FRANCHISE AGREEMENT

Between

THE CITY OF NEW YORK

And

STEALTH COMMUNICATIONS SERVICES, LLC

Information Services Franchise

TABLE OF CONTENTS

SECTION 1	DEFINED TERMS	2
SECTION 2	GRANT OF AUTHORITY	4
SECTION 3	COMPENSATION	7
SECTION 4	CONSTRUCTION AND MAINTENANCE REQUIREMENTS	12
SECTION 5	SECURITY FUND AND GUARANTY	15
SECTION 6	RIGHT OF WAY MANAGEMENT IMPLEMENTATION MATTERS	17
SECTION 7	TRANSFERS AND ASSIGNMENTS	19
SECTION 8	LIABILITY AND INSURANCE	21
SECTION 9	BREACHES AND REMEDIES	24
SECTION 10	MISCELLANEOUS	26

APPENDICES

APPENDIX A CONSTRUCTION TERMS

APPENDIX B NON-MONETARY COMPENSATION

APPENDIX C STANDARD CITY CONTRACT PROVISIONS

APPENDIX D COMPANY CONTROL AS OF EFFECTIVE DATE AND PERMITTED TRANSFERS

THIS AGREEMENT, dated as of the ___ day of February, 2013 (the "Execution Date"), is by and between THE CITY OF NEW YORK (as defined in Section 1 hereof, "the City") and STEALTH COMMUNICATIONS SERVICES, LLC whose principal place of business is located at One Penn Plaza, Suite 6308, New York, NY 10119 (as defined in Section 1 hereof, "the Company"), (each, a "party" and collectively, the "parties").

WITNESSETH:

WHEREAS, the New York City Department of Information Technology and Telecommunications (as defined in Section 1 hereof, "DoITT"), on behalf of the City, has the authority to grant franchises involving the occupation or use of the Inalienable Property (as defined in Section 1 hereof) of the City in connection with the provision of Information Services (as defined in Section 1 hereof); and

WHEREAS, the Company has submitted to DoITT its proposal in response to a solicitation issued by DoITT pursuant to Resolution Number 1204 (adopted by the New York City Council on February 27, 2008); and

WHEREAS, on February 11, 2013 the New York City Franchise and Concession Review Committee (as defined in Section 1 hereof, the "FCRC") held a public hearing on a proposed franchise to install, operate and maintain cable, wire, fiber optic telecommunications cable (or other closed-path transmission medium that may be used in lieu of cable, wire or fiber optic telecommunications cable for the same purposes) and related equipment and facilities within the City's Inalienable Property to be used in providing Information Services, which hearing was a full public proceeding affording due process in compliance with the requirements of Chapter 14 of the City Charter; and

WHEREAS, DoITT has with respect to the proposed grant of the Franchise complied with the New York State Environmental Quality Act ("SEQRA") (Section 8-010 et. seq.) of the New York State Environmental Conservation Law), the SEQRA regulations set forth at Part 617 of Title 6 of the New York Code of Rules and Regulations, and the City Environmental Quality Review process (Chapter 5 of Title 62 and Chapter 6 of Title 43 of the Rules of the City of New York); and

WHEREAS, the New York City Department of City Planning determined that the proposed franchise would not have land use impacts or implications and that therefore is not subject to the Uniform Land Use Review Procedure set forth in Section 197-c of the New York City Charter;

NOW, THEREFORE, in consideration of the foregoing clauses, which clauses are hereby made a part of this Agreement, the mutual covenants and agreements herein contained, and other good and valuable consideration, the parties hereby covenant and agree as follows:

SECTION 1 DEFINED TERMS

For purposes of this Agreement, the following terms, phrases, words, and their derivatives will have the meanings set forth in this Section, unless the context clearly indicates that another meaning is intended.

1.1 "Affiliate" means each Person who directly or indirectly owns or controls, or is owned or controlled by, or is under common ownership or control with, the Company.

1.2 "Agreement" means this agreement, together with the Appendices attached hereto and all amendments, modifications or renewals hereof or thereof.

1.3 "Block" has the meaning set forth therefor in Section 3.2 hereof.

1.4 "Block Linear Feet" has the meaning set forth therefor in Section 3.2 hereof.

1.5 "Cable Television Service" means "cable service" as that term is defined, as of the Effective Date, in 47 USC Section 522 (6).

1.6 "Cable Television Franchise" means a franchise granted by the City expressly authorizing the use of the Inalienable Property for the provision of Cable Television Service to Residents.

1.7 "City" means the City of New York or, as appropriate in the case of specific provisions of this Agreement, any board, bureau, authority, agency, commission, department or any other entity of the City of New York, or any authorized officer, official, employee or agent thereof, or any successor thereto.

1.8 "Commissioner" means the Commissioner of DoITT, or his or her designee, or any successor in function to the Commissioner.

1.9 "Company" means Stealth Communications Services, LLC, a limited liability company organized and existing under the laws of the state of New York and authorized to do business in the State of New York, whose principal place of business is located at One Penn Plaza, Suite 6308, New York, NY 10119, or a successor entity thereto permitted as provided in Section 7 hereof.

1.10 "Comptroller" means the Comptroller of the City, the Comptroller's designee, or any successor in function to the Comptroller.

1.11 "control" of an entity means the ability to exercise de facto or de jure control over the day-to-day policies and operations or the management of such entity's affairs.

1.12 "CPI Adjustment" applied to a dollar amount for purposes of calculating a payment means an adjustment in which said dollar amount is multiplied by a fraction, the numerator of which is the Consumer Price Index (All Urban Consumers, All Items, New York-Northern New Jersey-Long Island, NY-NJ-CT-PA, 1982-84=100) announced by the U.S. Department of Labor for the month prior to the month in which said payment is to be made and the denominator of

which is the same index announced by the U.S. Department of Labor for the month in which the Effective Date occurred. If the U.S. government no longer announces an index as described in the preceding sentence, the City will select an alternative index that is expected to be as comparable as practicable in its effect as the index described in the preceding sentence would have been.

1.13 "DoITT" means the Department of Information Technology and Telecommunications of the City of New York, or any successor thereto.

1.14 "Effective Date" means the date stated in a notice issued by the City to the Company, which date will be ten (10) days after the first date on which all of the following conditions have been met: (a) this Agreement has been registered with the Comptroller as provided in Sections 375 and 93.p. of the City Charter, and (b) all documents have been submitted as required by Section 2.2 hereof, (c) the City's Vendex review process (if lawfully applicable to franchises of the type covered by this Agreement) with respect to the Company has been favorably completed, (d), the Initial Payment described in Section 3.3 hereof has been paid to the City, (e) the letter of credit described in Section 5.1 has been deposited with the City and (f) payment has been made of an amount sufficient to pay, or reimburse the City for, all costs incurred in publishing legally required notice or notices with respect to the FCRC's hearing regarding the franchise granted by this Agreement.

1.15 "FCC" means the Federal Communications Commission, or any successor thereto.

1.16 "FCRC" means the Franchise and Concession Review Committee of the City of New York, or any successor thereto.

1.17 "Fiber" means fiber optic telecommunications cable or other closed-path transmission medium that may be used in lieu thereof for the same purposes.

1.18 "Franchise Area" means the City of New York.

1.19 "Inalienable Property" means that property of the City which is inalienable pursuant to Section 383 of the New York City Charter or a successor provision thereto. References to the Inalienable Property in the Agreement will be deemed to include the space on, over and under the surface of the Inalienable Property (except that where the City's property rights to such Inalienable Property is expressly limited in a particular case to specified dimensional boundaries then such references shall be limited, in regard to such particular property, as thus expressly limited).

1.20 "Indemnitees" has the meaning set forth therefor in Section 8.1 hereof.

1.21 "Information Service" has the meaning set forth therefore in 47 USC Section 153 (20) as of the Effective Date.

1.22 "Initial Payment" means the payment due as provided in Section 3.3 hereof.

1.23 "Installation Area" has the meaning set forth therefor in Section 3.2 hereof.

1.24 "Mayor" means the chief executive officer of the City, the designee thereof, or any successor to the executive powers thereof.

1.25 "New Franchisee" means an entity that is not, as of the Effective Date, operating, under this Franchise, any facilities which have been installed in the Inalienable Property prior to the Effective Date either pursuant to a previous or other franchise from the City or otherwise.

1.26 "Person" means any natural person or any association, firm, partnership, joint venture, corporation, or other legally recognized entity, whether for profit or not for profit, but shall not mean the City.

1.27 "Phased Adjustment" has the meaning set forth therefor in Section 3.2 hereof.

1.28 "Pre-Credit Amount" has the meaning set forth therefor in Section 3.2 hereof.

1.29 "PSC" means the New York State Public Service Commission or any successor thereto.

1.30 "Resident" means an occupant who: (1) resides in a dwelling which has or is entitled to receive from the City a residential certificate of occupancy, including, without limitation, a private dwelling, class A multiple dwelling, or an interim multiple dwelling; or (ii) has continuously resided in the same buildings as a permanent resident and who takes occupancy pursuant to a lease (or other similar arrangement) of at least six (6) months duration. For purposes of this Agreement, the terms "private dwelling," "class A multiple dwelling," and "interim multiple dwelling" shall have the same meaning as they may or may not have in the New York State Multiple Dwelling Law, as such law may from time to time be amended.

1.31 "Security Fund" has the meaning set forth therefor in Section 5.1 hereof.

1.32 "Service" or "Information Service" means "information service" as that term is defined, as of the Effective Date, in 47 USC Section 153(20).

1.33 "Stub Adjustment" has the meaning set forth therefor in Section 3.2 hereof.

1.34 "System" means the system which the Company uses to provide the Service.

1.35 "Telecommunications Service" means "telecommunications service" as that term is defined, as of the Effective Date, in 47 USC Section 153 (46).

1.36 "Telecommunications Service Franchise" means a franchise granted by the City expressly authorizing the use of the Inalienable Property for the provision of Telecommunications Service.

1.37 "Term" has the meaning set forth therefor in Section 2.1 hereof.

SECTION 2 GRANT OF AUTHORITY

2.1 Term This Agreement and the franchise granted hereunder, will commence upon the Effective Date, and will continue until and including June 30, 2020, unless earlier terminated as

described herein. The period of time that this Agreement remains in effect is herein referred to as the "Term."

2.2 Conditions to Effectiveness

2.2.1 Certain Actions by the Company Before Effective Date As provided in Section 1.14 above, the occurrence of the Effective Date is conditional on, among other things, the submission to the City by the Company of certain documents as described in this Section 2.2. Said documents are (a) evidence as described in Section 8.6.1 below of the Company's liability insurance coverage pursuant to Section 8 hereof; (b) an opinion of the Company's counsel dated as of the date this Agreement is executed by the Company, in form reasonably satisfactory to the City, (c) an affirmation signed by an authorized officer or representative of the Company in the form set forth in the solicitation issued by DoITT seeking a proposal from the Company for a franchise of the type described herein; (d) an IRS W-9 form certifying the Company's tax identification number; (e) organizational and authorizing documents as described in Sections 10.5.1 and 10.5.2 hereof; (f) documentation verifying that the Company has completed all required submissions under the City's VENDEX process, and the City's review thereof has been completed; and (g) documentation verifying that the City's review of the Company's submissions pursuant to Local Law 34 of 2007 has been completed and the City has found that the Company is in compliance with the requirements of said Local Law 34. The City will issue a notice to the Company setting forth the Effective Date, such notice to be issued within ten (10) days of the first date on which all required conditions to occurrence of the Effective Date, as set forth in this Section 2.2 and in Section 1.14 above, have been met.

2.3 Nature of Franchise, Effect of Termination and Renewal

2.3.1 Nature of Franchise The City hereby grants the Company, subject to the terms and conditions of this Agreement, a nonexclusive franchise providing the right and consent to install, operate, repair, maintain, remove and replace cable, wire, Fiber or other closed path transmission medium that may be used in lieu of cable, wire or Fiber for the same purposes, and related equipment and facilities, within the Inalienable Property in order to provide Information Services (authorization to install non-closed path transmission facilities, such as antennae and similar equipment which transmits or receives information wirelessly, within the Inalienable Property is not granted pursuant to this Agreement, although the Company is permitted to separately seek a franchise granting such authorization). The franchise granted hereunder does not include the right or consent to install, maintain or operate any computer kiosks or other similar facilities within the Inalienable Property of the City the purpose of which is the reception and use of Information Service, or any other service, by pedestrians, vehicles or others users or occupants of the Inalienable Property, although the Company is permitted to separately seek authority from the City granting such authorization. The franchise granted hereunder does not include the right or consent to use the Inalienable Property of the City for the transmission of Cable Television Service or Telecommunications Service, unless such authority is expressly granted hereinafter, although to the extent not thus expressly granted hereinafter the Company is permitted to separately seek authority from the City granting such authorization.

2.3.2 Effect of Termination Upon termination of this Agreement, the franchise granted hereunder will expire; all rights of the Company in the franchise will cease, with no value

allocable to the franchise itself; and the rights of the City and the Company to the System, or any part thereof, will be determined as provided in Section 10.8 hereof. The termination of this Agreement and the franchise granted hereunder may not, for any reason, operate as a waiver or release of any obligation of the Company or any other Person, as applicable, for any liability (i) pursuant to Section 8.1 hereof, which arose or arises out of any act or failure to act required hereunder prior to the termination; (ii) which exists pursuant to Sections 3 ("Compensation"), 6.5.2 ("Right of Inspection"), 10.8 ("Rights Upon Termination"), 10.13 ("Governing Law") and 10.16 ("Claims Under Agreement") hereof; and (iii) to maintain in full force and effect the Security Fund described in Section 5 hereof and the coverage under the liability insurance policies required under and in accordance with Section 8 hereof.

2.3.3 Renewal (a) During the period beginning July 1, 2019 and ending April 1, 2020 the Company shall (provided it is not then in default of any of its obligations under this Agreement) have the option to extend the scheduled end date of the Term from June 30, 2020 to December 1, 2027 (along with a comparable extension of the Term of the Company's Telecommunications Service Franchise as described therein), provided that if the Company thus chooses to exercise such option then beginning July 1, 2020 the terms and conditions of this Agreement shall, at the City's option, be deemed to be revised to match those of the arms-length franchise agreement then most recently entered into (as of the date of the Company's exercise of such option) between the City and a franchisee which agreement expressly authorizes the use of the City's rights of way for the provision of information services. Failure to exercise such option by the Company shall not bar the Company and the City (each acting with the fullest amount of discretion authorized by applicable law) from reaching a mutual agreement to authorize the Company to continue to use the City's rights of way for the provision of information services after July 1, 2020 upon terms and conditions agreed to by the City and the Company.

(b) Except as expressly set forth in the preceding paragraph (a), this Agreement does not grant to the Company any right to renewal of this Agreement or the franchise granted hereunder. At the end of the Term, the City will have the discretion to renew this Agreement, or not, subject only to such limitations on such discretion as may exist under applicable state and/or federal law.

2.4 Conditions and Limitations on Franchise

2.4.1 Not Exclusive Nothing in this Agreement affects the right of the City to grant to any Person a franchise, consent or right to occupy and use Inalienable Property, or any part thereof, for the construction, operation and/or maintenance of a system in order to provide Information Services in the City for any purpose, or the right of the City to construct, operate and/or maintain a system to provide Information Services in the City or to acquire and operate the System pursuant to this Agreement.

