

**CABLE TELEVISION
FINAL LICENSE**

**GRANTED TO
VERIZON NEW ENGLAND INC.**

**BY THE MAYOR
CITY OF LAWRENCE
MASSACHUSETTS**

DATED MAY 30, 2007

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THIS CABLE TELEVISION FINAL AGREEMENT (this "License" or "Agreement") is entered into by and between the Mayor of the City of Lawrence, as Issuing Authority for the grant of the cable television license pursuant to M.G.L. Chapter 166A, and Verizon New England Inc., a corporation duly organized under the applicable laws of the State of New York (the "Licensee").

WHEREAS, the Issuing Authority wishes to grant the Licensee a nonexclusive License to construct, install, maintain, extend and operate a Cable System in the City as designated in this License;

WHEREAS, the Issuing Authority is a "franchising authority" in accordance with Section 602(10) of the Communications Act (47 U.S.C. § 522(10)) and is authorized to grant one or more nonexclusive cable licenses pursuant to M.G.L. Chapter 166A;

WHEREAS, the Licensee is in the process of upgrading its existing Telecommunications Facilities through the installation of a Fiber to the Premise Telecommunications Network ("FTTP Network") in the City which transmits Non-Cable Services pursuant to authority granted by M.G.L. c. 166 and Title II, which Non-Cable Services are not subject to M.G.L. Chapter 166A or Title VI;

WHEREAS, the FTTP Network will occupy the Public Rights-of-Way within the City, and the Licensee desires to use portions of the FTTP Network once installed to provide Cable Services (as hereinafter defined) in the City;

WHEREAS, pursuant to 207 CMR 3.03(2), the Licensee submitted an application dated April 20, 2006, on Cable Division Form 100 for a license to operate and maintain a Cable System in the City;

WHEREAS, pursuant to 207 CMR 3.03(3), the Issuing Authority released an Issuing Authority Report dated November 30, 2006, and the Licensee submitted an amended application dated January 11, 2007;

WHEREAS, pursuant to 207 CMR 3.03(4), the Issuing Authority held a public hearing to assess the qualifications of the Licensee, and has found the Licensee to be financially, technically and legally qualified to operate the Cable System;

WHEREAS, the Issuing Authority has determined that, in accordance with the provisions of M.G.L. Chapter 166A, the grant of a nonexclusive License to the Licensee is consistent with the public interest; and

WHEREAS, the Issuing Authority and the Licensee 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 Issuing Authority's grant of a License to the Licensee, the Licensee's promise to provide Cable Service to residents of the City pursuant to the terms and conditions set forth herein, and for 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 are incorporated herein and shall apply in this Agreement. In addition, the following definitions shall apply:

1.1. *Access Channel*: A video Channel, which the Licensee shall make available to the City without charge for non-commercial public, educational, or governmental use for the transmission of non-commercial Video Programming as directed by the City and in accordance with the terms of this License.

1.2. *Access Corporation*: Lawrence Community Access Television, Inc.

1.3. *Affiliate*: When used in relation to any Person, another Person who, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with, such Person.

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

1.5. *Cable Division*: The Cable Television Division of the Massachusetts Department of Telecommunications and Energy.

1.6. *Cable Service* or *Cable Services*: Shall be defined herein as it is defined under Section 602(6) of the Communications Act, 47 U.S.C. § 522(6), meaning the one-way transmission to Subscribers of Video Programming or other Programming service and Subscriber interaction, if any, which is required for the selection or use of such Video Programming or other Programming service.

1.7. *Cable System* or *System*: Shall be defined herein as it is defined under Section 602(7) of the Communications Act, 47 U.S.C. § 522(7), meaning the Licensee'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, which includes Video Programming, and which is provided to multiple Subscribers within the City. The Cable System shall be limited to the optical spectrum wavelength(s), bandwidth or future technological capacity that is used for the transmission of Cable Services directly to Subscribers within the City and shall not include the tangible Telecommunications Facilities of Licensee subject in whole or in part to Title II or of an Information Services provider.

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

1.9. *City*: The City of Lawrence.

1.10. *CMR*: The Code of Massachusetts Regulations.

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

1.12. *Complaint*: Shall be defined herein as it is defined by the Cable Division's Order Adopting Revised Form 500 (June 11, 1999), meaning any written or verbal contact with the Licensee in connection with Cable Service in which a Person expresses dissatisfaction with an act, omission, product or service that is (1) within the Licensee's control, and (2) requires a corrective measure on the part of the Licensee.

1.13. *Educational Access Channel*: An Access Channel available for the use of the local public schools in the City.

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

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

1.16. *FTTP Network*: Shall have the meaning set forth in the recitals of this Agreement.

1.17. *Government Access Channel*: An Access Channel available for use of the Issuing Authority.

1.18. *Gross Revenue*: All revenues, as determined in accordance with generally accepted accounting principles, derived by the Licensee from the operation of the Cable System to provide Cable Service in the City, including, without limitation, the following items: fees collected from Subscribers (including Commercial Subscribers) for Cable Services, including, without limitation, Basic and premium Cable Services, pay-per-view Cable Services and digital Cable Services; interest collected on Subscriber fees; installation, reconnection, downgrade, upgrade and similar charges; revenues received from rentals or sales to Subscribers of Converters, remote controls and other Subscriber equipment used to provide Cable Service over the Cable System; leased access channel programming revenues; revenues that the Licensee receives from home shopping channels as prorated to include such revenue attributable to the Cable System in the City; and advertising revenues as prorated to include such revenue attributable to the Cable System in the City; and all fees imposed on the Licensee by this License and applicable law that are passed through and paid by Subscribers ("fee-on-fee"). Gross Revenues based on bundled services shall be calculated in accordance with Section 5.2.3 below. Provided, however, that Gross Revenues shall not include:

1.18.1. Revenues received by any Affiliate or other Person in exchange for supplying goods or services used by Licensee to provide Cable Service over the Cable System;

1.18.2. Bad debts written off by Licensee in the normal course of its business, provided, however, that bad debt recoveries shall be included in Gross Revenue during the period collected;

1.18.3. Refunds, rebates or discounts made to Subscribers or other third parties;

1.18.4. Any revenues classified, in whole or in part, as Non-Cable Services revenue under federal or state law including, without limitation, revenues received from Telecommunications Services; revenues received from Information Services, including, without limitation, Internet Access Service, electronic mail service, electronic bulletin board service, or similar online computer services; and any other revenues attributed by Licensee to Non-Cable Services in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders;

1.18.5. Any revenues of the Licensee or any other Person which is received directly from the sale of merchandise through any Cable Service distributed over the Cable System, notwithstanding 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, which portion shall be included in Gross Revenue;

1.18.6. Revenues from the sale of Cable Services on the Cable System to a reseller when the reseller is required to pay cable license fees to the City on the resale of the Cable Services;

1.18.7. Any tax of general applicability imposed upon Licensee or upon Subscribers by a City, State, federal or any other governmental entity and required to be collected by Licensee 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 license fees);

1.18.8. Any revenue foregone as a result of the Licensee's provision of free or reduced cable or other communications services to any Person, including without limitation, employees of Licensee and public institutions or other institutions as required or permitted herein and to other customers which are exempt, as required or allowed by the City; provided, however, that such foregone revenue which Licensee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue;

1.18.9. Revenues from the sales of capital assets or sales of surplus equipment;

1.18.10. Program launch fees;

1.18.11. Directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement and electronic publishing; and

1.18.12. Any fees or charges collected from Subscribers or other third parties for the PEG Grant.

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

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

1.21. *Issuing Authority*: The Mayor of the City of Lawrence.

