

6.2 Quality. All work involved in the construction, operation, maintenance, repair, upgrade and removal of the System and the City Fiber, shall be performed in a workmanlike manner using materials of good and durable quality. If, at any time, it is determined by the City or any other agency or authority of competent jurisdiction that any part of the System, and the City Fiber, including, without limitation, any means used to distribute Signals over or within the System, is harmful to the public health or safety, then the Company shall, at its own cost and expense, promptly correct all such conditions.

6.3 Licenses and Permits. The Company shall have the sole responsibility for diligently obtaining, at its own cost and expense, all permits, licenses, or other forms of approval or authorization necessary to construct, operate, maintain or repair the System, and to construct, maintain and repair, the City Fiber, or any part thereof, prior to commencement of any such activity.

6.4 Relocation of the System.

6.4.1 New Grades or Lines. If the grades or lines of any Street within the District are changed at any time during the term of this Agreement, then the Company shall, at its own cost and expense and upon the request of the City, protect or promptly alter or relocate the System and the City Fiber, or any

part thereof, so as to conform with such new grades or lines. In the event that the Company refuses or neglects to so protect, alter, or relocate all or part of the System or the City Fiber, the City shall have the right to break through, remove, alter, or relocate such part of the System or the City Fiber, 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.

6.4.2 Moving Wires. 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 other optical fibers, wires, cable, amplifiers, appliances, or other parts of the System in the Streets or in City Buildings in which event the City shall not be liable therefor to the Company.

6.5 Protect Structures. In connection with the construction, operation, maintenance, repair or removal of the System, the Company shall, at its own cost and expense, protect any and all existing structures belonging to the City and all designated landmarks, as well as all other structures within any designated landmark district. The Company shall obtain the prior approval of the City before altering any water main, sewerage or drainage system, or any other municipal structure in the Streets required because of the presence of the System in the Streets. Any such alteration shall be made by the Company, at its sole

cost and expense, and in a manner prescribed by the City. The Company agrees that it shall be liable, at its own cost and expense, to replace or repair and restore to serviceable condition in a manner as may be specified by the City, any Street or any municipal structure (except with respect to construction of the Drop Cable to the Bronx County Courthouse or any other municipal structure) involved in the construction of the System that may become disturbed or damaged as a result of any work thereon by or on behalf of the Company pursuant to this Agreement.

6.6 No Obstruction. In connection with the construction, operation, maintenance, repair or removal of the System, the Company shall not obstruct the Street, subways, railways, passenger travel, river navigation, or other traffic to, from, or within the District without the prior consent of the appropriate authorities.

6.7 Safety Precautions. The Company shall, at its own cost and expense, undertake all necessary and appropriate efforts to prevent accidents at its work sites, including the placing and maintenance of proper guards, fences, barricades, watchmen, and suitable and sufficient lighting.

SECTION 7 -- EMPLOYMENT AND PURCHASING

7.1 Right to Bargain Collectively. The Company agrees to recognize the right of its employees to bargain collectively through representatives of their own choosing. 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, 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.

7.2 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 and maintenance of the System. Such recruitment activities shall include provisions for the posting of employment and training opportunities at appropriate City employment or 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. Within forty-five (45) days after the Effective Date hereof, the Company shall submit such plan to the Director for review and approval. Such plan

shall be updated from time to time as reasonably necessary. The Company shall, throughout the term of this Agreement, 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.

7.3 City Vendors. To the maximum feasible extent, and with due regard to price and quality considerations, the Company shall utilize vendors located in the City in connection with the construction, operation and maintenance of the System. The Company shall, in the purchase of comparable materials, equipment, 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. Within forty-five (45) days after the Effective Date, the Company shall submit a plan describing how the Company shall comply with the requirements of this Section 7.3 to the Commissioner of the Office for Economic Development of the City and shall submit a copy of such plan to the Director. The Commissioner of the Office for Economic Development shall not take any action with respect to such plan earlier than thirty (30) days after a copy has been submitted to the Director. Such plan shall be updated from time to time as reasonably necessary.