2.4.2 Construction of System

(a) The Company shall use its best efforts to coordinate its construction schedule with the appropriate City agencies, including, without limitation, the Department of Transportation, the appropriate Borough Engineer and the Office of Construction, to minimize unnecessary disruption.

(b) The Company shall obtain all construction, building, street opening or other permits or approvals necessary before installing such cable, wire, Fiber or other transmission medium that may be used in lieu of cable, wire or Fiber for the same purposes, or related equipment and facilities. The Company shall provide copies of any such permits and approvals to DoITT upon request.

(c) Construction within the Inalienable Property which falls within the boundaries of New York City park land will be subject to the approval of the City's Department of Parks and Recreation (or successor agency), acting with the fullest discretion permitted by law, and such discretion is a limit on the scope of this franchise grant. Construction within the Inalienable Property which falls within the boundaries of New York City waterfront or wharf property as defined in Section 1150 of the New York City Charter will be subject to the approval of the City's Department of Transportation or Department of Small Business Services, whichever has jurisdiction over the particular property under City law, or the appropriate successor agency, acting with the fullest discretion permitted by law, and such discretion is a limit on the scope of this franchise grant. To the extent that such construction activity within park, wharf or waterfront property would temporarily interfere with the use of such property for park, wharf or waterfront use, as the case may be, the responsible agency may require reasonable compensation to the City for such interference (in addition to, and not in lieu of, the reasonable compensation for use of the Inalienable Property generally under this Agreement as set forth in Section 3 hereof) to the fullest extent permitted by law.

SECTION 3 COMPENSATION

3.1 Compensation The Company agrees to provide to the City reasonable compensation to the City, in return for the benefit conferred by the City of the right to use the City's Inalienable Property for the purpose of offering Information Services, to be as described in this Section 3.

3.2 Monetary Compensation

3.2.1 As a franchise fee to be paid as compensation in exchange for the benefit and privilege of using the Inalienable Property of the City for the purpose of offering Information Services, the Company shall pay to the City the following amount per calendar quarter or portion thereof:

(a) the excess, if any, of the applicable Pre-Credit Amount (as calculated pursuant to Sections 3.2.2(a) and 3.2.2(b) hereof), over the sum of (x) any amounts paid by the Company to the City, with respect to the facilities over which Information Services are being offered to the public pursuant to this Agreement, as franchise compensation under any Cable Television Franchise held by the Company which compensation is attributable to the same calendar quarter or portion thereof, plus (y) any amounts paid by the Company to the City, with respect to the facilities over which Information Services are being offered to the public pursuant to this Agreement, as franchise compensation under any Telecommunications Services Franchise held by the Company which compensation is attributable to the same calendar quarter or portion thereof, but

(b) in no event less than the greater of (x) 22.5% of the amount, if any, which the Company paid to the City as franchise compensation during calendar year 2011 with respect to those facilities, if any, operating in the Inalienable Property during such calendar year and still operating in the Inalienable Property, and (y) the product of $70,000 multiplied by the CPI Adjustment (except that if the Company is a New Franchisee said $70,000 figure shall be reduced to $5,000 until but not including the first anniversary of the Effective Date, $15,000 from the first anniversary of the Effective Date until but not including the second anniversary of the Effective Date, and $35,000 from the second anniversary of the Effective Date until but not including the third anniversary of the Effective Date).

3.2.2 (a) The Pre-Credit Amount with respect to any full calendar quarter equals twenty (20) cents (adjusted each quarter by the Phased Adjustment as defined below) per calendar quarter per foot of Installation Area, as that term is defined below, with respect to Installation Area located in the borough of Manhattan and equals fifteen (15) cents (adjusted each quarter by the Phased Adjustment as defined below) per calendar quarter per foot of Installation Area, as that term is defined below, with respect to Installation Area in the boroughs of the Bronx, Brooklyn, Queens and Staten Island. The references to twenty (20) cents and fifteen (15) cents in this paragraph are based on the assumption that this Franchise Agreement first becomes effective during the first quarter of calendar year 2013. Should this Franchise Agreement first become effective after March 31, 2013, said references to twenty (20) cents and fifteen (15) cents in this subsection shall each be deemed increased by two cents for each full calendar quarter, beginning with the first calendar quarter of calendar year 2013, which has elapsed prior to this Franchise Agreement becoming effective.

(b) The Pre-Credit Amount with respect to any period of less than a full quarter shall be calculated by multiplying the Pre-Credit Amount for a full calendar quarter by the Stub Adjustment. The Stub Adjustment for any period less than a full calendar quarter is the percentage equal to the number of days in the applicable period divided by 90.

3.2.3 The Installation Area is defined pursuant to the following provisions:

(a) Unless the Company submits documentation as described in (b) below, the Installation Area in each borough or portion thereof will be calculated by adding together the Block Linear Feet applicable to every Block in such borough or portion thereof in which the Company has installed facilities within the Inalienable Property which facilities are being used for the provision of Information Services. Block Linear Feet applicable to any Block in the City means the number of feet (rounded to the nearest foot) that results by measuring a straight line along the surface of the street from the midpoint of the intersection at one end of the block to the midpoint of the intersection at the other end of the block. A Block means a mapped street of the City running from one intersection with another mapped street of the City to the next intersection with another mapped street of the City.

(b) If the Company submits documentation to the City showing to the City's reasonable satisfaction that with respect to any particular Block all facilities of the Company located within the Inalienable Property through which Information Services are provided are

limited to facilities that are located underground and that in length run less than the full Block Linear Feet of the Block, then the Installation Area with respect to such Block will be adjusted to the actual length of such facilities in lieu of the full Block Linear Feet of such Block.

(c) If the Company maintains multiple systems at any Block, as a result of, for example, multiple systems having been originally constructed for different owners which have come or hereafter subsequently come under the common ownership of the Company then Installation Area is to be calculated separately with respect to each such system, and the sum of the multiple Installation Areas is to be applied in the calculation of the Pre-Credit Amount as described above.

3.2.4 The Phased Adjustment means an increase, with respect to each calendar quarter after the first full calendar quarter to occur during the Term, in the amount of two cents ($.02), such that, for example, with respect to the second full quarter to occur during the Term the Pre-Credit Amount will be 22 cents per calendar quarter per foot of Installation Area in Manhattan and 17 cents per calendar quarter per foot of Installation Area in Staten Island, Queens, Brooklyn and the Bronx, in the third full quarter to occur during the Term the Pre-Credit Amount will be 24 cents per calendar quarter per foot of Installation Area in Manhattan and 19 cents per calendar quarter per foot of Installation Area in Staten Island, Queens, Brooklyn and the Bronx, etc., with each Phased Adjustment becoming applicable at the beginning of each calendar quarter throughout the Term. The illustrative references in the preceding sentence to 22 cents, 24 cents, 17 cents and 19 cents are based on the assumption that this Franchise Agreement first becomes effective during the first quarter of calendar year 2013. Should this Franchise Agreement first become effective after March 31, 2013, each of said references in the preceding sentence shall be deemed increased by two cents for each full calendar quarter, beginning with the first calendar quarter of calendar year 2013, which has fully elapsed prior to this Franchise Agreement becoming effective.

3.2.5 In the event that the Company or an Affiliate of the Company acts inconsistently with its obligations under Section 8.3.1 of a Cable Television Franchise agreement with the City by reducing amounts paid to the City under said agreement in a manner inconsistent with said section, then notwithstanding any other provision in this Agreement the amount next due to the City under this Section 3.2 will increase above what it would otherwise have been as provided hereunder by an amount equal to the amount the Company or its Affiliate thus reduced its payments to the City in connection with such Cable Television Franchise agreement.

3.3 Timing

3.3.1 Initial Payment. As a condition of the occurrence of the Effective Date, the Company shall make an initial payment which shall represent the sum of (x) the Company's good faith estimate regarding the amount due under Section 3.2 hereof attributable to the initial partial calendar quarter to occur within the Term, plus (y) the Company's good faith estimate regarding the amount due under Section 3.2 hereof attributable to the first full calendar quarter to occur within the Term.

3.3.2 Subsequent Payments. All payments made pursuant to Section 3.2 after the Initial Payment hereof must be made in advance on a quarterly basis no later than forty-five (45) days

prior to the beginning of each calendar quarter with respect to which payment has not yet been made. The Company shall in good faith estimate each such quarterly payment based on the Installation Area expected to be applicable to the next quarter. Within one hundred twenty (120) days following the end of each calendar year, the Company shall calculate the exact monetary compensation due to the City pursuant to Section 3.2 hereof for all the calendar quarters of said calendar year. Should the total monetary compensation for such calendar year thus calculated be found to have exceeded the estimated quarterly payments made by the Company for such calendar year, the Company shall, within the 120-day period following the end of the calendar year, remit to the City any balance due. Should the estimated quarterly payments made by the Company for the calendar year be found to have exceeded the total calculated monetary compensation for the year, the overpayment will constitute a credit against the next payment or payments due from the Company hereunder.

3.4 Non-Monetary Compensation. As further compensation in exchange for the benefit and privilege of using the inalienable property of the City for the purpose of offering Information Services, the Company shall provide (in addition to and not in lieu of the monetary compensation required pursuant to Section 3.2 above) facilities and services constituting non-monetary compensation to the City as follows:

(a) (i) if the Company has previously held any franchise from the City that has expired or is being replaced, then the Company agrees to continue to be obligated to provide to the City throughout the Term of this Agreement those non-monetary facilities and services, if any, that it agreed to provide under the terms of such previous franchise, or (ii) if the Company has not previously held a franchise from the City that has expired or is being replaced, then the Company shall provide the facilities and services described in Appendix B; and

(b) if the System is used in part or in whole to provide Cable Television Service pursuant to one or more Cable Television Franchises, then the Company shall provide free of charge to each "Qualified Location" Internet access equipment and service meeting reasonable specifications intended to meet the needs of the particular location. A "Qualified Location" as that term is used in this section means each building or facility which, pursuant to any Cable Television Franchise under which Cable Television Service is provided in part or in whole using the System, is entitled to receive any Cable Television Service free of charge.

3.5 Records The Company shall keep comprehensive itemized records of the relevant aspects of its operations in sufficient detail to enable the City to determine whether all compensation owed to the City pursuant to this Section 3 is being paid to the City.

3.6 Reservation of Rights No acceptance of any compensation payment by the City may be construed as an accord and satisfaction that the amount paid is in fact the correct amount, nor may such acceptance of any payment be construed as a release of any claim that the City may have for further or additional sums payable under the provisions of this Agreement. All amounts paid, and all representations by the Company as to amounts due hereunder, will be subject to audit by the City.

3.7 Ordinary Business Expense Nothing contained in this Section 3 or elsewhere in this Agreement is intended to prevent the Company from treating the compensation that it pays

pursuant to this Agreement as an ordinary expense of doing business and, accordingly, from deducting said payments from gross income in any City, state, or federal income tax return.

3.8 Costs Related to Company-Sought Transactions The Company shall, as part of the reasonable compensation payable to the City for use of the Inalienable Property, pay, in addition to and not in lieu of all other reasonable compensation due hereunder, to the City or to third parties, at the direction of DoITT, an amount equal to the reasonable costs and expenses which the City incurs for the services of third parties (including but not limited to attorneys and other consultants) in connection with any Company-sought renegotiation, transfer, amendment or other modification of this Agreement or the franchise granted hereunder during the Term provided the City has given the Company notice in advance of any work being performed by such third party. Such modifications shall not include the renegotiation, renewal or other modifications that take place at the end of the Term in the normal course of dealing between the City and the Company in anticipation of a possible extension or renewal of the Company's rights. The Company expressly agrees that the payments made pursuant to this Section 3.8 are in addition to and not in lieu of, and may not be offset against, the compensation to be paid to the City by the Company pursuant to other provisions of this Section 3.

3.9 No Credits or Deductions

(a) The Company, as part and parcel of its agreement hereunder to pay reasonable compensation for the use of the public right-of-way in the City, expressly acknowledges and agrees that:

(i) the compensation to be provided pursuant to this Section 3 may not be deemed to be in the nature of a tax, and is in addition to any and all taxes or other fees or charges which the Company or any Affiliate must pay to the City or to any state or federal agency or authority, all of which are separate and distinct obligations of the Company; and

(ii) with respect to the franchise granted pursuant to this Agreement, the Company expressly relinquishes and waives its rights and the rights of any Affiliate to a deduction or other credit pursuant to Section 626 of the New York State Real Property Tax Law and any successor or amendment thereto, and (to the extent such waiver is permitted by law) to any subsequent law, rule, regulation, or order which would purport to permit any of the acts prohibited by this Section 3.9; and

(iii) except as might be permitted by Section 3.7, the Company may not, and may not otherwise support any attempt by an Affiliate to, make any claim for any deduction of, or other credit for, all or any part of the amount of the compensation (whether monetary or in-kind), or other consideration to be provided pursuant to this Agreement from or against any City or other governmental taxes of general applicability or other fees or charges which the Company or any Affiliate is required to pay to the City or other governmental agency; and

(iv) except as might be permitted by Section 3.7, the Company may not, and may not otherwise support any attempt by an Affiliate to, apply or seek to apply all or

any part of the amount of the compensation (whether monetary or in-kind) or other consideration to be provided pursuant to this Agreement as a deduction or other credit from or against any City or other government taxes of general applicability (other than income taxes) or other fees or charges, each of which are hereby deemed to be separate and distinct obligations of the Company and the Affiliates; and

(v) except as might be permitted by Section 3.7, the Company may not, and may not otherwise support any attempt by an Affiliate to apply or seek to apply all or any part of the amount of any City or other governmental taxes or other fees or charges of general applicability as a deduction or other credit from or against any of the consideration to be provided pursuant to this Agreement, each of which are hereby deemed to be separate and distinct obligations of the Company and the Affiliates.

(b) In any situation where the Company believes the effect of this Section 3.9 is unduly harming, in a manner inconsistent with the intent of this Section 3.9, an Affiliate of the Company or the Company may petition the Commissioner for relief, and such relief will not be unreasonably withheld.

3.10 Interest on Late Payments In the event that any payment required by this Agreement is not actually received by the City on or before the applicable date fixed in this Agreement, interest thereon will accrue from such date until received at a rate equal to the rate of interest then in effect that would be charged by the City for late payments of water charges of a comparable amount.

3.11 Method of Payment Except as provided elsewhere in this Agreement, all payments made by the Company to the City pursuant to this Agreement must be paid to the City's Department of Finance and must be sent to DoITT, c/o Director of Franchise Audits and Revenue, 2 Metrotech Center, 4th Floor, Brooklyn, New York 11201, or to such alternative payee and/or address as DoITT may designate by written notice to the Company from time to time.

3.12 Continuing Obligation and Holdover In the event the Company continues to operate within the Inalienable Property all or any part of the System after the Term for the purpose of providing Information Services, then (a) the Company shall continue to comply with all applicable provisions of this Agreement, including, without limitation, all compensation and other payment provisions of this Agreement, throughout the period of such continued operation, provided that any such continued operation may not be construed as a renewal or other extension of this Agreement or the franchise granted pursuant to this Agreement, nor as a limitation on the remedies, if any, available to the City as a result of such continued operation after the Term, including, but not limited to, damages and restitution, and (b) in addition to all other remedies available to the City under this Agreement or by law, the Company shall also pay to the City all payments that the City is entitled to receive under this Agreement including, but not limited to, the compensation set forth in this Section 3 as if the Term remained in effect.

