulations for use of PEG facilities, consistent with, and as required by, 47 U.S.C. §531.

5.5 *Franchise Grant in Lieu of Free Internet Service:* The Franchisee shall provide to the LFA financial contributions ("Franchise Grant") of thirty thousand dollars (\$30,000) to be paid over the term of the Agreement in increments of three thousand dollars (\$3,000), with such three thousand dollars (\$3,000) payments due and payable within (30) days after the first (1st) anniversary of the Effective Date, and thirty days after each subsequent anniversary of the Effective Date through the ninth (9th) anniversary of the Effective Date. The parties agree that this provision for a Franchise Grant in lieu of free Internet service is in accordance with Section 12.22 herein.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

5.6 *Recovery of Costs:* To the extent permitted by federal law, the Franchisee shall be allowed to recover the costs of an Initial PEG Grant, Annual PEG Grant, and Franchise Grant, or any other costs arising from the provision of PEG services from Subscribers and to include such costs as a separately billed line item on each Subscriber's bill. Without limiting the foregoing, if allowed under state and federal laws, Franchisee may externalize, line-item, or otherwise pass-through interconnection and any franchise-related costs to Subscribers.

6. FRANCHISE FEES

6.1. *Payment to 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. Late payments shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules (which as of the date of execution of this Agreement is nine percent (9%) per annum) during the period such unpaid amount is owed.

6.2. *Supporting Information:* Each Franchise Fee payment shall be accompanied by a brief report prepared by a representative of Franchisee, as designated by 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.

6.4. *Bundled Services:* If Cable Services subject to the Franchise Fee required under this Article 6 are provided to Subscribers in conjunction with Non-Cable Services, the Franchise Fee shall be applied only to the value of the Cable Services, as reflected on the books and records of Franchisee in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders. The parties agree that tariffed telecommunication service rates that cannot be discounted by law or by regulation are to be excluded from the bundled discount allocation basis. The Franchisee will allocate the bundled discount such that the discount allocated to Cable Service revenues will not exceed the amount which would be allocated to Cable Service revenue on a *pro rata* basis, where *pro rata* allocation of bundled discounts is commercially practical for any bundled offering.

6.5. *Audit:* Subject to the confidentiality requirements set forth in Section 7.1 of this Franchise, Franchisee shall be responsible for making available to the LFA for inspection and audit, all records necessary to confirm the accurate payment of Franchise Fees, whether the records are held by the Franchisee, an Affiliate, or any other entity that collects or receives funds related to the Franchisee's Cable Services operation in the LFA subject to the payment of Franchise Fees under this Agreement, including, by way of illustration and not limitation, any

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

entity that sells advertising on the Franchisee's behalf. Franchisee shall maintain such records for six (6) years, provided that, if the LFA commences an audit within that six (6) year period, Franchisee shall continue to maintain such records for the duration of any audit in progress at the end of that six (6) year period. The LFA shall conduct all audits expeditiously, and neither the LFA nor Franchisee shall unreasonably delay the completion of an audit. The LFA's audit expenses shall be borne by the LFA unless the audit determines that the payment to the LFA should be increased by five percent (5%) or more in the audited period, in which case the reasonable and customary costs of the audit, together with any additional amounts due to the LFA as a result of such audit, shall be paid by Franchisee to the LFA within sixty (60) days following written notice to Franchisee by the LFA of the underpayment, which notice shall include a copy of the audit report; provided, however, that Franchisee's obligation to pay or reimburse the LFA's audit expenses shall not exceed an aggregate of fifteen thousand dollars (\$15,000) per audit. If re-computation results in additional revenue to be paid to the LFA, such amount shall be subject to interest charges computed from the due date, at the then-current rate set forth in Section 5004 of the New York Civil Practice Law and Rules per annum during the period such unpaid amount is owed. If the audit determines that there has been an overpayment by Franchisee, the Franchisee may credit any overpayment against its next quarterly payment. Said audit shall be conducted by an independent third party and no auditor so employed by the LFA shall be compensated on a success based formula, e.g., payment based on a percentage of an underpayment, if any. The LFA shall not conduct an audit more frequently than once every three (3) years.

7. REPORTS AND RECORDS

7.1. *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area at any time during Normal Business Hours and on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than six (6) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Service Area. Subject to the requirements of the New York Freedom of Information Law ("FOIL"), the LFA shall treat any information disclosed by Franchisee as proprietary and confidential under Section 87(2)(d) of the New York Public Officers Law and shall only disclose it to employees, representatives, and agents thereof who the LFA deems to have a need to know, or in order to enforce the provisions hereof. For purposes of this Section, "proprietary or confidential" information includes, but is not limited to: information related to the Cable System design; trade secrets; Subscriber lists; marketing plans; financial information; or, other information that is reasonably determined by the Franchisee to be competitively sensitive. If the LFA receives a request under FOIL or similar law for the disclosure of information that Franchisee has designated as confidential, trade secret, or proprietary, the LFA shall notify Franchisee of such request. If the LFA determines in good faith that public disclosure of the requested information

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

is required under FOIL, the LFA shall so notify Franchisee and, before making disclosure, shall, not inconsistently with the New York Public Officers Law, give Franchisee a reasonable period of time to seek to obtain judicial redress to preclude disclosure. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

7.2. *Records Required:* Franchisee shall at all times maintain:

7.2.1. Records of all written complaints for a period of six (6) years after receipt by Franchisee. The term “complaint” as used herein refers to complaints about any aspect of the Cable System or Franchisee’s cable operations, including, without limitation, complaints about employee courtesy. Complaints recorded will not be limited to complaints requiring an employee service call;

7.2.2. Records of outages for a period of six (6) years after occurrence, indicating date, duration, area, and the number of Subscribers affected, type of outage, and cause;

7.2.3. Records of service calls for repair and maintenance for a period of six (6) years after resolution by Franchisee, indicating the date and time service was required, the date of acknowledgment and date and time service was scheduled (if it was scheduled), and the date and time service was provided, and (if different) the date and time the problem was resolved;

7.2.4. Records of installation/reconnection and requests for service extension for a period of six (6) years after the request was fulfilled by Franchisee, indicating the date of request, date of acknowledgment, and the date and time service was extended; and

7.2.5. A map showing the area of coverage for the provisioning of Cable Services and estimated timetable to commence providing Cable Service.

7.3. *System-Wide Statistics:* Subject to the requirements of Section 895.1(t) of the NY PSC rules and regulations, any valid reporting requirement in the Franchise may be satisfied with system-wide statistics, except those related to Franchise Fees and consumer complaints.

7.4. *Reports:* Franchisee’s sole reporting obligation shall be to file those reports required by the Cable Law.

8. INSURANCE AND INDEMNIFICATION

8.1. *Insurance:*

8.1.1. Franchisee shall maintain in full force and effect, at its own cost and expense, during the Franchise Term, the following insurance coverage:

8.1.1.1. Commercial General Liability Insurance in the amount of two million dollars (\$2,000,000) combined single limit for property damage and bodily injury.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the LFA.

8.1.1.2. Automobile Liability Insurance in the amount of one million dollars (\$1,000,000) combined single limit for bodily injury and property damage coverage.

8.1.1.3. Workers' Compensation Insurance meeting all legal requirements of the State of New York.

8.1.1.4. Employers' Liability Insurance in the following amounts: (A) Bodily Injury by Accident: \$100,000; and (B) Bodily Injury by Disease: \$100,000 employee limit; \$500,000 policy limit.

8.1.1.5. Excess liability or umbrella coverage of not less than ten million dollars (\$10,000,000).

8.1.2. The LFA shall be designated as an additional insured under each of the insurance policies required in this Article 8 except Worker's Compensation Insurance and Employer's Liability Insurance. The commercial general liability insurance, automobile liability, and excess liability or umbrella coverage shall be primary to any other insurance held by the LFA.

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. Franchisee shall deliver to LFA Certificates of Insurance showing evidence of all required coverages under this Agreement on or before the Effective Date and providing for at least thirty (30) days prior written notice to be given to LFA of cancellation, intent not to renew or any adverse material change.

8.2. Indemnification:

8.2.1. Franchisee agrees to defend and indemnify the LFA, its officers, agents, and employees for, and hold it or them harmless from all suits, proceedings, actions, demands, liabilities, damages, costs or expenses arising from claims of injury to persons or damage to property occasioned by reason of any conduct undertaken pursuant to the Franchise, or by reason of any suit or claim for royalties, programming license fees or infringement of patent rights arising out of Franchisee's provision of Cable Services over the Cable System other than PEG facilities and Channels, provided that the LFA shall give Franchisee timely written notice of its obligation to indemnify the LFA, but in any event, the LFA shall provide such notice to Franchisee within a sufficient period of time from receipt of a claim or action pursuant

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

to this Subsection to enable Franchisee to timely answer complaints, raise defenses and defend all claims. Notwithstanding the foregoing, Franchisee shall not be required to indemnify the LFA for any suits, proceedings, actions, demands, damages, liabilities or claims resulting from the willful misconduct or negligence of the LFA, its officers, agents, employees, or attorneys, acting in their official capacity on behalf of the LFA or for any activity or function conducted by any Person other than Franchisee on behalf of the LFA 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 if Franchisee shall bear the entire cost of the settlement. In the event that the terms of any such proposed settlement includes the release of the LFA and the LFA does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the LFA shall in no event exceed the amount of such settlement.

8.2.3. The LFA shall be responsible for its own acts of willful misconduct, negligence, or willful 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 solely committed on the part of the LFA which constitute willful misconduct or negligence on the part of the LFA, its officers, employees, agents, attorneys, consultants, independent contractors or third parties acting in their official capacity on behalf of the LFA.

9. TRANSFER OF FRANCHISE

9.1. *LFA Consent Required:* 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.

9.2. *LFA Consent Not Required for Certain Transactions:* No prior consent of the LFA shall be required 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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

comply with the provisions of Section 12.12 below, the Cable Law and Section 626 of the Communications Act, 47 U.S.C. § 546, as amended.

10.2. *Needs Assessment:* In addition to the procedures set forth in Section 626 of the Communications Act, the LFA shall notify Franchisee of all of its assessments regarding the identity of future cable-related community needs and interests, as well as the past performance of Franchisee under the then current Franchise term. Such assessments shall be provided to Franchisee by the LFA promptly so that Franchisee will have adequate time to submit a proposal under 47 U.S.C. § 546 and complete renewal of the Franchise prior to expiration of its term.

10.3. *Informal Negotiations:* Notwithstanding anything to the contrary set forth herein, Franchisee and the LFA agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the LFA and Franchisee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the LFA may grant a renewal thereof.

10.4. *Consistent Terms:* Franchisee and the LFA consider the terms set forth in this Article 10 to be consistent with the express provisions of 47 U.S.C. § 546 and the Cable Law.

11. ENFORCEMENT AND TERMINATION OF FRANCHISE

11.1. *Notice of Violation:* If at any time the LFA believes that Franchisee has not complied with the terms of the Franchise, the LFA shall notify Franchisee in writing of the exact nature of the alleged noncompliance (for purposes of this Article, the “Noncompliance Notice”).

11.2. *Franchisee’s Right to Cure or Respond:* 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 timely 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, except that noncompliance in a) making payments for the PEG Grant, the Franchise Grant, and Franchise Fees, b) the maintenance of the required insurance, and c) fulfilling the indemnification requirements shall not be eligible for this subsection 11.2(iii). 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 (i) if Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (ii) if Franchisee has not remedied or commenced to remedy the alleged noncompliance within sixty (60) days or the date projected pursuant to Section 11.2(iii) above. The LFA shall provide Franchisee at least thirty (30) calendar days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide Franchisee the opportunity to be heard.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

11.4. *Enforcement:* Subject to Section 12.11 below and applicable federal and state law, in the event that the LFA, after the public hearing set forth in Section 11.3, determines that Franchisee is in default of any provision of this Franchise, the LFA may:

11.4.1. Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages; or

11.4.2. Commence an action at law for monetary damages or seek other equitable relief; or

11.4.3. In the case of a substantial noncompliance with a material provision of this Franchise, seek to revoke the Franchise in accordance with Section 11.5.

11.5. *Revocation:* If the LFA seeks to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 11.3, then the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have ninety (90) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing. The LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

11.5.1. At the designated public hearing, Franchisee shall be provided a fair opportunity for full participation, including the rights to be represented by legal counsel, to introduce relevant evidence, to require the production of evidence, to compel the relevant testimony of the officials, agents, employees or consultants of the LFA, to compel the testimony of other persons as permitted by law, and to question and/or cross examine witnesses. A complete verbatim record and transcript shall be made of the hearing, and Franchisee shall promptly reimburse LFA for the expense of making such verbatim record and transcript up to, but no greater than, Five Thousand Dollars (\$5,000).

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 timely 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. The parties 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*, to the extent permitted by law. Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Franchisee's receipt of the written determination of the LFA.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

11.5.3. The LFA may, at its sole discretion, take any lawful action that it deems appropriate to enforce the LFA's rights under the Franchise in lieu of revocation of the Franchise.

11.6. *Abandonment of Service:* Franchisee shall not abandon any Cable Service or portion thereof without the LFA's prior written consent as provided in the Cable Law.

12. MISCELLANEOUS PROVISIONS

12.1. *Actions of Parties:* In any action by the LFA or Franchisee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious, and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld, delayed or conditioned.

12.2. *Binding Acceptance:* This Agreement shall bind and benefit the parties hereto and their respective heirs, beneficiaries, administrators, executors, receivers, trustees, successors and assigns, and the promises and obligations herein shall survive the expiration date hereof.

12.3. *Preemption:* In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required by law, except that such provision shall survive such preemption and shall remain in effect for the term of this Agreement to the extent permitted 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 and was timely cured by Franchisee.

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.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

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:

City Manager
City Hall, 515 North Avenue
New Rochelle, NY 10801

12.5.3. with a copy to:

Corporation Counsel
City Hall, 515 North Avenue
New Rochelle, NY 10801

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. The LFA acknowledges and agrees that all the elements of its local ordinances, rules, and regulations with respect to the provision of Cable Service over Franchisee's Cable System ("Local Law") are fully reflected by the terms and conditions of this Agreement and are satisfied by the Franchisee's compliance with the terms and conditions of this Agreement, and in the event of a material conflict between a provision of this Agreement and a provision of the Local Law, this Agreement shall be controlling.

12.7. *Amendments and Modifications:* Amendments and/or modifications to this Franchise shall be mutually agreed to in writing by the parties and subject to the approval of the NY PSC, pursuant to the Cable Law.

12.8. *Captions:* The captions and headings of articles and sections throughout this Agreement are intended solely to facilitate reading and reference to the articles, sections and provisions of this Agreement. Such captions shall not affect the meaning or interpretation of this Agreement.

