

AN ORDINANCE GRANTING A RENEWAL OF A NON-EXCLUSIVE CABLE FRANCHISE TO VERIZON VIRGINIA LLC TO CONSTRUCT, OPERATE AND MAINTAIN A CABLE SYSTEM IN THE CITY OF PORTSMOUTH.

WHEREAS, pursuant to Ordinance 2008-55 adopted on July 22, 2008, the City of Portsmouth entered into a Cable Franchise Agreement (the “Verizon Agreement”) with Verizon Virginia, Inc. (including its successors in interest to the Agreement, “Verizon”); and

WHEREAS, the Franchise Agreement, including extensions, will expire on April 22, 2025, and Verizon has proposed a renewal of its Franchise Agreement; and

WHEREAS, the requirements of Section 626 of the Cable Act, 47 USC § 546 and Virginia Code § 15.2-2108.19, *et seq.* for cable franchise renewals have been met;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Portsmouth, Virginia:

1. That City Council hereby grants Verizon a renewal of its cable franchise to construct, operate, and maintain a cable system in the City of Portsmouth pursuant to the terms outlined in Exhibit A, entitled “Cable Franchise Renewal Agreement,” that is attached hereto and made a part hereof.

2. That the City Manager is authorized to execute said Cable Franchise Renewal Agreement on behalf of the City of Portsmouth in accordance with the terms of this Ordinance.

3. That this ordinance shall take effect on the date of adoption.

ADOPTED by the Council of the City of Portsmouth, Virginia at a meeting held on March 25, 2025.

Teste:

City Clerk

EXHIBIT A

Cable Franchise Renewal Agreement

by and between

the City of Portsmouth, Virginia

and

Verizon Virginia LLC

Approved by the City of Portsmouth Council on _____, 2025

THIS CABLE FRANCHISE RENEWAL AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the City of Portsmouth, Virginia, a duly organized city under the applicable laws of the Commonwealth of Virginia (the “LFA”) and Verizon Virginia LLC, a limited liability company duly organized under the applicable laws of the Commonwealth of Virginia (the “Franchisee”).

WHEREAS, the Franchisee is a “cable operator” in accordance with Title VI of the Communications Act (see 47 U.S.C. § 522(5));

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 the Code of Virginia, Va. Code Ann. § 15.2-2108;

WHEREAS, the LFA granted to Franchisee effective July 22, 2008, a nonexclusive initial franchise to construct, install, maintain, extend, and operate a Cable System in the Franchise Area for a term of fifteen (15) years (the “Initial Franchise”);

WHEREAS, the LFA intends to exercise the full scope of its municipal powers to the extent not prohibited by Virginia law, including both its police power and contracting authority, to promote the public interest and to protect the health, safety and welfare of the citizens of the City of Portsmouth, Virginia;

WHEREAS, Franchisee installed a Fiber to the Premises Telecommunications Network (“FTTP Network”) in the Franchise Area for the transmission of Non-Cable Services pursuant to authority granted by the Commonwealth of Virginia;

WHEREAS, the FTTP Network occupies the Public Rights-of-Way within the LFA, and Franchisee used, pursuant to its Initial Franchise, and desires to continue using portions of the FTTP Network to operate a Cable System to provide Cable Services (as hereinafter defined) in the Franchise Area;

WHEREAS, pursuant to and in accordance with applicable federal and state law, the LFA undertook a process to determine whether it should renew the Initial Franchise and the terms for such a renewal;

WHEREAS, the LFA has identified the future cable-related needs and interests of the LFA and its community, has considered the financial, technical and legal qualifications of Franchisee, and has determined that Franchisee’s Cable System is adequate, 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 the grant of a nonexclusive franchise to Franchisee is consistent with the public interest; and

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

NOW, THEREFORE, in consideration of the LFA's grant of a franchise to Franchisee, Franchisee's promise to provide Cable Service to residents of the Franchise/Service Area of the LFA pursuant to and consistent with the Communications Act (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 Communications Act (as hereinafter defined) are incorporated herein and shall apply in this Agreement. References in this section to any federal or state law shall include amendments thereto as may be enacted from time-to-time. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number and words in the singular number include the plural number. The words "shall" and "will" are mandatory and "may" is permissive. Words not defined shall be given their common and ordinary meaning. 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 non-commercial Public, Educational, or Governmental use for the transmission of video programming as directed by the LFA.

1.2. *Affiliate*: Shall be defined herein as it is defined under Title 15.2 of the Code of Virginia, Chapter 21, Article 1.2, Section 15.2-2108.19, meaning in relation to any Person, another Person who owns or controls, is owned or controlled by, or is under common ownership or control with, such Person.

1.3. *Basic Service or Basic Service Tier*: Shall be defined herein as it is defined under Title 15.2 of the Code of Virginia, Chapter 21, Article 1.2, Section 15.2-2108.19, meaning the Cable Service tier that includes (i) the retransmission of local television broadcast Channels and (ii) PEG Channels required to be carried in the basic tier.

1.4. *Cable Service or Cable Services*: Shall be defined herein as it is defined under Title 15.2 of the Code of Virginia, Chapter 21, Article 1.2, Section 15.2-2108.19, meaning the one-way transmission to Subscribers of (i) Video Programming or (ii) other programming service, and Subscriber interaction, if any, which is required for the selection or use of such Video Programming or other programming service. Cable Service does not include any Video Programming provided by a commercial mobile service provider defined in 47 U.S.C. § 332(d).

1.5. *Cable System or System*: Shall be defined herein as it is defined under Title 15.2 of the Code of Virginia, Chapter 21, Article 1.2, Section 15.2-2108.19, meaning Franchisee's facility, consisting of a set of closed transmission paths and associated signal

generation, reception, and control equipment that is designed to provide Cable Service that includes Video Programming and that is provided to multiple Subscribers within the Service Area, except that such term shall not include (i) a system that serves fewer than twenty (20) Subscribers; (ii) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (iii) a facility that serves only Subscribers without using any Public Rights-of-Way; (iv) a facility of a common carrier that is subject, in whole or in part, to the provisions of Title II of the Communications Act of 1934, 47 U.S.C. § 201 *et seq.*, except that such facility shall be considered a Cable System to the extent such facility is used in the transmission of Video Programming directly to Subscribers, unless the extent of such use is solely to provide interactive on-demand services; (v) any facilities of any electric utility used solely for operating its electric system; (vi) any portion of a system that serves fewer than fifty (50) Subscribers in any locality, where such portion is a part of a larger system franchised in an adjacent locality; or (vii) an open video system that complies with § 653 of Title VI of the Communications Act of 1934, as amended, 47 U.S.C. § 573.

1.6. *Channel*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(4), meaning a portion of the electromagnetic frequency spectrum which is used in a cable system and which is capable of delivering a television channel, as defined by the Federal Communications Commission by regulation.

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

1.8. *Educational Access Channel*: An Access Channel available for use by the local schools and educational institutions in the Franchise Area.

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

1.10. *Force Majeure*: Shall be defined herein as it is defined under Title 15.2 of the Code of Virginia, Chapter 21, Article 1.2, Section 15.2-2108.19, meaning an event or events reasonably beyond the ability of Franchisee to anticipate and control. “Force majeure” includes, but is not limited to, acts of God, incidences of terrorism, war or riots, labor strikes or civil disturbances, floods, earthquakes, fire, explosions, epidemics, hurricanes, tornadoes, governmental actions and restrictions, work delays caused by waiting for utility providers to service or monitor or provide access to utility poles to which Franchisee’s facilities are attached or to be attached or conduits in which Franchisee’s facilities are located or to be located, and unavailability of materials or qualified labor to perform the work necessary.