SECTION 4 CONSTRUCTION AND MAINTENANCE REQUIREMENTS

4.1 Generally The Company agrees to exercise its right described in Section 2.3.1 above in accordance with the standards of work and operation as set forth in this Section 4 and Appendix

A attached hereto and incorporated herein. The facilities to be installed in the Inalienable Property pursuant to this Franchise Agreement are not to materially exceed in size or otherwise differ in the nature of the imposition placed on the Inalienable Property from that which is standard in the industry with respect to the provision of the services being provided. To the extent that the Company seeks to install or maintain facilities that exceed such standard, the City reserves the right to require the Company to obtain additional authority from the City to do so as such authority is not being granted by this franchise.

4.2 Quality In order to assure that the Inalienable Property and its continuing use by the public is adequately protected, all work involved in the construction, operation, maintenance, repair, upgrade and removal of the System located within the Inalienable Property must be performed in a safe, thorough and reliable manner using materials of good and durable quality. If, at any time, it is determined by any entity with applicable authority or jurisdiction that any part of the System located within the Inalienable Property is harmful to the public health or safety, then the Company shall, at its own cost and expense, take all steps necessary to correct all such conditions.

4.3 Licenses and Permits In order to assure that the Inalienable Property and its continuing use by the public is adequately protected, the Company has the sole responsibility for diligently obtaining, at its own cost and expense, and thereafter complying with, at its own cost and expense, all permits, licenses or other forms of approval or authorization necessary to construct, operate, maintain, upgrade or repair the System located within the Inalienable Property, including but not limited to any necessary approvals from Persons to use any privately-owned equipment or other property (including, without limitation, any privately-owned easements, poles and conduits) located within the Inalienable Property.

4.4 Public Works and Improvements Nothing in this Agreement shall, and nothing in this Agreement is intended to, abrogate the right of the City to perform, or to arrange to have performed, any public works or public improvements of any description or change, or to arrange to have changed, the grades, lines or boundaries of any Inalienable Property. In the event that the System interferes with the installation, upgrade, construction, operation, maintenance, repair, relocation or removal of such public works or public improvements, or such change in grades, lines or boundaries, then Section 4.7 of this Agreement will apply.

4.5 No Waiver Nothing in this Agreement may be construed as a waiver of any codes, ordinances or regulations of the City or of the City's right to require the Company, or other Persons using, constructing or maintaining the System, to secure the appropriate permits or authorizations for such use, provided that (except as set forth in to Section 2.4.2 (c)) no fee or charge may be imposed for any such permit or authorization, other than the standard fees or charges generally applicable to all Persons for such permits or authorizations. Any such standard fee or charge may not be an offset against, or in lieu of, the amounts the Company has agreed to pay to the City pursuant to Section 3 of this Agreement.

4.6 Eliminated, Discontinued, Closed Or Demapped Streets Or Other Inalienable Property In the event that all or any part of the Inalienable Property is eliminated, discontinued, closed or demapped, or the status of such property otherwise changes so that it is no longer to be included in the category of Inalienable Property, all rights and privileges of the Company acknowledged

and recognized pursuant to this Agreement with respect to said (formerly) Inalienable Property, or any part thereof, so eliminated, discontinued, closed, demapped or otherwise recategorized, will cease upon the effective date of such elimination, discontinuance, closing, demapping or other such recategorization and the Company shall at the direction of the City and upon reasonable notice from the City remove any and all of the Company's facilities located within such property by a date not later than the effective date of such elimination, discontinuance, closing, demapping or other recategorization or such later date as the City may direct.

4.7 Protection, Relocation, Alteration of the System In the event that the System interferes with the installation, construction, upgrade, operation, maintenance, repair, relocation or removal of public works or public improvements, or in the event the grades, lines or boundaries of any Inalienable Property are changed at any time during the Term in a manner affecting the System, then the Company shall, at its own cost and expense (unless dedicated funds have been provided to the City by another entity specifically for such purpose), upon reasonable notice from the City, promptly protect or alter or relocate the System, or any part thereof, as directed by the City. In the event that the Company refuses or neglects to so protect, alter or relocate all or part of the System, the City has the right, upon notice by the City, to break through, remove, alter, or relocate all or any part of the System without any liability to the Company, and the Company shall pay to the City the costs incurred in connection with such breaking through, removal, alteration, or relocation.

4.8 City Authority to Move Facilities The City may, at any time, in case of fire, disaster or other emergency, as determined by the City in its reasonable discretion, cut or move any Fiber, wires, cable, amplifiers, appliances or other parts of the System within the Inalienable Property, in which event the City will not be liable therefor to the Company (provided that for the duration of any period that Company facilities thus cut or moved by the City are out of service as a result of such action by the City, and such out of service status is documented by the company to the reasonable satisfaction of DoITT, such facilities shall be treated as not "being used for the provision of Information Services" for purposes of the definition of Installation Area set forth in Section 3.2.3 hereof). If practicable, the City will notify the Company in writing prior to such cutting or moving, but in any event will notify the Company in writing as soon as possible following any such action.

4.9 Company Required to Move Facilities The Company shall, upon prior written notice by the City or any Person holding a permit to move any structure, and within the time that is reasonable under the circumstances, temporarily move its facilities within the Inalienable Property to permit the moving of said structure (provided that for the duration of any period that Company facilities moved pursuant to this Section 4.9 are out of service as a result of such action by the City, and such out of service status is documented by the Company to the reasonable satisfaction of DoITT, such facilities shall be treated as not "being used for the provision of Information Services" for purposes of the definition of Installation Area set forth in Section 3.2.3 hereof). The Company may impose a reasonable charge on any Person other than the City for any such movement of its facilities.

4.10 Protect Structures In connection with the construction, operation, maintenance, repair, upgrade or removal of the System within the Inalienable Property, the Company shall, at its own cost and expense, protect any and all existing structures belonging to the City and all designated

landmarks and historic pavements, as well as all other structures within any designated landmark district. The Company shall obtain the prior approval of the City before undertaking any alteration of any water main, sewerage or drainage system, equipment or facility or any other municipal structure within the Inalienable Property, required because of the presence of the System. The Company shall make any such alteration at its own cost and expense and in a manner prescribed by the City. The Company agrees to be liable, at its own cost and expense, to replace or repair and restore to its prior condition in a manner as may be reasonably specified by the City, any municipal structure or any other Inalienable Property involved in the construction, operation, maintenance, repair, upgrade or removal of the System that may become disturbed or damaged as a result of any work thereon by or on behalf of the Company.

4.11 No Obstruction In connection with the construction, operation, maintenance, upgrade, repair or removal of the System, the Company may not, without the prior consent of the appropriate authorities, obstruct the Inalienable Property, or the subways, railways, passenger travel, river navigation, or other pedestrian or vehicular traffic that is using the Inalienable Property.

4.12 Safety Precautions

(a) The Company shall, at its own cost and expense, undertake all necessary and appropriate efforts to prevent accidents at its work sites within the Inalienable Property, including the placing and maintenance of proper guards, fences, barricades, security personnel and suitable and sufficient lighting.

(b) The Company agrees to apply for membership in the Mutual Aid and Restoration Consortium ("MARC") and if accepted for such membership, to execute the then applicable MARC agreement, and be fully active in MARC activities, including participation in MARC alerts, drills and meetings. If it is determined by a court of competent jurisdiction after all appeals have been exhausted that the agreement by the Company described in the preceding sentence is, pursuant to federal law, not enforceable against the Company, then this provision will be severed from this Agreement, and the Agreement will remain in effect as if this provision had not been included.

SECTION 5 SECURITY FUND AND GUARANTY

5.1 General Requirement Prior to or simultaneously with the execution and delivery of this Agreement, the Company shall have deposited with the City an unconditional and irrevocable letter of credit in an amount equal to the product of four times the portion of the initial payment described in Section 3.3.1 estimated to be attributable to the first full calendar quarter of the term. Such letter of credit must be in a form and issued by a bank reasonably satisfactory to the City, and such letter of credit will serve as a security fund (the "Security Fund"), securing the Company's full payment and performance of its obligations under this Agreement. Throughout the Term, and for one year thereafter, the Company shall maintain the Security Fund in the amount specified in this Section 5.1 provided that each time the monetary compensation payable by the Company to the City under Section 3.2 hereof exceeds the face value of said letter of credit by at least fifty thousand dollars ($50,000) during any one calendar year then within one hundred twenty days of the end of such calendar year the face value of said letter of credit must

be increased to and maintained (until any future such increase) at an amount equal to said compensation for such year rounded up to the next non-fractional multiple of one hundred thousand dollars. Notwithstanding anything to the contrary in the preceding sentence, in no event shall the Security Fund in place after the 120th day of any calendar year be less than the amount applicable to such calendar year under Section 3.2.1(b) above.

5.2 Purpose The Security Fund will serve as security for full payment and performance by the Company in accordance with this Agreement and any costs, losses or damages incurred by the City as a result of any failure by the Company to abide by any provision or provisions of this Agreement.

5.3 Withdrawals from the Security Fund In the circumstances described in Section 9.3 hereof, the City may withdraw from the Security Fund such amounts as are necessary to satisfy (to the degree possible) the Company's obligations not otherwise met (and to reimburse the City for costs, losses or damages incurred as the result of the Company's failure(s) to meet its obligations), provided, however, that the City may not make any withdrawals by reason of any breach or default of which the Company has not been given notice. The City may not seek recourse against the Security Fund for any costs or damages for which the City has previously been compensated through a withdrawal from the Security Fund or otherwise by the Company.

5.4 Notice of Withdrawals Within one (1) week after any withdrawal from the Security Fund, the City shall notify the Company of the date and amount thereof. The withdrawal of amounts from the Security Fund will constitute a credit against the amount of the applicable liability of the Company to the City but only to the extent of said withdrawal.

5.5 Replenishment by the Company Within thirty (30) days after receipt of notice from the City that any amount has been withdrawn from the Security Fund, as provided in Section 5.4 hereof, the Company shall replenish the Security Fund to the amount specified in Section 5.1 hereof, by submitting such documentation as may be necessary to restore the letter of credit which constitutes the Security Fund to the full amount required by Section 5.1. If the Company has not made the required replenishment of the Security Fund within such thirty (30) day period, liquidated damages for such failure will accrue at the rate specified in Section 3.10 hereof, such accrual to commence at the end of such 30-day period, and which liquidated damages shall be payable to the City as reasonable compensation to the City for its loss of securitization for the Company's obligations hereunder.

5.6 Replenishment by the City If a court finally determines that a withdrawal from the Security Fund by the City was improper, the City shall refund the improperly withdrawn amount to the issuer of the applicable letter of credit or to the Company such that the balance in the Security Fund will not exceed the amount specified in Section 5.1 hereof.

5.7 Not a Limit on Liability The Company's obligations of payment and performance, and the liability of the Company pursuant to this Agreement, will not be limited by the amount of the Security Fund required by this Section 5.

5.8 Renewal Any letter of credit that is to constitute the Security Fund required hereunder must provide that it will not be cancelled, and will not expire without renewal, except after at

least sixty (60) days' notice to the City of the impending cancellation, or expiration without renewal, of such letter of credit. Any failure to replace or renew a Security Fund letter of credit by a date which is thirty (30) days prior to the impending cancellation or expiration of such a letter of credit will constitute an Event of Default under this Agreement, which the City may cure by (a) drawing on the Security Fund and itself holding the proceeds as a replacement Security Fund (with all rights to draw on the proceeds for Security Fund purposes as provided under this Agreement) until such time as the Company completes the required letter of credit replacement or renewal, or (b) exercising any other lawful remedy or remedies. Interest earned on proceeds held by the City as a replacement Security Fund will be retained by the City.

SECTION 6 RIGHT OF WAY MANAGEMENT IMPLEMENTATION MATTERS

6.1 Protection from Disclosure To the extent permissible under applicable law, the City shall protect from disclosure any confidential, proprietary information submitted to or made available by the Company to the City under this Agreement provided that the Company notifies the City of, and clearly labels, the information which the Company deems to be confidential, proprietary information as such. Such notification and labeling will be the sole responsibility of the Company.

6.2 Management and Records To the extent necessary to preserve, protect and otherwise manage the Inalienable Property, the City will have the right to oversee, regulate and inspect periodically the construction, maintenance, operation and upgrade of the System located within the Inalienable Property, including any part thereof, in accordance with the provisions of this Agreement and applicable law. To the extent consistent with the City's right to thus preserve, protect and otherwise manage the Inalienable Property, and/or the City's right to assure that it is being and will be paid the compensation due under this Agreement, the Company shall establish and maintain managerial and operational records, standards, procedures and controls to enable the Company to prove, in reasonable detail, to the satisfaction of the City at all times throughout the Term, that the Company is complying with the terms of this Agreement. The Company shall retain such records for not less than six (6) years following their creation and for such additional period as DoITT may reasonably direct consistent with the goals of such record retention described in this Section 6.2. In order to support the City's ability to appropriately preserve, protect and otherwise manage the Inalienable Property, the Company shall on an annual basis provide DoITT with a report (in form and format reasonably acceptable to the Commissioner) describing any construction or installation of cable, wire, Fiber or other facilities and equipment within the Inalienable Property (phrases such as "within the Inalienable Property", " of the Inalienable Property", "manage the Inalienable Property" etc. as used in this Agreement will be deemed to refer to and include, in addition to the surface of the Inalienable Property, any space on, over and under the surface of the Inalienable Property, unless expressly stated otherwise) that has occurred during the previous twelve months, which report must include a map of such constructed or installed facilities that is consistent in form with the requirements of Section B.4. of Appendix A attached hereto. Each such report must include safety and compliance review and inspection documentation as required by law and as further reasonably required by DoITT. The Company must deliver the first such report no earlier than January 1 of the first full calendar year falling entirely within the Term and no later than the first anniversary of the Effective Date, with each successive report thereafter to be delivered annually between January 1 and the anniversary of the Effective Date. In order to further advance the City's ability to appropriately

preserve, protect and otherwise manage the Inalienable Property, the Company shall on an annual basis, provide DoITT with a report describing the Company's reasonably anticipated plans for the coming twelve months for any construction or installation of cable, wire, Fiber or other facilities and equipment within the Inalienable Property. The first such report must be delivered no earlier than January 1 of the first full calendar year falling entirely within the Term and no later than the first anniversary of the Effective Date, with each successive report thereafter to be delivered annually between January 1 and the anniversary of the Effective Date. The Company shall further provide to the City, upon the City's request, and within a reasonable period under the circumstances, any additional information, material and/or reports that the City reasonably deems necessary to the City's efforts to preserve, protect and otherwise manage the Inalienable Property or to assure that the City is being and will be paid the compensation due from the Company under this Agreement.

6.3 Rules and Regulations To the full extent permitted by applicable law either now or in the future, the City reserves the right to adopt or issue (in accordance with lawful procedures for such adoption or issuance) such rules, regulations, orders, or other directives that are not inconsistent with the terms of this Agreement and are reasonably necessary or appropriate in the lawful exercise of the City's authority as manager of the Inalienable Property and its police powers, and the Company agrees to comply with all such lawful rules, regulations, orders, or other directives.