1.22. *License Fee*: The payments to be made by the Licensee to the City, which shall have the meaning as set forth in Section 9 of M.G.L. Chapter 166A.

1.23. *Licensee*: Verizon New England Inc., and its lawful and permitted successors, assigns and transferees.

1.24. *M.G.L. Chapter 166A*: Chapter 166A of the General Laws of the Commonwealth of Massachusetts.

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

1.26. *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.

1.27. *Normal Operating Conditions*: Those service conditions which are within the control of the Licensee. Those conditions which are not within the control of the Licensee 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 Licensee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or upgrade of the Cable System. *See* 47 C.F.R. § 76.309(c)(4)(ii).

1.28. *PEG*: Public, educational, and governmental.

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

1.30. *Prime Rate*: The prime rate of interest as published in the Wall Street Journal

1.31. *Public Access Channel:* An Access Channel available for the use by the residents in the City.

1.32. *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 City. 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.

1.33. *Service Area:* All portions of the City where Cable Service is being offered.

1.34. *Service Date:* The date that the Licensee first provides Cable Service on a commercial basis directly to multiple Subscribers in the City. The Licensee shall memorialize the Service Date by notifying the Issuing Authority in writing of the same, which notification shall become a part of this License.

1.35. *State:* The Commonwealth of Massachusetts.

1.36. *Subscriber:* A Person who lawfully receives Cable Service of the Cable System with the Licensee's express permission.

1.37. *Telecommunications Facilities:* The Licensee's existing Telecommunications Services and Information Services facilities, including the FTTP Network.

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

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

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

1.41. *Video Programming or Programming:* Shall be defined herein as it is defined under Section 602(20) of the Communications Act, 47 U.S.C. § 522(20), meaning programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

2.1. *Grant of Authority:* Subject to the terms and conditions of this Agreement and M.G.L. Chapter 166A, the Issuing Authority hereby grants the Licensee the right to own, operate and maintain a Cable System in, over and along the Public Rights-of-Way within the City and subsequent additions thereto, 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. *Issuing Authority Does Not Regulate Telecommunications:* The parties recognize that the FTTP Network is being constructed and will be operated and maintained as an upgrade to and/or an extension of Licensee's existing Telecommunications Facilities under Title II and M.G.L. c. 166. The Issuing Authority's regulatory authority under Title VI does not extend to the construction, installation, maintenance or operation of the FTTP Network to the extent the FTTP Network is constructed, installed, maintained or operated for the purpose of upgrading and/or extending Verizon's existing Telecommunications Facilities for the provision of Non-Cable Services. The jurisdiction of the City over such Telecommunications Facilities is restricted by federal and state law, and the City does not and will not assert jurisdiction over the FTTP Network in contravention of those limitations.

2.3. *Term:* This License shall become effective on May 30, 2007 (the "Effective Date"). The term of this License shall be ten (10) years from the Effective Date unless this License is earlier revoked or terminated as provided herein, or surrendered.

2.4. *Grant Not Exclusive:* This License and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall not be exclusive, and the Issuing Authority reserves the right to grant other licenses 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 License. Any such rights which are granted shall not adversely impact the authority as granted under this License and shall not interfere with the existing facilities of the Cable System or the FTTP Network.

2.5. *License Subject to Federal and State Law:* Notwithstanding any provision to the contrary herein, this License is subject to and shall be governed by all applicable provisions of federal and State law as they may be amended, including but not limited to Title VI and M.G.L. Chapter 166A.

2.6. *No Waiver:*

2.6.1. The failure of the Issuing Authority on one or more occasions to exercise a right or to require compliance or performance under this License, M.G.L. Chapter 166A or any other applicable law shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance by the Issuing Authority, nor to excuse Licensee from complying or performing, unless such right or such compliance or performance has been specifically waived in writing.

2.6.2. The failure of the Licensee on one or more occasions to exercise a right under this License or applicable law, or to require performance under this License, shall not

be deemed to constitute a waiver of such right or of performance of this Agreement, nor shall it excuse the Issuing Authority from performance, unless such right or performance has been specifically waived in writing.

2.7. *Construction of Agreement:*

2.7.1. The provisions of this License 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.

2.7.3. Should any change to State law have the lawful effect of materially altering the terms and conditions of this License, then the parties shall modify this License to the mutual satisfaction of both parties to ameliorate the negative effects on the Licensee of the material alteration. If the parties cannot reach agreement on the above-referenced modification to this License, then Licensee may terminate this Agreement without further obligation to the City or, at the Licensee's option, the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

2.8. *Police Powers:* The City shall not enact any bylaws or regulations that are inconsistent with this License, provided however that nothing in this License shall be construed to prohibit the reasonable, necessary and lawful exercise of the City's police powers, provided that if the City exercises its police powers in a manner that results in a material alteration of the terms and conditions of this License, then the parties shall modify this License to the mutual satisfaction of both parties to ameliorate the negative effects on the Licensee of the material alteration. If the parties cannot reach agreement on the above-referenced modification to this License, then, at the Licensee's option, the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

2.9. *Transfer of the License:*

2.9.1. Subject to Section 617 of the Communications Act, M.G.L. Chapter 166A and Section 2.9.2 below, the Licensee shall not transfer this License without the prior consent of the Issuing Authority, provided that such consent shall not be arbitrarily or unreasonably withheld, delayed or conditioned. Such consent shall be given only after a public hearing upon a written application therefore on forms prescribed by the Cable Division and/or the FCC. Subject to applicable law, the Licensee shall submit to the Issuing Authority an original and one (1) copy of the application on FCC Form 394 requesting such transfer request. The Issuing Authority shall have one hundred twenty (120) days, or such other time frame that may be established by applicable law, from the filing of the completed Form 394 to take final action on it. If the Issuing Authority has not taken final action within such one hundred twenty (120) day period, then the application shall be deemed approved, unless said one hundred twenty (120) day period is extended by mutual consent of the parties.