7.4 Executive Order 50. The Company agrees to comply in all respects with the provisions of the Mayor's Executive Order No. 50 (April 25, 1980), notwithstanding that it does not apply on its face to the Company as a franchisee of the City. The Company also agrees to comply with any amendment to Executive Order 50 that applies retroactively by its terms. The Company agrees to make a reasonable inquiry and to engage in reasonable monitoring efforts to assure compliance with all unions to insure that all contractors and subcontractors comply with the required contractual language in Section 7.5. The Company shall not contract with and shall discontinue any contract entered into after the date of this Agreement with any union, contractor or subcontractor that refuses to agree to or fails to comply with the contractual language in Section 7.5.

7.5 Enforcement. In order to ensure adherence with the requirements of Section 7.4, the Company shall include, in all contracts between the Company and any union, contractor, or subcontractor, the following language stating that such party: "has received a copy of Section 7.4 of a certain agreement by and between the City of New York and the Company granting to the Company a nonexclusive franchise to construct, operate and maintain a telecommunications system in Manhattan (excluding Community Board 1), the Bronx, Brooklyn and Queens and dated as of \_\_\_\_\_, 1990 and agrees to comply with each term, condition and requirement of Section 7.4 of such agreement, which

terms, conditions and requirements are deemed to be incorporated herein by this reference."

SECTION 8 -- COMPENSATION  
AND OTHER PAYMENTS

8.1 Compensation

8.1.1 Franchise Fees. (a) (i) As compensation for the franchise, the Company shall pay to the City:

- (x) 10% of Gross Revenues from Telecommunications Services, subject to Section 8.1.1(a)(iii), hereof; and
- (y) five (5%) percent of Ordinary Gross Revenues from Leases and Sales.

(ii) All payments pursuant to Sections 8.1.1(a) shall be made on a quarterly basis within forty-five (45) days of the close of each calendar quarter and shall be accompanied by the quarterly report required in Section 9.4.4(a) and shall be calculated on such revenues received in the quarter.

(iii) In the event that Service to a Customer on the System originates in the Franchise Area and terminates in the Lower Manhattan Franchise Area, or vice versa, the Gross Revenues from Telecommunications Services will be deemed to be divided equally between the Franchise Area and the Lower

Manhattan Franchise Area. The franchise fee due and payable on the Gross Revenues from Telecommunications Services attributable to the Franchise Area shall be the fee set forth in Section 8.1.1(a)(i)(x) hereof. The franchise fee due and payable on the Gross Revenues from Telecommunications Services attributable to the Lower Manhattan Franchise Area shall be the fee set forth in Section 8.1.1(a)(i)(x) of the Lower Manhattan Franchise Agreement.

(iv) To the extent the Company has paid any amounts under this Agreement for Service that would be subject to the franchise fee pursuant to the Lower Manhattan Franchise Agreement, such amounts paid under this Agreement shall be credited fully against such amounts due under the Lower Manhattan Franchise Agreement.

(v) In the event that the Company provides Service to a Customer on the System and the Company or an affiliate of the Company provides the same Service to a Customer on another Telecommunications System owned by the Company or owned by an affiliate of the Company and such combined Service (the "Combined Service") (A) either originates in the Franchise Area or originates in the Lower Manhattan Franchise Area and traverses the Franchise Area, and (B) terminates within in the "Radius Area," as defined below, or (C) vice versa, then 50% of the total revenue earned by the Company and the affiliate of the Company for the Combined Service shall be deemed to be Gross

Revenues from Telecommunications Services, subject to the following. If such Combined Service traverses the Franchise Area and terminates in the Lower Manhattan Franchise Area, or vice versa, such Gross Revenues from Telecommunications Services will be divided equally between the Franchise Area and the Lower Manhattan Franchise Area. The franchise fees due and payable thereon shall be those set forth in Section 8.1.1(a)(iii) hereof. The "Radius Area" shall mean the area between the boundaries of the City of New York and thirty (30) miles north of the northern and thirty (30) miles east of the eastern boundary, fifteen (15) miles south of the southern boundary and fifteen (15) miles west of the western boundary of the City of New York.

(vi) To the extent the Company has paid any amounts under the Lower Manhattan Franchise Agreement for Service that would be subject to the franchise fee set forth in Section 8.1.1.(a)(i), such amounts paid under the Lower Manhattan Franchise Agreement shall be credited fully against such amounts due hereunder.