1.11. *Franchise Area*: The incorporated area of the LFA and such additional areas as may be included in the corporate limits of the LFA during the term of this Franchise.

1.12. *Franchisee*: Verizon Virginia Inc., and its lawful and permitted successors, assigns and transferees.

1.13. *Government Access Channel*: An Access Channel available for use by the LFA.

1.14. *Gross Revenue*: Shall be defined herein as it is defined under Title 15.2 of the Code of Virginia, Chapter 21, Article 1.2, §15.2-2108.19, meaning all revenue, as determined in accordance with generally accepted accounting principles, that is actually received by the Franchisee and derived from the operation of the Cable System to provide Cable Services in the Franchise Area; however, “gross revenue” shall not include: (i) refunds or rebates made to Subscribers or other third parties; (ii) any revenue which is received from the sale of merchandise over home shopping channels carried on the Cable System, but not including revenue received from home shopping channels for the use of the Cable Service to sell merchandise; (iii) any tax, fee, or charge collected by the Franchisee and remitted to a governmental entity or its agent or designee, including without limitation a local public access or education group; (iv) program launch fees; (v) directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement, and electronic publishing; (vi) a sale of Cable Service for resale or for use as a component part of or for the integration into Cable Services to be resold in the ordinary course of business, when the reseller is required to pay or collect franchise fees or similar fees on the resale of the Cable Service; (vii) revenues received by any affiliate or any other person in exchange for supplying goods or services used by the Franchisee to provide Cable Service; and (viii) revenue derived from services classified as Non-Cable Services under federal law, including, without limitation, revenue derived from Telecommunications Services and Information Services, and any other revenues attributed by the Franchisee to Non-Cable Services in accordance with rules, regulations, standards, or orders of the Federal Communications Commission.

1.15. *High-Definition, or HD*: For purposes of this Franchise, a display format for digital television transmission of PEG Channels transmitted in a 16:9 aspect ratio with a resolution of at least 720p.

1.16. *Information Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. §153(24), meaning .

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

1.18. *Local Franchise Authority (LFA)*: The City of Portsmouth or the lawful successor, transferee, or assignee thereof.

1.19. *Non-Cable Services*: Any service that does not constitute the provision of Cable Services.

1.20. *Normal Business Hours*: Shall be defined herein as it is defined under 47 C.F.R. § 76.309(c)(4)(i), meaning 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.

1.21. *Normal Operating Conditions*: Shall be defined herein as it is defined under 47 C.F.R. § 76.309(c)(4)(ii), meaning those service conditions which are within the control of the Franchisee. Those conditions which are not within the control of the Franchisee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network

outages, and severe or unusual weather conditions. Those conditions which are ordinarily within the control of the Franchisee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or rebuild of the Cable System.

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

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

1.24. *Public Rights-of-Way*: Shall mean the surface of, and the space above and below, any public street, lane, alley, sidewalk, or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips, or rights-of-way dedicated for compatible uses now or hereafter held by the LFA in the Franchise Area. Notwithstanding the foregoing, 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.

1.25. *Service Area*: All portions of the Franchise Area where Cable Service is being offered.

1.26. *Service Interruption*: The loss of picture or sound on one or more cable channels.

1.27. *Standard Definition*, or *SD*: For the purposes of this Franchise, a display format for digital television transmissions of PEG Channels transmitted in a 4:3 aspect ratio with a resolution of 480p.

1.28. *Subscriber*: A Person or governmental entity 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(53), meaning t.

1.30. .

1.31. *Telecommunications Franchise*: The telecommunications franchise between the LFA and Chesapeake and Potomac Telephone Company of Virginia dated December 11, 1984, as such Telecommunications Franchise currently exists and may be amended, renewed, or superseded by other telecommunications franchises in the future.

1.32. *Title II*: Title II of the Communications Act.

1.33. *Title VI*: Title VI of the Communications Act.

1.34. *Transfer of the Franchise*: Shall be defined herein as it is defined under Title 15.2 of the Code of Virginia, Chapter 21, Article 1.2, §15.2-2108.19, meaning any transaction in which (i) an ownership or other interest in the Franchisee is transferred, directly or indirectly, from one person or group of persons to another person or group of persons, so that

majority control of the Franchisee is transferred; or (ii) the rights and obligations held by the Franchisee under the Franchise are transferred or assigned to another person or group of persons. However, notwithstanding clauses (i) and (ii) of the preceding sentence, a transfer of the cable franchise shall not include (a) transfer of an ownership or other interest in the Franchisee to the parent of the Franchisee or to another affiliate of the Franchisee; (b) transfer of an interest in the cable franchise granted under this article or the rights held by the Franchisee under the Franchise to the parent of the Franchisee or to another affiliate of the Franchisee; (c) any action that is the result of a merger of the parent of the Franchisee; (d) any action that is the result of a merger of another affiliate of the Franchisee; or (e) a transfer in trust, by mortgage, or by assignment of any rights, title, or interest of the Franchisee in the Franchise or the Cable System used to provide Cable Services in order to secure indebtedness.

1.35. *Video Programming*: Shall be defined herein as it is defined under Title 15.2 of the Code of Virginia, Chapter 21, Article 1.2, §15.2-2108.19, meaning programming provided by, or generally considered comparable to, programming provided by a television broadcast station.

1.36. *Video Service Provider or VSP*: Any entity to which the LFA has expressly granted the right to use any portion of the Public Rights-of-Way to provide Video Programming services to multiple subscribers within the territorial boundaries of the LFA. A VSP shall include, but is not limited to, any entity that provides Cable Services within the territorial boundaries of the LFA.

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

2.1. *Grant of Authority*: Subject to the terms and conditions of this Agreement, and applicable provisions of Section 15.2 of the Code of Virginia and the Communications Act, the LFA hereby grants the Franchisee the right to own, construct, reconstruct, operate and maintain a Cable System along the Public Rights-of-Way within the Franchise Area, in order to provide Cable Service. TNo privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement.

2.2.

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2.3. *Termination of Telecommunications Services*: Notwithstanding any other provision of this Agreement, if Franchisee ceases to provide Telecommunications Services over the FTTP Network at any time during the Term, and is not otherwise authorized to occupy the Public Rights-of-Way in the Franchise Area, the LFA may regulate the FTTP Network as a Cable System to the extent permitted by Title VI.

2.4. *Term*: This Franchise shall become effective on the date of adoption by the LFA, which is _____, 2025 (the "Effective Date"). The term of this Franchise shall be five (5) years from the Effective Date unless the Franchise is earlier renewed or surrendered by

mutual agreement or is terminated by Franchisee pursuant to Section 2.4 or 2.5 hereof or revoked by the LFA as provided herein.

2.5. Termination Generally: Notwithstanding any provision herein to the contrary, Franchisee may terminate this Franchise and all obligations hereunder at any time during the term of this Franchise for any reason, in Franchisee's sole discretion, upon six (6) months' written notice to the LFA.

2.6. Modification/Termination Based on Cable Service Provider Requirements:

2.5.1 If there is a change in federal, state, or local law that reduces any material financial and/or operational obligation that the LFA has required from or imposed upon a Cable Service provider, or if the LFA enters into any franchise, agreement, license, or grant of authorization to provide Cable Services to residential subscribers in the LFA with terms or conditions materially less burdensome than those imposed by this Franchise, Franchisee and the LFA shall, within sixty (60) days of the LFA's receipt of Franchisee's written notice, commence negotiations to modify this Franchise to create reasonable competitive equity between Franchisee and such other Cable System providers.

2.5.2 Franchisee's notice pursuant to Section 2.5.1 shall specify the change in law and the resulting change in obligations. Franchisee shall respond to reasonable information requests from the LFA, as may be necessary to review the change in obligations resulting from the cited law.