12.9. *Severability:* With the exception of this Agreement's Section 1.16 (Definition of Gross Revenue), and Articles V (PEG Services and Franchise Grant), VI (Franchise Fees), and, VIII (Insurance and Indemnification) in its entirety, 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

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

on the validity of any other section, subsection, sub-subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

12.10. *Recitals:* The recitals set forth in this Agreement are incorporated into the body of this Agreement as if they had been originally set forth herein.

12.11. *FTTP Network Transfer Prohibition:* Under no circumstance including, without limitation, upon expiration, revocation, termination, denial of renewal of the Franchise or any other action to forbid or disallow Franchisee from providing Cable Services, shall Franchisee or its assignees be required to sell any right, title, interest, use or control of any portion of Franchisee's FTTP Network including, without limitation, the Cable System and any capacity used for Cable Service or otherwise, to the LFA or any third party. Franchisee shall not be required to remove the FTTP Network or to relocate the FTTP Network or any portion thereof as a result of revocation, expiration, termination, denial of renewal or any other action to forbid or disallow Franchisee from providing Cable Services. This provision is not intended to contravene leased access requirements under Title VI or PEG requirements set out in this Agreement.

12.12. *NY PSC Approval:* This Franchise and any amendment or modification hereof 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:* Franchisee shall 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 or any protected category of persons under federal or state law.

12.16. *Customer Service:* Franchisee shall comply with the consumer protection and customer service standards set forth in Parts 890 and 896 of the NY PSC rules and regulations.

12.17. *No Third Party Beneficiaries:* Except as expressly provided in this Agreement, this Agreement is not intended to, and does not, create any rights or benefits on behalf of any Person other than the parties to this Agreement.

12.18. *LFA Official:* The City Manager of the LFA is the LFA official that is responsible for the continuing administration of this Agreement.

12.19. *No Waiver of LFA's Rights:* Notwithstanding anything to the contrary in this Agreement, no provision of this Agreement shall be construed as a waiver of the LFA's rights under applicable federal and state law.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

12.20. *Performance Review*: The LFA may, at its discretion but no more than once per three (3) year 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 Franchisee at the Performance Review shall be treated by the LFA as confidential. The LFA shall provide Franchisee with at least sixty (60) 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 sixty (60) 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; provided, however, that the Performance Review Report shall not contain any confidential information disclosed by Franchisee during the Performance Review.

12.21. *Section 626 Treatment*: Franchisee agrees that it will not apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, for the first two (2) years following the issuance by the NY PSC of an order confirming this Agreement. Thereafter, Franchisee reserves the right to apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626, in an amount not to exceed the highest deduction available to any other cable franchisee in the City (based upon the other cable franchisee’s yearly tax invoice payable to the LFA) until such time that the LFA obtains a written complete waiver of the full amount of the special franchise tax deduction (whether in the form of a reduction in the franchise fee amount paid to the LFA or as a credit against the special franchise tax) from such existing and any new provider of Cable Service or cable service (as such term may be defined by other providers) in the Service Area. Upon securing such written waiver from all existing and new providers of Cable Service or cable service (as such term may be defined by other providers) in the Service Area, Franchisee agrees to no longer apply the Franchise Fee as a deduction against the special franchise tax payable to the City of New Rochelle, pursuant to N.Y. Real Property Tax Law Section 626 beginning in the next full calendar month after such waiver becomes legally binding on the City’s existing cable franchisee. The operation of this Section 12.21 shall be strictly limited to Franchise Fees lawfully imposed upon Cable Service, and shall not be construed to affect the Franchisee’s rights under any provision of State or Federal law regarding the provision of services other than Cable Service.

12.22. *Level Playing Field*: The parties agree that the terms and conditions of this Agreement are in compliance with the level playing field requirements of the NY PSC.

CITY OF NEW ROCHELLE, NEW YORK FRANCHISE AGREEMENT

AGREED TO THIS ____ DAY OF _____, 2007.

LFA:

Approved as to Form:

By: _____
Title _____

By: _____
Title _____

Verizon New York Inc.

Approved as to Form:

By: _____
Title _____

By: _____
Title _____

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Service Area

Exhibit C: PEG Access Interconnection Sites

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

Note: Subject to the notification procedures of Section 3.3, certain buildings are entitled to receive multiple outlets as indicated in ~~parenthesis~~parentheses below.

H. Doyle Center
94 Davis Avenue
City of New Rochelle, NY 10805

City of New Rochelle City Hall (up to 2 outlets)
515 North Avenue
City of New Rochelle, NY 10801

City of New Rochelle City Hall
Annex
515 North Avenue
City of New Rochelle, NY 10801

New Rochelle Board of Education (up to 2 outlets)
515 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
166 Webster Avenue
City of New Rochelle, NY 10801

New Rochelle Library
1 Library Plaza
City of New Rochelle, NY 10801

Hudson County School
340 Quaker Ridge Road
City of New Rochelle, NY 10804

Donovan School
100 Overlook Circle
City of New Rochelle, NY 10804

Blessed Sacrament School
26 Maple Avenue
City of New Rochelle, NY 10801

Blessed Sacrament School
Annex
24 Shea Place
New Rochelle, NY 10801

Davis Elementary School
80 Iselin Drive
City of New Rochelle, NY 10804

(up to 3 outlets)

Alternative High School
50 Washington Avenue
City of New Rochelle, NY 10801

Albert Leonard Middle School
25 Gerada Lane
City of New Rochelle, NY 10804

Iona Prep
25 Stratton Road
City of New Rochelle, NY 10804

M. Toms Day School
48 Mount Tom Road
City of New Rochelle, NY 10805

New Rochelle High School
265 Clove Road
City of New Rochelle, NY 10801

(up to 4 outlets)

New Rochelle High School
Annex
265 Clove Road
City of New Rochelle, NY 10801

S. Columbus Elementary School
275 Washington Avenue
City of New Rochelle, NY 10801

(up to 4 outlets)

T. Donovan School
144 Overlook Circle
City of New Rochelle, NY 10804

(up to 5 outlets)

Salesian High School
148 Main Street
City of New Rochelle, NY 10801

(up to 2 outlets)

Webster Elementary School
95 Glenmore Drive
City of New Rochelle, NY 10801

(up to 7 outlets)

Trinity School
180 Pelham Road
City of New Rochelle, NY 10805

(up to 3 outlets)

Halen School
97 Centre Avenue
City of New Rochelle, NY 10801

(up to 3 outlets)

Jefferson School
131 Weyman Avenue
City of New Rochelle, NY 10805

Barnard School
129 Barnard Road
City of New Rochelle, NY 10801

Ursuline School
1354 North Avenue
City of New Rochelle, NY 10804

Holy Name School
70 Petersville Road
City of New Rochelle, NY 10801

Community Center
95 Lincoln Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
756 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
45 Harrison Street
City of New Rochelle, NY 10801

Ambulance Corps
Firehouse Annex
45 Harrison Street
City of New Rochelle, NY 10801

New Rochelle City Yard
224 East Main Street
City of New Rochelle, NY 10801

Fire Headquarters
90 Beaufort Place
City of New Rochelle, NY 10801

New Rochelle Firehouse
155 Drake Avenue
City of New Rochelle, NY 10805

Police Headquarters
475 North Avenue
City of New Rochelle, NY 10801

New Rochelle Firehouse
496 Stratton Road
City of New Rochelle, NY 10804

Huguenot Childrens Library
794 North Avenue
City of New Rochelle, NY 10801

Department of Public Works
40 Pelham Road
City of New Rochelle, NY 10801

Department of Public Works (future location)
85 Beechwood Avenue
City of New Rochelle, NY 10801

Isaac E. Young Middle School
270 Centre Avenue
City of New Rochelle, NY 10805

Westchester Area School
456 Webster Avenue
City of New Rochelle, NY 10801

Ward School
311 Broadfield Road
City of New Rochelle, NY 10804

Municipal Marina
22 Pelham Road
City of New Rochelle, NY 10801

Police Harbor Facility
Hudson Park
City of New Rochelle, NY 10801

[Boys' and Girls' Club of New Rochelle, Inc.](#)
[Feeney Park, Seventh Street](#)
[New Rochelle, NY 10801](#)

[Boys' and Girls' Club of New Rochelle, Inc.](#)
[116 Guion Place](#)
[New Rochelle, NY 10801](#)

EXHIBIT B

SERVICE AREA

The Service Area is 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 ~~22~~45% of the current households in the Franchise Area. At present, Franchisee's anticipated schedule calls for ~~52~~66% deployment by ~~October 2007~~, ~~61% deployment by April~~February 2008, 70% deployment by ~~October~~August 2008, ~~75~~74% deployment by ~~April~~February 2009, ~~80~~78% deployment by ~~October~~August 2009, 82% deployment by February 2010, 85% deployment by ~~April~~August 2010, ~~90~~89% deployment by ~~October 2010~~, ~~95% deployment by April 2011~~, ~~97% deployment by October 2011~~, February 2011, 93% deployment by August 2011, 96% deployment by February 2012, and 100% deployment by ~~February~~August 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. In any event, Cable Service availability shall be approximately 66% of all households in the Service Area by the end of February 2008, in accordance with Section 3.1.1 of this Agreement.

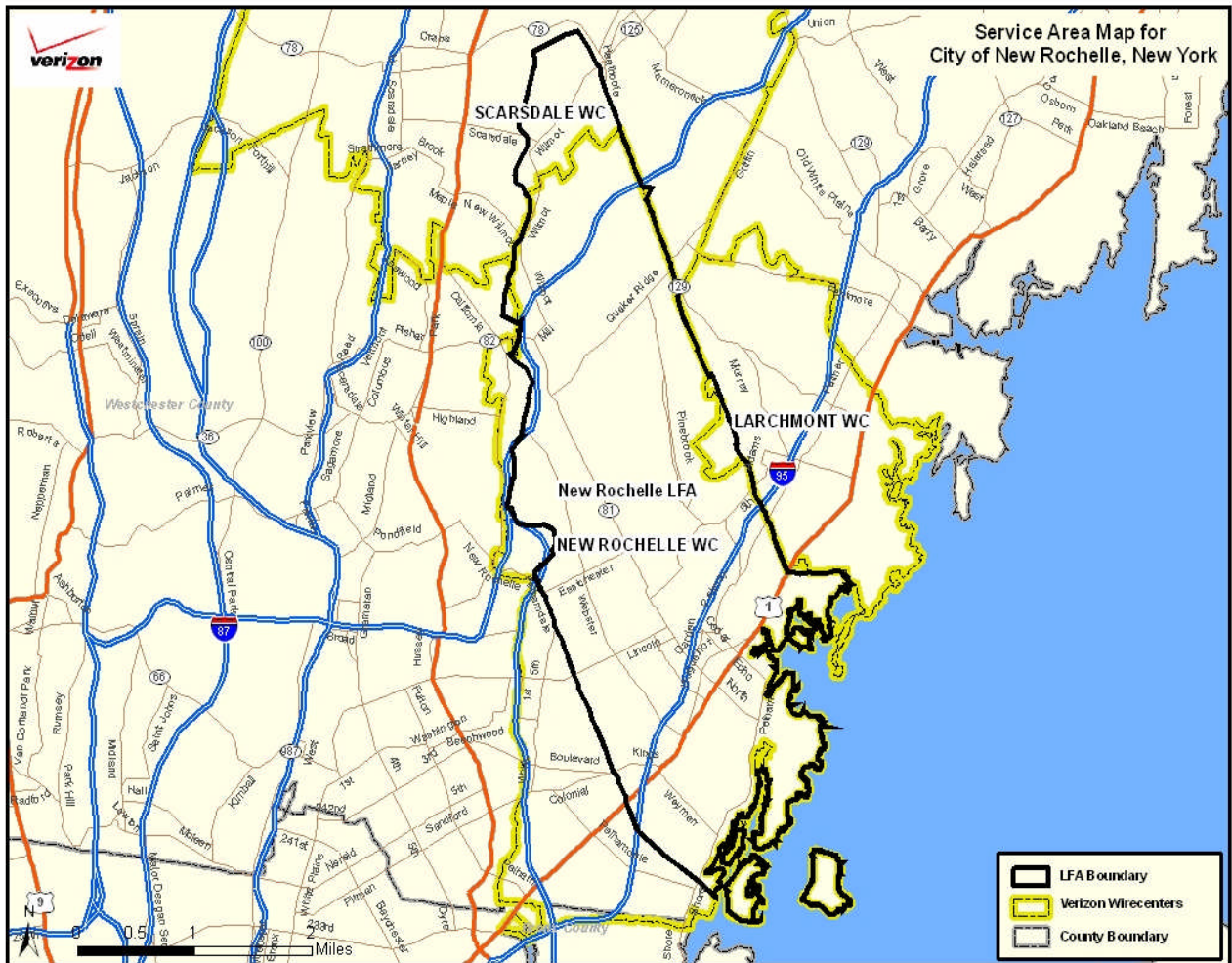


EXHIBIT C

PEG ACCESS INTERCONNECTION SITES

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following one (1) Government Access Channel and one (1) Public Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 1") shall be activated within one hundred eighty (180) days of the Effective Date:

City of New Rochelle City Hall, 515 North Ave., New Rochelle, NY 10801

Subject to the requirements set forth in Subsection 5.2.2 of the Agreement, the following one (1) Educational Access Channel PEG Access Interconnection Site ("PEG Access Interconnection Site No. 2") shall be activated within two hundred seventy (270) days of the Effective Date:

New Rochelle High School, 265 Clove Road, New Rochelle, NY 10801

PEG Access Interconnection Site No. 1 and PEG Access Interconnection Site No. 2 shall additionally serve as the aggregation points for PEG Content Origination Points 1-3, below, feeding signals to the Government, Public, and Educational Access Channels. For purposes of permitting LFA to select and switch feeds coming into an aggregation point, Franchisee shall provide the LFA, without charge, such capability at such aggregation point. Operation and maintenance of any equipment associated therewith shall be the responsibility of the LFA or the New Rochelle City School District, as the case may be.

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Government ~~or~~and Public Access Channel PEG Content Origination Point No. 1 feeding signals to PEG Access Interconnection Point No. 1 shall be activated within three hundred sixty (360) days of the Effective Date.

New Rochelle Library, 1 Library Plaza, New Rochelle, NY 10801 (PEG Content Origination Point # 1)

Subject to the requirements set forth in Subsection 5.2.2 of this Agreement, the following Educational Access Channel PEG Content Origination Points No. 2 and No. 3 feeding signals to PEG Access Interconnection Site No. 2 shall be activated within two hundred and seventy (270) days after the Effective Date.