2.9.2. The Licensee shall not be required to obtain the Issuing Authority's consent to transfer this License in connection with any transaction that does not constitute a

transfer of control under applicable State laws and regulations, including, without limitation, the following: (i) (A) a transfer of an ownership or other interest in the Licensee to the parent of the Licensee or to another Affiliate of the Licensee; (B) transfer or assignment of this License or control thereof to the parent of the Licensee or to another Affiliate of the Licensee; (C) any action which is the result of a merger of the parent of the Licensee; or (D) any action which is the result of a merger of another Affiliate of the Licensee; or (ii) in connection with a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Licensee in this License or the Cable System in order to secure indebtedness; provided, however, that to the extent that any of the foregoing transactions are determined to constitute a transfer of control pursuant to 207 CMR 4.01, then such transaction shall be subject to the Cable Division's transfer regulations (207 CMR 4.00, et. seq.).

2.9.3. Pursuant to 207 CMR 4.04, as may be amended, and applicable federal law, in considering a request to transfer control of this License, the Issuing Authority may consider only the transferee's management experience, technical expertise, financial capability and legal ability to operate the Cable System under this License.

3. PROVISION OF CABLE SERVICE

3.1. *Service Area:*

3.1.1. *Service Area:* The Licensee shall offer Cable Service to significant number of residents in the Service Area, and may make Cable Service available to businesses in the Service Area, within twelve (12) months of the Service Date, and shall offer Cable Service to all residential areas of the Service Area within three (3) years of the Service Date, except: (A) for periods of Force Majeure; (B) for periods of delay caused by the City; (C) for periods of delay resulting from the Licensee'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 cable providers; (E) in areas, developments or buildings where the Licensee cannot access under reasonable terms and conditions after good faith negotiation, as determined by the Licensee; and (F) in areas, developments or buildings where the Licensee is unable to provide Cable Service for technical reasons or which require non-standard facilities which are not available on a commercially reasonable basis; and (G) in areas where the occupied residential household density does not meet the density requirement set forth in Section 3.1.2.

3.1.2. *Density Requirement:* The Licensee 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 (20) occupied residential dwelling units per mile for aerial plant and forty (40) occupied residential dwelling units per mile for underground plant, in each case as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line. Should, through new construction, an area within the Service Area meet the density requirement after the time stated for providing Cable Service as set forth in Section 3.1.1, the Licensee shall provide Cable Service to such area within six (6) months of receiving notice from the Issuing Authority that the density requirement has been met.

3.1.3. *Availability of Cable Service:* The Licensee 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 the Licensee shall not discriminate between or among any individuals in the availability of Cable Service. In the areas in which the Licensee provides Cable Service, the Licensee shall be required to connect, at the Licensee's expense, all residential dwelling units that are within two hundred (200) feet of trunk or feeder lines not otherwise already served by the Licensee's FTTP Network. The Licensee shall be allowed to recover, from a Subscriber that requests such connection, actual costs incurred for residential dwelling unit connections that exceed two hundred (200) feet and actual costs incurred to connect any non-residential dwelling unit Subscriber.

3.2. *Cable Service to Public Buildings:* The Licensee shall provide one Cable Service drop and outlet along its activated Cable System route in the City, as required by M.G.L. Chapter 166A, Section 5(e) at no cost to public schools, police and fire stations, public libraries and other public buildings designated in writing by the Issuing Authority. All such written designations shall include the street address of each building. The current designation of such buildings and their addresses is set forth in **Exhibit B**.

4. SYSTEM FACILITIES

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

4.1.1. The System shall be designed with an initial digital carrier and analog passband of between 50 and 860 MHz.

4.1.2. 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.

4.2. *Emergency Alert System:* The Licensee shall comply with the Emergency Alert System ("EAS") requirements of the FCC in order that emergency messages may be distributed over the System.

5. PEG SERVICES AND SUPPORT

5.1. *PEG Set Aside; Interconnection:*

5.1.1. In order to ensure universal availability of PEG Programming, the Licensee shall provide capacity on its Basic Service tier for three (3) Channels for Public Access, Educational Access and Government Access (collectively, "PEG Channels").

5.1.2. The Issuing Authority hereby authorizes the Licensee to transmit PEG Programming within and without the City's jurisdictional boundaries. The Licensee specifically reserves the right to make or change PEG Channel assignments in its sole discretion. If a PEG Channel provided under this Article is not being utilized by the City, the Licensee may utilize such PEG Channel, in its sole discretion, until such time as the City elects to utilize the

PEG Channel for its intended purpose. In the event that the City determines to use such PEG capacity, the City shall provide the Licensee with one hundred twenty (120) days' prior written notice of such request.

5.1.3. The Licensee shall use reasonable efforts to interconnect its Cable System with the existing cable operator(s). Prior to the Service Date, the Licensee shall initiate interconnection negotiations with the existing cable operator(s) to cablecast, on a live basis, PEG Programming consistent with this License. Interconnection may be accomplished by direct cable, microwave link, satellite or other reasonable method of connection. The Licensee shall negotiate in good faith with existing cable operator(s) respecting reasonable, mutually convenient, cost-effective, and technically viable interconnection points, methods, terms and conditions. The Issuing Authority shall require the existing cable operator(s) to provide such interconnection to the Licensee on reasonable terms and conditions. The Licensee and the existing cable operator(s) shall negotiate the precise terms and conditions of an interconnection agreement. The Licensee shall have twelve months from the Effective Date (irrespective of the Service Date) to negotiate an interconnection agreement (provided that the Issuing Authority and the Licensee may agree to additional time). The Issuing Authority shall use reasonable efforts to facilitate these negotiations. Upon request of the Licensee, the Issuing Authority shall assist in mediating disputes. If no agreement is reached within the above time frame due to inability to reach agreement as to interconnection point, the Issuing Authority shall designate the point of interconnection with the objective of designating an interconnection point at the closest technically feasible location on the Licensee's Cable System permitting the transmission of high quality signals between cable systems for the least cost. If the cost of interconnection would be unreasonable, interconnection is not technically feasible or would cause an unacceptable increase in Subscriber rates, or if an existing cable operator will not agree to reasonable terms and conditions of interconnection, the Licensee will be under no obligation to carry PEG Programming originating on the cable system of the existing cable operator or to interconnect the Cable System. If the Issuing Authority is unable to mediate a dispute or an interconnection agreement cannot otherwise be reached, the Issuing Authority and the Licensee shall determine a reasonable timeframe and cost sharing for direct connection with the subject origination point and the carriage of PEG Programming.