2.5.3 In the event the parties do not reach mutually acceptable agreement on a modification requested by Franchisee, Franchisee shall, at any time and in its sole discretion, have the option of exercising any of the following actions, except where agreement of both parties is required in Sections 2.5.3.3 and 2.5.3.4:

2.5.3.1. commencing franchise renewal proceedings in accordance with Section 626 of the Communications Act, 47 U.S.C. § 546, with the Franchise term being accelerated, thus being deemed to expire thirty-six (36) months from the date of Franchisee's written notice to seek relief hereunder;

2.5.3.2. terminating the Franchise within two (2) years from notice to the LFA;

2.5.3.3 if agreed by both parties, submitting the matter to binding commercial arbitration by a mutually-selected arbitrator in accordance with the rules of the American Arbitration Association; or

2.5.3.4. if agreed by both parties, submitting the matter to mediation by a mutually-acceptable mediator.

2.7. *Grant Not Exclusive:* The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall not be exclusive, and LFA reserves the right to grant other franchises for similar uses or for other uses of the Public Rights-

of-Way, or any portions thereof, to any Person, or to make any such use themselves, at any time during the term of this Franchise. Any such rights which are granted shall not be inconsistent with the rights granted to the Franchisee under this Franchise or under applicable federal or state law.

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

2.9. *No Waiver:*

2.9.1.

2.9.2.

2.10. *Construction of Agreement:*

2.10.1.

2.11. *Police Powers:* Except as otherwise provided in this Section 2.9, Franchisee's rights under this Franchise shall be subject to the lawful police powers of the LFA to adopt and enforce ordinances of general applicability necessary to protect and preserve the health, safety and welfare of the public. Franchisee shall comply with all applicable general laws and ordinances lawfully enacted by LFA pursuant to such police powers. The LFA agrees that ordinances which it adopts that impact this Agreement must be enacted upon reasonable conditions and of a character appropriate to the public purpose justifying enactment. Nothing herein prohibits the Franchisee from challenging any future ordinances enacted by the LFA as may be permitted under applicable law.

2.12. *Compliance with Federal and State Privacy Laws:* Franchisee shall comply with the privacy provisions of Section 631 of the Communications Act, 47 U.S.C. §551, and all other applicable federal and state privacy laws and regulations. The parties agree that, during the term hereof, Franchisee shall not be subject to any local laws or ordinances which conflict with such applicable federal and/or state privacy laws, or which would impose additional or distinct requirements upon Franchisee with respect to Subscriber privacy other than those which are expressly set forth in applicable federal and/or state privacy laws.

3. **PROVISION OF CABLE SERVICE**

3.1. *Service Area:*

3.1.1.

3.1.2.

3.1.3.

3.2. *Availability of Cable Service:* Franchisee shall make Cable Service available to all occupied 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. 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 occupied residential dwelling units that are within one hundred twenty-five (125) feet of trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, actual costs incurred for residential dwelling unit connections that exceed one hundred twenty-five (125) feet and actual costs incurred to connect any non-residential dwelling unit Subscriber.

3.3. *Cable Service to Municipal Buildings:* Subject to Section 3.1 and the applicable provisions of the FCC's 2019 Third Report and Order In the Matter of Implementation of Section 621 of the Cable Act (the "621 Order"), as such 621 Order may be in effect and/or modified during the term of this Agreement, if requested in writing by the LFA, Franchisee shall provide in a reasonable amount of time and after notifying the LFA of the process by which it will implement the 621 Order's requirements regarding the provision of free Cable Service to public buildings under the a cable franchise, one Cable Service drop, set top box if necessary, and Basic Service along its activated Cable System route in the LFA at no cost to public schools, police and fire stations, public libraries, and other public buildings designated in writing by the LFA. All such written designations, as set forth in Exhibit A, shall include the street address of each building. Upon written request, the Franchisee shall coordinate the location of each outlet with representatives for each of the buildings receiving the service pursuant to this section. Franchisee shall be permitted to recover from any school or other 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 two hundred fifty (250) feet of drop cable; provided, however, that the Franchisee shall not charge for the provision of the most commonly subscribed-to tier of Cable Service to the additional service outlets once installed, but reserves the right to charge for equipment at then-commercial rates. 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. The requirements of this Section 3.3 shall not apply in cases where it is not technically feasible for the Franchisee to comply.

4. **SYSTEM FACILITIES**

4.1. *System Characteristics:* The Franchisee's Cable System shall meet or exceed the following requirements:

4.1.1.

4.1.2.

4.1.3.

4.1.4.

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4.1.10.

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4.1.16.

4.1.17.

4.1.18.

4.1.19.

4.1.19.1. Occupational Safety and Health Administration (OSHA) Safety and Health Standards;

4.1.19.2. National Electrical Code;

4.1.19.3. National Electrical Safety Code (NESC);

4.1.19.4. Obstruction Marking and Lighting, AC 70/7460 i.e., Federal Aviation Administration;

4.1.19.5. Constructing, Marking and Lighting of Antenna Structures, Federal Communications Commission Rules, Part 17; and

4.1.20.

4.2. *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.

4.3. *Emergency Alert System:*

4.3.1.

4.3.2.

5. **PEG SERVICES**

5.1. *PEG Set Aside:*

5.1.1.

5.1.1.1. In order to ensure universal availability of public, educational and government programming, Franchisee shall provide on the Basic Service Tier, two (2) dedicated Educational Access Channels, and one (1) dedicated Government Access Channel (collectively, "PEG Channels") pursuant to this Article 5. If a PEG Channel provided under Section 5.1.1 is not being utilized by the LFA, Franchisee may utilize such PEG Channel, in its sole discretion, until such time as LFA elects to utilize the PEG Channel for its intended purpose. Within two hundred and seventy (270) days of written notice from the LFA to Franchisee, Franchisee shall, without cost to the LFA, provide, install, and maintain in good working order the equipment necessary for transmitting High-Definition signals to Subscribers. Thereafter the Channels that have been converted shall be delivered in a suitable High-Definition format for the remainder of the term. The PEG Channels shall be included as part of the Basic Service Tier. At such time as the HD PEG Channels are available to Subscribers in the Basic Service Tier, Franchisee shall no longer be required to carry the PEG Channels in Standard Definition and may, at Franchisee's sole discretion, change the PEG Channel numbers.

5.1.2.

5.1.2.1. Within one hundred eighty (180) days of a written request by the LFA, the Franchisee shall, pursuant to this Article 5, provide to the LFA one (1) additional PEG Channel (the "Additional PEG Channel"), so long as such requirement applies equally to all cable operators within the LFA and such Additional PEG Channel originates at one of the two PEG Locations set forth in Subsection 5.1.4. Any Additional PEG Channel provided pursuant to this Section 5.1.2.1 that is not utilized by the locality for at least eight (8) hours per day shall no longer be made available to the LFA and may be programmed at the Franchisee's discretion. At such time as the LFA can certify to the Franchisee a schedule for at least eight (8) hours of daily programming for a period of three (3) months, the Franchisee shall restore the previously re-allocated Additional PEG Channel.

5.1.3.

5.1.4.

5.1.5.

5.2. *PEG Grant:*

5.2.1.

5.2.1.1. The PEG Capital Fee shall be the sum of fifty cents (\$0.50) per month, per Subscriber in the Service Area to Franchisee's Basic Service Tier.

5.2.1.2. .

5.2.1.3. City of Portsmouth Marketing Department, ATTN: PEG Capital Fee, 801 Crawford St., Portsmouth, VA 23704

5.2.2.