Isaac E. Young Middle School, 270 Centre Avenue, New Rochelle, NY 10801 (PEG Content Origination Point # 2)

Albert Leonard Middle School, 25 Gerada Lane, New Rochelle, NY 10804 (PEG Content Origination Point # 3)

Document comparison done by Workshare DeltaView on Thursday, August 09, 2007
11:03:47 AM

Input:	
Document 1	interwovenSite:///IWDMSATL/LEGAL02/30474796/1
Document 2	interwovenSite:///IWDMSATL/LEGAL02/30482512/1
Rendering set	standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	24
Deletions	14
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	38

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

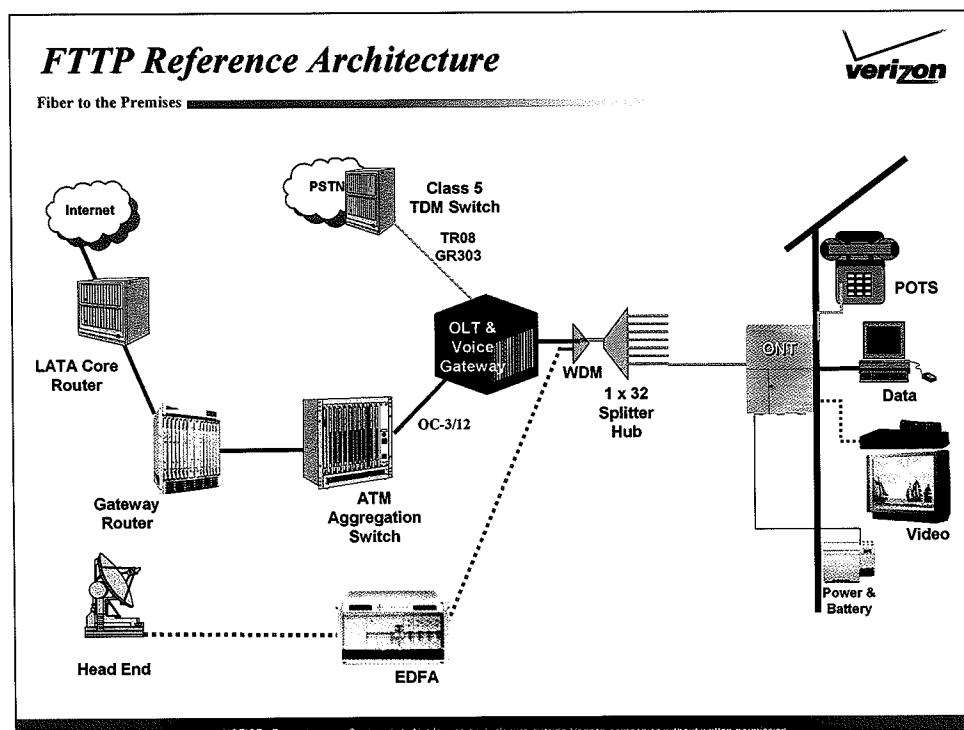
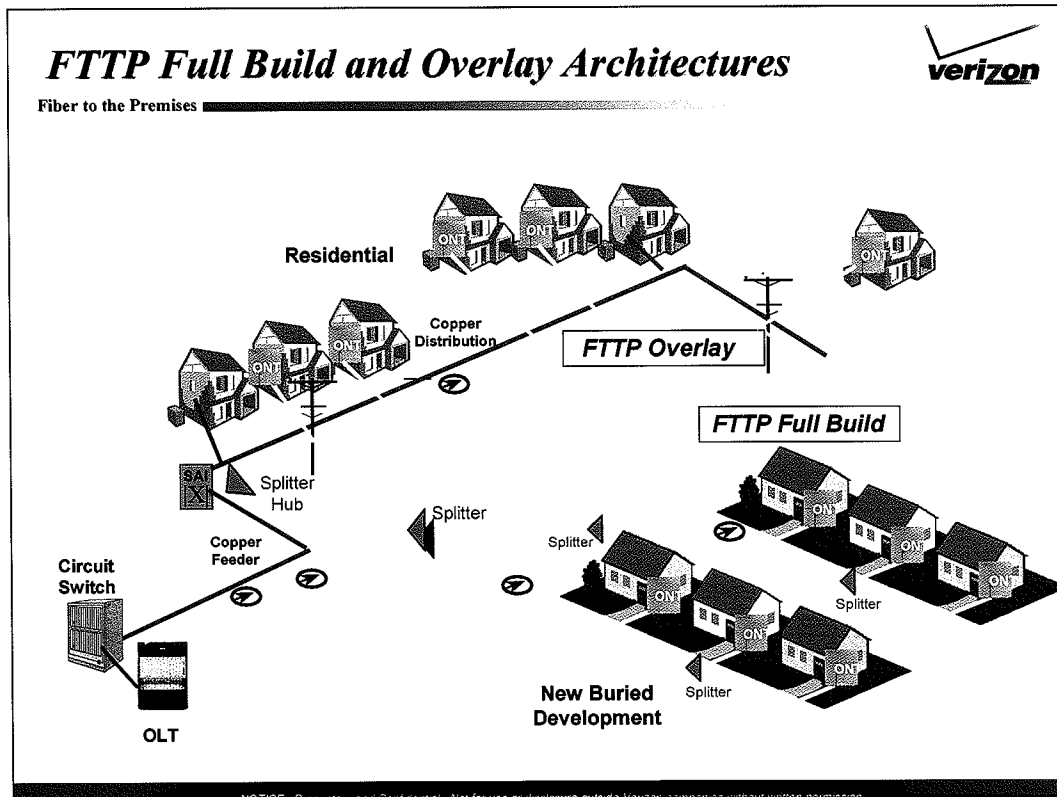


Figure 2-FTTP Full Build and Overlay Architectures



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 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 City of New Rochelle are located in Larchmont, Scarsdale, and New Rochelle, New York. If technically feasible or otherwise appropriate, PEG insertion may occur at these locations in the network.

The key function of the VSO is to combine Broadcast Cable television into the Voice and High Speed Data FTTP Network.

Once in the VSO, the optical cable television signal is sent through an EDFA and then to a Wave Division Multiplexer (WDM) combiner and splitter, which is used to add the cable signal to the voice and high-speed data signals' wavelength (1490nm) – coming from the Optical Line Terminal (OLT) – together with the cable wavelength onto a single optical source. This optical signal is then sent towards the subscriber premises via a PON. The VSO will also play a role in supporting upstream signals from the customer premises for pay-per-view services. Pay-per-view usage data uses the data service's 1310nm upstream wavelength. The upstream data communications shall be sent back to a subscriber database located in the Operations Center located in the VHO.

Customer Premises

At the premise, an Optical Network Terminal (ONT) de-multiplexes the 1550nm optical signal and simply converts it to a voice, data and cable television electrical signal, which meets cable television industry standards for cable services.

[balance of page intentionally left blank]

ATTACHMENT F

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

**In the Matter of the Petition of Verizon
New York Inc. Pursuant to Section 221
of the Public Service Law for
Confirmation of a Cable Television
Franchise Awarded by the City of New
Rochelle, New York (Westchester
County)**

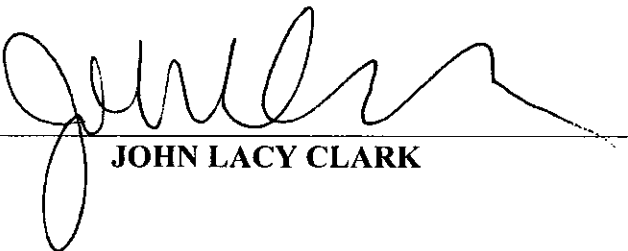
Case 07-V-_____

AFFIDAVIT OF SERVICE

**STATE OF NEW YORK)
)
COUNTY OF NEW YORK) ss.:**

JOHN LACY CLARK, being duly sworn, deposes and says:

I certify that a complete copy of Verizon New York Inc.'s Petition for Confirmation will be sent to Dorothy Allen, City Clerk, on August 17, 2007, by overnight mail addressed to her at City of New Rochelle, 515 North Avenue, New Rochelle, New York 10801.



JOHN LACY CLARK

**Sworn to before me
this 17th day of August, 2007.**



Notary Public

**MIGUEL A. ROSA
Notary Public, State of New York
No. 43-4771951, Qualified in Kings County
Certificate Filed in New York County
Commission Expires Nov. 30, 2010**

ATTACHMENT G

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

**In the Matter of the Petition of Verizon
New York Inc. Pursuant to Section 221
of the Public Service Law for
Confirmation of a Cable Television
Franchise Awarded by the City of New
Rochelle, New York (Westchester
County)**

Case 07-V-_____

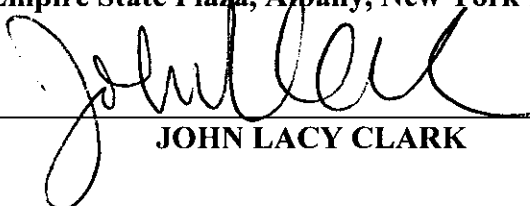
AFFIDAVIT OF PUBLICATION

STATE OF NEW YORK)
) **ss.:**
COUNTY OF NEW YORK)

JOHN LACY CLARK, being duly sworn, deposes and says:

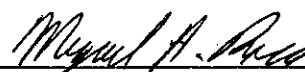
I certify that a notice with the following text will be published on August 21, 2007 in The Journal News. The Journal News is a newspaper of general circulation in the City of New Rochelle. Verizon has submitted the notice to that newspaper, has arranged for payment for such publication, and has been assured that the notice will appear in the newspaper on the specified date.

PLEASE TAKE NOTICE that Verizon New York Inc. ("Verizon") has filed a Petition with the New York State Public Service Commission ("Commission") seeking confirmation and approval of a cable television franchise awarded to Verizon by the City of New Rochelle, 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. Brilling, Secretary, New York State Public Service Commission, Three Empire State Plaza, Albany, New York 12223.



JOHN LACY CLARK

Sworn to before me
this 17th day of August, 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 New Rochelle, New York, with Part 1 filled in; (b) an EAF Addendum providing certain additional background information; and (c) exhibits to the Addendum, including maps showing environmentally relevant features of the franchise area and a list of sites included in the SPHINX database of historic sites, as described below.

2. The Attachment is submitted without prejudice to Verizon’s positions that: (a) the activities for which it seeks approval in this proceeding are not “actions” under the State Environmental Quality Review Act (“SEQRA”), and that therefore no EAF is required; and (b) if an EAF is required in this case, a short-form EAF will suffice.

3. The EAF and the EAF Addendum are based on information in Verizon’s possession or available to us through research in readily available sources. Beyond such sources, we have not undertaken any “new studies, research or investigation.”¹

4. Historic site information was derived from the SPHINX database of the New York State Historic Preservation Office (*see* <http://www.nysparks.state.ny.us/shpo/resources/index.htm>). Coastal area information was obtained from the New York State Geographic Information Systems Clearinghouse website (*see* <http://www.nysgis.state.ny.us/gisdata/inventories/details.cfm?DSID=317>), as was flood plain data (*see* <http://www.nysgis.state.ny.us/gisdata/inventories/details.cfm?DSID=246>). Information on wetlands locations was obtained from the U.S. Fish & Wildlife Service National Wetlands Inventory (*see* <http://www.fws.gov/nwi/>) and the Cornell University Geospatial Information Repository (*see* <http://cugir.mannlib.cornell.edu/mapbrowse.jsp?series=counties>). Information on agricultural districts was obtained from the Cornell University Geospatial Information Repository (*see* <http://cugir.mannlib.cornell.edu/mapbrowse.jsp?series=counties>). Information on “critical environmental areas” was obtained from the website of the State Department of Environmental Conservation (<http://www.dec.state.ny.us/website/dcs/seqr/cea/index.html>). Information on National Natural Landmarks was obtained from the website of the National Park Service (*see* http://www.nature.nps.gov/nml/Registry/USA_Map/States/NewYork/new_york.cfm).

5. In response to several questions in Part 1, Verizon has indicated that the question is “Not Applicable” (“N/A”) to the confirmation that is the subject of the Petition. The activities to be undertaken pursuant to the franchise for which confirmation is sought involve the delivery of video programming and, thus, do not have a definite location or “area.” To the extent any construction — including line extensions, placement of drop wires, extensions, and repairs — takes place after the franchise becomes effective, all of the locations within the franchise area at which such activity will occur cannot be known in advance.

¹ See Full Environmental Assessment Form at 2.

The information provided for contiguity to historic sites, etc., has been provided with respect to Verizon's FTTP facilities in the franchise area, even though it is Verizon's position that such facilities have been constructed pursuant to independent permissions and authorities.

617.20
Appendix A
State Environmental Quality Review
FULL ENVIRONMENTAL ASSESSMENT FORM

Purpose: The full EAF is designed to help applicants and agencies determine, in an orderly manner, whether a project or action may be significant. The question of whether an action may be significant is not always easy to answer. Frequently, there are aspects of a project that are subjective or unmeasurable. It is also understood that those who determine significance may have little or no formal knowledge of the environment or may not be technically expert in environmental analysis. In addition, many who have knowledge in one particular area may not be aware of the broader concerns affecting the question of significance.

The full EAF is intended to provide a method whereby applicants and agencies can be assured that the determination process has been orderly, comprehensive in nature, yet flexible enough to allow introduction of information to fit a project or action.

Full EAF Components: The full EAF is comprised of three parts:

- Part 1:** Provides objective data and information about a given project and its site. By identifying basic project data, it assists a reviewer in the analysis that takes place in Parts 2 and 3.
- Part 2:** Focuses on identifying the range of possible impacts that may occur from a project or action. It provides guidance as to whether an impact is likely to be considered small to moderate or whether it is a potentially-large impact. The form also identifies whether an impact can be mitigated or reduced.
- Part 3:** If any impact in Part 2 is identified as potentially-large, then Part 3 is used to evaluate whether or not the impact is actually important.

THIS AREA FOR LEAD AGENCY USE ONLY

DETERMINATION OF SIGNIFICANCE -- Type 1 and Unlisted Actions

Identify the Portions of EAF completed for this project:

☐

Part 1

☐

Part 2

☐

Part 3

Upon review of the information recorded on this EAF (Parts 1 and 2 and 3 if appropriate), and any other supporting information, and considering both the magnitude and importance of each impact, it is reasonably determined by the lead agency that:

☐

A. The project will not result in any large and important impact(s) and, therefore, is one which **will not** have a significant impact on the environment, therefore **a negative declaration will be prepared.**

☐

B. Although the project could have a significant effect on the environment, there will not be a significant effect for this Unlisted Action because the mitigation measures described in PART 3 have been required, therefore **a CONDITIONED negative declaration will be prepared.***

☐

C. The project may result in one or more large and important impacts that may have a significant impact on the environment, therefore **a positive declaration will be prepared.**

*A Conditioned Negative Declaration is only valid for Unlisted Actions

Name of Action

Name of Lead Agency

Print or Type Name of Responsible Officer in Lead Agency

Title of Responsible Officer

Signature of Responsible Officer in Lead Agency

Signature of Preparer (If different from responsible officer)

PART 1--PROJECT INFORMATION

Prepared by Project Sponsor

NOTICE: This document is designed to assist in determining whether the action proposed may have a significant effect on the environment. Please complete the entire form, Parts A through E. Answers to these questions will be considered as part of the application for approval and may be subject to further verification and public review. Provide any additional information you believe will be needed to complete Parts 2 and 3.