5.2. *PEG Grant and PEG Access Support:*

5.2.1. *PEG Grant:* The Licensee shall provide an annual grant to the City or its designee to be used for the support of the production of local PEG Programming (the "PEG Grant"). Such grant shall be used by the City or its designee solely for PEG access equipment, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, or for renovation, construction, or purchase of PEG access facilities. The PEG Grant provided by the Licensee hereunder shall be Three Hundred Fifty Thousand Dollars (\$350,000). The Licensee hereby designates that the PEG Grant be payable as follows:

To the Access Corporation:

- \$50,000 within sixty (60) days of the Effective Date;
- \$100,000 on or before the third (3rd) anniversary of the Effective Date; and
- \$100,000 on or before the sixth (6th) anniversary of the Effective Date.

To the Lawrence Public School Educational Telecommunications Program Fund (the "School ETP Fund"):

- \$50,000 within sixty (60) days of the Effective Date; and
- \$50,000 on or before the sixth (6th) anniversary of the Effective Date.

5.2.2. *PEG Access Support*: The Licensee shall provide payments to the City or its designee to be used to support ongoing operations of PEG access Programming and other cable-related community needs (the "PEG Access Support"). Such payment shall be used by the City or its designee solely for personnel, operating and other related expenses incurred in connection with PEG access Programming operations. Subject to the limitations in Section 6.2, the PEG Access Support provided by the Licensee hereunder shall be three and one-half percent (3.5%) of the Licensee's annual Gross Revenues and paid pursuant to Section 5.2.3 below. The Issuing Authority hereby designates that the PEG Access Support be payable as follows: two percent (2%) to the School ETP Fund, and one and one-half percent (1.5%) to the Access Corporation. Each payment made pursuant to this Section 5.2.2 shall be accompanied by a statement certified by a duly authorized representative of the Licensee documenting, in reasonable detail, the basis for the computation.

5.2.3. The PEG Access Support payments (Section 5.2.2) shall be made no later than forty-five (45) days following the end of each calendar quarter. The Licensee shall be allowed to provide extra payment(s) to correct any payments that were incorrectly omitted, or shall have the right to offset against future payments any payments that were incorrectly submitted, in connection with the quarterly remittances within ninety (90) days following the close of the calendar year for which such payments were applicable. For purposes of the PEG Access Support payment, the period for determining Gross Revenues shall be the preceding calendar quarter. If Cable Services subject to the calculation of Gross Revenues are provided to Subscribers in conjunction with Non-Cable Services, the amount of such revenue included in the calculation of Gross Revenues shall be only the value of the Cable Services, as reflected on the books and records of the Licensee in accordance with FCC or State rules, regulations, standards or orders.

5.2.4. *Late Payments*: In the event that any of the PEG Grant (Section 5.2.1), the PEG Access Support (Section 5.2.2) and/or the License Fee payments (Section 6.1 below) is or are not paid on or before the due date set forth in this Final License for such payments, then interest shall accrue from the due date until the date paid at the rate of two percent (2%) per annum above the Prime Rate, compounded annually.

5.3. *Indemnity for PEG*: The Issuing Authority shall require all local producers and users of any of the PEG facilities or Channels to agree in writing to authorize the

Licensee to transmit Programming consistent with this License and to hold harmless and defend the Licensee and the City 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 Issuing Authority shall establish rules and regulations for use of PEG facilities consistent with, and as required by, Section 611 of the Communications Act (47 U.S.C. § 531) and this License.

5.4. *Recovery of Costs:* To the extent permitted by federal and State law, the Licensee shall be allowed to recover the costs of the PEG Grant, the PEG Access Support, and any other costs, including interconnection 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.

6. LICENSE FEES

6.1. *License Fee:* Pursuant to Section 9 of M.G.L. Chapter 166A, the Licensee shall pay to the City, throughout the term of this License, a license fee equal to fifty cents (\$.50) per Subscriber per year (the "License Fee").

6.2. *Maximum Franchise Fee Obligation:* The Licensee shall not be liable for a total annual franchise fee commitment pursuant to this License and applicable law in excess of five percent (5%) of its annual Gross Revenues; provided that such five percent (5%) shall include (i) the License Fee payable to the City (Section 6.1), (ii) the license fee payable to the Commonwealth of Massachusetts pursuant to Section 9 of M.G.L. Chapter 166A, and (iii) the PEG Access Support (Section 5.2.2), but it shall not include the PEG Grant (Section 5.2.1).

6.3. *Payment Information:* In determining the License Fee, the number of Subscribers shall be measured as of December 31 of the preceding calendar year. The License Fee shall be paid no later than March 15 of each year during the term of this License.

6.4. *Limitation on Actions:* The parties agree that the period of limitation for recovery of any payment obligation under this Agreement shall be three (3) years from the date on which payment by the Licensee is due.

6.5. *Recomputation:*

6.5.1. Tender or acceptance of any payment made pursuant to Article 5 and/or 6 herein shall not be construed as an accord that the amount paid is correct, nor shall such acceptance of payment be construed as a release of any claim that the Issuing Authority may have for additional sums, including interest payable under Section 5.2.4 above. All amounts shall be subject to audit and recomputation by the Issuing Authority pursuant to this Section 6.5.

6.5.2. If the Issuing Authority has reason to believe that any such payment is incorrect, it shall notify the Licensee thereof in writing within ninety (90) business days after receiving such payment. The Licensee shall then have ninety (90) business days after receipt of such notice to provide the City with additional information documenting the accuracy of such payment. In the event that the Issuing Authority does not reasonably believe that such documentation supports the accuracy of such payment, then the Issuing Authority may conduct an audit of such payment, provided that the Issuing Authority shall be limited to one audit every three years during the term of this Final License (or at such other time as the parties may agree), which audit shall be applicable to the previous three (3) year period in accordance with Section 6.4 above. If, after such audit and recomputation, the Issuing Authority determines that an additional fee is owed to the City, then the Licensee shall be provided with a reasonable opportunity to review the results of such audit and to dispute any audit results, and shall pay any such undisputed amounts within thirty (30) business days after completion of such review. Further, in the event that the Licensee owes an additional fee of more than five percent (5%), then the Licensee shall be required to reimburse the Issuing Authority's reasonable audit expenses in an amount not to exceed Three Thousand Dollars (\$3,000). Any auditor employed by the Issuing Authority shall not be compensated on a success-based formula (e.g., payment based on a percentage of underpayment, if any.)

7. CUSTOMER SERVICE

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

8. REPORTS AND RECORDS

8.1. *Open Books and Records:* Upon at least thirty (30) business days written notice to the Licensee, the Issuing Authority shall have the right to inspect the Licensee's books and records pertaining to the Licensee's provision of Cable Service in the City at any time during Normal Business Hours and on a nondisruptive basis, as are reasonably necessary to ensure compliance with the terms of this License. Such notice shall specifically reference the section or subsection of this License which is under review, so that the Licensee may organize the necessary books and records for appropriate access by the Issuing Authority. The Licensee shall not be required to maintain any books and records for License compliance purposes longer than six (6) years. Notwithstanding anything to the contrary set forth herein, the Licensee 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 City. The Issuing Authority shall treat any information disclosed by the Licensee as confidential and shall only disclose it to employees, representatives, and agents thereof that have a need to know, or in order to enforce the provisions hereof. The Licensee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. § 551.