5.3. 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. The LFA shall, further require all local producers and users of any of the PEG facilities or Channels other than the LFA and the School Board 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

5.4. To the extent permitted by federal law, the Franchisee shall be allowed to recover from Subscribers the costs of the PEG Capital Fee or any other costs arising from the provision of PEG services and shall be allowed 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 costs to Subscribers.

6. **COMMUNICATIONS SALES AND USE TAX**

The parties shall comply with all applicable requirements of the provisions of Section 58.1-645 of the Code of Virginia (the "Communications Sales and Use Tax") in its current form and as it may be amended. Should at any time during the term of this Agreement the Communications Sales and Use Tax be repealed or amended to reduce or eliminate the payment of taxes by the Franchisee on the provision of Cable Services over the Cable System, the LFA may, to the extent allowable under applicable law, require, upon sixty (60) days written notice, that the Franchisee pay to the LFA a franchise fee based on Gross Revenue in an amount established by the LFA that is no greater than that allowed by federal law; provided, however, that: (1) any such requirement to pay a franchise fee applies equally to all franchised cable operators in the LFA; (2) the Franchisee shall not be compelled to pay any higher percentage of gross revenue as franchise fees than any other franchised cable operator providing service in the LFA; and (3) Franchisee shall not be obligated to pay franchise fees on revenues not included in gross revenues by any other franchised cable operator in the LFA. Any payment of franchise

fees to the LFA pursuant to this Article 6 shall be made on a quarterly basis and shall be due forty-five (45) days after the close of each quarter.

7. CUSTOMER SERVICE

Customer Service Requirements are set forth in Exhibit B, which shall be binding unless amended by written consent of the parties.

8. REPORTS AND RECORDS

8.1. *Open Books and Records:* Upon not less than thirty (30) business days written notice to the Franchisee, the LFA shall have the right, at any time during Normal Business Hours as reasonably determined by the parties, to inspect the Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area as reasonably necessary to ensure compliance with the terms of this Franchise; provided, however, that inspections of financial records including audits performed pursuant to Section 8.2 shall be performed no more frequently than once every twenty-four (24) months. 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 five (5) years. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. §551.

8.2. *Audit:* Inspections performed pursuant to Section 8.1 of this Agreement may include an audit of all records reasonably necessary to confirm the accurate payment of the PEG Capital Grant Surcharge Fee. Franchisee shall bear the LFA's reasonable, documented out-of-pocket expenses of any such audit performed by a qualified, independent third-party auditor, up to a maximum of five thousand dollars (\$5,000), if such audit discloses an underpayment by Franchisee of more than three percent (3%) of any quarterly payment and five thousand dollars (\$5,000) or more. The LFA shall not audit Franchisee more frequently than once every twenty-four (24) months and the LFA shall submit to Franchisee its complete request for records within sixty (60) days of the LFA's initial notice to Franchisee that it will conduct an audit. The LFA shall have no more than three (3) years from the time Franchisee delivers a payment to provide a written, detailed objection to or dispute of that payment, and if the LFA fails to object to or dispute the payment within that time period, the LFA shall be barred from objecting to or disputing it after that time period. If upon completion of the audit, LFA does not make a claim for additional payments, then LFA shall provide Franchisee with written documentation of closure of the audit within sixty (60) days of the completion of the audit. If the LFA or the auditor employed by the LFA does not have any open requests or claims and does not provide a written documentation of closure of the audit, the audit will be deemed closed after ninety (90) days of inactivity. Franchisee shall be provided a reasonable opportunity to review the results of any audit and to dispute any audit results which indicate an underpayment to the LFA. In the event that Franchisee disputes any underpayment discovered as the result of an audit conducted by the LFA, the LFA shall work together with Franchisee in good faith to promptly resolve such dispute. The LFA and Franchisee maintain all rights and remedies available at law regarding any disputed amounts by auditor utilized by the LFA that is compensated on a success-based formula, e.g., payment based on a percentage of underpayment, if any.

8.3. *Proprietary and Confidential Information:* 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 except in accordance with the following procedures, or to disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Service Area. If Franchisee believes that any requested information is confidential and proprietary, Franchisee must provide the following documentation to the LFA: (i) specific identification of the information; (ii) a statement attesting to the reason(s) Franchisee believes the information is confidential and/or proprietary; and (iii) a statement that the document(s) are available for inspection by the LFA. Franchisee shall be responsible for clearly and conspicuously stamping the word "Confidential" on each page that contains any "confidential" or "proprietary" information. Unless otherwise ordered by a court or agency of competent jurisdiction, the LFA agrees that, to the extent permitted by applicable law, it shall deny access to any of Franchisee's information marked "Confidential" as set forth in this Section 8.3 to any Person or governmental entity. If, in the course of enforcing this Franchise or for any other reason, the LFA believes it must disclose any information marked "Confidential" as set forth in this Section 8.3, the LFA shall provide reasonable advance notice of such disclosure so that Franchisee can take appropriate steps to protect its interests. If the LFA receives a demand from any Person or governmental entity for disclosure of any information identified as "Confidential" pursuant to this Section 8.3, the LFA shall, so far as consistent with applicable law, advise Franchisee and provide Franchisee with a copy of any written request prior to granting the Person or governmental entity access to such information.

8.4. *Inspection Location:* Books and Records produced for inspection pursuant to Sections 8.1 and 8.2, and documents produced for inspection pursuant to Section 8.3, shall be produced at a mutually agreed location within the LFA. If any requested Books and Records are too voluminous, not available locally in the LFA, or for security reasons cannot be moved, then the Franchisee may request that the inspection take place at a location mutually agreed to by the LFA and the Franchisee.

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

8.5.1.

8.5.2.

8.5.3.

8.5.4.

8.5.5.

9. **INSURANCE AND INDEMNIFICATION**

9.1. *Insurance:*

9.1.1.

9.1.1.1. Commercial General Liability Insurance in the amount of three million dollars (\$3,000,000.00) per occurrence for property damage and bodily injury and three million (\$3,000,000) general aggregate. 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.

9.1.1.2. Automobile Liability Insurance in the amount of three million dollars (\$3,000,000.00) combined single limit each accident for bodily injury and property damage.

9.1.1.3. Workers' Compensation Insurance meeting all legal requirements of the Commonwealth of Virginia.

9.1.1.4. Employers' Liability Insurance in the following amounts: (A) Bodily Injury by Accident: one hundred thousand dollars (\$100,000.00); (B) Bodily Injury by Disease: one hundred thousand dollars (\$100,000.00) employee limit; and (C) Bodily Injury by Disease: five hundred thousand dollars (\$500,000.00) policy limit.

9.1.2.

9.1.3.

9.1.4.

9.1.5.

9.2. *Indemnification:*

9.2.1.

9.2.2.

9.2.3.

10. **TRANSFER OF FRANCHISE**

Subject to Section 617 of the Communications Act, 47 U.S.C. § 537, 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. No such consent shall be required, however, for transactions excluded under Section 1.34 above.

11. **RENEWAL OF FRANCHISE**

11.1. 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 626 of the Communications Act, 47 U.S.C. § 546, or Title 15.2 of the Code of Virginia, Chapter 21, Article 1.2, Section 15.2-2108.30, as applicable.

11.2. 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.

12. **ENFORCEMENT AND TERMINATION OF FRANCHISE**

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

12.2. *Franchisee’s Right to Cure or Respond:* Franchisee shall have fifteen (15) 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 fifteen (15) day period, initiate all reasonable steps to remedy such noncompliance as quickly as possible and notify the LFA of the steps being taken and the projected date by which cure is projected to be completed. Upon cure of any noncompliance, the Franchisee shall notify the LFA in writing and the LFA shall provide written confirmation that such cure has been accepted by the LFA.