It is expected that completion of the full EAF will be dependent on information currently available and will not involve new studies, research or investigation. If information requiring such additional work is unavailable, so indicate and specify each instance.

Name of Action Award of Cable Television Franchise to Verizon

Location of Action (include Street Address, Municipality and County)

Discrete Areas within the City of New Rochelle, NY

Name of Applicant/Sponsor Verizon New York Inc. ("Verizon")

Address c/o Thomas McCarroll, 158 State Street

City / PO Albany State NY Zip Code 12207

Business Telephone (518) 396-1001

Name of Owner (if different) N/A

Address _____

City / PO _____ State _____ Zip Code _____

Business Telephone _____

Description of Action:

Activities undertaken by Verizon pursuant to the authority awarded by the franchise.

Please Complete Each Question--Indicate N.A. if not applicable

A. SITE DESCRIPTION

Physical setting of overall project, both developed and undeveloped areas.

1. Present Land Use: ☐ Urban ☒ Industrial ☒ Commercial ☒ Residential (suburban) ☐ Rural (non-farm)
☐ Forest ☐ Agriculture ☐ Other _____

2. Total acreage of project area: _____ acres.*

* 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 71 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.

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 _____%

** Parts of Verizon's FFTP network in the franchise area pass historic sites. See Addendum.

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 * See Addendum
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	City of New Rochelle	
		Award Franchise	8/02/07*
		* Franchise was awarded on this date.	
City, Town, Village Planning Board	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
City, Town Zoning Board	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
City, County Health Department	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Other Local Agencies	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Other Regional Agencies	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
State Agencies	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Public Service Commission	
		Confirmation	8/17/07
Federal Agencies	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

C. Zoning and Planning Information

1. Does proposed action involve a planning or zoning decision? ☐ Yes ☒ No

If Yes, indicate decision required:

<input type="checkbox"/> Zoning amendment	<input type="checkbox"/> Zoning variance	<input type="checkbox"/> New/revision of master plan	<input type="checkbox"/> Subdivision
<input type="checkbox"/> Site plan	<input type="checkbox"/> Special use permit	<input type="checkbox"/> Resource management plan	<input type="checkbox"/> Other

2. What is the zoning classification(s) of the site? 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

8/17/07

Signature

[Signature]

Title Vice President Regulatory Affairs, NY & CT

If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment.

PART 2 - PROJECT IMPACTS AND THEIR MAGNITUDE

Responsibility of Lead Agency

General Information (Read Carefully)

- ! 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 |

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 |
|------------------------|--------------------------|--------------------------|--|

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 |

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 |

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

- | | | | |
|--|--------------------------|--------------------------|--|
| • Proposed Action would substantially interfere with any resident or migratory fish, shellfish or wildlife species. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action requires the removal of more than 10 acres of mature forest (over 100 years of age) or other locally important vegetation. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

IMPACT ON AGRICULTURAL LAND RESOURCES

10. Will Proposed Action affect agricultural land resources?

☐ NO ☐ YES

Examples that would apply to column 2

- | | | | |
|--|--------------------------|--------------------------|--|
| • The Proposed Action would sever, cross or limit access to agricultural land (includes cropland, hayfields, pasture, vineyard, orchard, etc.) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Construction activity would excavate or compact the soil profile of agricultural land. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • The Proposed Action would irreversibly convert more than 10 acres of agricultural land or, if located in an Agricultural District, more than 2.5 acres of agricultural land. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

- | | 1
Small to
Moderate
Impact | 2
Potential
Large
Impact | 3
Can Impact Be
Mitigated by
Project Change |
|---|-------------------------------------|-----------------------------------|--|
| • The Proposed Action would disrupt or prevent installation of agricultural land management systems (e.g., subsurface drain lines, outlet ditches, strip cropping); or create a need for such measures (e.g. cause a farm field to drain poorly due to increased runoff). | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

IMPACT ON AESTHETIC RESOURCES

11. Will Proposed Action affect aesthetic resources? (If necessary, use the Visual EAF Addendum in Section 617.20, Appendix B.)
☐ NO ☐ YES

Examples that would apply to column 2

- | | | | |
|---|--------------------------|--------------------------|--|
| • Proposed land uses, or project components obviously different from or in sharp contrast to current surrounding land use patterns, whether man-made or natural. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed land uses, or project components visible to users of aesthetic resources which will eliminate or significantly reduce their enjoyment of the aesthetic qualities of that resource. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Project components that will result in the elimination or significant screening of scenic views known to be important to the area. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

IMPACT ON HISTORIC AND ARCHAEOLOGICAL RESOURCES

12. Will Proposed Action impact any site or structure of historic, prehistoric or paleontological importance?
☐ NO ☐ YES

Examples that would apply to column 2

- | | | | |
|---|--------------------------|--------------------------|--|
| • Proposed Action occurring wholly or partially within or substantially contiguous to any facility or site listed on the State or National Register of historic places. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Any impact to an archaeological site or fossil bed located within the project site. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action will occur in an area designated as sensitive for archaeological sites on the NYS Site Inventory. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

	1 Small to Moderate Impact	2 Potential Large Impact	3 Can Impact Be Mitigated by Project Change
• Other impacts:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No

IMPACT ON OPEN SPACE AND RECREATION

13. Will proposed Action affect the quantity or quality of existing or future open spaces or recreational opportunities?

☐ NO ☐ YES

Examples that would apply to column 2

- | | | | |
|---|--------------------------|--------------------------|--|
| • The permanent foreclosure of a future recreational opportunity. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • A major reduction of an open space important to the community. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

IMPACT ON CRITICAL ENVIRONMENTAL AREAS

14. Will Proposed Action impact the exceptional or unique characteristics of a critical environmental area (CEA) established pursuant to subdivision 6NYCRR 617.14(g)?

☐ NO ☐ YES

List the environmental characteristics that caused the designation of the CEA.

Examples that would apply to column 2

- | | | | |
|---|--------------------------|--------------------------|--|
| • Proposed Action to locate within the CEA? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action will result in a reduction in the quantity of the resource? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action will result in a reduction in the quality of the resource? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Proposed Action will impact the use, function or enjoyment of the resource? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Other impacts: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

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	2	3
Small to Moderate Impact	Potential Large Impact	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 CITY OF NEW ROCHELLE (WESTCHESTER COUNTY), NEW YORK

Setting

The City of New Rochelle is located in the south-central portion of Westchester County. As of the 2000 Census, the City had a population of 72,182 within a total area of 13.23 square miles.

The City is not within an agricultural district, nor is it substantially contiguous to a National Natural Landmark. The City may contain or be substantially contiguous to critical environmental areas.¹ A list of sites included in the SPHINX database of historic sites is attached. It is Verizon's policy to conform to all applicable laws and regulations in placing its facilities, including any special requirements that may be applicable to historic sites, districts, or landmarks.

The City of New Rochelle is not located above aquifers. The City is partially within a coastal area. It 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.

Two maps are included with this addendum. The first map shows the franchise area, the coastal boundary and freshwater wetlands, lakes and ponds. The second map shows the 100-year flood plains in the area.

Description of Potential Construction Activities

The Commission is being asked to approve the City's award of a cable television franchise to Verizon. The franchise will enable Verizon to deliver video programming to subscribers over its FTTP network, which is also used for the provision of voice and data services. It is Verizon's position that the construction, extension, modification, and repair of the facilities comprising the FTTP network are independently authorized, do not require franchise authority, and are thus not included within any "action" (within the meaning of SEQRA) for which approval is sought in this proceeding. Nevertheless, at Staff's request, Verizon is providing the following information concerning work on Verizon's FTTP facilities that may be undertaken in the City subsequent to the Commission's approval of the franchise.

¹ Attached is a page from the State Department of Environmental Conservation web site that lists critical environmental areas designated by the County of Westchester. We do not know whether any of the County-designated areas (*e.g.*, certain watersheds) include land within the City.

Extensions of Verizon's FTTP network may take place in the City of New Rochelle following the award of the franchise. FTTP construction in the City's rights-of-way would relate to facilities that will also be used for Verizon's voice and data services. (Any equipment that is utilized exclusively for the provision of cable services in the City will be located in Verizon's central offices.) Verizon has completed the construction of its FTTP network to approximately 45% 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 26,995 households within the City of New Rochelle that could potentially be served with fiber drops.² In terms of the potential environmental impact of drop placement activities, the fiber drops that are associated with FTTP do not differ in any significant respect from the copper drops that Verizon routinely installs, maintains and on occasion replaces in connection with its current services. Moreover, fiber drops will be deployed to customers who request other FiOS services even if such customers do not elect to purchase FiOS video.

² In general, Verizon's outside plant may include both aerial and underground facilities. Some of the work related to the extension of FTTP facilities and the placement of drops may therefore be underground.

USN	Class.	BF	Street Address/Location/Bldg. Name	Deter.	NR Ref. No.	SR Date	NR Date	NHL Date
11942.000658			FORT SLOCUM					
11942.000319			NEW ROCHELLE SURVEY - P A S N Y					
11942.000832	A		PREHISTORIC SITES					
11942.000017			- -					
11942.000002			- -					
11942.000006	A		- DAVENPORT NOCK SIVANAY VILLAGE					
11942.000009	A		- HUGUENOT SITE					
11942.000003			- OLD HUGEROT HOUSE					
11942.000316	A		- PARKER'S WESTCHESTER (DAVID'S ISLAND)					
11942.000007	A		- SITE ECHO BAY					
11942.000008	A		- SITE HUDSON PARK					
11942.000887			Rochelle Park-Rochelle Heights Historic	Historic District	04NR05343	5/8/2005	7/6/2005	
11942.001008			webster					
11942.000718			[ILLEG] RD NO 79 FIREHOUSE FORT SLOCUM EAST SIDE; SOUTH OF MC CREA RD;					
11942.000719			[ILLEG] RD NO 80 CHILDREN'S SWIMMING POOL EAST SIDE; NORTH OF NCO					
11942.000893	S		Ablemarle Ave Park	Listed	04NR05343	5/8/2005	7/6/2005	

11942.000013		10 ALBEMARLE AVE NEW ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000014		14 ALBEMARLE AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000015		18 ALBEMARLE AVE NEW ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000016		20 ALBEMARLE AVE NEW ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000317		26 ALBEMARLE AVE RES					
11942.000018		30 ALBEMARLE AVE NEW ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000019		36 ALBEMARLE AVE N. ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000020		66 ALBEMARLE AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000021		68 ALBEMARLE AVE N. ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000022		72 ALBEMARLE AVE N. ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000891	B	5 Anderson St Anderson Street Apartments	Individually Eligible				
11942.000711		ANDRUS RD NO 63 BARRACKS - RUIN - FORT NORTH SIDE; WOODRUFF RD; SOUTH					
11942.000712		ANDRUS RD NO 64 BARRACKS - RUIN - FORT SOUTH SIDE; BOWFORD RD; WEST					
11942.000764	B	BARTEL STE SHELL INTERLOCKING TOWER (SIGNAL END OF BARTEL ST. IN RR RIGHT-OF-	Individually Eligible				
11942.000023		1 BEAUFORT PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000031		120 BEAUFORT PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000029		123 BEAUFORT PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000030		125 BEAUFORT PL RES	Listed	04NR05343	5/8/2005	7/6/2005	

11942.000032			126 BEAUFORT PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000024			3 BEAUFORT PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000025			5 BEAUFORT PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000026			75 BEAUFORT PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000027			79 BEAUFORT PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000028			91 BEAUFORT PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000885	B		Beechmont Dr Columbia Hall	Individually Eligible				
11942.000320			107 BERR RD, 107 BERRIAN RD					
11942.000835			6 BIEHN ST RESIDENCE	Not Eligible				
11942.000834			7 BIEHN ST RESIDENCE	Not Eligible				
11942.000659			BLISS RD BLDG #1 COMMANDING OFFICERS SOUTH SIDE; DAVIDS ISLAND					
11942.000660			BLISS RD BLDG NO. 6 DUPLEX OFFICERS WEST SIDE; DAVIDS ISLAND					
11942.000671			BLISS RD NO 2 OFFICERS QUARTERS FORT WEST SIDE; SOUTH SIDE; DAVIDS					
11942.000672			BLISS RD NO 3 OFFICERS QUARTERS FORT WEST SIDE; DAVIDS ISLAND					
11942.000673			BLISS RD NO 4 OFFICERS QUARTERS FORT WEST SIDE; DAVIDS ISLAND					
11942.000674			BLISS RD NO 5 OFFICERS QUARTERS - RUIN - WEST SIDE; SOUTH OF HOWARD RD;					
11942.000682			BLISS RD UNNAMED SERVICE RD NO 17 QUARTERMASTER EAST SIDE; SOUTH SIDE; DAVIDS					

11942.000156			173 BLVD EAST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000157			179 BLVD EAST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000158			185 BLVD EAST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000159			195 BLVD EAST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000160			203 BLVD EAST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000161			231 BLVD EAST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000162			243 BLVD EAST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000164			244 BLVD EAST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000165			250 BLVD EAST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000163			253 BLVD EAST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000166			254 BLVD EAST RES EAST	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000321			93 BON AIR AVE					
11942.000897	B		233 Boulevard East	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000898	B		236 Boulevard East	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000704			BOWFORD RD NO 56 GUARD HOUSE SORT SLOCUM EAST SIDE; SET BACK; DAVIDS ISLAND					
11942.000705			BOWFORD RD NO 57 DRILL HALL & GYMNASIUM FOR WEST SIDE; SOUTH OF HUTCHINSON					
11942.000713			BOWFORD RD NO 65 PROBABLY KITCHENS & BAKERY EAST SIDE; OPPOSITE ANDRUS RD;					
11942.000714			BOWFORD RD NO 67 MESS HALL FORT SLOCUM EAST SIDE; SET BACK; FORT DAVIS					
11942.000143			- BROOKDALE AVE RES					