6.4 Ownership Reports In order to assist the City in determining whether the Company is capable of ongoing compliance with this Agreement, including without limitation ongoing payment of the amounts payable by the Company hereunder, the Company shall promptly report to the City any change in ownership of the Company which is inconsistent with the description of ownership set forth in Appendix D hereof or the most recently submitted previous such report.

6.5 Books and Records/Audit

6.5.1 Records To the extent appropriate to assist the City in determining whether the Company is taking appropriate care of the Inalienable Property, complying with the terms of this Agreement, and paying the amounts payable by the Company hereunder, the Company shall throughout the Term maintain complete and accurate records of the operations of the Company with respect to the System in a manner that allows the City at all times to determine whether the Company is in compliance with this Agreement. All records required to be maintained hereunder must be retained for not less than six (6) years from the date of their creation.

6.5.2 Right of Inspection To the extent appropriate to assist the City in determining whether the Company is taking appropriate care of the Inalienable Property, complying with the terms of this Agreement, and paying the amounts payable by the Company hereunder, the Commissioner and the Comptroller, or their designated representatives, will have the right to inspect, examine or audit during normal business hours and upon reasonable advance written notice to the Company under the circumstances, all documents, records or other information which pertain to the Company or any Affiliate with respect to the System and its operation or the Company's performance under this Agreement. All such documents must be made available within New York City or in such other place that the City may agree upon in writing in order to facilitate said inspection, examination, or audit, provided, however, that if such documents are

located outside of the City, then, upon notice to the Company, the Company shall pay the reasonable expenses incurred by the Commissioner, the Comptroller or their designated representatives in traveling to such location. Access by the City to any of the documents covered by this Section 6.5.2 may not be denied by the Company on grounds that such documents are alleged by the Company to contain confidential, proprietary or privileged information, provided that this requirement will not be deemed to constitute a waiver of the Company's right to assert that confidential, proprietary or privileged information contained in such documents should not be disclosed by the City as described in Section 6.1 above.

SECTION 7 TRANSFERS AND ASSIGNMENTS

7.1 City Approval Required. The ownership and control structure of the Company as of the date of execution of this Agreement is set forth in Appendix D hereof. Subject to the provisions of this Article, the Company must apply to the City for approval of any transaction in which any change is proposed with respect to ten percent (10%) or more for voting interests or twenty-five percent (25%) or more for non-voting interests of the ownership of the Company or the System assets, or the franchise granted hereunder, provided, however, that the foregoing requirements of this Section 13.1 will not be applicable with respect to (a) transfers of any ownership interests expressly permitted in the "Permitted Transfers" section, if any, of Appendix D, or (b) which are effectuated as a result of any transactions involving the exchange of publicly traded shares. To the fullest extent practical under the circumstances, the application must be made at least one hundred twenty (120) calendar days prior to the contemplated effective date of the transaction. Such application must contain complete information on the proposed transaction, including details of the legal, financial, technical, and other qualifications of the transferee. At a minimum, the following information must be included in the application:

(a) any shareholder reports or filings with the Securities and Exchange Commission that pertain to the transaction;

(b) a report detailing any changes in ownership of voting or non-voting interests of over five percent (5%);

(c) other information necessary to provide an accurate understanding of the financial position of the Company and the System before and after the proposed transaction;

(d) information regarding any potential impact of the transaction on rates and service of subscribers; and

(e) any contracts that relate to the proposed transaction as it affects the City and, upon request by the City, all documents and information that are related or referred to therein and which are necessary to understand the proposed transaction;

provided, however, that if the Company believes that the requested information is confidential and proprietary, then the Company must provide the following documentation to the City: (i) specific identification of the information; (ii) a statement attesting to the reason(s) the Company believes the information is confidential; and (iii) a statement that the documents are available at the Company's designated offices for inspection by the City.

7.2 City Action on Transfer. To the extent not prohibited by federal law, the City may: (i) grant; (ii) grant subject to conditions directly related to concerns relevant to the transaction; or (iii) deny its approval of any such transaction.

7.3 Waiver of Transfer Application Requirements. To the extent consistent with federal law, the City may waive in writing any requirement that information be submitted as part of the transfer application, without thereby waiving any rights the City may have to request such information after the application is filed.

7.4 Subsequent Approvals. The City's approval of a transaction described in this Article in one instance will not render unnecessary approval of any subsequent transaction.

7.5 Approval Does Not Constitute Waiver. Approval by the City of a transfer described in this Article will not constitute a waiver or release of any of the rights of the City under this Agreement, whether arising before or after the date of the transfer except that upon full assumption of the terms of this Agreement by an approved transferee, the transferor shall be fully released from any obligations accruing after the date of such assumption.

7.6 No Consent Required For Transfers Securing Indebtedness. The Company will not be required to file an application or obtain the consent or approval of the City for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Company in the System, system assets or the franchise granted hereunder in order to secure indebtedness. However, the Company will notify the City within ten (10) days if at any time there is a mortgage or security interest granted on the System, the franchise granted hereunder or substantially all of the assets of the System. The submission of the Company's audited financial statements prepared for the Company's bondholders will constitute such notice.

7.7 No Consent Required For Any Affiliate Transfers. The Company is not required to pay any fee or file an application or obtain the consent or approval of the City for any transfer of an ownership or other interest in the Company, the System or System assets to the parent of the Company or to an Affiliate; transfer of an interest in the franchise granted hereunder or the rights held by the Company under the Franchise to the parent of the Company or to an Affiliate; any action which is the result of a merger of the parent of the Company; or any action which is the result of a merger of an Affiliate. However, the Company will notify the City within thirty (30) days if at any time a transfer covered by this subsection occurs.

7.8 Preliminary Determination Procedure. In the event that a change in direct or indirect ownership interest or interests in the Company, the franchise granted hereunder, the System or System assets is planned and the Company seeks the City's view of whether such transaction is one that would require the City's approval as described in Sections 7.1 above, the Company may submit a written request to the Commissioner (in accordance with the notice requirements of Section 10.4 hereof) describing the proposed transaction and seeking a determination as to whether such approval is required and including any arguments the Company wishes to make that the consent of the City is not required. Upon review of such written request, the Commissioner will notify the Company in writing of the Commissioner's determination whether such approval by the City is required, provided that prior to such determination, if the

Commissioner reasonably requests any information relevant to such determination, the Company shall provide such information.

SECTION 8 LIABILITY AND INSURANCE

8.1 Liability and Indemnification The Company will be liable for, and the Company and each affiliate (not including a limited partner or an individual shareholder) will indemnify, defend and hold the City, its officers, agents, servants, employees, attorneys, consultants and independent contractors (the "Indemnitees") harmless from, any and all liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses (including, without limitation, reasonable attorneys' fees and disbursements) (collectively "Liabilities" and each individually a "Liability", and including, without limitation, damages or loss to any real or personal property of, or any injury to or death of, any Person or the City), that may be imposed upon or incurred by or asserted against any of the Indemnitees arising out of the construction, operation, maintenance, upgrade, repair, removal or relocation of the System or otherwise arising out of or related to this Agreement; provided, however, that the foregoing liability and indemnity obligation of the Company pursuant to this Section 8.1 will not apply to any gross negligence or willful misconduct of the City, its officers, employees, servants, agents, attorneys, consultants or independent contractors. Further, it is a condition of this Agreement that the City assumes no liability for any Liability or Liabilities to either Persons or property on account of the same, except as expressly provided herein.

8.2 Limitation on Liability for Public Work, etc. None of the City, its officers, agents, servants, employees, attorneys, consultants or independent contractors will have any liability to the Company for any damage as a result of or in connection with the protection, breaking through, movement, removal, alteration, or relocation of any part of the System by or on behalf of the Company or the City in connection with any emergency, public work, public improvement, alteration of any municipal structure, any change in the grade or line of any Inalienable Property, or the elimination, discontinuation, closing or demapping of any Inalienable Property. When reasonably possible, the Company will be consulted prior to any such activity and given the opportunity to perform such work itself, but the City will have no liability to the Company in the event it does not so consult the Company. All costs to repair or replace the System, or parts thereof, damaged or removed as a result of such activity, must be borne by the Company; provided, however, that the foregoing obligations of the Company pursuant to this Section 8.2 will not apply to any gross negligence or willful misconduct of the City, its officers, employees, servants, agents, attorneys, consultants or independent contractors.

8.3 Limitation on Liability for Damages None of the City, its officers, agents, servants, employees, attorneys, consultants and independent contractors have any liability to the Company for any special, incidental, consequential, punitive, or other damages as a result of the lawful exercise of any right of the City pursuant to this Agreement or applicable law; provided, however, that the foregoing limitation on liability pursuant to this Section 8.3 will not apply to any willful misconduct of the City, its officers, employees, servants, agents, attorneys, consultants or independent contractors.

8.4 Defense of Claim, etc. If any claim, action or proceeding is made or brought against any of the Indemnitees by reason of any event to which reference is made in Section 8.1 hereof, then

upon demand by the City, the Company shall either resist, defend or satisfy such claim, action or proceeding in such Indemnitee's name, by the attorneys for, or approved by, the Company's insurance carrier (if such claim, action or proceeding is covered by insurance) or by the Company's attorneys. The foregoing notwithstanding, upon a showing that the Indemnitee reasonably requires additional representation, such Indemnitee may engage its own attorneys to defend such Indemnitee, or to assist such Indemnitee in such Indemnitee's defense of such claim, action or proceeding, as the case may be, and the Company shall pay the reasonable fees and disbursements of such attorneys of such Indemnitee.

8.5 Liability for Damages to City Property The Company shall reimburse, indemnify and hold harmless the City for any and all loss or damage to any municipal structure, Inalienable Property or other property of the City occurring during the course of any construction, operation, maintenance, upgrade, repair, relocation or removal of the System. This Section 8.5 will not apply to loss or damage which is the result of the gross negligence or willful misconduct of the City.

8.6 Insurance

8.6.1 Insurance Specifications. At or before the Closing, the Company shall, at its own cost and expense, obtain (or arrange for continuation of) liability insurance policy or policies, in a form acceptable to the Commissioner, together with evidence acceptable to the Commissioner evidencing that said policy or policies will take effect and be furnished on or before the Effective Date. Such policy or policies must be issued by companies duly licensed to do business in the State of New York and acceptable to the Commissioner, but the Commissioner's consent may not be withheld based on the fact that the policy or policies are merged in a policy or policies maintained by an Affiliate adequate to cover the minimum limitations stated below. Unless the Commissioner approves otherwise, such companies must carry a rating by Best of not less than "A". Such policy or policies must insure (i) the Company and (ii) the City and its officers, boards, commissions, elected officials, agents and employees (through appropriate endorsements if necessary) against each and every form of Liability referred to in Section 8.1 hereof in the minimum combined amount of Ten Million Dollars ($10,000,000.00) for bodily injury and property damage. The foregoing minimum limitation will not prohibit the Company from obtaining a liability insurance policy or policies in excess of such limitations, provided that the City, its officers, boards, commissions, elected officials, agents and employees are named as additional insureds to the full extent of any limitation contained in any such policy or policies obtained by the Company.

8.6.2 Maintenance. The liability insurance policy or policies required by Section 8.6.1 hereof must be maintained by the Company throughout the term of this Agreement and such other period of time during which the Company operates or is engaged in the removal of the System. Each such liability insurance policy must contain an endorsement stating that the policy may not be cancelled or not renewed until sixty (60) days after receipt by the City, by registered mail, of a written notice of the insurer's intent to cancel or not to renew. Within thirty (30) days after receipt by the City of said notice, and in no event later than thirty (30) days prior to said cancellation, the Company shall obtain and furnish to the Comptroller, with a copy to the Commissioner, a replacement insurance policy or policies in a form reasonably acceptable to the Commissioner.

8.6.3 Increased Insurance Coverage. The City may, in the event of any changed circumstances which the City reasonably believe materially increases the risks associated with the Company's obligations or operations under this Agreement, following the Effective Date of this Agreement, unilaterally alter the minimum limitation of the liability insurance policy or policies required in Section 8.6.1 hereof, to the extent reasonable and customary within the practices of the Company's industry.

8.7 Operations of the Company.

(a) Acceptance by the City of a certificate hereunder does not excuse the Company from securing a policy consistent with all provisions of this Section 12 or of any liability arising from its failure to do so.

(b) the Company will be responsible for providing continuous insurance coverage in the manner, form, and limits required by this Agreement and is authorized to provide service pursuant to this Agreement and the franchise granted hereunder only during the effective period of all required coverage (in the event authorization to provide service hereunder ceases by reason of the non-effectiveness of any such required insurance coverage, such authorization to provide service will be automatically restored, without any additional required action by any party, upon the effectiveness of all required insurance coverage being restored).

(c) In the event of any loss, damage, injury or accident arising under this Agreement, the Company shall promptly notify in writing the commercial general liability insurance carrier, and, where applicable, the worker's compensation and/or other insurance carrier, of any loss, damage, injury, or accident, and any claim or suit arising under this Agreement from the operations of the Company or its subcontractors, promptly, but not later than 20 days after the Company becomes aware of such event. The Company's notice to the commercial general liability insurance carrier must expressly specify that "this notice is being given on behalf of the City of New York as Additional Insured as well as the Company as Named Insured." The Company's notice to the insurance carrier must contain the following information: the name of the Company, the number of the applicable policy, the date of the occurrence, the location (street address and borough) of the occurrence, and, to the extent known to the Company, the identity of the persons or things injured, damaged or lost. Additionally:

(i) At the time notice is provided to the insurance carrier(s), the Company shall provide copies of such notice to the Comptroller and the Commissioner. Notice to the Comptroller must be sent to the Insurance Unit, NYC Comptroller's Office, 1 Centre Street — Room 1222, New York, New York 10007 (or replacement addresses of which the City notifies the Company). Notice to the Commissioner must be sent to the address set forth in Section 18.6 hereof; and

(ii) If the Company fails to provide any of the foregoing notices in a timely and complete manner, the Company shall indemnify the City for all losses, judgments, settlements and expenses, including reasonable attorneys' fees, arising from an insurer's disclaimer of coverage citing late notice by or on behalf of the City.

8.8 Insurance Notices, Filings, Submissions. Wherever reference is made in this Article 12 to documents to be sent to the Commissioner (e.g., notices, filings, or submissions), such documents must be sent to the address set forth in Section 10.4 hereof.

8.9 Disposal of Hazardous Materials. If pursuant to this Agreement the Company is involved in the disposal of hazardous materials, the Company must dispose of such materials only at sites where the disposal site operator maintains Pollution Legal Liability Insurance in the amount of at least Two Million Dollars ($2,000,000) for losses arising from such disposal site.

8.10 Other Remedies. Insurance coverage in the minimum amounts provided for herein will not relieve the Company or subcontractors of any liability under this Agreement, nor will it preclude the City from exercising any rights or taking such other actions as are available to it under any other provisions of this Agreement or applicable law.