12.3. *Public Hearing:* The LFA shall schedule a public hearing if the LFA seeks to continue its investigation into the alleged noncompliance in the event that: (1) Franchisee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or (2) in the event that Franchisee has not remedied the alleged noncompliance within fifteen (15) days or the date projected pursuant to Section 12.2(iii) above. The LFA shall provide Franchisee at least thirty (30) 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.

12.4. *Enforcement:* Subject to applicable federal and state law, in the event the LFA, after the public hearing set forth in Section 12.3, determines that Franchisee is in default of any provision of this Franchise, the LFA may:

12.4.1.

12.4.2.

12.4.3.

12.4.4.

12.4.5.

12.4.5.1.

12.4.5.2.

12.4.5.3.

12.4.5.4.

12.4.6.

12.5. *Letter of Credit:* Franchisee shall maintain throughout the term of this Agreement an irrevocable letter of credit as set forth in this Section 12.5 (the “Letter of Credit”) and in substantially the same form as attached hereto in Exhibit C. The Letter of Credit shall be in the amount of ten thousand dollars (\$10,000.00); provided, however, that the Franchisee shall increase the amount of the Letter of Credit to an amount equivalent to that provided in a letter of credit by any other cable operator in the Franchise Area up to a maximum of twenty thousand dollars (\$20,000.00). The Letter of Credit shall be issued from a federally insured lending institution licensed to do business in Virginia (“Lending Institution”). The Letter of Credit shall be the sole collateral provided by the Franchisee to the LFA with respect to this Agreement, and shall be used to ensure Franchisee’s substantial compliance with the material terms and conditions of this Agreement.

12.5.1.

12.5.2.

12.5.3.

12.5.4.

12.5.5.

12.6. *Revocation:* Should the LFA seek to revoke this Franchise after following the procedures set forth above in this Article, including the public hearing described in Section 13.3., the LFA shall give written notice to Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have ninety (90) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a second public hearing. The LFA shall cause to be served upon the Franchisee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

12.6.1.

12.6.2.

12.6.3.

13. **MISCELLANEOUS PROVISIONS**

13.1. *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.

13.2. *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.

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

13.4. *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.

13.5. *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.

Notices to Franchisee shall be mailed to:

Latanya Buggs
Regional President – Consumer & Mass Business Market
Verizon Virginia LLC
13101 Columbia Pike
Silver Spring, MD 20904

with a non-binding courtesy copy to:

Tonya Rutherford
Senior Vice President & Deputy General Counsel
Verizon
1300 I Street NW
5th Floor
Washington DC 20005

Notices to the LFA shall be mailed to:

City Manager
Attn: Verizon Franchise
801 Crawford St.
Portsmouth, VA 23704

With a non-binding courtesy copy to:

City Attorney
Attn: Verizon Franchise
801 Crawford St.
Portsmouth, VA 23704

13.6. *Entire Agreement:* This Franchise and the Exhibits hereto constitute the entire agreement between Franchisee and the LFA, and it supersedes all prior or contemporaneous agreements, representations or understanding (whether written or oral) of the parties regarding the subject matter hereof. Any ordinances or parts of ordinances that conflict with the provisions of this Agreement are superseded by this Agreement.

13.7. *Amendments:* Amendments to this Franchise shall be mutually agreed to in writing by the parties.

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

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

13.10. *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.

13.11. *Single Point of Contact for LFA:* Franchisee shall provide the LFA with contact information for an individual who shall be the single point of contact for Franchisee on Cable Services and issues. Contact information shall include the contact's name, address, business telephone and facsimile numbers, and e-mail address.

13.12. *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. ny authority to remove or relocate, require the removal or relocation of, or otherwise seek compensation for abandonment of Franchisee's Telecommunications Facilities shall be pursuant to the Telecommunications Franchise and any applicable state and federal law, and not pursuant to this Agreement.

13.13. *Independent Review:* LFA and Franchisee each acknowledge that they have received independent legal advice in entering into this Agreement. In the event that a dispute arises over the meaning or application of any term(s) of this Agreement, such term(s) shall not be construed by the reference to any doctrine calling for ambiguities to be construed against the drafter of the Agreement.

13.14. *Duplicate Originals:* This Agreement may be executed in duplicate, and each such duplicate shall be deemed an original, and the parties may become a party hereto by executing any such duplicate, so long as such duplicate contains an original signature of both parties. This Agreement and any duplicate so executed shall be deemed to be one and the same instrument. It shall not be necessary in making proof of this Agreement or any duplicate hereof to produce or account for any other duplicate.

SIGNATURE PAGE FOLLOWS

AGREED TO THIS ____ DAY OF _____, 2025.

CITY OF PORTSMOUTH, VIRGINIA

By: _____
Steven Carter
City Manager

SIGNATURES CONTINUE ON NEXT PAGE

Verizon Virginia LLC

By: _____

Latanya Buggs

Regional President – Consumer & Mass Business Markets

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

Exhibit B: Customer Service Standards

Exhibit C: Sample Letter of Credit

EXHIBIT A

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

City of Portsmouth - List of Public Buildings

Location	Address
PPD and Tourism Building	206 High St
City Of Portsmouth	2001-Queen St
PPD Building	700 Port Centre Pkwy
Safety Town	4404 Deep Creek Blvd
Fire Station Hodges Ferry	1195 Hodges Ferry Rd
Fire Station	3230 Victory Blvd
Portsmouth Sheriff Department	1345 Court St
Fire Station	645 Broad St
Fire Station # 1	1601 Effingham St
Portsmouth Fire Dept	311 County St
Portsmouth Sheriff Department	1725 Green St
City Of Portsmouth	801 Water St
Portsmouth 911 Call Center	307 County St
City Of Portsmouth-Dept. Of	500 Jamestown Ave
City Of Portsmouth-Dept. Of	504 Jamestown Ave
City Hall	801 Crawford St
Department of Social Services	1701 High St
Courthouse	1345 Court St
Senior Station (Parks & Rec)	3500 Clifford St
Library - Craddock	28 Prospect Pkwy
City Of Portsmouth - Golf Course	1 Bide A Wee Ln
Cop - Neighborhood Facility -	900 Elm Ave
Cop - Opportunity House - Dhs	505 Jamestown Ave
Cop - Je Parker - Parks And Rec	2430 Turnpike Rd
Cop - Cavalier Manor - Parks And	404 Viking St
Cop - Port Norfolk - Parks And	432 Broad St
Cradock Rec Center	308 Allen Rd
City Of Portsmouth-Behavioral He	1811 King St
City Of Portsmouth - Sportsplex	1801 Portsmouth Blvd
Hodges Manor Elementary School	1201 Cherokee Rd
Highland Biltmore Elementary	2828 Greenwood Dr
Douglass Park Elementary School	34 Grand St
Simonsdale Elementary School	4841 Clifford St
John Tyler Elementary School	3649 Hartford St