11942.000142			1 BROOKDALE AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000899	B		11 Brookdale Ave	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000152			123 BROOKDALE AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000153			2 BROOKDALE AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000154			20 BROOKDALE AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000900	B		23 Brookdale Ave	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000144			29 BROOKDALE AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000145			33 BROOKDALE AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000146			35 BROOKDALE AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000901	B		47 Brookdale Ave	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000147			55 BROOKDALE AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000148			63 BROOKDALE AVE RES ==	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000151			70 BROOKDALE AVE RES					
11942.000149			71 BROOKDALE AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000150			77 BROOKDALE AVE RE	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000902	B		79 Brookdale Ave	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000903	B		80 Brookdale Ave	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000155			92 BROOKDALE AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000322			40 CALHOUN AVE					
11942.000004			29 CASTLE PLACE LELAND CASTLE, COLLEGE OF NEW	Listed	90NR02482	6/23/1980	8/27/1976	
11942.000763			CENTRE AVE CENTRE AVENUE BRIDGE NH 16.37 SPANNING AMTRAK/METRO-NORTH	Not Eligible				
11942.000879	B		200 CENTRE AVE APT BLDG	Not Eligible				

11942.000825	B		208 CENTRE AVE					
11942.000978	B		62 Centre Ave Commercial					
11942.000976	B		72 Centre Ave Commercial					
11942.000977	B		73-79 Centre Ave Centre Arms Apartments					
11942.000768	B		38 CENTRE ST TERRYTOONS FILM STUDIOS	Individually Eligible				
11942.000762	B		131 CHAUNCEY AVE BROWN RESIDENCE	Not Eligible				
11942.000774			141 CHAUNCEY AVE					
11942.000773			90 CLINTON AVE					
11942.000759	B		46 CLINTON PL FERRARO RESIDENCE	Not Eligible				
11942.000789	B		21 CLOVE RD	Not Eligible				
11942.000878	B		265 CLOVE RD NEW ROCHELLE HIGH SCHOOL					
11942.000323			10 COLE TERR					
11942.000324			201 COLIGNI AVE					
11942.000325			216 COLIGNI AVE					
11942.000770	B		46 COLIGNI AVE	Not Eligible				
11942.000757	B		22 COLONIAL PL MARZELLI RESIDENCE	Not Eligible				
11942.000758	B		7 COLONIAL PL	Not Eligible				
11942.000167			1 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000179			14 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000169			15 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000178			2 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000180			20 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000170			25 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000181			38 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	

11942.000182		44 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000171		45 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000172		53 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000183		62 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000173		65 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000174		69 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000184		70 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000185		78 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000905	B	79 Cortlandt Ave NC house	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000175		85 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000168		9 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000186		90 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000176		91 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000177		99 CORTLANDT AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000318	A	DAVENPORT AVE NYSM 5199 & NYSM 5200 DAVENPORT EAST SIDE	Individually Eligible				
11942.000005		157 DAVENPORT AVE DAVENPORT HOUSE SANS SOUCI AT EVANS HOUSE AT	Listed	90NR02484	6/23/1980	4/30/1980	
11942.000746	S	180 DAVENPORT AVE LISPENARD-RODMAN-DAVENPORT	Listed	90NR02486	8/4/1986	9/22/1986	
11942.000516		300 DAVENPORT AVE					
11942.000781		360 DAVENPORT AVE					

11942.000831	S		DIVISION ST BIN 1049890 OVER METRO-NORTH RR	Not Eligible				
11942.000829	S		DIVISION ST BIN 1091390 OVER I-95	Not Eligible				
11942.000830	S		DIVISION ST BIN 1091400 OVER METRO-NORTH RR	Not Eligible				
11942.000979	B		6-24 Division St Commercial block					
11942.000787	B		278 DRAKE AVE	Not Eligible				
11942.000188			15 EARLE PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000191			16 EARLE PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000192			20 EARLE PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000193			22 EARLE PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000189			25 EARLE PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000190			27 EARLE PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000194			32 EARLE PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000195			36 EARLE PL RES 00	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000196			40 EARLE PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000187			7 EARLE PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000517			175 EASTCHESTER RD					
11942.000518			216 EASTCHESTER RD					
11942.000519			297 EASTCHESTER RD					
11942.000326			304 EASTCHESTER RD					
11942.000327			308 EASTCHESTER RD					
11942.000520			309 EASTCHESTER RD					
11942.000521			314 EASTCHESTER RD					

11942.000328			315 EASTCHESTER RD					
11942.000522			316 EASTCHESTER RD					
11942.000523			324 EASTCHESTER RD					
11942.000524			325 EASTCHESTER RD					
11942.000525			330 EASTCHESTER RD					
11942.000526			331 EASTCHESTER RD					
11942.000535			101 ECHO AVE					
11942.000536			102 ECHO AVE					
11942.000537			108 ECHO AVE					
11942.000331			110 ECHO AVE					
11942.000332			120 ECHO AVE					
11942.000333			126 ECHO AVE					
11942.000334			131 ECHO AVE					
11942.000538			143 ECHO AVE					
11942.000539			151 ECHO AVE					
11942.000540			153 ECHO AVE					
11942.000527			33 ECHO AVE					
11942.000329			36 ECHO AVE					
11942.000528			39 ECHO AVE					
11942.000529			75 ECHO AVE					
11942.000530			78 ECHO AVE					
11942.000531			88 ECHO AVE					
11942.000532			89 ECHO AVE					
11942.000533			91 ECHO AVE					
11942.000534			97 ECHO AVE					
11942.000330			98 ECHO AVE					
11942.000755	B		21 EDGEWOOD PK CASSONE RESIDENCE	Not Eligible				
11942.000335			90 ELIZABETH RD					
11942.000779			19 FANEUIL PL BLANEY	Not Eligible				
11942.000798	B		187 FENIMORE RD	Individually Eligible				
11942.000783	B		4 FERDINAND PL GRAVES-WRIGHT RESIDENCE	Not Eligible				
11942.000294			101 FIFTH AVE RES					
11942.000295			105 FIFTH AVE RES					

11942.000296			131 FIFTH AVE RES					
11942.000297			135 FIFTH AVE RES					
11942.000761	B		136 FIFTH AVE BURTON RESIDENCE	Not Eligible				
11942.000298			141 FIFTH AVE RES					
11942.000299			143 FIFTH AVE RES					
11942.000300			145 FIFTH AVE RES					
11942.000301			147 FIFTH AVE RES					
11942.000302			181 FIFTH AVE RES					
11942.000303			187 FIFTH AVE RES					
11942.000304			199 FIFTH AVE RES					
11942.000305			245 FIFTH AVE RES					
11942.000306			247 FIFTH AVE RES					
11942.000307			253 FIFTH AVE RES					
11942.000308			259 FIFTH AVE RES					
11942.000910	B		261 Fifth Ave NC house	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000309			295 FIFTH AVE RES					
11942.000310			299 FIFTH AVE RES					
11942.000311			305 FIFTH AVE RES					
11942.000911	B		307 Fifth Ave NC house	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000912	B		311 Fifth Ave NC house	Listed	04NR05343	5/8/2005	7/6/2005	

11942.000312			315 FIFTH AVE RES					
11942.000313			319 FIFTH AVE RES					
11942.000314			321 FIFTH AVE RES					
11942.000315			327 FIFTH AVE RES ==					
11942.000836			479 FIFTH AVE GAS STATION	Not Eligible				
11942.000837			491 FIFTH AVE RESIDENCE	Not Eligible				
11942.000838			493 FIFTH AVE RESIDENCE-STORE	Not Eligible				
11942.000839			499 FIFTH AVE WAREHOUSE	Not Eligible				
11942.000840			525 FIFTH AVE RESIDENCE	Not Eligible				
11942.000841			535 FIFTH AVE RESIDENCE	Not Eligible				
11942.000842			535 1/2 FIFTH AVE RESIDENCE-STORE	Not Eligible				
11942.000843			539 FIFTH AVE RESIDENCE	Not Eligible				
11942.000844			541 FIFTH AVE RESIDENCE	Not Eligible				
11942.000909	B		55 Fifth Ave NC house	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000845			567 FIFTH AVE WAREHOUSE	Not Eligible				
11942.000284			59 FIFTH AVE RRES					
11942.000285			63 FIFTH AVE RES					
11942.000286			69 FIFTH AVE RES					
11942.000287			73 FIFTH AVE RES					

11942.000288			75 FIFTH AVE RES					
11942.000289			79 FIFTH AVE RES					
11942.000290			83 FIFTH AVE RES					
11942.000291			87 FIFTH AVE RES					
11942.000292			95 FIFTH AVE RES					
11942.000293			99 FIFTH AVE RES					
11942.000827	B		48 FIRST ST					
11942.000542			FORT SLOCUM RD END OF ROAD AT LONG ISLAND SOUND					
11942.000336			FORT SLOCUM RD NORTHEAST SIDE; NAUTILUS PL;					
11942.000833			FORT SLOCUM RD FORT SLOCUM DOCK WATERFRONT					
11942.000541			25 FORT SLOCUM RD					
11942.000980	B		21 Fountain Pl Apartment building					
11942.000981	B		44 Fountain Pl Home Park Arms Apartments					
11942.000982	B		50 Fountain Pl Harrison Gardens Apartments					
11942.000769	B		19 FRANKLIN AVE	Not Eligible				
11942.000474			1 FRENCH RIDGE					
11942.000657			GLEN ISLAND THE CASTLE - KLEINE DEUTSCHLAND IN LONG ISLAND SOUND; END OF					
11942.000475			1 GRAMERCY PL					
11942.000889			80 Grove Ave	Not Eligible				
11942.000476			98 GROVE AVE					
11942.000775			56 HALCYON TERR					
11942.000207			HAMILTON AVE RES					
11942.000197			10 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	

11942.000206			100 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000914	B		106 Hamilton Ave	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000229			109 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000208			116 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000230			121 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000231			125 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000198			14 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000915	B		142 Hamilton Ave	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000232			147 HAMILTON AVE RES ---	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000210			150 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000233			151 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000211			156 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000234			159 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000235			163 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000212			166 HAMILTON AVE RES ==	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000213			170 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000236			175 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000214			180 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000237			181 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000238			187 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	

11942.000215			190 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000239			193 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000216			196 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000240			201 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000217			204 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000241			209 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000218			212 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000199			22 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000219			220 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000242			225 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000220			230 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000221			240 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000916	B		250 Hamilton Ave NC house	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000917	B		256 Hamilton Ave NC house	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000913	B		36 Hamilton Ave NC house	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000222			45 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000200			50 HAMILTON AVE RES ==	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000223			55 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000201			58 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	

11942.000224		61 HAMILTON AVE RES ---	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000202		66 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000203		72 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000225		77 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000226		81 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000204		82 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000227		89 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000205		90 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000228		95 HAMILTON AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000209		142 HAMILTON AVE RES					
11942.000337		2 HARBOR LN					
11942.000338		10 HEMINWAY AVE					
11942.000477		3 HEMINWAY AVE					
11942.000339		1 HOLLY DR					
11942.000340		2 HOLLY DR					
11942.000882	B	60 HORTON AVE HARTLEY HOUSES	Not Eligible				
11942.000883	B	70 HORTON AVE HARTLEY HOUSES	Not Eligible				
11942.000661		HOWARD RD BLDG NO 9 OFFICERS QUARTERS - EAST SIDE; DAVIDS ISLAND					
11942.000691		HOWARD RD NO 34 N C O QUARTERS EAST SIDE; OPPOSITE BLISS RD;					
11942.000662		HOWARD RD NO 10 OFFICERS QUARTERS WEST SIDE; DAVIDS ISLAND					

11942.000677			HOWARD RD NO 11 OFFICERS QUARTERS - RUIN - WEST SIDE; DAVIDS ISLAND					
11942.000678			HOWARD RD NO 12 OFFICERS QUARTERS FORT WEST SIDE; DAVIDS ISLAND					
11942.000663			HOWARD RD NO 13 POST HEADQUARTERS FORT WEST SIDE; UNNAMED DRIVE; SOUTH					
11942.000680			HOWARD RD NO 15 QUARTERMASTER WEST SIDE; AT SOUTHWEST END OF					
11942.000690			HOWARD RD NO 32 OIL HOUSE / GARAGE FORT WESTERLY END; BETWEEN COAL					
11942.000693			HOWARD RD NO 35 OFFICERS QUARTERS FORT WEST SIDE; OPPOSITE BLISS RD					
11942.000694			HOWARD RD NO 37 ELECTRIC SUBSTATION FORT WEST SIDE; NORTH OF BLISS RD					
11942.000701			HOWARD RD NO 51 POSSIBLE PUMP HOUSE FORT NORTH SIDE; AT SEA WALL NORTH					
11942.000702			HOWARD RD NO 52 SEWAGE DISPOSAL PLANT FORT NORTH SIDE; OPPOSITE NORTH					
11942.000675			HOWARD RD NO 7 OFFICERS QUARTERS FORT WEST SIDE; JUST NORTH OF BLISS RD;					
11942.000676			HOWARD RD NO 8 OFFICERS QUARTERS - RUIN - WEST SIDE; DAVIDS ISLAND					
11942.000692			HOWARD RD NO T-34 UTILITY-TYPE BUILDING WEST SIDE; SOUTH OF BLISS RD					
11942.000724			HOYLE RD NO 105 DOUBLE NC HEADQUARTERS NORTH SIDE; UNNAMED SERVICE RD;					

11942.000725			HOYLE RD NO 106 DOUBLE NCO QUARTERS FORT NORTH SIDE; DAVIDS ISLAND					
11942.000726			HOYLE RD NO 107 DOUBLE NCO QUARTERS FORT NORTH SIDE; DAVIDS ISLAND					
11942.000669			HOYLE RD NO 108 CHAPEL FORT SLOCUM NORTH SIDE; DAVIDS ISLAND					
11942.000727			HOYLE RD NO 110 STOREHOUSE - RUIN - FORT EASTERLY END OF RD; DAVIDS ISLAND					
11942.000683			HOYLE RD NO 20 FREIGHT-RELATED STRUCTURE NORTHEAST END OF PASSENGER					
11942.000766			HUGUENOT ST TRINITY/HUGUENOT MEMORIAL NNE OF TRINITY CHURCH	Individually Eligible	04NR05312	3/18/2006	7/12/2006	
11942.000791	B		1-15 HUGUENOT ST	Not Eligible				
11942.000478			19 HUGUENOT ST					
11942.000983	B		296-304 Huguenot St, 24-34 Division St Commerical					
11942.000984	B		306-312 Huguenot St Commerical					
11942.000765	B		311 HUGUENOT ST TRINITY CHURCH	Individually Eligible	04NR05312	3/18/2006	7/12/2006	
11942.000985	B		318-320 Huguenot St The Westchester Apartments					
11942.000479			33 HUGUENOT ST					
11942.000986	B		342 Huguenot St New York Telephone Co. Bldg.					
11942.000987	B		347-349 Huguenot St Central Apartments					
11942.000988	B		363 Huguenot St Neptune Fireproof Storage					
11942.000989	B		375-383 Huguenot St Commercial					
11942.000990	B		393 Huguenot St Hood Tire Shop					