8.2. *Records Required:* The Licensee shall at all times maintain:

8.2.1. Records of all written Complaints for a period of six (6) years after receipt by the Licensee.

8.2.2. 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;

8.2.3. Records of service calls for repair and maintenance for a period of six (6) years after resolution by the Licensee, 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;

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

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

9. INSURANCE AND INDEMNIFICATION

9.1. *Insurance:*

9.1.1. The Licensee shall maintain in full force and effect, at its own cost and expense, during the term of this License, the following insurance coverage:

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

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

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

9.1.1.4. 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.

9.1.1.5. Excess liability or umbrella coverage of not less than three million dollars (\$3,000,000).

9.1.2. The City shall be designated as additional insured under each of the insurance policies required in this Article 10 Worker's Compensation and Employer's Liability Insurance.

9.1.3. The Licensee shall not cancel any required insurance policy without submitting documentation to the Issuing Authority verifying that the Licensee has obtained alternative insurance in conformance with this Agreement.

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

9.1.5. Upon written request, the Licensee shall deliver to the Issuing Authority Certificates of Insurance showing evidence of the required coverage.

9.2. *Indemnification:*

9.2.1. The Licensee shall indemnify and hold the City harmless at all times during the term of this License from any and all claims for injury and damage to persons or property, both real and personal, caused by the installation, operation, or maintenance of any structure, equipment, wire or cable authorized to be installed pursuant to this License, provided that the City shall give the Licensee written notice of its request for indemnification within ten (10) days of receipt of a claim pursuant to this subsection. Notwithstanding the foregoing, the Licensee shall not indemnify the City for any damages, liability or claims resulting from the willful misconduct or negligence of the City, its officers, agents, employees, attorneys, consultants, independent contractors or third parties or for any activity or function conducted by any Person other than the Licensee.

9.2.2. With respect to the Licensee's indemnity obligations set forth in Section 9.2.1, the Licensee shall, at its own expense, provide the defense of any claims brought against the City by selecting counsel of the Licensee's choice to defend the claim, subject to the consent of the City, which shall not unreasonably be withheld. Nothing herein shall be deemed to prevent the City from cooperating with the Licensee 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 City, the Licensee shall have the right to defend, settle or compromise any claim or action arising hereunder, and the Licensee shall have the authority to decide the appropriateness and the amount of any such settlement. In the event that the terms of any such proposed settlement includes the release of the City and the City does not consent to the terms of any such settlement or compromise, the Licensee shall not settle the claim or action but its obligation to indemnify the City shall in no event exceed the amount of such proposed settlement.

9.2.3. The City shall hold harmless and defend the Licensee from and against, and shall be responsible for, damages, liability or claims resulting from or arising out of the willful misconduct or negligence of the City to the extent permitted by applicable law and subject to any and all defenses and limitations of liability provided by applicable law.

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

9.3. *Performance Bond.* Prior to the Service Date, the Licensee shall provide to the City, and shall maintain throughout the term of this License, a performance bond in the City's favor in the amount of Twenty-Five Thousand Dollars (\$25,000) securing the performance of the Licensee's obligations under this License. The performance bond shall be substantially in the form of **Exhibit D**. In the event that a performance bond provided pursuant to this License is not renewed or is cancelled, the Licensee shall provide new security pursuant to this Article within thirty (30) days of such failure to renew or cancellation. Neither cancellation, nor termination nor refusal by the surety to extend the bond, nor the inability of the Licensee to file a replacement bond or replacement security for its obligations under this License, shall constitute a loss to the City recoverable under the bond.

10. RENEWAL OF LICENSE

10.1. *Governing Law:* The City and the Licensee agree that any proceedings undertaken by the City that relate to the renewal of this License shall be governed by and comply with the provisions of Section 626 of the Communications Act, 47 U.S.C. § 546 and applicable provisions of M.G.L. Chapter 166A.

10.2. *Needs Assessments:* In addition to the procedures set forth in Section 626 of the Communications Act, the City shall notify the Licensee of all of its assessments regarding the identity of future cable-related community needs and interests, as well as the past performance of the Licensee under the terms of this License. Such assessments shall be provided to the Licensee by the City promptly so that the Licensee has adequate time to submit a proposal under Section 626 of the Communications Act and complete renewal of this License prior to expiration of its term.

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

10.4. *Consistent Terms:* The Licensee and the City consider the terms set forth in this Article 12 to be consistent with the express provisions of Section 626 of the Communications Act.

11. ENFORCEMENT AND TERMINATION OF LICENSE

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

11.2. *The Licensee’s Right to Cure or Respond:* The Licensee shall have thirty (30) days from receipt of the Noncompliance Notice to: (i) respond to the Issuing Authority, if the Licensee 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 thirty (30) day period, initiate reasonable steps to remedy such noncompliance and notify the Issuing Authority of the steps being taken and the date by which they are projected to be completed. Upon cure of any noncompliance, the City shall provide the Licensee with written confirmation that such cure has been effected.

11.3. *Public Hearing:* In the event that the Licensee fails to respond to the Noncompliance Notice pursuant to the procedures required by this Article, or in the event that the alleged noncompliance is not remedied within thirty (30) days or the date projected pursuant to Section 11.2(iii) above, if the City seeks to continue its investigation into the alleged noncompliance, then the Issuing Authority shall schedule a public hearing. The Issuing Authority shall provide the Licensee at least thirty (30) business days prior written notice of such public hearing, which will specify the time, place and purpose of such public hearing, and provide the Licensee the opportunity to be heard.

11.4. *Enforcement:* Subject to applicable federal and State law, in the event the Issuing Authority, after the public hearing set forth in Section 11.3, determines that the Licensee is in default of any provision of this License, the Issuing Authority may:

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

11.4.2. Assess liquidated damages in accordance with the schedule set forth in Section 11.6;

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

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

11.5. *Revocation:* Should the Issuing Authority seek to revoke this License after following the procedures set forth in this Article, including the public hearing described in Section 11.3, the Issuing Authority shall give written notice to the Licensee of such intent. The notice shall set forth the specific nature of the noncompliance. The Licensee 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 Issuing Authority has not received a satisfactory response from the Licensee, it may then seek termination of this License at a second public hearing. The Issuing Authority shall cause to be served upon the Licensee, 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 this License.

11.5.1. At the designated public hearing, the Licensee 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 Issuing Authority, to compel the testimony of other persons as permitted by law, and to question and/or cross examine witnesses. A complete record and verbatim transcript shall be made of such hearing.