Westhaven Elementary School	3701 Clifford St
Olive Branch Elementary School	415 Mimosa Rd
Emily Spong Elementary School	2200 Piedmont Ave
Churchland Academy	6001 Churchland Blvd
Lakeview Elementary	1300 Horne Ave
James Hurst Elementary School	18 Dahlgren Ave
S.H. Clark Academy	2801 Turnpike Rd
Churchland Middle School	4051 River Shore Rd
Alf Mapp Jr High School	21 Alden Ave
William Waters Jr High School	600 Roosevelt Blvd
Manor High School	1401 Elmhurst Ln
Churchland High School	4301 Cedar Ln
I C Norcom School	1801 London Blvd
Park View Elementary	260 Elm Ave
Portsmouth Public School Board	801 Crawford St
Pps/Mt. Hermon	3000 North St
Pps/Irc	3651 Hartford St
Pps/New Brighton Elementary	1100 Portsmouth Blvd
Portsmouth City Jail	2690 Elmhurst Lane
Fire Station #11	32 Prospect Pkwy
Portsmouth Fire Department Credi	3209 Cedar Ln
Fire Station #7	3901 Winchester Dr
Portsmouth Library	28 Prospect Pkwy
City Of Portsmouth - Department	801 Crawford St
Portsmouth Main Library	601 Court St
Manor Branch Library	1401 Elmhurst Ln
Portsmouth Firestation	4001 River Shore Rd
Portsmouth Franchise Video	311 County St
City Of Portsmouth	801 Crawford St
The Up Center - Portsmouth	1805 Airline Blvd
City Of Portsmouth	1701 High St
City Of Portsmouth	801 Crawford St
City Of Portsmouth	801 Crawford St
Library Churchland	4934 High St W
City Of Portsmouth Police Dept	4402 Deep Creek Blvd
City Of Portsmouth Police Dept	900 Frederick Blvd
Portsmouth Public Works	2001 Frederick Blvd
City Of Portsmouth - Treasures O	801 Crawford Pkwy
City Of Portsmouth Parks & Rec	1801 Victory Blvd
Portsmouth Magistrate's Office	603 Crawford St
City Of Portsmouth Franchise Vid	801 Crawford St

Department of Economic Development	200 High St
The Portsmouth Sheriff Office Wo	2021 Frederick Blvd
Portsmouth Police (City Of Ports	711 Crawford St
Career & Tech Education Facility	401 West Road

EXHIBIT B
CUSTOMER SERVICE STANDARDS

These standards shall apply to the Franchisee to the extent it is providing Cable Services over the Cable System in the Franchise area.

SECTION 1. DEFINITIONS

A. Respond: Franchisee's investigation of a Service Interruption by receiving a Subscriber call and opening a trouble ticket, if required.

B. Service Call: The action taken by the Franchisee to correct a Service Interruption the effect of which is limited to an individual Subscriber.

C. Significant Outage: A significant outage of the Cable Service shall mean any Service Interruption lasting at least four (4) continuous hours that affects at least ten percent (10%) of the Subscribers in the Service Area.

D. Standard Installation: Installations where the subscriber is within one hundred twenty five (125) feet of trunk or feeder lines.

SECTION 2. TELEPHONE AVAILABILITY

A. The Franchisee shall maintain a toll-free number to receive all calls and inquiries from Subscribers in the Franchise Area and/or residents regarding Cable Service. Franchisee representatives trained and qualified to answer questions related to Cable Service in the Service Area must be available to receive reports of Service Interruptions during Normal Business Hours. Franchisee representatives shall identify themselves by name when answering this number. After Normal Business Hours, the toll-free number may be answered by an Automated Response Unit ("ARU") or a Voice Response Unit ("VRU"), including an answering machine. Under Normal Operating Conditions, inquiries received after Normal Business Hours shall be responded to by a trained company representative within twenty-four (24) hours.

B. The Franchisee's telephone numbers shall be listed, with appropriate description (e.g. administration, customer service, billing, repair, etc.), in the directory published by the local telephone company or companies serving the Service Area, beginning with the next publication cycle after acceptance of this Franchise by the Franchisee.

C. Franchisee may, at any time, use an ARU or a VRU to distribute calls. If a foreign language routing option is provided, and the Subscriber does not enter an option, the menu will default to the first tier menu of English options.

After the first tier menu (not including a foreign language rollout) has run through three times, if customers do not select any option, the ARU or VRU will forward the call to a queue for a live representative. The Franchisee may reasonably substitute this requirement with another method of handling calls from customers who do not have touch-tone telephones.

D. Under Normal Operating Conditions, calls received by the Franchisee shall be answered within thirty (30) seconds. The Franchisee shall meet this standard for ninety percent (90%) of the calls it receives at all call centers receiving calls from Subscribers, as measured on a cumulative quarterly calendar basis. Measurement of this standard shall include all calls received by the Franchisee at all call centers receiving calls from Subscribers, whether they are answered by a live representative, by an automated attendant, or abandoned after 30 seconds of call waiting.

E. Under Normal Operating Conditions, callers to the Franchisee shall receive a busy signal no more than three (3%) percent of the time during any calendar quarter.

F. At the Franchisee's option, the measurements and reporting above may be changed from calendar quarters to billing or accounting quarters. The Franchisee shall notify the LFA of such a change at least thirty (30) days in advance of any implementation. The Franchisee shall not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above unless a historical record of complaints indicates a clear failure to comply.

SECTION 3. INSTALLATIONS AND SERVICE APPOINTMENTS

A. All installations will be in accordance with FCC rules, including but not limited to, appropriate grounding, connection of equipment to ensure reception of Cable Service, and the provision of required consumer information and literature to adequately inform the Subscriber in the utilization of the Franchisee-supplied equipment and Cable Service.

B. The Standard Installation shall be performed within seven (7) business days after the placement of the Optical Network Terminal ("ONT") on the Subscriber's premises or within seven (7) business days after an order is placed if the ONT is already installed on the customer's premises. The Franchisee shall meet this standard for ninety-five percent (95%) of the Standard Installations it performs, as measured on a calendar quarter basis, excluding customer requests for connection later than seven (7) days after ONT placement or later than seven (7) days after an order is placed if the ONT is already installed on the Subscriber's premises.

C. Upon written request from the LFA but in no event more than once annually, the Franchisee shall provide, within thirty (30) days following the end of the requested quarter, a report to the LFA noting the percentage of Standard Installations completed within the seven (7) day period, excluding those requested outside of the seven (7) day period by the Subscriber. Subject to consumer privacy requirements, underlying activity will be made available to the LFA for review upon reasonable request. At the Franchisee's option, the measurements and reporting above may be changed from calendar quarters to billing or accounting quarters. The Franchisee shall notify the LFA of such a change not less than thirty (30) days in advance.

D. The Franchisee will offer Subscribers "appointment window" alternatives for arrival to perform installations, Service Calls and other activities of a maximum four (4) hours scheduled time block during appropriate daylight available hours, usually beginning at 8:00 AM unless it is deemed appropriate to begin earlier by location exception. At the Franchisee's discretion, the Franchisee may offer Subscribers appointment arrival times other than these four

(4) hour time blocks, if agreeable to the Subscriber. These hour restrictions do not apply to weekends.

E. The Franchisee may not cancel an appointment with a Subscriber after close of business on the business day preceding the appointment. If Franchisee's representative is running late for an appointment with a Subscriber and will not be able to keep the appointment as scheduled, under Normal Operating Conditions the Subscriber will be contacted and the appointment rescheduled as necessary.

F. Franchisee service representatives will have the ability to issue service credits, at Franchisee's sole discretion, to address customer complaints related to missed appointments.

G. The Franchisee shall use due care in the process of installation and shall substantially restore the Subscriber's property to its prior condition. Such restoration shall be undertaken and completed as soon as reasonably possible after the damage is incurred.

SECTION 4. SERVICE INTERRUPTIONS AND OUTAGES

A. The Franchisee shall exercise commercially reasonable efforts to limit any Significant Outage for the purpose of maintaining, repairing, or constructing the Cable System. Except in an emergency or other situation necessitating a more expedited or alternative notification procedure, the Franchisee may schedule a Significant Outage for a period of more than four (4) hours during any twenty-four (24) hour period only after the LFA and each affected Subscriber in the Service Area have been given fifteen (15) days prior notice of the proposed Significant Outage. Notwithstanding the forgoing, Franchisee may perform modifications, repairs and upgrades to the System between 12.01 a.m. and 6 a.m. which may interrupt service, and this Section's notice obligations respecting such possible interruptions will be satisfied by notice provided to Subscribers upon installation and in the annual subscriber notice.