SECTION 9 BREACHES AND REMEDIES

9.1 Not Exclusive The Company agrees that the City will have the specific rights and remedies set forth in this Section 9 to the fullest extent permitted by law. These rights and remedies are in addition to and cumulative of any and all other rights or remedies, existing or implied, now or hereafter available to the City at law or in equity in order to enforce the provisions of this Agreement. Such rights and remedies will not be exclusive, but each and every right and remedy specifically provided or otherwise existing or given may be exercised from time to time and as often and in such order as may be deemed expedient by the City, except as provided herein. The exercise of one or more rights or remedies by the City will not be deemed a waiver by the City of the right to exercise at the same time or thereafter any other right or remedy nor will any delay in, or omission of, the exercise of any remedy be construed to be a waiver by the City of or acquiescence to any default. The exercise of any such right or remedy by the City will not release the Company from its obligations or any liability under this Agreement, provided, however, that the City will in no case be entitled to duplicate recoveries from different sources.

9.2 Default

9.2.1 Events of Default

(a) Any of the following will constitute an Event of Default:

(i) any breach, not cured within fifteen (15) days after notice pursuant to Section 9.2.2 below, of a provision of this Agreement requiring the Company (x) to make any payment to the City when due, or (y) to maintain a liability insurance policy as set forth in Section 8.6, or (z) to maintain and/or replenish the Security Fund as required pursuant to this Agreement; or

(ii) any other breach of this Agreement by the Company that is not cured within thirty (30) days (or such longer period as DoITT may deem appropriate in its discretion) after notice pursuant to Section 9.2.2 below (provided however, that no Event of Default will exist pursuant to this clause (ii) if a breach is curable but work to be performed, acts to be done, or conditions to be removed cannot, by their nature, reasonably be performed, done or removed within the required thirty-day cure period, so long as the Company has commenced curing the

same within said thirty-day period and shall diligently and continuously prosecute the same promptly to completion).

(b) Any breach of a provision of a Cable Television Franchise service under which is being provided using part or all of the System will be treated for purposes of Section 9.2.1(a), Section 9.2.2 and 9.2.3 hereof as a breach of this Agreement.

(c) Notice and cure periods provided in this Section 9.21, or elsewhere in this Agreement, during which a failure to make a payment to the City when due does not mature into an Event of Default shall not be construed as deferring the accrual of interest on the amount unpaid as set forth in Section 3.10 hereof, which interest shall accrue from the date was payment was due and not from the date (if any) the failure to make timely payment matured into an Event of Default.

9.2.2 Notice and Cure Procedures

(a) The Commissioner will notify the Company, in writing, of any breach by the Company of an obligation under this Agreement, in accordance with Section 10.4 hereof. The notice will specify the alleged breach(es) with reasonable particularity. The Company shall either (i) if applicable, within the period of time specified in (as applicable) Section 9.2.1(a) (i) or (ii) hereof, or such longer period of time as the Commissioner may in his or her discretion specify in such notice, cure such alleged breach(es); or (ii) in a written response submitted to the Commissioner within fifteen (15) days after the notice of breach, present facts and arguments refuting that a breach has occurred. The submission of such a response, provided there is a bona fide, reasonable basis for such response, will toll the running of any applicable cure period provided for in Section 9.2.1(a)(ii) hereof, such tolling to be effective until the City responds in writing to such submission.

(b) If the Company fails to cure the breach within the applicable cure period, if any, and fails to submit a response to the Commissioner pursuant to clause (ii) of subparagraph (a) hereof within the period provided herein for submitting such response, an Event of Default will be deemed to have occurred.

(c) If, after the Company makes a response to the Commissioner pursuant to clause (ii) of subsection (a) hereof, the Commissioner determines, in his or her reasonable discretion, that a breach under this Agreement has occurred, the Company must cure such breach within the balance of the time period to cure that remained when the submission was made. If the Company fails to cure within the remaining time, the breach will be deemed to be an Event of Default, provided, however, that no Event of Default will exist if a breach for which a cure period is provided herein is curable but work to be performed, acts to be done, or conditions to be removed cannot, by their nature, reasonably be performed, done or removed within the cure period remaining, so long as the Company has commenced curing the same within the cure period provided and shall diligently and continuously prosecute the same promptly to completion. For purposes of this Section 9, "cure" includes not only the Company coming into compliance with the Agreement on a going-forward basis, but also compensating the City for any injury or damages it has suffered during the period of non-compliance, unless such non-compliance resulted from events beyond the Company's reasonable control.

9.3 Remedies of the City Upon an Event of Default (or upon any act or failure to act by the Company, or the occurrence of a set of circumstances relating to the Company or its activities, which under common law principles would constitute an anticipatory breach of this Agreement) DoITT may at its option take any one or more of the following actions: cause a withdrawal from the Security Fund; seek money damages (and if such damages are awarded collect such) from the Company as compensation for the breach of this Agreement; terminate this Agreement; seek to restrain by injunction the Event of Default (or in the case of anticipatory breach the anticipated Event of Default); and/or invoke any other available remedy that would be permitted by law. DoITT will give the Company notice in writing when it determines to pursue one or more such remedies, but nothing herein will prevent DoITT from electing more than one remedy, simultaneously or consecutively, for any breach, provided, however, that the City will in no case be entitled to duplicate recoveries from different sources.

SECTION 10 MISCELLANEOUS

10.1 Appendices The Appendices to this Agreement, attached hereto, and all portions thereof and exhibits thereto, are, except as otherwise specified in said Appendices, incorporated herein by reference and expressly made a part of this Agreement.

10.2 Entire Agreement This Agreement, including all Appendices hereto, embodies the entire understanding and agreement of the City and the Company with respect to the subject matter hereof and merges and supersedes all prior representations, agreements and understandings, whether oral or written, between the City and the Company with respect to the subject matter hereof, including, without limitation, all prior drafts of this Agreement and any and all written or oral statements or representations by any official, employee, agent, attorney, consultant or independent contractor of the City or the Company.

10.3 Delays and Failures Beyond Control of Company Notwithstanding any other provision of this Agreement, the Company will not be liable for delay in the performance of, or failure to perform, in whole or in part, its obligations pursuant to this Agreement due to strike, war or act of war (whether an actual declaration of war is made or not), insurrection, riot, act of public enemy, accident, fire, flood or other act of God, technical failure where the Company has exercised all due care in the prevention thereof, or other causes or events, to the extent that such causes or events are beyond the control of the Company (provided that mere financial incapacity will not constitute a cause or event beyond the control of the Company for purposes of this Section 10.3). In the event that any such delay in performance or failure to perform affects only part of the Company's capacity to perform, the Company shall perform to the maximum extent it is able to do so and shall take all steps within its power to correct said cause(s). The Company agrees that in correcting said cause(s), it shall take all reasonable steps to do so in as expeditious a manner as possible. The Company shall notify DoITT in writing of the occurrence of an event covered by this Section 10.3 within five (5) business days of the date upon which the Company learns or should have learned of its occurrence.

10.4 Notices Every notice, order, petition, document, or other direction or communication to be served upon the City or the Company must be in writing and be sent by registered or certified mail, return receipt requested or by a recognized overnight delivery service such as Federal Express. Every such communication to the Company must be sent to its office located at One

Penn Plaza, Suite 6308, New York, New York 10119, or to such other location in New York City as the Company may designate by notice hereunder to the City from time to time. Every communication from the Company must be sent to the individual, agency or department designated in the applicable section of this Agreement, unless it is to "the City," or to "DoITT" in which case such communication must be sent to DoITT at 255 Greenwich Street, Ninth Floor, New York, New York 10007 Attention: General Counsel or to such other location in New York City as the City may designate by notice hereunder to the Company from time to time. A required copy of each communication from the Company must be sent to New York City Law Department, 100 Church Street, New York, New York 10007, Attention: Chief, Economic Development Division, or to such other location in New York City as the City may designate by notice hereunder to the Company from time to time. Except as otherwise provided herein, the mailing of such notice, direction, or order is equivalent to direct personal notice and will be deemed to have been given when mailed.

10.5 General Representations, Warranties and Covenants of the Company In addition to the representations, warranties, and covenants of the Company to the City set forth elsewhere herein, the Company represents and warrants to the City and covenants and agrees (which representations, warranties, covenants and agreements will not be affected or waived by any inspection or examination made by or on behalf of the City), that, as of the Effective Date:

10.5.1 The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of New York and is duly authorized to do business in the State of New York. The Company has all requisite power and authority to execute, deliver and perform this Agreement and all other agreements entered into or delivered in connection with or as contemplated hereby. Certified copies of the Company's organizational and governing documents, as amended to date, have been delivered to the Commissioner, and are complete and correct. The description of the ownership of the Company in Appendix D attached hereto is accurate and complete as of the Effective Date.

10.5.2 The execution, delivery and performance of this Agreement and all other agreements, if any, entered into in connection with the transactions contemplated hereby have been duly, legally and validly authorized by all necessary action on the part of the Company and the Company has furnished the City with a certified copy of authorizations for the execution and delivery of this Agreement. This Agreement and all other agreements, if any, entered into in connection with the transactions contemplated hereby have been duly executed and delivered by the Company and constitute (or upon execution and delivery by the Company and the City will constitute) the valid and binding obligations of the Company, and are enforceable (or upon execution and delivery will be enforceable) in accordance with their respective terms (provided however that such warranty and covenant by the Company will not constitute a waiver of any right, claim or matter that is not waivable by the Company under federal law). The Company has obtained the requisite authority to authorize, execute and deliver this Agreement and to consummate the transactions contemplated hereby and no other proceedings or other actions are necessary on the part of the Company to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

10.5.3 No material misrepresentation has been made, either oral or written, intentionally or negligently, by or on behalf of the Company in this Agreement, or in connection with any

submission to the City in connection with the Company's request for the franchise granted hereunder or the preparation of this Agreement.

10.6 Additional Covenants

10.6.1 In order to assure that the Inalienable Property and the use by the public thereof is adequately protected, the Company agrees that it will, prior to any construction, operation, maintenance, upgrade, repair or removal of the System in the Inalienable Property, secure all necessary permits, licenses and authorizations in connection with the construction, operation, maintenance, upgrade, repair or removal of the System, or any part thereof. The Company will not permit to occur, or will promptly take corrective action if any event does occur, that could result in the revocation or termination of any such permit, license or authorization or, after notice or lapse of time or both, would permit revocation or termination of any such permit, license or authorization.

10.6.2 In order to assure that the company is able to comply with the lawful terms of this Agreement, the Company will (a) preserve and maintain its existence, its business, and all of its rights and privileges necessary or desirable in the normal operation of the System in the Inalienable Property, and (b) maintain its good standing in its state of organization and continue to qualify to do business and remain in good standing in the State of New York.

10.6.3 All of the properties, assets and equipment used as part of the System will be maintained at a level of good repair, working order and good condition that is necessary to assure the safety and protection of the Inalienable Property and the safe and efficient use of said Inalienable Property.

10.7 Binding Effect This Agreement will be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted transferees and assigns. All of the provisions of this Agreement will apply to the Company, its successors, and assigns.

10.8 Rights Upon Termination

(a) Upon the termination of this Agreement, whether at its scheduled expiration or otherwise, the Company shall at the City's election (i) remove the System located on, over or under the Inalienable Property at the Company's own cost and expense, pursuant to subsection (e) hereof, and/or (ii) sell to the City or to the City's designee the portions of the System within the Inalienable Property and all equipment necessary for the functioning of such portions of the System.

(b) The price to be paid to the Company upon an acquisition pursuant to the preceding subsection (a) will be the fair value of the System within the Inalienable Property, with no value allocable to the terminated or expired franchise itself, which price will be the fair value as provided in Section 363(h)(5) of the City Charter, as it may be amended, or under any successor provision. Subject to the limitations found in the next sentence, to the extent the City effects an acquisition pursuant to clause (ii) of Section 10.8(a) above herein and within one year thereafter sells that portion of the System acquired to a third party, and the amount received by the City from such sale exceeds the price paid by the City to the Company pursuant to this Section 10.8, the City will pay such excess amount to the Company after deducting all

reasonable expenses incurred by the City in connection with such acquisition, interim operation and sale. The preceding sentence will apply only in cases where the Agreement has not terminated by reason of termination for breach or default of this Agreement by the Company. The date of valuation for purposes of setting the price referred to in the first sentence of this subsection (b) will be the date of termination of the Agreement. For the purpose of determining such valuation, the parties will select a mutually agreeable independent appraiser to compute the purchase price in accordance with industry practice and the aforementioned standards. If they cannot agree on an appraiser in ten (10) days, the parties will seek an appraiser from the American Arbitration Association. The parties will instruct the appraiser to make the appraisal as expeditiously as possible, but in no more than sixty (60) days and to submit to both parties a written appraisal. The Company will provide the appraiser with access to the Company's books and records as necessary to make the appraisal. Notwithstanding anything to the contrary in this Agreement, the parties will share equally the costs and expenses of the appraiser.

(c) The City will notify the Company, within thirty (30) days after receipt of the appraisal described in the preceding subsection (b) of this Section 10.8, of its election pursuant to subsection (a) above of this Section 10.8. If it elects to make the purchase permitted under (a)(ii) above, the City will purchase the same at a closing to occur within a reasonable time after its election. The Company agrees, at the request of the City, (i) to operate the System within the Inalienable Property on behalf of the City pursuant to the provisions of this Agreement and such additional terms and conditions as are equitable to the City and the Company for a period of up to twelve (12) months after the termination of this Agreement, until the City either elects not to purchase any portion of the System within the Inalienable Property, or closes on such a purchase, or (ii) to cease all construction and operational activities affecting the portion of the System to be purchased in a prompt and workmanlike manner.

(d) In the event of any acquisition by the City or the City's designee pursuant to this Section 10.8 hereof, the Company shall:

(i) cooperate with the City to effectuate an orderly transfer of all necessary or appropriate records and information concerning the assets to be transferred to the City;

(ii) promptly execute all appropriate documents to transfer to the City, subject to any liabilities, title to the assets being transferred as well as any contracts, leases, licenses, permits, rights-of-way, and any other rights, contracts or understandings necessary to maintain and operate such assets, as appropriate; provided, that such transfers will be made subject to the rights, under Article 9 of the Uniform Commercial Code as in effect in the State of New York and, to the extent that any collateral consists of real property, under the New York Real Property Law, of banking or any other lending institutions which are secured creditors or mortgagees of the Company at the time of such transfers; and provided, that, with respect to such creditors or mortgagees, the City will have no obligation following said transfers to pay, pledge, or otherwise commit in any way any general or any other revenues or funds of the City, other than the gross operating revenues received by the City from its operation of the assets purchased, in order to repay any amounts outstanding on any debts secured by such assets which remain owing to such creditors or mortgagees; and provided, finally, that the total of such payments by the City to such creditors and mortgagees, from the gross operating revenues received by the

City from its operation of the such purchased assets, may in no event exceed the lesser of: (i) the fair market value of such assets on the date of the transfer of title to the City or (ii) the outstanding debt owed to such creditors and mortgagees on said date(nothing in this Section 10.8 may be construed to limit the rights of any such secured creditors to exercise its or their rights as secured creditors or mortgagees at any time prior to the payment of all amounts due pursuant to the applicable debt instruments); and

(iii) promptly supply the City with all necessary records (i) to reflect the City's ownership of the System within the Inalienable Property; and (ii) to operate and maintain the System within the Inalienable Property including, without limitation, plant and equipment layout documents.