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

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

11.6. *Liquidated Damages:* For the violation of any of the following provisions of this Final License, liquidated damages shall be paid by the Licensee to the Issuing Authority. Any such liquidated damages shall be assessed as of the date that the Licensee received written notice of the provision or provisions which the Issuing Authority believes are in default, provided that the Issuing Authority has made a determination of default in accordance with the procedures set forth in Sections 11.1 through 11.4 above. On an annual basis from the Effective Date, the Licensee shall not be liable for liquidated damages that exceed ten thousand dollars (\$10,000). The liquidated damages shall be assessed as follows:

11.6.1. For failure to provide Cable Services in accordance with Sections 3.1 and 3.2 herein, Two Hundred Fifty Dollars (\$250) per day, for each day that any such non-compliance continues;

11.6.2. For failure to obtain the advance, written approval of the Issuing Authority for any transfer of the Final License in accordance with Section 2.10 herein, Three

Hundred Seventy-Five Dollars (\$375) per day, for each day that any such non-compliance continues;

11.6.3. For failure to comply with the PEG Access provisions in accordance with the Section 5.1 herein, Two Hundred Fifty Dollars (\$250) per day, for each day that any such non-compliance continues; and

11.6.4. For failure to comply with the customer service standards in accordance with Article 7 herein, One Hundred Dollars (\$100) per day that any such non-compliance continues.

Such liquidated damages shall not be a limitation upon any other provisions of this Final License and applicable law, including revocation, or any other statutorily or judicially imposed penalties or remedies; provided, however, that in the event that the Issuing Authority collects liquidated damages for a specific breach for a specific period of time, pursuant to Section 11.6 above, the collection of such liquidated damages shall be deemed to be the exclusive remedy for said specific breach for such specific period of time only. Each of the above-mentioned cases of non-compliance shall result in damage to the City, its residents, businesses and institutions, compensation for which will be difficult to ascertain. The Licensee agrees that the liquidated damages in the amounts set forth above are fair and reasonable compensation for such damage. The Licensee agrees that said foregoing amounts are liquidated damages, not a penalty or forfeiture, and are within one or more exclusions to the term "franchise fee" provided by Section 622(g)(2)(A)-(D) of the Communications Act.

11.7. *Licensee Termination:* The Licensee shall have the right to terminate this License and all obligations hereunder within ninety (90) days after the end of three (3) years from the Service Date of this License, if at the end of such three (3) year period the Licensee does not then in good faith believe it has achieved a commercially reasonable level of Subscriber penetration on its Cable System. The Licensee may consider Subscriber penetration levels outside the City in this determination. Notice to terminate under this Section 11.6 shall be given to the City in writing, with such termination to take effect no sooner than one hundred and twenty (120) days after giving such notice. The Licensee shall also be required to give its then current Subscribers not less than ninety (90) days prior written notice of its intent to cease Cable Service operations.

12. MISCELLANEOUS PROVISIONS

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

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

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

12.4. *Force Majeure:* The Licensee shall not be held in default under, or in noncompliance with, the provisions of this License, 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. Furthermore, the parties hereby agree that it is not the City's intention to subject the Licensee to penalties, fines, forfeitures or revocation of this License for violations of this License where the violation was a good faith error that resulted in no or minimal negative impact on Subscribers, or where strict performance would result in practical difficulties and hardship being placed upon the Licensee that outweigh the benefit to be derived by the City and/or Subscribers.

12.5. *Performance Evaluations:* If, during the term of this License, the City conducts an evaluation of the Licensee's performance under this License or otherwise related to the Licensee's provision of Cable Service in the City, then the City shall provide the Licensee with a written report with respect to the Licensee's compliance within ten (10) days after the conclusion of such evaluation.

12.6. *Notices:* Unless otherwise expressly stated herein, notices required under this License 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.

12.6.1. Notices to the Licensee shall be mailed to:

Verizon New England Inc.
185 Franklin Street
Boston, MA 02110
Attention: Donna C. Cupelo, President

12.6.2. with a copy to:

Verizon Telecom
One Verizon Way
Room VC43E010
Basking Ridge, NJ 07920-1097
Attention: Jack White, Senior VP and Deputy General Counsel

12.6.3. Notices to the Issuing Authority shall be mailed to:

City of Lawrence
Lawrence City Hall
200 Common Street
Lawrence, MA 01840
Attention: Mayor

12.6.4. with a copy to the City Attorney at the same address as above.

12.7. *Entire Agreement:* This License and the Exhibits hereto constitute the entire agreement between the Licensee and the City, and it supersedes all prior or contemporaneous agreements, representations or understandings (written or oral) of the parties regarding the subject matter hereof.

12.8. *Amendments:* Amendments or modifications to this License shall be mutually agreed to in writing by the parties.

12.9. *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.

12.10. *Severability:* If any section, subsection, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unenforceable 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 this License.

12.11. *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.

12.12. *FTTP Network Transfer Prohibition:* Under no circumstance including, without limitation, upon expiration, revocation, termination, surrender, denial of renewal of this License or any other action to forbid or disallow the Licensee from providing Cable Services, shall the Licensee or its assignees be required to sell any right, title, interest, use or control of any portion of the Licensee's FTTP Network including, without limitation, the Cable System and any capacity used for Cable Service or otherwise, to the City or any third party. The Licensee 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, surrender, denial of renewal or any other action to forbid or disallow the Licensee from providing Cable Services.

12.13. *Interpretation:* The City and the Licensee each acknowledge that it has 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

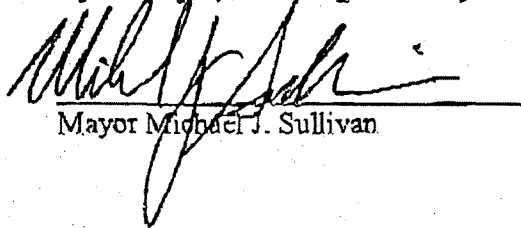
construed by the reference to any doctrine calling for ambiguities to be construed against the drafter of the Agreement.

12.14. *No Third Party Beneficiary*: Nothing in this License shall be construed to create or confer any rights or benefits to any third party.

SIGNATURE PAGE FOLLOWS

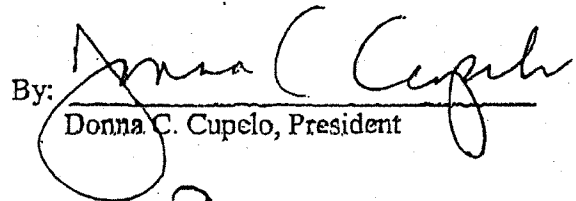
AGREED TO THIS 30th DAY OF MAY, 2007.

CITY OF LAWRENCE
By its Mayor, as Issuing Authority:



Mayor Michael J. Sullivan

VERIZON NEW ENGLAND INC.