B. Franchisee representatives who are capable of responding to Service Interruptions must be available to Respond twenty-four (24) hours a day, seven (7) days a week.

C. Under Normal Operating Conditions, the Franchisee must Respond to a call from a Subscriber regarding a Service Interruption or other service problems within the following time frames:

(1) Within twenty-four (24) hours, including weekends, of receiving subscriber calls respecting Service Interruptions in the Service Area.

(2) The Franchisee must begin actions to correct all other Cable Service problems the next business day after notification by the Subscriber or the LFA of a Cable Service problem.

D. Under Normal Operating Conditions, the Franchisee shall complete Service Calls within seventy-two (72) hours of the time Franchisee commences to Respond to the Service Interruption, not including weekends and situations where the Subscriber is not reasonably

available for a Service Call to correct the Service Interruption within the seventy-two (72) hour period.

E. The Franchisee shall meet the standard in Subsection E. of this Section for ninety percent (90%) of the Service Calls it completes, as measured on a quarterly basis.

F. Upon written request from the LFA but in no event more than once annually, the Franchisee shall provide, within thirty (30) days following the end of the requested quarter, a report to the LFA noting the percentage of Service Calls completed within the seventy-two (72) hour period not including Service Calls where the Subscriber was reasonably unavailable for a Service Call within the seventy-two (72) hour period as set forth in this Section. Subject to consumer privacy requirements, underlying activity will be made available to the LFA for review upon reasonable request. At the Franchisee's option, the above measurements and reporting may be changed from calendar quarters to billing or accounting quarters. The Franchisee shall notify the LFA of such a change at least thirty (30) days in advance.

G. Under Normal Operating Conditions, the Franchisee shall provide a credit upon Subscriber request when all Channels received by that Subscriber are out of service for a period of four (4) consecutive hours or more. The credit shall equal, at a minimum, a proportionate amount of the affected Subscriber(s) current monthly bill. In order to qualify for the credit, the Subscriber must promptly report the problem and allow the Franchisee to verify the problem if requested by the Franchisee. If Subscriber availability is required for repair, a credit will not be provided for such time, if any, that the Subscriber is not reasonably available.

H. Under Normal Operating Conditions, if a Significant Outage affects all Video Programming Cable Services for more than twenty-four (24) consecutive hours, the Franchisee shall issue an automatic credit to the affected Subscribers in the amount equal to their monthly recurring charges for the proportionate time the Cable Service was out, or a credit to the affected subscribers in the amount equal to the charge for the basic plus enhanced basic level of service for the proportionate time the Cable Service was out, whichever is technically feasible or, if both are technically feasible, as determined by Franchisee provided such determination is non-discriminatory. Such credit shall be reflected on a subsequent Subscriber billing statement.

I. The Franchisee may provide all notices identified in this Section electronically or on-screen in a manner that can be reasonably viewed by a Subscriber.

SECTION 5. CUSTOMER COMPLAINTS

Under Normal Operating Conditions, the Franchisee shall investigate Subscriber complaints referred by the LFA within five (5) business days. The Franchisee shall notify the LFA of those matters that necessitate an excess of five (5) business days to resolve, but those matters must be resolved within fifteen (15) days of the initial complaint. The LFA may require reasonable documentation to be provided by the Franchisee to substantiate the request for additional time to resolve the problem. For purposes of this Section, "resolve" means that the Franchisee shall perform those actions, which, in the normal course of business, are necessary to investigate the Customer's complaint and advise the Customer of the results of that investigation.

SECTION 6. BILLING

A. Subscriber bills must be itemized to describe Cable Services purchased by Subscribers and related equipment charges. Bills shall clearly delineate activity during the billing period, including optional charges, rebates, credits, and aggregate late charges. Franchisee may, without limitation as to additional line items, be allowed to itemize as separate line items the Communications Sales and Use Tax, and/or other taxes or governmentally imposed fees. The Franchisee shall maintain records of the date and place of mailing of bills.

B. Every Subscriber with a current account balance sending payment directly to Franchisee shall be given at least twenty (20) days from the date statements are mailed to the Subscriber until the payment due date.

C. A specific due date shall be listed on the bill of every Subscriber whose account is current. Delinquent accounts may receive a bill which lists the due date as upon receipt; however, the current portion of that bill shall not be considered past due.

D. Any Subscriber who, in good faith, disputes all or part of any bill shall have the option of withholding the disputed amount without disconnect or late fee being assessed until the dispute is resolved provided that:

(1) The Subscriber pays all undisputed charges;

(2) The Subscriber provides notification of the dispute to Franchisee within five (5) days prior to the due date; and

(3) The Subscriber cooperates in determining the accuracy and/or appropriateness of the charges in dispute.

(4) It shall be within the Franchisee's sole discretion to determine when the dispute has been resolved.

E. Under Normal Operating Conditions, the Franchisee shall initiate investigation and resolution of all billing complaints received from Subscribers within five (5) business days of receipt of the complaint. Final resolution shall not be unreasonably delayed.

F. The Franchisee shall provide a telephone number and address on the bill for Subscribers to contact the Franchisee.

G. The Franchisee shall provide all Subscribers with the option of paying for Cable Service by check or an automatic payment option where the amount of the bill is automatically deducted from a checking account designated by the Subscriber. Franchisee may, at its' discretion, permit payment by using a major credit card or debit card on a preauthorized basis. Based on credit history, at the option of the Franchisee, the payment alternatives may be limited.

H. *LFA Information:* LFA hereby requests that Franchisee omit LFA name, address and telephone number from Franchise bill as permitted by 47 C.F.R. 76.952.

SECTION 7. DEPOSITS, REFUNDS AND CREDITS

A. The Franchisee may require refundable deposits from Subscribers 1) with a poor credit or poor payment history, 2) who refuse to provide credit history information to the Franchisee, or 3) who rent Subscriber equipment from the Franchisee, so long as such deposits are applied on a non-discriminatory basis. The deposit the Franchisee may charge Subscribers with poor credit or poor payment history or who refuse to provide credit information may not exceed an amount equal to an average Subscriber's monthly charge multiplied by six (6). The maximum deposit the Franchisee may charge for Subscriber equipment is the cost of the equipment which the Franchisee would need to purchase to replace the equipment rented to the Subscriber.

B. The Franchisee shall refund or credit the Subscriber for the amount of the deposit collected for equipment, which is unrelated to poor credit or poor payment history, after one year and provided the Subscriber has demonstrated good payment history during this period. The Franchisee shall pay interest on other deposits if required by law.

C. Under Normal Operating Conditions, refund checks will be issued within the next available billing cycle following the resolution of the event giving rise to the refund, (e.g. equipment return and final bill payment).

D. Credits for Cable Service will be issued no later than the Subscriber's next available billing cycle, following the determination that a credit is warranted, and the credit is approved and processed. Such approval and processing shall not be unreasonably delayed.

E. Bills shall be considered paid when appropriate payment is received by the Franchisee or its authorized agent. Appropriate time considerations shall be included in the Franchisee's collection procedures to assure that payments due have been received before late notices or termination notices are sent.

SECTION 8. RATES, FEES AND CHARGES

A. The Franchisee shall not, except to the extent permitted by law, impose any fee or charge for Service Calls to a Subscriber's premises to perform any repair or maintenance work related to Franchisee equipment necessary to receive Cable Service, except where such problem is caused by a negligent or wrongful act of the Subscriber (including, but not limited to a situation in which the Subscriber reconnects Franchisee equipment incorrectly) or by the failure of the Subscriber to take reasonable precautions to protect the Franchisee's equipment (for example, a dog chew).