(e) In the event of an election by the City of the alternative set forth in clause (i) of subsection (a)(i) of this Section 10.8 upon any termination of this Agreement, the City may, but will not be obligated to, direct the Company to remove, at the Company's sole cost and expense, all, or any portion designated by the City, of the System from the Inalienable Property in accordance with all applicable requirements of the City and subject to the following:

(i) this provision will not apply to those buried portions of the System which, in the reasonable judgment of the City, cannot be removed without undue adverse effect on public use of the Inalienable Property;

(ii) in removing System facilities and equipment from the Inalienable Property the Company shall refill and compact, at its own cost and expense, any excavation that it makes and shall leave, in all material aspects, all Inalienable Property and other property in as good condition as that prevailing prior to the Company's removal of the System from the Inalienable Property and without affecting, altering or disturbing in any way any electric, telephone or other cables, wires, structures or attachments owned by the City or any Person other than the Company;

(iii) the City will have the right to inspect and approve the condition of such Inalienable Property after removal and, to the extent that the City reasonably determines that said Inalienable Property has not been left in materially as good condition as that prevailing prior to the Company's removal of the System therefrom, the Company will be liable to the City for the cost of restoring the Inalienable Property and other property to said condition;

(iv) the Security Fund, liability insurance and indemnity provisions of this Agreement will remain in full force and effect during the entire period of removal and associated repair of all affected Inalienable Property, and for not less than one hundred twenty (120) days after final completion thereof; and

(v) removal must be commenced within thirty (30) days of the removal order by the City and must be substantially completed within twelve (12) months thereafter including all reasonably associated repair of the Inalienable Property.

(f) If, in the reasonable judgment of the Commissioner, the Company fails to commence removal of the System from the Inalienable Property as designated by DoITT, within

thirty (30) days after DoITT's removal order, or if the Company fails to substantially complete such removal, including all associated repair of the Inalienable Property, within twelve (12) months thereafter, then, to the extent not inconsistent with applicable law, the City will have the right to either:

(i) remove all or part of the System located within the Inalienable Property at the Company's cost and expense, such removal to be performed by City personnel or, at the City's option, by another Person; or at the City's option

(ii) take ownership of any portion of the Company's System within the Inalienable Property designated by the City for removal and not timely removed by the Company, which portion will belong to and become the property of the City without payment to the Company (notwithstanding the provisions of subsections (a)(ii), (b), (c) and (d) of this Section 10.8) and the Company shall execute and deliver such documents, as the Commissioner requests, in form and substance acceptable to the Commissioner, to evidence such ownership by the City (although failure by the Company to execute and/or deliver such documents will not limit, compromise or affect the City's ownership of the applicable facilities).

(g) None of the decisions, directions or actions of the City pursuant to this Section 10.8 will constitute a condemnation by the City or a sale or dedication under threat or in lieu of condemnation.

(h) Upon the later of the date one hundred and twenty (120) days after the termination of this Agreement for any reason or the date of the completion of removal of the System from and associated repair of the Inalienable Property pursuant to this Section 10.8 (or in the case of portions of the System that are, pursuant to a City decision under this Section 10.8, not being removed from the Inalienable Property, the date on which the Company delivers documentation confirming transfer of such portion of the System to the City), the Company will be entitled to the return of the Security Fund deposited pursuant to Section 5 hereof, or such portion thereof as remains on deposit with the City at said termination, provided that all offsets necessary (i) to reflect any withdrawals by the City from the Security Fund permitted pursuant to this Agreement, (ii) to cover any costs, loss or damage incurred by the City as a result of any Event of Default, and (iii) to reimburse the City for any and all costs and expenses incurred by the City related to removal of the System from the Inalienable Property pursuant to this Section 10.

(i) The City and the Company shall negotiate in good faith all other terms and conditions of any acquisition or transfer of the System located within the Inalienable Property, except that the Company hereby waives its rights (to the fullest extent such rights are lawfully waivable), if any, to relocation costs arising out of the termination of this Agreement pursuant to this Section 10.8 that may be provided by law and except that, in the event of any acquisition of the System within the Inalienable Property by the City: (i) the City will not be required to assume any of the obligations of any collective bargaining agreements or any other employment contracts held by the Company or any other obligations of the Company or its officers, employees, or agents, including, without limitation, any pension or other retirement, or any insurance obligations; and (ii) the City may lease, sell, operate, or otherwise dispose of all or any part of the System acquired by it in any manner.

10.9 No Waiver; Cumulative Remedies No failure on the part of the City to exercise, and no delay in exercising, any right hereunder may operate as a waiver thereof, nor will any single or partial exercise of any such right preclude any other right, except as provided herein, subject to the conditions and limitations established in this Agreement. The rights and remedies provided herein are cumulative and not exclusive of any remedies provided by law, and nothing contained in this Agreement will impair any of the rights of the City under applicable law, subject in each case to the terms and conditions of this Agreement. A waiver of any right or remedy by the City at any one time will not affect the exercise of such right or remedy or any other right or other remedy by the City at any other time. In order for any waiver of the City to be effective, it must be in writing. The failure of the City to take any action regarding a breach or default of this Agreement or an Event of Default hereunder by the Company shall not be deemed or construed to constitute a waiver of or otherwise affect the right of the City to take any action permitted by this Agreement at any other time regarding such breach, default or Event of Default which has not been cured, or with respect to any other breach, default or Event of Default by the Company.

10.10 Partial Invalidity. Except as expressly set forth otherwise in this Agreement, if any section, subsection, sentence, clause, phrase, or other portion of this Agreement is, for any reason, declared invalid or unenforceable, in whole or in part, by any court, agency, commission, legislative body, or other authority of competent jurisdiction, then the party which had been the beneficiary of such invalidated portion will have the right (except as may be limited by law), at its option, to terminate this Agreement (as if the scheduled expiration of the Term had occurred pursuant to Section 2.1 hereof) and invoke the termination provisions hereof as set forth in Sections 2.3.2 and 10.8 hereof, except that if the other party waives such invalidity and continues to comply voluntarily with such invalidated portion then so long as such voluntary compliance continues the right to terminate described in this Section 10.10 shall not apply. To the extent this Section 10.10 is itself determined to be inconsistent with law, it shall be deemed to be narrowed in its scope to the extent necessary to render it lawful.

10.11 Headings The headings contained in this Agreement are to facilitate reference only, do not form a part of this Agreement, and will not in any way affect the construction or interpretation hereof. Terms such as "hereby," "herein," "hereof," "hereinafter," "hereunder," and "hereto" refer to this Agreement as a whole and not to the particular sentence or paragraph where they appear, unless the context otherwise requires. The terms "shall" and "will" are mandatory, not merely directive. All references to any gender shall be deemed to include both the male and the female, and any reference by number shall be deemed to include both the singular and the plural, as the context may require. Terms used in the plural include the singular, and vice versa, unless the context otherwise requires.

10.12 No Agency The Company shall conduct any work to be performed pursuant to this Agreement as an independent contractor and not as an agent of the City.

10.13 Governing Law This Agreement will be deemed to be executed in the City of New York and State of New York, and to be governed in all respects, including validity, interpretation and effect, and construed in accordance with the laws of the State of New York, as applicable to contracts entered into and to be performed entirely within that State.

10.14 Survival of Representations and Warranties All representations and warranties contained in this Agreement will survive the end of the Term.

10.15 Delegation of City Rights The City reserves the right to delegate and redelegate, from time to time and to the extent permitted by law, any of its rights or obligations under this Agreement to any governmental body or organization, or official of any other governmental body or organization, and to revoke any such delegation or redelegation. Any such delegation or redelegation by the City will be effective upon written notice by the City to the Company of such delegation or redelegation. Upon receipt of such notice by the Company, the Company will be bound by all terms and conditions of the delegation or redelegation not in conflict with this Agreement. Any such delegation, revocation or redelegation, no matter how often made, will not be deemed an amendment to this Agreement or require the Company's consent.

10.16 Claims Under Agreement The City and the Company agree and intend that, except to the extent such agreement would be impermissible under applicable law, any and all claims asserted by or against the City arising under this Agreement or related thereto will be heard and determined either in a court of the United States ("Federal Court") located in New York City or in a court of the State of New York ("New York State Court") located in the City and County of New York. To effect this agreement and intent, the Company agrees that:

(a) If the City initiates any action against the Company in Federal Court or in New York State Court, service of process may be made on the Company as provided in Section 10.18 hereof;

(b) With respect to any action between the City and the Company in New York State Court, the Company hereby expressly waives and relinquishes any rights it might otherwise have (i) to move or dismiss on grounds of forum non conveniens; (ii) to remove to Federal Court outside of the City of New York; and (iii) to move for a change of venue to a court of the State of New York outside New York County;

(c) With respect to any action between the City and the Company in Federal Court, the Company expressly waives and relinquishes any right it might otherwise have to move to transfer the action to a Federal Court outside the City of New York; and

(d) If the Company commences any action against the City in a court located other than in the City and State of New York, then, upon request of the City, the Company shall either consent to a transfer of the action to a court of competent jurisdiction located in the City and State of New York or, if the court where the action is initially brought will not or cannot transfer the action, the Company shall consent to dismiss such action without prejudice and may thereafter reinstitute the action in a court of competent jurisdiction in the City of New York. When the Company either gives such consent or dismisses such action, to allow for such reinstitution, the City agrees, where it is able, to waive any statute of limitation, provided the Company has brought such action at least three (3) months prior to the expiration of the statute of limitation and has provided the City with notice pursuant to this Agreement.

10.17 Modification Except as otherwise provided in this Agreement, any Appendix to this Agreement or applicable law, no provision of this Agreement nor any Appendix to this Agreement may be amended or otherwise modified, in whole or in part, except by a written instrument, duly executed by the City and the Company, and approved as required by applicable law.

10.18 Service of Process Process may be served on the Company either in person, wherever the Company may be found, or by registered mail addressed to the Company at its office in the City, or as set forth in Section 10.4 of this Agreement, or to such other location as the Company may provide to the City in writing, or to the Secretary of State of the State of New York.

10.19 Matching Provision In the event that the City, after the date that this Agreement has been fully executed, enters into a binding, written franchise agreement granting a franchisee other than the Company authority to use the Inalienable Property to provide facilities and services in a manner comparable to that authorized hereunder, and such franchise agreement contains provisions imposing lesser obligations on the franchisee thereunder than are imposed by the provisions of this Agreement, then the Company may petition DoITT for a reduction in its obligations hereunder, which petition DoITT will not unreasonably delay or deny if DoITT, acting reasonably, determines

(i) that the reduction in obligations sought by the Company must be granted in order to ensure fair and equal treatment between the Company and the other franchisee, and

(ii) that the Company is in compliance with this its obligations under this Agreement, and

(iii) that the obligations imposed on the Company under this Agreement, taken as a whole, place the Company at a substantial competitive disadvantage in relation to the obligations imposed on the other franchisee, and

(iv) that the reason for the City's imposition of lesser obligations on the other franchisee are not the result of the differing nature of the City's legal authority with respect to such other franchisee or its activities, and

(v) that the City's imposition lesser obligations on the other franchisee are not justified by other benefits to the City or its citizens that are being received in connection with such other franchisee's services and are not being received in connection with the Company's services.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Execution Date.

THE CITY OF NEW YORK

By: _____
Deputy Mayor

By: _____
Department of Information Technology and Telecommunications

Approved as to form and certified as to legal authority:

_____
Acting Corporation Counsel

STEALTH COMMUNICATIONS SERVICES, LLC

By: _____

_____
City Clerk

State of New York)
)ss.:
County of NEW YORK)

On the 13th day of February, 2013, before me personally came Shrihari Pandit, to me known, who, being by me duly sworn, did depose and say that he is Managing Member of Stealth Communications Services, LLC, the entity described in and which executed the above instrument; and that he/she signed his/her name thereto in his/her capacity as Managing Member of Stealth Communications Services, LLC, authorized to thus execute said instrument.

Notary Public

State of New York)
)ss.:
County of New York)

On the 20th day of February, 2013, before me personally came Cassell F. Holloway, to me known, who, being by me duly sworn, did depose and say that he/she is Deputy Mayor of the City of New York, the entity described in and which executed the above instrument; and that he/she signed his/her name thereto in his/her capacity as Deputy Mayor of the City of New York authorized to thus execute said instrument.

Notary Public

State of New York)
)ss.:
County of New York)

On the 15th day of February, 2013, before me personally came Rahul Merchant, to me known, who, being by me duly sworn, did depose and say that he/she is Commissioner of the Department of Information Technology and Telecommunications of the City of New York, the entity described in and which executed the above instrument; and that he/she signed his/her name thereto in such capacity being authorized to thus execute said instrument on behalf of the City of New York.

Notary Public

APPENDIX A

CONSTRUCTION TERMS

A. Location of Cable

1. In order to assure efficient management and use of the City's public rights-of-way, the Company shall install all cables and other equipment located within the Inalienable Property in a manner consistent with existing telephone or public utility lines, which general requirement will include, without limitation, the following specific obligations:

(a) If and when the Company seeks to install cables and related equipment in an area of the City in which lines within the Inalienable Property are installed within the duct and conduit facilities of Empire City Subway Company, Ltd. (ECS) or Consolidated Edison Company of New York Inc. (CECONY), or their successors, the Company shall install its cables and related equipment that are to be located within the Inalienable Property within the duct and conduit facilities of ECS or CECONY (and if no space is available within the facilities of ECS or CECONY, the Company shall apply to either ECS or CECONY for construction of new facilities necessary to support the Company's installation). The selection of which entity to use, ECS or CECONY, will be at the Company's discretion wherever a choice is available. If the City's contractual arrangements with ECS and CECONY as they exist as of the Effective Date should change in a material manner or be replaced during the term of this franchise, the terms of this subsection (a) will be deemed adjusted to reflect such reasonable new arrangements regarding management and use of common duct and conduit facilities as may be adopted by the City.

(b) In any area of the City where existing landline communications cables within the Inalienable Property are located underground, the Company shall install its cable and related facilities underground, except as otherwise provided in this Agreement or as otherwise approved by the agencies of the City having jurisdiction over such matters (it is understood that among other conditions that an agency of the City may place on the granting of any such approval may be, to the fullest extent permitted by law, a requirement of additional compensation for use of the Inalienable Property in addition to and not in lieu of that contemplated in Section 3 of this Agreement, which Section 3 compensation is only intended to cover compensation for use of the Inalienable Property in a manner that does not require such additional approval).

2. Whenever possible, the Company shall, in order to minimize the burden on the public rights-of-way, install its cables and other equipment (not otherwise covered by Section 1(a) above of this Appendix) using existing telephone or utility (as that term is defined in 47 USC § 224 in effect as of the Effective Date) ducts, conduits, poles or similar facilities. If and when space for the Company to install its cables and related equipment using such existing ducts, conduits, poles or similar facilities cannot be obtained, the Company may install its own such facilities, provided that:

(a) The Company shall first obtain all necessary permits from the City's Department of Transportation and/or other applicable City agencies, including, without limitation, with respect to additional above ground poles or similar facilities, possible land use

review pursuant to Department of City Planning requirements and possible requirement of additional compensation in a manner comparable to that referred to in the parenthetical in Section 1(b) above of this Appendix (in addition, prior to applying for any such permit, the Company must submit to DoITT for DoITT's approval, and receive DoITT's approval of, a plan indicating all anticipated requests for permits to be made pursuant to this provision, which plan may be updated from time to time by submission and approval of an updated plan);

(b) all above-ground facilities will be maintained in accordance with such maintenance standards applicable to such facilities as are or may hereafter be established by the City .