By: 

Donna C. Cupelo, President

FORM APPROVED
Attorney _____
Date 5/30/07

EXHIBITS

EXHIBIT A – SERVICE AREA MAP

EXHIBIT B – MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

EXHIBIT C – CUSTOMER SERVICE STANDARDS

EXHIBIT D – PERFORMANCE BOND

EXHIBIT A

SERVICE AREA MAP

(See attached map)

EXHIBIT B

MUNICIPAL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

Lawrence City Hall	200 Common Street
Police Station	90 Lowell Street
New Police Station	To Be Determined
Community Police Sub Station	66 Parker Street
Central Fire Station	65 Lowell Street
Ladder 4	71 S. Broadway
Engine 6	480 Howard Street
Engine 7	290 Park Street
Engine 8	329 Ames Street
Engine 9	161 Bailey Street
Fire Alarm	60 Bodwell Street
Senior Center	155 Haverhill Street
Lawrence Public Library	51 Lawrence Street
South Lawrence Library	135 Parker Street
Department of Public Works	1 Auburn Street
Water Treatment Plant	410 Water Street
Arlington School	150 Arlington Street
Adult Learning Center	243 S. Broadway
Bruce School	135 Butler Street
Breen School	115 Osgood Street
Bruce/Annex School	483 Lowell Street
Gen. Donovan School	50 Cross Street
Frost School	33 Hamlet Street
Guillmette School	80 Bodwell Street
Hennesey School	122 Hancock Street
Lawlor School	41 Lexington Street
Lawrence High School	233 Haverhill Street
Leahy High School	101 Erving Avenue
Leonard School	60 Allen Street
Oliver School	183 Haverhill Street
Parthum School	255 E. Haverhill Street
Rollins School	451 Howard Street
SLE School	165 Crawford Street
Storrow School	50 Pleasant Street
Tarbox School	59 Alder Street
Wetherbee School	75 Newton Street
School Department Central Office	255 Essex Street

EXHIBIT C

CUSTOMER SERVICE STANDARDS

These standards shall, starting twelve (12) months after the Service Date, apply to the Licensee to the extent it is providing Cable Services over the Cable System in the City.

SECTION 1: DEFINITIONS

- A. **Respond:** The Licensee'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 Licensee to correct a Service Interruption the effect of which is limited to an individual Subscriber.
- C. **Service Interruption:** The loss of picture or sound on one or more cable Channels.
- D. **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.
- E. **Standard Installation:** Installations where the Subscriber is within two hundred feet of trunk or feeder lines.

SECTION 2: TELEPHONE AVAILABILITY

- A. The Licensee shall maintain a local and/or a toll-free number to receive all calls and inquiries from Subscribers in the City and/or residents regarding Cable Service. The Licensee representatives trained and qualified to answer questions related to Cable Service in the Service Area shall be available to receive reports of Service Interruptions twenty-four (24) hours a day, seven (7) days a week, and other inquiries at least forty-five (45) hours per week. The Licensee representatives shall identify themselves by name when answering this number.
- B. The Licensee'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 the Effective Date.
- C. The Licensee may use an Automated Response Unit ("ARU") or a Voice Response Unit ("VRU") to distribute telephone 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 Licensee 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 Licensee shall be answered within thirty (30) seconds. The Licensee 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 Licensee 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 Licensee shall receive a busy signal less than three percent (3%) of the time during any calendar quarter.

SECTION 3: INSTALLATIONS AND SERVICE APPOINTMENTS

A. All installations will be in accordance with applicable FCC rules relating to 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 Licensee-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 customer’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 Licensee 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 customer’s premises.

C. The Licensee 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, generally beginning at 8:00 AM unless it is deemed appropriate to begin earlier by location exception. At the Licensee’s discretion, the Licensee 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.

SECTION 4: SERVICE INTERRUPTIONS AND OUTAGES

A. The Licensee shall notify the Issuing Authority of any Significant Outage of the Cable Service.

B. The Licensee 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 Licensee may schedule a Significant Outage for a period of more than

four (4) hours during any twenty-four (24) hour period only after the City and each affected Subscriber in the Service Area have been given fifteen (15) days prior notice of the proposed Significant Outage. Notwithstanding the foregoing, the Licensee 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.

C. Licensee 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.

D. Under Normal Operating Conditions, the Licensee 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 Licensee must begin actions to correct all other Cable Service problems the next business day after notification by the Subscriber or the City of a Cable Service problem.

E. Under Normal Operating Conditions, the Licensee shall complete Service Calls within seventy-two (72) hours of the time the Licensee 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.

F. The Licensee 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.

G. Under Normal Operating Conditions, the Licensee shall provide a credit upon Subscriber request when all Channels received by that Subscriber are out of service for a period of twenty-four (24) 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 Licensee to verify the problem if requested by the Licensee. 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 Licensee 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 the Licensee provided such determination is non-discriminatory. Such credit shall be reflected on Subscriber billing statements within the next available billing cycle following the outage.

SECTION 5: CUSTOMER COMPLAINTS

Under Normal Operating Conditions, the Licensee shall resolve Subscriber complaints referred by the Issuing Authority within five (5) business days; provided that the Licensee shall notify the City of those matters that necessitate an excess of five (5) business days to resolve, which matters must be resolved within fifteen (15) days of the initial Complaint. The Issuing Authority may require reasonable documentation to be provided by the Licensee to substantiate the request for additional time to resolve the problem. For purposes of this Section, "resolve" means that the Licensee shall perform those actions, which, in the normal course of business, are necessary to investigate the Subscriber's complaint and advise the Subscriber 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, and shall include the information required by 207 CMR 10.03(1) in clear, concise and understandable language and format. Bills shall clearly delineate activity during the billing period, including optional charges, rebates, credits, and aggregate late charges. The Licensee shall, be allowed to itemize as separate line items, without limitation, License fees, taxes and/or other governmentally imposed fees. The Licensee shall maintain records of the date and place of mailing of Subscriber bills.

B. In accordance with 207 CMR 10.05(1), Subscriber payment shall be due on the due date marked on the bill, which shall be a date certain and in no case a statement that the bill is due upon receipt. The due date shall not be less than five (5) business days following the mailing date of the bill.

C. A specific due date shall be listed on the bill of every Subscriber.

D. Any billing disputes registered by a Subscriber shall be resolved in accordance with 207 CMR 10.07.

E. The Licensee shall notify the Subscriber of the result of its investigation of any Complaint and shall give an explanation for its decision within thirty (30) business days after the receipt of the Complaint. The Subscriber shall forfeit any rights under 207 CMR 10.07 if he or she fails to pay the undisputed balance within thirty (30) days. Any Subscriber who disagrees with the results of Licensee's investigation shall promptly inquire about and take advantage of any Complaint resolution mechanism, formal or informal, available under this License or through the Issuing Authority before the Cable Division may accept a petition. The Subscriber or the Licensee may petition the Cable Division to resolve disputed matters within thirty (30) days of any final action.