11942.000991	B		395 Huguenot St Apartments					
11942.000744			415 HUGUENOT ST NEW ROCHELLE WATER CO BLDG					
11942.000992	B		421 Huguenot St Office building					
11942.000262			111 HUNTER AVE RES					
11942.000243			14 HUNTER AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000919	B		15 Hunter Ave NC house	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000244			16 HUNTER AVE RES ==	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000245			22 HUNTER AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000246			24 HUNTER AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000256			25 HUNTER AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000247			26 HUNTER AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000257			31 HUNTER AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000258			39 HUNTER AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000248			40 HUNTER AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000259			47 HUNTER AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000249			50 HUNTER AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000920	B		56 Hunter Ave NC house	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000250			62 HUNTER AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000260			65 HUNTER AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	

11942.000251			66 HUNTER AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000918	B		7 Hunter Ave NC house	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000252			70 HUNTER AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000253			74 HUNTER AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000254			84 HUNTER AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000261			85 HUNTER AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000255			96 HUNTER AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000699			HUTCHINGSON RD NO 46 HOSPITAL FORT SLOCUM NORTH SIDE; DAVIDS ISLAND					
11942.000696			HUTCHINSON RD NO 42 RECRUIT EXAMINATION BLDG WEST SIDE; JUST NORTH OF HOWARD					
11942.000697			HUTCHINSON RD NO 43 AUXILLARY MEDICAL BLDG FORT SOUTHEAST SIDE; HOWARD RD; WEST					
11942.000698			HUTCHINSON RD NO 44 PROBABLE HEALTH CARE TO NORTHWEST OF RD; SET BACK					
11942.000700			HUTCHINSON RD NO 50 ISOLATION HOSPITAL FORT SOUTH SIDE; DAVIDS ISLAND					
11942.000703			HUTCHINSON RD NO 53 GREENHOUSE FORT SLOCUM NORTH SIDE; EAST OF BOWFORD RD					
11942.000664			HUTCHINSON RD NO 55 BARRACKS SOUTH SIDE [?]; FORT SLOCUM					
11942.000543			ICARD ST SOUTHERLY SIDE; END OF RD; ON					
11942.000480			25 IRVING PL					
11942.000341			30 IRVING PL					
11942.000342			40 IRVING PL					

11942.000888		31 Jones St	Undetermined				
11942.000481		3 LAFAYETTE ST					
11942.000772		34 LAWN AVE QUEEN ANNE HOUSE (BELLANTONI) AT NYS THRUWAY	Not Eligible				
11942.000656		14 LAWTON ST PIONEER BLDG - COMMERCIAL NORTHWEST SIDE; BETWEEN MAIN &	Listed	90NR02485	11/23/1983	12/29/1983	
11942.000993	B	41 Lawton St Apartments					
11942.000994	B	47 Lawton St Commercial/apartments					
11942.000995	B	49 Lawton St Villarina Building					
11942.000826	B	LECOUNT PL NEW ROCHELLE CENTER INTERSECTION LECOUNT PLACE AND					
11942.000996	B	14 LeCount Pl Funeral Home					
11942.000263		2 LEMKE PL RES					
11942.000890	B	Lincoln Ave Bethesda Baptist Church West of intersection with Memorial	Individually Eligible				
11942.000491		105 LINCOLN AVE					
11942.000492		107 LINCOLN AVE					
11942.000493		111 LINCOLN AVE					
11942.000494		127 LINCOLN AVE					
11942.000495		129 LINCOLN AVE					
11942.000496		133 LINCOLN AVE					
11942.000497		136 LINCOLN AVE					
11942.000498		139 LINCOLN AVE					
11942.000499		142 LINCOLN AVE					
11942.000500		145 LINCOLN AVE					
11942.000501		150 LINCOLN AVE					
11942.000482		16 LINCOLN AVE					
11942.000502		164 LINCOLN AVE					
11942.000503		168 LINCOLN AVE					
11942.000504		172 LINCOLN AVE					

11942.000505			176 LINCOLN AVE					
11942.000506			186 LINCOLN AVE					
11942.000354			2 LINCOLN AVE					
11942.000483			20 LINCOLN AVE					
11942.000507			203 LINCOLN AVE					
11942.000508			206 LINCOLN AVE					
11942.000509			231 LINCOLN AVE					
11942.000343			235 LINCOLN AVE					
11942.000484			24 LINCOLN AVE					
11942.000510			242 LINCOLN AVE					
11942.000511			245 LINCOLN AVE					
11942.000344			247 LINCOLN AVE					
11942.000512			264 LINCOLN AVE					
11942.000345			268 LINCOLN AVE					
11942.000346			269 LINCOLN AVE					
11942.000347			274 LINCOLN AVE					
11942.000348			275 LINCOLN AVE					
11942.000349			277 LINCOLN AVE					
11942.000350			281 LINCOLN AVE					
11942.000351			287 LINCOLN AVE					
11942.000352			291 LINCOLN AVE					
11942.000353			297 LINCOLN AVE					
11942.000485			39 LINCOLN AVE					
11942.000486			43 LINCOLN AVE					
11942.000487			55 LINCOLN AVE					
11942.000488			61 LINCOLN AVE					
11942.000489			71 LINCOLN AVE					
11942.000490			99 LINCOLN AVE					
11942.000356			196 LOCKWOOD AVE					
11942.000754	B		44 MADELAINE AVE	Not Eligible				
11942.000443			MAIN ST US 1 SOUTH SIDE; DRAKE; WEST SIDE					
11942.000430			MAIN ST US 1 MUNICIPAL DPW OPPOSITE #225 AND STEPHENSON					
11942.000929	O		Main St Huguenot St Faneuil Park: Boston Post Road Memorial	Historic District				

11942.000930	O		Main St Huguenot St Faneuil Park: World War I Memorial					
11942.000954	O		Main St Huguenot St Roosevelt Park: Civil War Memorial					
11942.000955	O		Main St Huguenot St Roosevelt Park: Moulton Memorial					
11942.000432			210 MAIN ST US 1					
11942.000431			225 MAIN ST US 1					
11942.000515			245 MAIN ST US 1					
11942.000514			255 MAIN ST US 1					
11942.000790	B		270 MAIN ST NEW ROCHELLE ARMORY					
11942.000931	B		320 Main St C. P. Auto Body Shop (Thannhauser					
11942.000932	B		348 Main St Jones-Gussow House					
11942.000957	B		371-391 Main St Broadmoor Court Apartments					
11942.000933	B		418 Main St Commerical					
11942.000934	B		424 Main St Commerical					
11942.000958	B		455-457 Main St Koch Building					
11942.000935	B		458 Main St Syndicate Building					
11942.000959	B		463 Main St Backyard Pub Building					
11942.000936	B		464-466 Main St Arnold Constable Department Store					
11942.000960	B		465-467 Main St, 199 North Ave Commerical building					
11942.000961	B		471-475 Main St, 200 North Ave Commerical building					
11942.000937	B		478-480 Main St Bassi Building					
11942.000962	B		481 Main St Publishers Building (Frost Building)					
11942.000938	B		490-498 Main St Crennan Building					

11942.000963	B		497 Main St Commerical building					
11942.000964	B		499 Main St Commerical building					
11942.000965	B		501 Main St Commerical building					
11942.000966	B		503 Main St Commerical building					
11942.000939	B		506 Main St Leaf Building					
11942.000940	B		510 Main St Liebman Building					
11942.001007	B		518 Main St Palace Shoe Store					
11942.000941	B		522 Main St Megale Building					
11942.000942	B		524 Main St New Rochelle Variety Building					
11942.000967	B		525 Main St I. B. Cohen Building					
11942.000943	B		526 Main St Top Jewlery Building					
11942.000944	B		528 Main St Commerical					
11942.000968	B		529 Main St, 1-15 Division St D. W. Tierney Block					
11942.000969	B		533-535 Main St A. S. Beck Building					
11942.000945	B		538-540 Main St Woolworth's Building					
11942.001006	B		540 Main St Lambden Block					
11942.000946	B		542 Main St New Rochelle Trust Building					
11942.000947	B		548 Main St Chapman Building					
11942.000948	B		550 Main St Ware's Department Store					
11942.000970	B		581 Main St Little Mexican Cafe					

11942.000971	B		583 Main St Louie's Cafe					
11942.000972	B		585 Main St Meatteria Market					
11942.000949	B		592 Main St Bible Way Church Building					
11942.000973	B		605-607 Main St Commerical/residential					
11942.000974	B		609-611 Main St Girardi Building					
11942.000950	B		612-616 Main St Main-Maple Building					
11942.000975	B		615 Main St Maple View Apartments					
11942.000951	B		618 Main St Commerical/residential					
11942.000952	B		622 Main St Main's Supermarket Building					
11942.000953	B		626-644 Main St Commercial/residential row					
11942.000956	B		650 Main St Pintard Apartments					
11942.000513			675 MAIN ST US 1					
11942.000355			689-691 MAIN ST US 1					
11942.000433			701-703 MAIN ST US 1					
11942.000434			711 MAIN ST US 1					
11942.000435			717 MAIN ST US 1					
11942.000436			719 MAIN ST US 1					
11942.000437			721 MAIN ST US 1					
11942.000357			727-729 MAIN ST US 1					
11942.000438			735 MAIN ST US 1					
11942.000439			737 MAIN ST US 1					
11942.000440			739 MAIN ST US 1					
11942.000441			741 MAIN ST US 1					
11942.000442			759 MAIN ST US 1					
11942.000444			762 MAIN ST US 1					
11942.000445			764 MAIN ST US 1					
11942.000446			766 MAIN ST US 1					
11942.000447			769 MAIN ST US 1					

11942.000448		775 MAIN ST US 1					
11942.000449		777 MAIN ST US 1					
11942.000450		778 MAIN ST US 1					
11942.000451		781 MAIN ST US 1					
11942.000452		784 MAIN ST US 1					
11942.000453		825 MAIN ST US 1					
11942.000077		10 MANHATTAN AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000078		12 MANHATTAN AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000074		2 MANHATTAN AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000079		22 MANHATTAN AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000075		4 MANHATTAN AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000076		6 MANHATTAN AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000080		4 MANOR PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000709		MC CREA RD NO 61 BARRACKS - RUIN - FORT SOUTH SIDE; [ILLEG] RD; NORTH SIDE;					
11942.000666		MC CREA RD NO 69 BARRACKS FORT SLOCUM SOUTH SIDE; DAVIDS ISLAND					
11942.000667		MC CREA RD NO 70 POST EXCHANGE FORT SLOCUM SOUTH SIDE; OPPOSITE BARRACKS;					
11942.000668		MC CREA RD NO 71 Y M C A FORT SLOCUM NORTH SIDE; SET BEHIND BLDG 70;					
11942.000715		MC CREA RD NO 74 ICE HOUSE FORT SLOCUM SOUTH SIDE; [ILLEG] RD; EAST SIDE;					
11942.000716		MC CREA RD NO 75 U-SHAPED CONCRETE WALL NORTH SIDE; SET BACK; DAVIDS					

11942.000717			MC CREA RD NO 78 ARMORY & GYMNASIUM NORTH SIDE; SET BACK; DAVIDS					
11942.000997	B		12-14 Memorial Hgwy Nonna Teres Restaurant					
11942.000998	B		16 Memorial Hgwy Foley's Lounge					
11942.000828	S		MEMORIAL HWY BIN 1091380 OVER I-95	Not Eligible				
11942.000358			169 NEPTUNE AVE, 535 PELHAM RD					
11942.000012			1287-1291 NORTH AVE WYKAGL RR STAION/ COMMERCIAL					
11942.001003	B		203-205 North Ave Commerical					
11942.001004	B		209 North Ave Republican Club					
11942.000999	B		210 North Ave Baltz Building					
11942.001000	B		218-222 North Ave Commercial					
11942.001001	B		230-232 North Ave Denny Apartments					
11942.001005	B		231-243 North Ave Anderson Apartments					
11942.001002	B		250 North Ave New Rochelle Federal Savings & Loan					
11942.000892	B		251 North Ave Standard Star Building	Individually Eligible				
11942.000745			255 NORTH AVE U S POST OFFICE-NEW ROCHELLE	Listed	90NR02487	5/11/1989	5/11/1989	
11942.000877	B		271 NORTH AVE	Undetermined				
11942.000767			310 NORTH AVE HUGUENOT TRUST CO./SPOKEN ARTS	Individually Eligible				
11942.000778	B		473-475 NORTH AVE	Individually Eligible				
11942.000001			783 NORTH AVE THOMAS DAVIE COTTAGE					
11942.000876	B		983 NORTH AVE THOMAS PAINE MUSEUM					
11942.000808	B		1 NORTHWOOD CIR					

11942.000809	B		2 NORTHWOOD CIR					
11942.000267			10 ORCHARD PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000264			2 ORCHARD PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000269			21 ORCHARD PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000268			26 ORCHARD PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000270			29 ORCHARD PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000271			35 ORCHARD PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000922	B		36 Orchard Pl	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000272			41 ORCHARD PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000273			49 ORCHARD PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000274			51 ORCHARD PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000921	B		7 Orchard Pl NC house	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000265			8 ORCHARD PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000266			8 ORCHARD PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000782			428 OXFORD RD	Not Eligible				
11942.000454			46 PARK AVE					
11942.000455			49 PARK AVE					
11942.000732			PARKER RD NO 116 SITE OF WORLD WAR II SOUTH SIDE; DAVIDS ISLAND					
11942.000733			PARKER RD NO 117 WORLD WARD II STRUCTURE SOUTH SIDE; DAVIDS ISLAND					
11942.000735			PARKER RD NO 120 PROBABLY PART OF NIKE SOUTH SIDE; NORTHWEST OF NIKE					

11942.000736			PARKER RD NO 121 NIKE CONTROL BLDG FORT NORTH SIDE AND SET BACK; AT NIKE					
11942.000739			PARKER RD NO 131 PROBABLY NIKE CONTROL SOUTHWEST SIDE; WEST PART OF					
11942.000706			PARKER RD NO 58 BARRACKS FORT SLOCUM WEST SIDE; OPPOSITE ANDRUS RD					
11942.000707			PARKER RD NO 59 BARRACKS WEST SIDE; OPPOSITE WOODRUFF					
11942.000708			PARKER RD NO 60 BARRACKS FORT SLOCUM WEST SIDE; OPPOSITE [ILLEG] RD;					
11942.000740			PARKER RD LOOP NO 133 NIKE CONTROL FUNCTION SET NORTHEAST BACK FROM RD ON					
11942.000456			10 PELHAM RD					
11942.000359			100 PELHAM RD					
11942.000460			111 PELHAM RD					
11942.000461			129 PELHAM RD					
11942.000462			133-135 PELHAM RD					
11942.000463			137-139 PELHAM RD					
11942.000464			141-143 PELHAM RD					
11942.000360			155-167 PELHAM RD PELHAM RD APARTMENT COMPLEX					
11942.000465			189 PELHAM RD					
11942.000457			40 PELHAM RD					
11942.000544			400 PELHAM RD					
11942.000361			57 PELHAM RD					
11942.000362			580 PELHAM RD					
11942.000466			615 PELHAM RD					
11942.000458			71 PELHAM RD					
11942.000459			77 PELHAM RD					
11942.000467			806-8 PELHAM RD					
11942.000468			830 PELHAM RD					
11942.000784	B		55 PERSHING AVE FIGA RESIDENCE	Not Eligible				