3. In the event of any inconsistency between this Appendix A and applicable provisions of the New York City Administrative Code or rules of the New York City Department of Transportation (the "Department of Transportation"), or other rules of the City, such provisions and rules will prevail.

4. Notwithstanding any provisions to the contrary set forth in this Appendix A or in this Agreement, the Company will be authorized pursuant to this Agreement to install, operate and/or maintain equipment pedestal boxes above ground on the surface of City sidewalks *only* if (a) the Company abides by the requirements of Attachment 1 attached to and made a part of this Appendix A and the Agreement and (b) such boxes are used to provide Cable Television Service pursuant to a Cable Television Franchise and/or to provide residential switched telephone service connecting to the public switched telephone network, and (c) such boxes are not located in those portions of the City in which Empire City Subway, Ltd. is required by contract with the City to construct and maintain conduits for communications lines.

B. Additional Construction Terms

1. The Company shall comply with all applicable federal, state and City laws, rules, codes, and other requirements, in connection with the construction, repair, upgrade and maintenance of the System within the Inalienable Property of the City, now or hereafter in effect, provided such are lawful and not preempted.

2. The installation of all cables, wires, or other component parts of the System in or on any structure within the Inalienable Property shall be undertaken in a manner which does not interfere with the operation or use of any existing conduit or preexisting system or facility of any third party.

3. The Company shall comply with, and shall ensure that its subcontractors comply with, all applicable lawful rules, regulations and standards of the Department of Transportation provided such are lawful and not preempted. If the construction, upgrade, repair, maintenance or operation of the System does not comply with such lawful, non-preempted rules, regulations and standards, the Company must, at its sole cost, remove and reinstall such cables, wires or other component parts of the System to ensure compliance with such rules, regulations and standards.

4. The Company shall comply with requirements as may be adopted from time to time by the City regarding the periodic inspection by the Company of any of its facilities

that are located within the Inalienable Property and which are on the surface of the ground or above ground, provided such requirements are reasonable for the purpose of assuring compliance with reasonable safety and esthetic standards for such facilities.

5. (a) The Company shall provide, in a format acceptable to the Commissioner, and to the extent (pursuant to subparagraph (c) below) different from the requirements set forth in subparagraph (b) below, consistent with industry standards, maps and other information detailing the location of the System installed in the streets of the City pursuant to this Agreement.

(b) As of the Effective Date, the following format is acceptable to the Commissioner:

(i) For any installation where the Company initiated a street cut and installed its own duct and Fiber, all locations of such infrastructure elements must be produced utilizing the City's accurate physical base map (NYCMAP). The submission must be digital – provided on a CD, DVD or external hard drive and the infrastructure elements depicted must be accurate within two feet vertically and six inches horizontally, to match with the NYCMap.

(ii) For any installation where the Company used the ducts of a third party, the Company shall use its best efforts to create maps using such specific source information, datapoints and detail as may have been made available to the Company upon the Company's request from the third party owning the underlying facilities where the System is installed.

(iii) The data, both graphical and attribute, must be formatted so that it can be easily read into a database. Line styles and symbols must conform to DoITT standards and all data must be structured according to DoITT specifications. Acceptable formats include, but are not limited to: ESRI shapefiles (preferred) and drawing interchange file.

(c) Upon written notice to the Company, the Commissioner may reasonably change the format requirements described in (b) above. Annually, simultaneously with the first payment due during each calendar year pursuant to Section 3.3.2, the Company shall submit to DoITT a certification representing that the most recently submitted mapping information submitted pursuant to this Section 5 of this Appendix A is accurate and current as a description of the System installed in the streets of the City pursuant to this Agreement and including a statement of the Company's calculation of its Installation Area as defined in Section 3.2.3 of this Agreement, such calculation to include a level of detail reasonably satisfactory to the City. Such certification shall be signed by a licensed professional engineer, except that if the compensation due pursuant to Section 3.2 of this agreement with respect to any calendar year is less than the product of $280,000 multiplied by the CPI Adjustment the annual certification to be made during the following calendar year may, at the option of the Company, be signed by the chief executive officer of the Company (or if there is no chief executive officer, the individual of equivalent responsibility in the Company) in lieu of a professional engineer.. The Company shall submit to DoITT updates of the mapping information described in this Section 5 of this Appendix A promptly upon the completion of construction of each addition or change to the System which results in a change in the Installation Area as defined in Section 3.2.3 of this Agreement, which update shall include a calculation of the resulting changes in the Company's Installation Area

and the dates such changes became effective, such calculation to include a level of detail reasonably satisfactory to the City

ATTACHMENT 1 TO APPENDIX A

STANDARDS FOR
ON-STREET TELECOMMUNICATIONS PEDESTAL STRUCTURES

1. APPLICABILITY

The standards described in this Attachment 1 shall apply, unless and until revised as described in Section 10 of this Attachment 1, to all "On-Street Pedestal Structures" (hereinafter referred to as "Pedestal Structures"), for which sidewalk opening permits are granted by the Department of Transportation (DOT) after November 13, 2000, defined as any communication utility box and related construction, such as foundations and bollards, which are located, in whole or in part, above grade and within the right-of-way of a public street, except when such box is located on a pole.

2. LOCATION STANDARDS

a. Clearance

i. Corner Clearance Policy: Pedestal Structures shall comply with Executive Order #22 of April 13, 1995, plus an additional ten feet clearance; that is, there shall be a minimum distance of 20 feet between the "corner," as defined in Executive Order #22 (attached) or any superseding Executive Orders, and any Pedestal Structure.

ii. The edge of any Pedestal Structure nearest the curb shall be a minimum of 18 inches and a maximum of 24 inches from the curb.

iii. A minimum clear path of 8 feet or one-half the width of the sidewalk width, whichever is less, shall be maintained. However, in no case shall the minimum clear path be less than 4 feet.

iv. Minimum Distance between Pedestal Structures and Other Street Furniture: Varies depending on adjoining furniture; see attached Table 1.

b. Required Distance from other Pedestal Structures

i. A minimum distance of 100 feet shall be maintained between any two Pedestal Structures, regardless of ownership, along any block-front; and

ii. A maximum of three Pedestal Structures shall be permitted on any single block-front.

3. DIMENSIONAL STANDARDS

a. **Height**: 2 feet-3 inches minimum and 4 feet maximum (excluding supporting base). The maximum height of any base structure, separate from the Pedestal Structure shall be 4 inches.

b. **Length (dimension parallel to curb)**: 6 feet maximum

c. **Width (dimension perpendicular to curb)**: 2 feet-4inches maximum

d. **Area**:

i. Pedestal Structures greater than 3 feet in height shall have a maximum area as follows:

(1) 7 square feet if the width is less than or equal to 18 inches;
(2) 4.25 square feet if the width is greater than 18 inches

ii. Pedestal Structures less than or equal to 3 feet in height shall have a maximum area of 14 square feet.

4. GENERAL DESIGN STANDARDS

a. All Pedestal Structures shall be constructed of steel or similar durable, vandal resistant materials.

b. Materials shall have a low degree of light reflectivity.

c. Pedestal Structures shall have no sharp edges or protuberances.

d. Advertising Prohibited: No advertising shall appear on any Pedestal Structure.

e. Identifying Information: Each Pedestal Structure shall have the following information permanently displayed on its surface.

i. Name of the telecommunications service provider; and

ii. The name, address and phone number of the telecommunications service provider contact for complaints regarding the pedestal Structure and a statement that the structure is subject to City jurisdiction and that complaints may be made by calling 311.

The required information shall be placed in an easily visible location facing the pedestrian pathway and appear in clearly legible letters a minimum of ½ inch in height. The logo of the telecommunications service provider may be included with the required information provided that the maximum coverage of all such information, including the logo, shall not exceed 48 square inches.

5. COMPANY MANAGEMENT STATEMENT

The following information shall be provided to the New York City Department of Information Technology and Telecommunications (DoITT) with respect to a proposed on-street Pedestal Structure:

a. Description of potential off-street and pole-mounted locations and reason(s) for their rejection.

b. The address and owner(s) name(s) where the telecommunications service provider has been refused off-street access to install equipment to be placed in the Pedestal Structure;

c. Description of alternate on-street locations which are consistent with these standards and reason(s) for their rejection;

d. When the telecommunications service provider is utilizing more than one size Pedestal Structure within the City, explanation of the technical and/or engineering requirements for proposal to install other than the smallest Pedestal Box in current use by the provider; and

e. Where the proposed on-street location is determined to be unsatisfactory DoITT may require additional information as to the actions taken pursuant to sections (a), (b) and (c) above as well as to require consideration of additional off-street locations or the installation of a pole-mounted structure.

6. COMPANY ENGINEERING PLANS: SUBMISSION REQUIREMENTS

Concurrent with submission of the Company Management Statement, drawings showing the following information shall be provided to DoITT:

a. Exact location and size of the proposed Pedestal Structure;

b. Placement and distance of nearest Pedestal Structures;

c. Placement and distance of other street furniture at and adjoining the proposed location;

d. Number and location of homes served by the equipment to be installed in the proposed Pedestal Structure;

e. List of the electronics to be placed in the Pedestal Structure; and

f. A completed DOT permit form for sidewalk opening.

7. CITY AGENCY APPROVAL

a. DoITT: documentary and on-site review.

b. Landmarks Preservation Commission approval, as necessary for Pedestal Structures to be located in historic districts

c. DOT (following DoITT sign-off): review and issuance of sidewalk opening permit.

8. MAINTENANCE

Pedestal Structures, including any supporting base, shall be maintained in accordance with the following:

a. Any individual Pedestal Structure reported to a telecommunications service provider contact for complaints (identified pursuant to section 4(e)(ii) above) as having, graffiti or stickers shall be cleaned within 5 working days;

b. The telecommunications service provider shall establish a regular 30 day cleaning cycle, or such other schedule as may be acceptable to DoITT, to ensure that the Pedestal Structure is maintained in a clean condition, free of litter, rust, debris, stickers, graffiti and grime; and

c. The quarterly preventive maintenance report to DoITT must include certification that all Pedestal Structures were cleaned in accordance with the regular cleaning cycle, as well as a log showing dates of receipt of complaints with regard to individual Pedestal Structures and date of response.

9. WAIVER

The Commissioner of DoITT may, in his or her sole discretion waive or modify these standards in specific cases when 1) compliance with the standards is impossible or impracticable, and precludes the petitioner form providing its standard telecommunications services and 2) when, in the Commissioner's sole opinion, the public health, safety and general welfare will not be endangered thereby. The petitioner shall request such waiver in writing and shall provide any information requested by DoITT, which may assist the Commissioner in his or her determination.

10. REVISION OF STANDARDS

The standards set forth in Sections 2, 3 and 4, and Table 1, of this Attachment 1 shall be subject to revision by the City's Department of City Planning ("DCP") as follows, and to the extent such standards are thus revised, the Company shall thereafter be subject to such revised standards as if they had been expressly set forth herein: DCP may adopt such revised standards provided such revised standards (i) reflect streetscape and urban design considerations, (ii) are arrived at after the Company is given 30 days notice and opportunity to comment in person and in writing and such comments, including any comments with respect to the cost of implementation, are duly considered, (iii) are consistent with the ability of the Company to provide the services authorized by the

Franchise Agreement of which this Attachment is a part, and (iv) do not limit the continued operation and maintenance of facilities installed pursuant to a franchise agreement, if any, previously executed by the City and the Company ("maintenance" as that term is used in this clause (iv) is understood to include, without limitation, replacement in kind of individual units as they are damaged or malfunction or otherwise reach the end of their useful life).

TABLE 1:

Minimum Distances between Street Furniture (from DOT Revocable Consents)

Street Furniture	Minimum Clearance (feet)
Subway Entrance (open side)	15
Sidewalk Cafes	15
Newsstand	15
Bus Stop (with/without shelter)	15
Fire Hydrant/Standpipe	10
Driveway	10
Bicycle Rack (including bicycles)	8
Street Tree	5
Bench	5
Principal Building Entrance	5
Ramp intended to provide access for people with disabilities	5
Subway Entrance (closed end or side)	5
Public Telephone	5
Planters on the sidewalk not adjacent to the building façade	5
Mail Box	4
Street Lights	4
Parking Meters	4
Edge of Tree Pit	3
Street Signs	3
Utility Hole Covers, Cellar Doors, Areaways	3
Transformer Vault[1], Sidewalk Grates	3
All Other Legal Street Furniture	5

[1] This restriction does not apply to vaults owned by the Company or its affiliates.

APPENDIX B

IN-KIND COMPENSATION

The Company will provide the City, for the City's use, with ten percent (10%) of the capacity of the backbone of the Company's fiber optic network, but in no event more than six (6) fiber strands within such backbone. Franchisee also shall provide the City with additional capacity, equivalent to two (2) fiber strands in addition to the six (6) fiber strands, where the backbone consists of more than 80 strands of fiber. (The term "backbone" as used in this Appendix B will mean any portion of Franchisee's fiber optic network that contains twenty-four (24) or more fiber strands.

The fiber strands provided to the City in accordance with this Appendix B must be of the same type, quality and capacity standard as the other fiber strands installed. In the event of the use of a technology other than fiber optic strands, reasonably equivalent in-kind compensation will be provided to the City. The fiber strands provided to the City as in-kind compensation hereunder will be owned by the City and the City will hold title to such strands, which title must be free of encumbrance by actions of the Company. Upon termination of this Agreement, the City's title to such strands will remain in effect, except that if the City directs the removal of all or part of the Company's facilities from the Inalienable Property after termination under Section 10.8 of this Agreement, then the City's title to such strands will terminate upon the removal by the Company of those cables removed pursuant to such City direction. The Company shall, as part of its in-kind compensation to the City for use of the public right-of-way maintain and keep in good repair (or provide for the maintenance and good repair of) the fiber strands set aside for the City hereunder to the same standard as it applies to strands used by the Company's customers or by the Company to provide service to its customers. The parties agree that it is not the intention of this Exhibit B to require the Company to provide "drops" (i.e., electronics and internal wiring located within or serving particular buildings) to the City, although the Company acknowledges that as a necessary element of its obligation to make the capacity described above available to the City as described herein, the Company will provide at no charge reasonable access and assistance as needed to allow the City to connect the City's facilities and equipment to the fiber strands being provided.

Notwithstanding anything to the contrary in the preceding two paragraphs or this Agreement, to the extent that the Company is providing the in-kind compensation described in the first two paragraphs of Appendix B of the Telecommunications Services Franchise held by the Company, and the fiber capacity thus provided to the City is located within the facilities also being used to provide services under this Agreement, such provision of fiber capacity shall be a credit against the fiber capacity required hereunder.

In addition to, and not in lieu of the in-kind compensation to be provided above, the Company agrees to provide to the City's Department of Transportation (DOT), at DOT's option, on reasonable business terms, fiber facilities and/or other communications services which the Company is equipped and qualified to provide, in order to serve DOT's street management, traffic management and other transportation-related needs. "Reasonable business terms" as used

in this paragraph, may include, without limitation, if agreed to between the Company and DOT, exchanges between such parties of use of fiber facilities that each of such respective parties owns or controls.