F. The Licensee shall forward a copy of any Cable Service related billing inserts or other mailing sent to Subscribers to the Issuing Authority upon request.

G. The Licensee 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. The Licensee may in the future, at its' discretion, permit payment by using a major credit card on a preauthorized basis. Based on credit history, at the option of the Licensee, the payment alternative may be limited.

H. The Issuing Authority hereby requests that Licensee omit the information specified in 47 C.F.R. §76.952(a) from its Subscriber bills.

SECTION 7: DEPOSITS, REFUNDS AND CREDITS

A. The Licensee shall comply with 207 CMR 10.08 with respect to security deposits.

B. 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).

C. 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.

D. Bills shall be considered paid when appropriate payment is received by the Licensee or its' authorized agent. Appropriate time considerations shall be included in the Licensee'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 Licensee shall not, except to the extent permitted by applicable law, impose any fee or charge for Service Calls to a Subscriber's premises to perform any repair or maintenance work related to the Licensee's 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 the Licensee's equipment incorrectly) or by the failure of the Subscriber to take reasonable precautions to protect the Licensee's equipment (for example, a dog chew).

B. The Licensee shall provide reasonable notice to Subscribers of the possible assessment of a late fee on bills or by separate notice. The Licensee's imposition of late fees shall comply with 207 CMR 10.05(3).

SECTION 9: DISCONNECTION /DENIAL OF SERVICE

A. The Licensee shall comply with 207 CMR 10.05 with respect to delinquency and termination of service.

B. In accordance with applicable laws and regulations, nothing in these standards shall limit the right of the Licensee 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 Licensee's equipment, abusive and/or threatening behavior toward the Licensee's employees or representatives, or refusal to provide credit history information or refusal to allow the Licensee to validate the identity, credit history and credit worthiness via an external credit agency.

SECTION 10: COMMUNICATIONS WITH SUBSCRIBERS

A. The Licensee shall require that: (i) all Licensee personnel, contractors and subcontractors contacting Subscribers or potential Subscribers outside the office of the Licensee wear a clearly visible identification card bearing their name and photograph; (ii) all Licensee representatives wear appropriate clothing while working at a Subscriber's premises; and (iii) every service vehicle of the Licensee and its contractors or subcontractors shall (a) be clearly identified as such to the public, (b) have the Licensee's logo plainly visible and (c) have the contractor's / subcontractor's name plus markings (such as a magnetic door sign) indicating they are under contract to the Licensee. In addition, the Licensee shall make reasonable effort to account for all identification cards at all times.

B. The Licensee shall require that all contact with a Subscriber or potential Subscriber by a Person representing the Licensee shall be conducted in a courteous manner.

C. The Licensee shall send annual notices to all Subscribers informing them that any Complaints or inquiries not satisfactorily handled by the Licensee may be referred to the City.

D. All notices identified in this Section 10 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; or

(2) A separate electronic notification.

E. Pursuant to 207 CMR 10.01(1), the Licensee shall give written notice of its billing practices to potential Subscribers before a subscription agreement is reached. Pursuant to 207 CMR 10.01(3), the Licensee shall provide the Issuing Authority and all affected Subscribers with at least thirty (30) days notice prior to implementing a change of one of its billing practices.

F. Pursuant to 207 CMR 10.02(2), the Licensee shall provide the Cable Division, Issuing Authority and all affected Subscribers with at least thirty (30) days notice prior to implementing an increase in one of its rates or charges or a substantial change in the number or type of programming services in the City.

G. The Licensee shall provide information to all Subscribers about each of the following items at the time of installation of Cable Services, annually to all Subscribers, and at any time upon request from any Subscriber:

- (1) Products and Cable Service offered;
- (2) Prices and options for Cable Services and condition of subscription to Cable Services, including prices Cable Service options, equipment rentals, program guides, installation, downgrades, late fees and other fees charged by the Licensee related to Cable Service;
- (3) Installation and maintenance policies;
- (4) Channel positions of Cable Services offered on the Cable System;
- (5) Complaint procedures, including the name, address and telephone number of the Issuing Authority, but with a notice advising the Subscriber to initially contact the Licensee about all Complaints and questions;
- (6) Procedures for requesting Cable Service credit;
- (7) The availability of a parental control device;
- (8) Licensee practices and procedures for protecting against invasion of privacy; and
- (9) The address and telephone number of the Licensee's office to which Complaints may be reported.

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

H. Notices of changes of Cable Services and/or Channel locations shall include a description of the new Cable Service, the specific channel location, and the hours of operation of the Cable Service if the Cable Service is only offered on a part-time basis. In addition, should the channel location, hours of operation, or existence of other Cable Services be affected by the introduction of a new Cable Service, such information must be included in the notice.

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 Licensee where the Subscriber can receive additional information about their account and discuss the pending termination.

EXHIBIT D

FORM OF PERFORMANCE BOND

Franchise Bond
Bond No. _____

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

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

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

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

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

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

1. In the event of default by the Principal, Obligee shall deliver to Surety a written statement of the details of such default within 30 days after the Obligee shall learn of the same, such notice to be delivered by certified mail to address of said Surety as stated herein.
2. This Bond shall be effective _____, 20____, and shall remain in full force and effect thereafter for a period of one year and will automatically extend for additional one year periods from the expiry date hereof, or any future expiration date, unless the Surety provides to the Obligee not less than sixty (60) days advance written notice of its intent not to renew this Bond or unless the Bond is earlier canceled pursuant to the following. This Bond may be canceled at any time upon sixty (60) days advance written notice from the Surety to the Obligee.

3. Neither cancellation, termination nor refusal by Surety to extend this bond, nor inability of Principal to file a replacement bond or replacement security for its obligations under said Agreement, shall constitute a loss to the Obligee recoverable under this bond.

4. No claim, action, suit or proceeding shall be instituted against this bond unless same be brought or instituted and process served within one year after termination or cancellation of this bond.

5. No right of action shall accrue on this bond for the use of any person, corporation or entity other than the Obligee named herein or the heirs, executors, administrators or successors of the Obligee.

6. The aggregate liability of the surety is limited to the penal sum stated herein regardless of the number of years this bond remains in force or the amount or number of claims brought against this bond.

7. This bond is and shall be construed to be strictly one of suretyship only. If any conflict or inconsistency exists between the Surety's obligations as described in this bond and as may be described in any underlying agreement, permit, document or contract to which this bond is related, then the terms of this bond shall supersede and prevail in all respects.

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

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

Principal

Surety

By: _____

By: _____

, Attorney-in-Fact

Accepted by Obligee: _____

(Signature & date above - Print Name, Title below)