11942.000275		1 PIERCE ST OAK KNOLL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000279		16 PIERCE ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000276		17 PIERCE ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000280		18 PIERCE ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000281		20 PIERCE ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000277		25 PIERCE ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000282		30 PIERCE ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000278		31 PIERCE ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000283		34 PIERCE ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000748		PINTARD AVE FIRST PRESBYTERIAN CHURCH OF	Listed	90NR02483	6/23/1980	9/7/1979	
11942.000749		PINTARD AVE LEWIS PINTARD HOUSE	Listed	90NR02483	6/23/1980	9/7/1979	
11942.000846		116 PLAIN AVE RESIDENCE	Not Eligible				
11942.000854		56 PLAIN AVE CHURCH	Not Eligible				
11942.000853		60 PLAIN AVE RESIDENCE	Not Eligible				
11942.000852		68 PLAIN AVE RESIDENCE	Not Eligible				
11942.000860		71 PLAIN AVE RESIDENCE	Not Eligible				
11942.000851		74 PLAIN AVE RESIDENCE	Not Eligible				
11942.000850		84 PLAIN AVE RESIDENCE	Not Eligible				
11942.000849		88 PLAIN AVE RESIDENCE	Not Eligible				
11942.000861		91 PLAIN AVE RESIDENCE	Not Eligible				

11942.000848			94 PLAIN AVE RESIDENCE	Not Eligible				
11942.000862			95 PLAIN AVE RESIDENCE	Not Eligible				
11942.000847			98 PLAIN AVE RESIDENCE	Not Eligible				
11942.000863			23 A PLEASANT ST WAREHOUSE	Not Eligible				
11942.000864			23 B PLEASANT ST RESIDENCE	Not Eligible				
11942.000865			25 PLEASANT ST RESIDENCE	Not Eligible				
11942.000858			28 PLEASANT ST RESIDENCE	Not Eligible				
11942.000866			29 PLEASANT ST RESIDENCE	Not Eligible				
11942.000867			31 PLEASANT ST RESIDENCE	Not Eligible				
11942.000868			37 PLEASANT ST RESIDENCE	Not Eligible				
11942.000857			40-42 PLEASANT ST WAREHOUSE	Not Eligible				
11942.000869			41 PLEASANT ST RESIDENCE	Not Eligible				
11942.000856			44 PLEASANT ST WAREHOUSE	Not Eligible				
11942.000870			45 PLEASANT ST RESIDENCE	Not Eligible				
11942.000871			49 PLEASANT ST RESIDENCE	Not Eligible				
11942.000855			50 PLEASANT ST APTS	Not Eligible				
11942.000872			53 PLEASANT ST WAREHOUSE	Not Eligible				
11942.000873			59 PLEASANT ST RESIDENCE	Not Eligible				
11942.000874			69 PLEASANT ST RESIDENCE	Not Eligible				
11942.000875			71 PLEASANT ST RESIDENCE	Not Eligible				

11942.000859			8 PLEASANT ST RESIDENCE	Not Eligible				
11942.000010	B		Railroad Pl New Rochelle Railroad Station; New Haven Between North Avenue and Memorial	Individually Eligible	06NR05586			
11942.000752	B		125 REMINGTON PL	Not Eligible				
11942.000469			149 REMINGTON PL					
11942.000363			160 REMINGTON PL					
11942.000364			97 REMINGTON PL					
11942.000756	B		37 ROCHELLE PL GRIMES RESIDENCE	Not Eligible				
11942.000104			44 ROCKLAND AVE RES					
11942.000105			46 ROCKLAND AVE RES					
11942.000106			50 ROCKLAND AVE RES					
11942.000094			85 ROCKLAND AVE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000113			124 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000096			135 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000097			14 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000098			18 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000099			22 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000100			26 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000082			31 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000101			32 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000083			35 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000102			36 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	

11942.000084			37 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000103			40 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000085			43 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000923	B		44 Rockland Pl	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000924	B		46 Rockland Pl	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000086			47 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000081			5 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000925	B		50 Rockland Pl	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000087			51 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000107			56 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000088			57 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000089			61 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000090			65 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000108			66 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000109			68 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000091			71 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000110			76 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000092			77 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000093			81 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000111			82 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000926	B		85 Rockland Pl	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000112			90 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	

11942.000095			91 ROCKLAND PL RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000788	B		63 RONALDS AE	Not Eligible				
11942.000785	B		312 RONBRU DR BENNETT RESIDENCE	Not Eligible				
11942.000120			11 SCHUYLER ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000119			12 SCHUYLER ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000116			14 SCHUYLER ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000121			15 SCHUYLER ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000114			2 SCHUYLER ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000117			20 SCHUYLER ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000115			6 SCHUYLER ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000118			7 SCHUYLER ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000776			131 SECOND ST					
11942.000122			1 SERPENTINE DR RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000126			11 SERPENTINE DR RES THE SERPENTINE	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000132			14 SERPENTINE DR RES THE SERPENTINE	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000133			16 SERPENTINE DR RES THE SERPENTINE	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000129			2 SERPENTINE DR RES THE SERPENTINE	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000123			3 SERPENTINE DR RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000124			5 SERPENTINE DR RES	Listed	04NR05343	5/8/2005	7/6/2005	

11942.000130		6 SERPENTINE DR RES THE SERPENTINE	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000125		7 SERPENTINE DR RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000131		8 SERPENTINE DR RES THE SERPENTINE	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000127		81 SERPENTINE DR RES THE SERPENTINE					
11942.000134		88 SERPENTINE DR RES THE SERPENTINE	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000128		95 SERPENTINE DR RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000747		20 SICARD AVE THOMAS PAINE COTTAGE	Listed	90NR02481	6/23/1980	11/28/1972	11/28/1972
11942.000786	B	147 SICKLES AVE VENNOCHI RESIDENCE	Not Eligible				
11942.000135		1 SLOCUM ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000137		11 SLOCUM ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000140		12 SLOCUM ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000138		2 SLOCUM ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000141		26 SLOCUM ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000136		7 SLOCUM ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000139		8 SLOCUM ST RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000365		355 STORER AVE					
11942.000367		STRATFORD AVE OPPOSITE 107 IN 100 BLOCK					
11942.000366		7 STRATFORD AVE					

11942.000011	B	556 STRATTON RD QUAKER RIDGE RAILROAD STATION - QUAKER RIDGE	Individually Eligible				
11942.000894	O	The Blvd Stone entrance piers	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000046		10 THE BLVD N. ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000037		11 THE BLVD N. ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000047		12 THE BLVD NEW ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000048		14 THE BLVD N. ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000038	B	15 THE BLVD N. ROCHELLE HEIGHTS	Not Eligible	04NR05343	5/8/2005	7/6/2005	
11942.000049		18 THE BLVD N. ROCHELLE HEIGHTD	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000039		19 THE BLVD N. ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000050		20 THE BLVD N. ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000040		21 THE BLVD N. ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000051		22 THE BLVD N. ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000896	B	23 The Blvd NC residence	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000052		24 THE BLVD N. ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000041		25 THE BLVD N. ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000053		26 THE BLVD RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000042		27 THE BLVD N. ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000043		29 THE BLVD N. ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000033		3 THE BLVD RES ---	Listed	04NR05343	5/8/2005	7/6/2005	

11942.000044			31 THE BLVD N. ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000034			5 THE BLVD RESIDENCE	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000045			6 THE BLVD N. ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000054			60 THE BLVD RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000035			7 THE BLVD NEW ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000895	B		8 The Blvd NC residence	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000036			9 THE BLVD N. ROCHELLE HEIGHTS	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000904	S		The Circle Park	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000055			1 THE CIRCLE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000062			10 THE CIRCLE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000063			12 THE CIRCLE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000064			14 THE CIRCLE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000059			2 THE CIRCLE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000056			3 THE CIRCLE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000060			4 THE CIRCLE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000057			5 THE CIRCLE RESIDENCE	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000058			7 THE CIRCLE RESIDENCE	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000061			8 THE CIRCLE RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000906	S		The Ct Park	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000067			10 THE CT RES	Listed	04NR05343	5/8/2005	7/6/2005	

11942.000071		11 THE CT RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000072		15 THE CT RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000065		2 THE CT RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000068		28 THE CT RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000066		4 THE CT RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000907	B	63 The Ct NC house	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000908	B	67 The Ct NC house	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000069		7 THE CT RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000073		75 THE CT RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000070		9 THE CT RES	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000927	B	12 The Serpentine	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000928	B	18 The Serpentine	Listed	04NR05343	5/8/2005	7/6/2005	
11942.000753	B	46 TRINITY PL	Not Eligible				
11942.000470		55 UNION AVE					
11942.000670		UNNAMED DRIVEWAY NOS 125, 126, 127 MORTAR BATTERIES HOYLE RD; NORTH SIDE; PARKER RD;					
11942.000665		UNNAMED RD NO 66 BARRACKS FORT SLOCUM WEST SIDE; OPPOSITE WOODRUFF					
11942.000695		UNNAMED SERVICE AREA NO 40 WAGON SHED / GARAGE FORT SOUTH OF COAL YARD; NEAR DOCKS;					
11942.000720		UNNAMED SERVICE RD NO 101 N C O QUARTERS SOUTHWESTERN PART OF ISLAND;					
11942.000721		UNNAMED SERVICE RD NO 102 DOUBLE NCO HEADQUARTERS NEAR HOYLE RD; SOUTHWEST PART					

11942.000722			UNNAMED SERVICE RD NO 103 DOUBLE NCO QUARTERS FORT A BIT NORTH OF HOYLE RD; DAVIDS					
11942.000723			UNNAMED SERVICE RD NO 104 NCO QUARTERS FORT SLOCUM A BIT NORTH OF HOYLE RD; DAVIDS					
11942.000729			UNNAMED SERVICE RD NO 113 MAGAZINE FORT SLOCUM EAST END OF HOYLE RD; DAVIDS					
11942.000730			UNNAMED SERVICE RD NO 114 SEARCHLIGHT POWERHOUSE EAST OF HOYLE RD; DAVIDS ISLAND					
11942.000731			UNNAMED SERVICE RD NO 115 INCINERATOR FORT SLOCUM; EAST OF HOYLE RD; EAST END OF					
11942.000734			UNNAMED SERVICE RD NO 119 RECEIVING VAULT SET BACK WEST FROM PARKER RD;					
11942.000737			UNNAMED SERVICE RD NO 124 NIKE CONTORL SITING NORTHOF PARKER RD; NIKE CONTROL					
11942.000738			UNNAMED SERVICE RD NO 128 POWER HOUSE FORT SLOCUM IN UTILITY COMPLEX AT					
11942.000741			UNNAMED SERVICE RD NO 134 NIKE CONTROL BARACKS FORT NORTHEASTERLY FROM PARKER RD;					
11942.000742			UNNAMED SERVICE RD NO 135 NIKE CONTRAL BARRACKS SET NORTHEASTERLY FROM PARKER					
11942.000679			UNNAMED SERVICE RD NO 14 QUARTERMASTER WESTERLY SIDE; DAVIDS ISLAND;					
11942.000681			UNNAMED SERVICE RD NO 16 QUARTERMASTERS BETWEEN HOWARD AND BLISS RDS					
11942.000689			UNNAMED SERVICE RD NO 30 PASSENGER WAITING ROOM SOUTH END AND EAST SIDE OF					

11942.000728			UNNAMED SERVICE RD NO T-111 CONCRETE UTILITY BLDG SOUTH EAST OF HOYLE RD; DAVIDS					
11942.000686			UNNAMED SERVICE RD NOS 25 & 26 DOCK WITH BLDG FORT SOUTHWEST OF SEAWALL; DAVIDS					
11942.000687			UNNAMED SERVICE RD NOS 27 & 31 COAL YARD & SHED FORT NORTH END & EAST SIDE OF SEAWALL;					
11942.000743			UNNAMED SERVICE RD OFF NO 0 WATER TOWER FORT SLOCUM NORTH OF BEND ON HUTCHINSON RD;					
11942.000471			153-155 VAN GUILDER AVE					
11942.000472			154 VAN GUILDER AVE					
11942.000473			143 WASHINGTON AVE					
11942.000545			14 WATER ST					
11942.000546			15 WATER ST					
11942.000368			1 WATKINS PL					
11942.000415			WEBSTER AVE EAST SIDE; INVERNES RD; SOUTH SIDE					
11942.000615			WEBSTER AVE EAST SIDE; SICKLES AVE; NORTH SIDE					
11942.000421			WEBSTER AVE EAST SIDE; SIEBRECHT PL; SOUTH					
11942.000400			WEBSTER AVE WEST SIDE; EASTCHESTER; SOUTH					
11942.000623			WEBSTER AVE WEST SIDE; FRENCH RIDGE; SOUTH					
11942.000401			WEBSTER AVE CEMETERY - COUNTANT EAST SIDE; EASTCHESTER; NORTH					
11942.000618			WEBSTER AVE CHURCH EAST SIDE; WATKINS; NORTH SIDE					
11942.000581			WEBSTER AVE CHURCH - NOW FIRST ASEEMBLY OF WEST SIDE; UNION; NORTH SIDE					
11942.000372			WEBSTER AVE CHURCH - STONE EAST SIDE; UNION AVE; SOUTH SIDE					

11942.000886		Webster Ave Metro-North Railroad: New Haven Line over Webster Ave	Not Eligible					
11942.000423		1050 WEBSTER AVE						
11942.000556		106 WEBSTER AVE						
11942.000557		108 WEBSTER AVE						
11942.000424		1091 WEBSTER AVE						
11942.000425		1095 WEBSTER AVE						
11942.000558		110 WEBSTER AVE						
11942.000559		112 WEBSTER AVE						
11942.000560		114 WEBSTER AVE						
11942.000561		116 WEBSTER AVE						
11942.000562		118 WEBSTER AVE						
11942.000548		12 WEBSTER AVE						
11942.000563		128 WEBSTER AVE						
11942.000564		130 WEBSTER AVE						
11942.000565		132 WEBSTER AVE						
11942.000566		134 WEBSTER AVE						
11942.000567		136 WEBSTER AVE						
11942.000568		137 WEBSTER AVE						
11942.000569		138 WEBSTER AVE						
11942.000570		140 WEBSTER AVE						
11942.000571		141 WEBSTER AVE						
11942.000572		142-144 WEBSTER AVE						
11942.000573		143 WEBSTER AVE						
11942.000575		147 WEBSTER AVE						
11942.000576		149 WEBSTER AVE						
11942.000574		153 WEBSTER AVE						
11942.000577		155 WEBSTER AVE						
11942.000578		159 WEBSTER AVE						
11942.000549		16 WEBSTER AVE						
11942.000579		165 WEBSTER AVE						
11942.000580		166 WEBSTER AVE						
11942.000373		170 WEBSTER AVE FIRE STATION NO 2						
11942.000582		187 WEBSTER AVE						
11942.000583		189 WEBSTER AVE						
11942.000584		192 WEBSTER AVE						