APPENDIX C

STANDARD CITY CONTRACT PROVISIONS

The following standard City contract provisions are applicable to this Agreement and thus absent any state or federal law to the contrary shall be binding on the Company. However, to the extent it is determined by a court of competent jurisdiction and after all appeals have been exhausted that any one or more such provisions are beyond the City's authority to enforce or to require in the context of this Agreement, then each such provision that is the subject of such a determination shall be treated, as the case may be, as either unenforceable or as excised from this Agreement and not applicable hereunder. All the provisions set forth in this Appendix C are intended to be severable, and thus any such unenforceability or excision and nonapplicability as described in the preceding sentence shall (notwithstanding anything to the contrary stated within such provisions) not result in the termination of this Agreement generally or of any provisions of this Agreement that remain enforceable or that are not thus excised and rendered nonapplicable.

A. INVESTIGATIONS CLAUSE

1.1 The parties to this agreement agree to cooperate fully and faithfully with any investigation, audit or inquiry conducted by a State of New York ("State") or City of New York ("City") governmental agency or authority that is empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath, or conducted by the Inspector General of a governmental agency that is a party in interest to the transaction, submitted bid, submitted proposal, contract, lease, permit, or license that is the subject of the investigation, audit or inquiry.

1.2 (a) If any person who has been advised that his or her statement, and any information from such statement, will not be used against him or her in any subsequent criminal proceeding refuses to testify before a grand jury or other governmental agency or authority empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath concerning the award of or performance under any transaction, agreement, lease, permit, contract, or license entered into with the City, the State, or any political subdivision or public authority thereof, or the Port Authority of New York and New Jersey, or any local development corporation within the City, or any public benefit corporation organized under the laws of the State of New York, or;

1.2 (b) If any person refuses to testify for a reason other than the assertion of his or her privilege against self-incrimination in a investigation, audit or inquiry conducted by a City or State governmental agency or authority empowered directly or by designation to compel the attendance of witnesses and to take testimony under oath, or by the Inspector General of the governmental agency that is a party in interest in, and is seeking testimony concerning the award of, or performance under, any transaction, agreement, lease, permit, contract, or license entered into with the City, the State, or any political subdivision thereof or any local development corporation within the City, then;

1.3 (a) The commissioner or agency head whose agency is a party in interest to the transaction, submitted bid, submitted proposal, contract, lease, permit, or license shall convene a hearing, upon not less than five (5) days written notice to the parties involved to determine if any penalties should attach for the failure of a person to testify.

1.3 (b) If any non-governmental party to the hearing requests an adjournment, the commissioner or agency head who convened the hearing may, upon granting the adjournment, suspend any contract, lease, permit, or license pending the final determination pursuant to paragraph 1.5 below without the City incurring any penalty or damages for delay or otherwise.

1.4 The penalties which may attach after a final determination by the commissioner or agency head may include but shall not exceed:

(a) The disqualification for a period not to exceed five (5) years from the date of an adverse determination for any person, or any entity of which such person was a member at the time the testimony was sought, from submitting bids for, or transacting business with, or entering into or obtaining any contract, lease, permit or license with or from the City; and/or

(b) The cancellation or termination of any and all such existing City contracts, leases, permits or licenses that the refusal to testify concerns and that have not been assigned as permitted under this agreement, nor the proceeds of which pledged, to an unaffiliated and unrelated institutional lender for fair value prior to the issuance of the notice scheduling the hearing, without the City incurring any penalty or damages on account of such cancellation or termination; monies lawfully due for goods delivered, work done, rentals, or fees accrued prior to the cancellation or termination shall be paid by the City.

1.5 The commissioner or agency head shall consider and address in reaching his or her determination and in assessing an appropriate penalty the factors in paragraphs (a) and (b) below. He or she may also consider, if relevant and appropriate, the criteria established in paragraphs (c) and (d) below in addition to any other information which may be relevant and appropriate:

(a) The party's good faith endeavors or lack thereof to cooperate fully and faithfully with any governmental investigation or audit, including but not limited to the discipline, discharge, or disassociation of any person failing to testify, the production of accurate and complete books and records, and the forthcoming testimony of all other members, agents, assignees or fiduciaries whose testimony is sought.

(b) The relationship of the person who refused to testify to any entity that is a party to the hearing, including, but not limited to, whether the person whose testimony is sought has an ownership interest in the entity and/or the degree of authority and responsibility the person has within the entity.

(c) The nexus of the testimony sought to the subject entity and its contracts, leases, permits or licenses with the City.

(d) The effect a penalty may have on a unaffiliated and unrelated party or entity that has a significant interest in an entity subject to penalties under 1.4 above, provided that the party or entity has given actual notice to the commissioner or at the hearing called for in 1.3(a) above gives notice and proves that such interest was previously acquired. Under either circumstance the party or entity must present evidence at the hearing demonstrating the potential adverse impact a penalty will have on such person or entity.

1.6 (a) The term "license" or "permit" as used herein shall be defined as a license, permit, franchise or concession not granted as a matter of right.

(b) The term "person" as used in this Section A. of Appendix C shall be defined as any natural person doing business alone or associated with another person or entity as a partner, director, officer, principal or employee.

(c) The term "entity" as used herein shall be defined as any firm, partnership, corporation, association, or person that receive monies, benefits, licenses, leases, or permits from or through the City or otherwise transacts business with the City.

(d) The term "member" as used herein shall be defined as any person associated with another person or entity as a partner, director, officer, principal or employee.

1.7 In addition to and notwithstanding any other provision of this agreement the Commissioner or agency head may in his or her sole discretion terminate this agreement upon not less that three (3) days written notice in the event contractor fails to promptly report in writing to the Commissioner of Investigation of the City of New York any solicitation of money, goods, requests for future employment or other benefit or things of value, by or on behalf of any employee of the City or other person, firm, corporation or entity for any purpose which may be related to the procurement or obtaining of this agreement by the contractor, or affecting the performance of this contract.

B. MACBRIDE PRINCIPLES PROVISIONS

ARTICLE I. MACBRIDE PRINCIPLES

NOTICE TO ALL PROSPECTIVE CONTRACTORS

Local Law No. 34 of 1991 became effective on September 10, 1991 and added Section 6-115.1 to the Administrative Code of the City of New York. The local law provides for certain restrictions on City contracts to express the opposition of the people of the City of New York to employment discrimination practices in Northern Ireland and to encourage companies doing business in Northern Ireland to promote freedom of workplace opportunity.

Pursuant to Section 6-115.1, prospective contractors for contracts to provide goods or services involving an expenditure of an amount greater than ten thousand dollars, or for construction involving an amount greater than fifteen thousand dollars, are asked to sign a rider in which they covenant and represent, as a material condition of their contract, that any business in Northern Ireland operations conducted by the contractor and any individual or legal entity in which the contractor holds a ten percent or greater ownership interest and any individual or legal entity that holds a ten percent or greater ownership interest in the contractor will be conducted in accordance with the MacBride Principles of nondiscrimination in employment.

Prospective contractors are not required to agree to these conditions. However, in the case of contracts let by competitive sealed bidding, whenever the lowest responsible bidder has not agreed to stipulate to the conditions set forth in this notice and another bidder who has agreed to stipulate to such conditions has submitted a bid within five percent of the lowest responsible bid for a contract to supply goods, services or construction of comparable quality, the contracting entity shall refer such bids to the Mayor, the Speaker of the City Council or other officials, as appropriate, who may determine, in accordance with applicable law and rules, that it is in the best interest of the City that the contract be awarded to other than the lowest responsible bidder pursuant to Section 313(b)(2) of the City Charter.

In the case of contracts let by other than competitive sealed bidding, if a prospective contractor does not agree to these conditions, no agency, elected official or the Council shall award the contract to that bidder unless the entity seeking to use the goods, services or construction certifies in writing that the contract is necessary for the entity to perform its functions and there is no other responsible contractor who will supply goods, services or construction of comparable quality at a comparable price.

PART A

In accordance with Section 6-115.1 of the Administrative Code of the City of New York, the contractor stipulates that such contractor and any individual or legal entity in which the contractor holds a ten percent or greater ownership interest and any individual or legal entity that holds a ten percent or greater ownership interest in the contractor either (a) have no business operations in Northern Ireland, or (b) shall take lawful steps in good faith to conduct any business operations they have in Northern Ireland in accordance with the MacBride Principles, and shall permit independent monitoring of their compliance with such principles.

PART B

For purposes of this section, the following term shall have the following meaning:

"MacBride Principles" shall mean those principles relating to nondiscrimination in employment and freedom of workplace opportunity which require employers doing business in Northern Ireland to:

(1) increase the representation of individuals from underrepresented religious groups in the work force, including managerial, supervisory, administrative, clerical and technical jobs;

(2) take steps to promote adequate security for the protection of employees from underrepresented religious groups both at the workplace and while traveling to and from work;

(3) ban provocative religious or political emblems from the workplace;

(4) publicly advertise all Job openings and make special recruitment efforts to attract applicants from underrepresented religious groups;

(5) establish layoff, recall and termination procedures which do not in practice favor a particular religious group;

(6) abolish all job reservations, apprenticeship restrictions and different employment criteria which discriminate on the basis of religion;

(7) develop training programs that will prepare substantial numbers of current employees from underrepresented religious groups for skilled jobs, including the expansion of existing programs and the creation of new programs to train, upgrade ad improve the skills of workers from underrepresented religious groups;

(8) establish procedures to assess, identify and actively recruit employees from underrepresented religious groups with potential for further advancement; and

(9) appoint a senior management staff member to oversee affirmative action efforts and develop a timetable to ensure their full implementation.

ARTICLE II. ENFORCEMENT OF ARTICLE I.

The contractor agrees that the covenants and representations in Article I above are material conditions to this contract, unless otherwise expressly set forth herein. In the event the contracting entity receives information that the contractor who made the stipulation required by this section is in violation thereof, the contracting entity shall review such information and give the contractor an opportunity to respond. If the contracting entity finds that a violation has occurred, the entity shall have the right to declare the contractor in default and/or terminate this contract for cause and procure the supplies, services or work from another source in any manner the entity deems proper. In the event of such termination, the contractor shall pay to the entity, or the entity in its sole discretion may withhold from any amounts otherwise payable to the contractor, the difference between the contract price for the uncompleted portion of this contract and the cost to the contracting entity of completing performance of this contract either itself or by engaging another contractor or contractors. In the case of a requirements contract, the contractor shall be liable for such difference in price for the entire amount of supplies required by the contracting entity for the uncompleted term of its contract. In the case of a construction contract, the contracting entity shall also have the right to hold the contractor in partial or total default in accordance with the default provisions of this contract, and/or may seek debarment or suspension of the contractor. The rights and remedies of the entity hereunder shall be in addition to, and not in lieu of, any rights and remedies the entity has pursuant to this contract or by operation of law.

C. EMPLOYMENT AND PURCHASING

1. Right to Bargain Collectively The Company agrees to recognize the right of its employees to bargain collectively through representatives of their own choosing in accordance with applicable law. The Company shall recognize and deal with the representatives duly designated or selected by a majority of its employees for the purpose of collective bargaining with respect to rates of pay, wages, and hours of employment or any other terms, conditions or privileges of employment. The Company shall not dominate, interfere with, participate in the management or control of, or give financial support to any union or association of its employees.

2. Local Preference The Company shall, at its own cost and expense, develop and maintain a plan for the recruitment, education, training and employment of residents of the City, for the opportunities to be created by the construction, operation, marketing and maintenance of the System within the Inalienable Property. Such recruitment activities shall include provisions for the posting of employment and training opportunities at appropriate City agencies responsible for encouraging employment of City residents. Such plan shall be designed so as to ensure the promotion of equal employment opportunity for all qualified Persons employed by, or seeking employment with, the Company. Such plan shall be updated from time to time as the City deems reasonably necessary. The Company shall, throughout the Term, implement such plan, at its own cost and expense, by ensuring, to the maximum feasible extent, the recruitment, education, training, and employment of City residents.

3. City Vendors To the maximum feasible extent, after taking into account price and quality considerations, the Company shall utilize vendors located in the City in connection with the construction, operation, marketing and maintenance of the System. The Company shall, after taking into account price and quality considerations, in the purchase of comparable materials, equipment, services or supplies of any nature, give effect to a preference for such items which are assembled, manufactured, or otherwise produced, in whole or in part, within the City.

4. Equal Employment Opportunity The Company agrees to comply with the provisions of Mayor's Executive Order No. 50 (April 25, 1980) (codified at Title 10 Sections 1-14 of the Rules of the City of New York) and City Administrative Code 6-108 and all rules and regulations promulgated thereunder (collectively, the "EEO Requirements"), as such EEO Requirements may be amended, modified or

superseded throughout the Term. Notwithstanding that the EEO Requirements may not apply on their face to the Company based solely on its status as a party to this Agreement, the Company shall comply in all respects with the provisions of such EEO Requirements and successor and replacement laws, orders and regulations adopted following the Effective Date. As required by said Executive Order No. 50, the provisions of Sections 50.30 and 50.31 of the Final Rule implementing said Order are incorporated herein by this reference. The Company agrees to make a reasonable inquiry and to engage in reasonable compliance monitoring efforts with all unions to ensure that all contractors and subcontractors comply with the required contractual language in Paragraph 5 of this Section C. of this Appendix C. The Company shall not contract with and shall discontinue any contract entered into after the Effective Date with any union, contractor or subcontractor that refuses to agree to or fails to comply with the contractual language in said Section 5.

5. Enforcement The Company shall take steps to ensure that the requirements of the preceding Paragraph 4 are adhered to by each union with which the Company deals, each officer, employee, agent, contractor or subcontractor of the Company, and each Person performing work pursuant to this Agreement with respect to the System for, on behalf of, or at the discretion of, the Company. The requirements of said Paragraph 4 hereof shall apply to every contract relating to the System between the Company and: (i) any union; (ii) any contractor; (iii) any subcontractor; or (iv) any Person with which any of the foregoing Persons has a relationship in connection with any aspect of the System. To comply with the obligations of said Paragraph 4 and this Paragraph 5, the Company shall include, in all contracts described in the foregoing sentence which are entered into following the Effective Date (which shall include any renewals, amendments and modifications of existing contracts), the following language, stating that such party: "has received a copy of Section C of Appendix B of a certain agreement by and between the City of New York and the Company dated as of [**insert Effective Date**] pursuant to which the Company agreed to comply with each term, condition and requirement of said Section C, which terms, conditions and requirements are deemed to be incorporated herein by this reference."

D. ADDITIONAL COVENANTS

Until the termination of this Agreement and the satisfaction in full by the Company of its obligations under this Agreement, the Company agrees that it will comply with the following affirmative covenants, unless the City otherwise consents in writing:

The Company shall comply with: (a) all laws, rules, regulations, orders, writs, decrees and judgments applicable to the System within the Inalienable Property (including, but not limited to, those of the PSC and the FCC and any other federal or state agency or authority of competent jurisdiction); and (b) all local laws and all rules, regulations, orders, or other directives of the City, DoITT, and the Commissioner related to management of the Inalienable Property to the extent lawful and nor preempted.

The Company agrees to comply in all respects with the City's Vendor Information Exchange System, as the same may be amended from time to time.

APPENDIX D

COMPANY CONTROL AS OF THE EFFECTIVE DATE AND PERMITTED TRANSFERS

Full list of 10% or more direct or indirect interests in the franchise assets as of the Effective Date:

Jinci Liu (50%)
Shrihari Pandit (50%)