B. The Franchisee shall provide reasonable notice to Subscribers of the possible assessment of a late fee on bills or by separate notice.

SECTION 9. DISCONNECTION / DENIAL OF SERVICE

A. The Franchisee shall not terminate Cable Service for nonpayment of a delinquent account unless the Franchisee provides a notice of the delinquency and impending termination prior to the proposed final termination. The notice shall be provided to the Subscriber to whom

the Cable Service is billed. The notice of delinquency and impending termination may be part of a billing statement.

B. Cable Service terminated in error must be restored without charge within twenty-four (24) hours of notice. If a Subscriber was billed for the period during which Cable Service was terminated in error, a credit shall be issued to the Subscriber if the Service Interruption was reported by the Subscriber.

C. Nothing in these standards shall limit the right of the Franchisee to deny Cable Service for non-payment of previously provided Cable Services, refusal to pay any required deposit, theft of Cable Service, damage to the Franchisee's equipment, abusive and/or threatening behavior toward the Franchisee's employees or representatives, or refusal to provide credit history information or refusal to allow the Franchisee to validate the identity, credit history and credit worthiness via an external credit agency.

SECTION 10. COMMUNICATIONS WITH SUBSCRIBERS

A. Franchisee agrees to maintain a local business office accessible to Subscribers ("Local Office") which shall provide customer services such as bill payment, equipment pick up or drop off and similar services so long as Franchisee maintains a minimum of ten thousand (10,000) Subscribers in the City. The Local Office shall be open during Normal Business Hours including some evening and weekend hours. If the total number of subscribers maintained by Franchisee drops below ten thousand (10,000), Franchisee may, at its sole discretion, close the Local Office so long as Franchisee provides (i) a practicable alternative for the primary customer services provided (e.g., bill payment and equipment pickup, return and exchange) and (ii) the City with no less than six (6) months advanced written notice of the planned closure of the Local Office.

B. All Franchisee personnel, contractors and subcontractors contacting Subscribers or potential Subscribers outside the office of the Franchisee shall wear a clearly visible identification card bearing their name and photograph. The Franchisee shall make reasonable effort to account for all identification cards at all times. In addition, all Franchisee representatives shall wear appropriate clothing while working at a Subscriber's premises. Every service vehicle of the Franchisee and its contractors or subcontractors shall be clearly identified as such to the public. Specifically, Franchisee vehicles shall have the Franchisee's logo plainly visible. The vehicles of those contractors and subcontractors working for the Franchisee shall have the contractor's / subcontractor's name plus markings (such as a magnetic door sign) indicating they are under contract to the Franchisee.

C. All contact with a Subscriber or potential Subscriber by a Person representing the Franchisee shall be conducted in a courteous manner.

D. The Franchisee shall send annual notices to all Subscribers informing them that any complaints or inquiries not satisfactorily handled by the Franchisee may be referred to the LFA.

E. All notices identified in this Section shall be by either:

(1) A separate document included with a billing statement or included on the portion of the monthly bill that is to be retained by the Subscriber;

(2) A separate electronic notification in a manner that can be reasonably viewed by a Subscriber;

(3) A separate on-screen notification; or,

(4) Any other reasonable written means.

F. The Franchisee shall provide reasonable notice to Subscribers of any pricing changes or additional changes (excluding sales discounts, new products or offers) and, subject to the forgoing, any changes in Cable Services, including channel line-ups. Such notice must be given to Subscribers a minimum of thirty (30) days in advance of such changes if within the control of the Franchisee, and the Franchisee shall provide a copy of the notice to the LFA including how and where the notice was given to Subscribers.

G. The Franchisee shall provide information to all Subscribers about each of the following items at the time of installation of Cable Services, annually to all Subscribers, at any time upon request, and, subject to Subsection 10.E., at least thirty (30) days prior to making significant changes in the information required by this Section if within the control of the Franchisee:

(1) Products and Cable Service offered;

(2) Prices and options for Cable Services and condition of subscription to Cable Services. Prices shall include those for Cable Service options, equipment rentals, program guides, installation, downgrades, late fees and other fees charged by the Franchisee related to Cable Service;

(3) Installation and maintenance policies including, when applicable, information regarding the Subscriber's in-home wiring rights during the period Cable Service is being provided;

(4) Channel positions of Cable Services offered on the Cable System;

(5) Complaint procedures, including the name, address and telephone number of the LFA, but with a notice advising the Subscriber to initially contact the Franchisee about all complaints and questions;

(6) Procedures for requesting Cable Service credit;

(7) The availability of a parental control device;

(8) Franchisee practices and procedures for protecting against invasion of privacy; and

(9) The address and telephone number of the Franchisee's office to which complaints may be reported.

H. Notices of changes in rates shall indicate the Cable Service new rates and old rates, if applicable.

I. Every notice of termination of Cable Service shall include the following information:

- (1) The name and address of the Subscriber whose account is delinquent;
- (2) The amount of the delinquency for all services billed;
- (3) The date by which payment is required in order to avoid termination of Cable Service; and
- (4) The telephone number for the Franchisee where the Subscriber can receive additional information about their account and discuss the pending termination.

EXHIBIT C

SAMPLE LETTER OF CREDIT

BANK NAME

ADDRESS

IRREVOCABLE STANDBY LETTER OF CREDIT

Issue Date:

L/C No.:

Amount: USD \$00,000 (00 Thousand Dollars and 00/100 United States Dollars)

Beneficiary:

Applicant:

Verizon Communications Inc.
o/b/o (Subsidiary)
One Verizon Way
MC VC53S459
Basking Ridge, NJ 07920-1097

TO:

(Beneficiary)

We hereby establish this irrevocable standby Letter of Credit No. _____ in your favor, for an aggregate amount not to exceed the amount indicated above, expiring at (Name and address of Bank), at our close of business on _____.

This Letter of Credit is available with (Name of Bank,) against presentation of your draft at sight drawn on (Name of Bank,) when accompanied by the documents indicated herein.

Beneficiary's dated statement purportedly signed by one of its officials reading as follows:

"The amount of this drawing USD \$_____, under (Name of Bank) Letter of Credit No. _____ represents funds due us as (Name of Subsidiary) has failed to perform its duties pursuant to the cable franchise granted by (Beneficiary) to (Name of Verizon Subsidiary), dated _____, 2008."

It is a condition of this Irrevocable Letter of Credit that it shall be automatically extended without amendment for additional one year periods from the present or each future expiration date, but not beyond (a final date is inserted), unless at least 30 days prior to such date, we send you notice in writing by overnight carrier or hand delivery at the above address that we elect not to renew this Letter of Credit for such additional period.

Upon such notice to you, you may draw drafts on us at sight for an amount not to exceed the balance remaining in this Letter of Credit within the then applicable expiry date, accompanied by your dated statement purportedly signed by one of your officials reading as follows:

“The amount of this drawing USD \$_____ under (Name of Bank) Letter of Credit number _____ represents funds due us as we have received notice from (Name of Bank) of their decision not to extend Letter of Credit Number _____ for an additional year.”

All correspondence and any drawings hereunder are to be directed to (NAME AND ADDRESS OF BANK)

We hereby agree with you that drafts drawn under and in compliance with the terms and conditions of this Letter of Credit will be duly honored.

This Letter of Credit is subject to the International Standby Practices (ISP98), International Chamber of Commerce Publication No. 600.

This Letter of Credit shall be governed by, and construed in accordance with, the laws of the New York, without regard to principles of conflict of laws.

Authorized Signature (Bank)