11942.000585			193 WEBSTER AVE					
11942.000586			194 WEBSTER AVE					
11942.000587			196 WEBSTER AVE					
11942.000588			197 WEBSTER AVE					
11942.000589			200 WEBSTER AVE					
11942.000590			201 WEBSTER AVE					
11942.000591			219 WEBSTER AVE					
11942.000592			222 WEBSTER AVE					
11942.000593			223 WEBSTER AVE					
11942.000374			224-226 WEBSTER AVE					
11942.000594			225 WEBSTER AVE					
11942.000595			228 WEBSTER AVE					
11942.000596			229 WEBSTER AVE					
11942.000597			233 WEBSTER AVE					
11942.000598			236 WEBSTER AVE					
11942.000599			238 WEBSTER AVE					
11942.000600			240 WEBSTER AVE					
11942.000601			246 WEBSTER AVE					
11942.000602			250 WEBSTER AVE					
11942.000603			260-262 WEBSTER AVE					
11942.000604			264 WEBSTER AVE					
11942.000605			285 WEBSTER AVE					
11942.000606			288 WEBSTER AVE					
11942.000607			289 WEBSTER AVE					
11942.000608			299 WEBSTER AVE					
11942.000609			300 WEBSTER AVE					
11942.000610			304 WEBSTER AVE					
11942.000611			305 WEBSTER AVE					
11942.000612			309 WEBSTER AVE					
11942.000613			311 WEBSTER AVE					
11942.000550			32 WEBSTER AVE					
11942.000614			320-328 WEBSTER AVE					
11942.000551			34 WEBSTER AVE					
11942.000552			35 WEBSTER AVE					
11942.000375			355 WEBSTER AVE					
11942.000376			359 WEBSTER AVE					
11942.000616			363 WEBSTER AVE					
11942.000620			365 WEBSTER AVE					

11942.000621		366 WEBSTER AVE					
11942.000377		372 WEBSTER AVE					
11942.000622		373 WEBSTER AVE					
11942.000378		376 WEBSTER AVE					
11942.000553		38 WEBSTER AVE					
11942.000624		395 WEBSTER AVE					
11942.000625		397 WEBSTER AVE					
11942.000379		400 WEBSTER AVE					
11942.000626		401 WEBSTER AVE					
11942.000627		405 WEBSTER AVE					
11942.000628		419 WEBSTER AVE					
11942.000554		42 WEBSTER AVE					
11942.000629		420 WEBSTER AVE					
11942.000630		425 WEBSTER AVE					
11942.000380		437-439 WEBSTER AVE					
11942.000617		459 WEBSTER AVE					
11942.000619		471 WEBSTER AVE					
11942.000381		473 WEBSTER AVE					
11942.000370		50 WEBSTER AVE KNICKERBOCKER PRESS (NOW MEDIA	Listed	00NR01581	4/5/2000	5/11/2000	
11942.000382		501 WEBSTER AVE					
11942.000760	B	507 WEBSTER AVE RESIDENCE	Not Eligible				
11942.000371		52 WEBSTER AVE AMERICAN WHITE CROSS	Listed	00NR01581	4/5/2000	5/11/2000	
11942.000383	B	542 WEBSTER AVE	Not Eligible				
11942.000384		548 WEBSTER AVE					
11942.000555		55 WEBSTER AVE					
11942.000385		554 WEBSTER AVE					
11942.000386		555 WEBSTER AVE					
11942.000387		562 WEBSTER AVE					
11942.000632		566 WEBSTER AVE					
11942.000631		568 WEBSTER AVE					
11942.000388		571 WEBSTER AVE					
11942.000389		574 WEBSTER AVE					
11942.000390		587 WEBSTER AVE					
11942.000369		6-8 WEBSTER AVE					
11942.000391		611 WEBSTER AVE					

11942.000392		617 WEBSTER AVE					
11942.000633		622 WEBSTER AVE					
11942.000393		629 WEBSTER AVE					
11942.000394		634 WEBSTER AVE					
11942.000395		648 WEBSTER AVE					
11942.000396		652 WEBSTER AVE					
11942.000397		654 WEBSTER AVE					
11942.000398		668 WEBSTER AVE					
11942.000399		676 WEBSTER AVE					
11942.000402		701 WEBSTER AVE					
11942.000403		730 WEBSTER AVE					
11942.000404		731 WEBSTER AVE					
11942.000405		740 WEBSTER AVE					
11942.000406		754 WEBSTER AVE					
11942.000407		765 WEBSTER AVE					
11942.000408		794 WEBSTER AVE					
11942.000409		834 WEBSTER AVE					
11942.000410		840 WEBSTER AVE					
11942.000411		861 WEBSTER AVE					
11942.000412		872 WEBSTER AVE					
11942.000413		887 WEBSTER AVE					
11942.000414		891 WEBSTER AVE					
11942.000547		9 WEBSTER AVE					
11942.000417		906 WEBSTER AVE					
11942.000416		918 WEBSTER AVE					
11942.000418		919 WEBSTER AVE					
11942.000419		922 WEBSTER AVE					
11942.000420		979 WEBSTER AVE					
11942.000422		999 WEBSTER AVE					
11942.000780		45 WEST CASTLE PL ANTONIOLI	Not Eligible				
11942.000750	S	WEYMAN AVE GLEN ISLAND BRIDGE BRIDGE TO GLEN ISLAND	Individually Eligible				
11942.000642		105 WEYMAN AVE					
11942.000643		107 WEYMAN AVE					
11942.000644		115 WEYMAN AVE					
11942.000645		127 WEYMAN AVE					

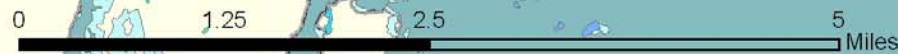
11942.000426			131 WEYMAN AVE					
11942.000646			160 WEYMAN AVE					
11942.000647			161-163 WEYMAN AVE					
11942.000648			183 WEYMAN AVE					
11942.000649			206 WEYMAN AVE					
11942.000650			218-220 WEYMAN AVE					
11942.000651			227 WEYMAN AVE					
11942.000652			228 WEYMAN AVE					
11942.000653			246 WEYMAN AVE					
11942.000654			249 WEYMAN AVE					
11942.000655			283 WEYMAN AVE					
11942.000634			36 WEYMAN AVE					
11942.000635			40 WEYMAN AVE					
11942.000636			70 WEYMAN AVE					
11942.000637			74 WEYMAN AVE					
11942.000638			78 WEYMAN AVE					
11942.000639			80 WEYMAN AVE					
11942.000640			89 WEYMAN AVE					
11942.000641			92 WEYMAN AVE					
11942.000884	B		42 Wildcliff Rd Wildcliff	Listed	02NR04923	10/25/2002	12/31/2002	
11942.000823	B		32 WILLOW DR					
11942.000824	B		34 WILLOW DR					
11942.000794	B		WILMOT RD SOUTH SIDE; 20 M EAST OF LOVELL RD					
11942.000820	B		WILMOT RD SOUTH WEST SIDE; FENIMORE RD	Individually Eligible				
11942.000821	B		WILMOT RD WEST SIDE; 100 M SOUTH OF HANSON	Individually Eligible				
11942.000822			WILMOT RD BRIDGE OVER HUTCHINSON PKWY					
11942.000792	B		WILMOT RD ST JOHNS CHURCH PARISH HALL SOUTH EAST; NORTH AVE JUNCTION					
11942.000793	B		WILMOT RD ST JOHNS EPISCOPAL CHURCH SOUTH SIDE; 40 M WEST OF LOVELL					
11942.000802	B		111 WILMOT RD	Individually Eligible				

11942.000803	B		143 WILMOT RD	Individually Eligible				
11942.000804	B		164 WILMOT RD					
11942.000807	B		190 WILMOT RD					
11942.000806	B		195 WILMOT RD					
11942.000805	B		198 WILMOT RD					
11942.000810	B		222 WILMOT RD					
11942.000811	B		250 WILMOT RD					
11942.000812	B		260 WILMOT RD	Individually Eligible				
11942.000813	B		274 WILMOT RD					
11942.000815	B		300 WILMOT RD					
11942.000814	B		320 WILMOT RD					
11942.000816	B		325 WILMOT RD					
11942.000817	B		330 WILMOT RD					
11942.000818	B		340 WILMOT RD					
11942.000819	B		350 WILMOT RD					
11942.000795	B		41 WILMOT RD					
11942.000796	B		45 WILMOT RD	Individually Eligible				
11942.000797	B		50 WILMOT RD					
11942.000799	B		60 WILMOT RD					
11942.000800	B		93 WILMOT RD					
11942.000801	B		99 WILMOT RD					
11942.000880	B		51 WINTHROP AVE HARTLEY HOUSES	Not Eligible				
11942.000881	B		81 WINTHROP AVE HARTLEY HOUSES	Not Eligible				
11942.000771			95-99 WINTHROP AVE RESIDENCE	Not Eligible				
11942.000777			25 WINYAN TERR					
11942.000427			8 WINYAN TERR					
11942.000428			25 WOOD PL					
11942.000710			WOODRUFF RD NO 62 BARRACKS FORT SLOCUM NORTH SIDE; [ILLEG] RD; SOUTH SIDE					
11942.000429			110 WYKAGYL PL					



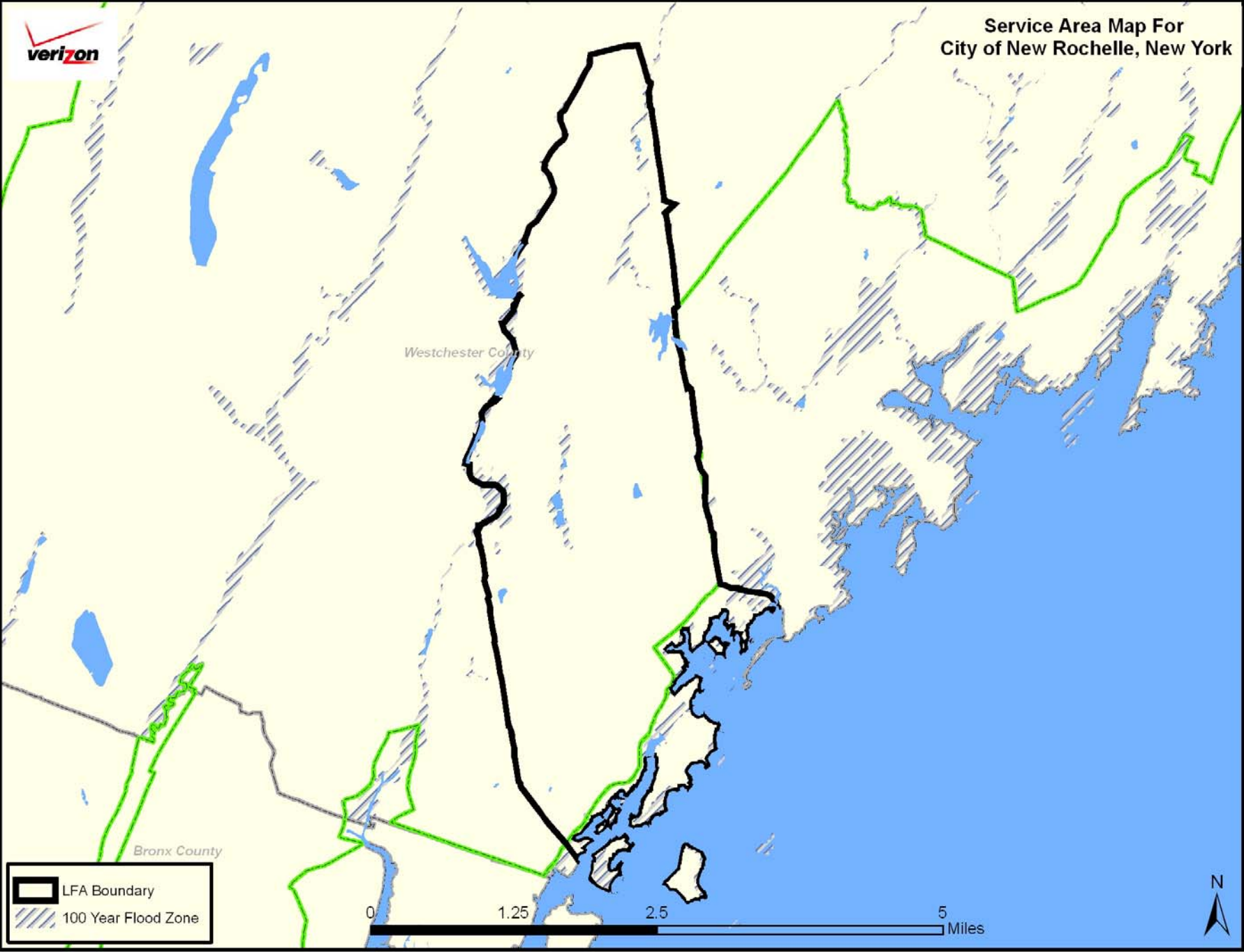
Service Area Map For City of New Rochelle, New York

Westchester County





Service Area Map For
City of New Rochelle, New York



 LFA Boundary
 100 Year Flood Zone



Designating Agency:	Critical Environmental Area	Recorded Date	Effective Date
Westchester, County of	Westchester County Airport 60Ldn Noise Contour	1-2-90	1-31-90
	Croton Point Park	1-2-90	1-31-90
	Byram Lake	1-2-90	1-31-90
	Tarrytown Lakes Reservoirs	1-2-90	1-31-90
	Long Island Sound	1-2-90	1-31-90
	County and State Park Lands	1-2-90	1-31-90
	Mianus River	1-2-90	1-31-90
	Mianus Gorge Preserve	1-2-90	1-31-90
	Indian Brook Reservoir	1-2-90	1-31-90
	Larchmont Reservoir & J.G. Johnson Jr. Conservancy	1-2-90	1-31-90
	Poncantico Lakes & Watershed Property	1-2-90	1-31-90
	Hudson River	1-2-90	1-31-90
	Peekskill Hollow Brook	1-2-90	1-31-90
	All Land 500' Peripheral to Amawalk Reservoir Boundary	1-2-90	1-31-90
	County Designated Watershed Properties	1-2-90	1-31-90