(b) As additional compensation to the City for the franchise, the Company:

(i) shall provide for the exclusive use of the City one-third of the maximum fiber count, but no less than 12 nor more than 24 single mode fiber strands of dark Fiber (the

"City Fiber") in the Initial Backbone of the System; no electronics shall be provided;

(ii) in the event the Company installs Backbone in the Franchise Area in addition to the Initial Backbone, it shall dedicate to the exclusive use of the City throughout such additional installation a fiber count equal to one-third of the maximum fiber count, but no less than 12 nor more than 24 single mode fiber strands (the "Additional City Fiber") at any point in such additional installation; such Additional City Fiber shall be deemed to be part of the City Fiber, and

(iii) at the election of the City, shall install Drop Cables into specified buildings owned, leased, in whole or in part, or otherwise designated by the City ("City Buildings") and/or establish a fund for telecommunications purposes (the "Telecommunications Fund") or, if such a fund has been established pursuant to Section 8.1.1(b)(iii) of the Lower Manhattan Franchise Agreement, make a contribution to such Telecommunications Fund, provided that the combined aggregate actual cost of the Drop Cables and their installation plus the amount of the contribution to the Telecommunications Fund shall not be in excess of One Hundred Twenty Five Thousand (\$125,000) Dollars in each of the years 1991, 1992, 1993 and 1994, for a total of Five Hundred Thousand (\$500,000) Dollars, subject to Section 8.1.1(c), below. (The actual cost of the Drop Cables and their installation shall be based on actual out of pocket

expenses of the Company for labor and materials plus eight (8%) percent thereof for general and administrative costs.)

(c) (i) In December, 1991, 1992, 1993 and 1994 the Director may direct the Company to deposit into the Telecommunications Fund with the Comptroller the balance of the One Hundred Twenty Five Thousand (\$125,000) Dollars not expended on Drop Cables in each of the years 1991, 1992, 1993 and 1994 pursuant to Section 8.1.1(b)(iii). The Director shall consult with a committee comprised of the five (5) Borough Presidents, the President of the City Council and the Comptroller, or their delegates, on planning allocations for expenditures from the fund. All interest earned on the Telecommunications Fund shall accrue to the benefit of the Telecommunications Fund.

(ii) In the event that the contributions to the Telecommunications Fund pursuant to this Agreement are commingled with contributions to the Telecommunications Fund pursuant to the Lower Manhattan Franchise Agreement, then, for the purposes of determining the amount the Company must contribute to the Telecommunications Fund pursuant to Sections 8.1.1(b)(iii) and (c)(i) hereof, accounting of the contributions to and the expenditures from the Telecommunications Fund pursuant to each Agreement must remain separate.

(iii) All expenditures from the Telecommunications Fund for consultants' work, studies, Drop Cables or other materials or equipment that pertain to or are installed in or serve the Franchise Area plus one half of all expenditures from the Telecommunications Fund for consultants' work, studies or materials or equipment that pertain to or serve both the Franchise Area and the Lower Manhattan Franchise Area in any given year shall be credited against the amount due in such year pursuant to this Agreement, even if there is a balance of funds in the Telecommunications Fund from the previous year or years.

(d) The City shall own and have all right, title and interest in and to the City Fiber, the Additional City Fiber and the Drop Cables.

8.1.2 Reservation of Rights. No acceptance of any compensation payment by the City shall be construed as an accord and satisfaction that the amount paid is in fact the correct amount, nor shall 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 shall be subject to audit and recomputation by the City.

8.1.3 No Separate Charge. The Company agrees not to reflect on any bill to any Customer a separate charge for the amount of any compensation payment to be made by the Company or any other Person to the City pursuant to this Agreement.

8.1.4 Ordinary Business Expense. Nothing contained in this Section 8.1 or elsewhere in this Agreement shall prevent the Company from treating the compensation and other payments that it may pay 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.

## 8.2 Other Payments

8.2.1 Franchising Costs. Within thirty (30) days after receipt of an itemized and detailed invoice for services rendered, the Company either (a) shall pay to the City, or at the direction of the Director to a third party, the amount of all reasonable costs incurred by the City at the rates that would be charged to and paid by the City if it were paying for such services directly (the "City Rate"), by that date, for the services of third parties (including, but not limited to, attorneys and other consultants), in connection with the award of this franchise, or (b) contest any of the amounts charged, by written notice to the Director. In the event the Company contests the charges, it shall pay any uncontested amounts. The

Director shall review the contested charges and the services rendered and shall reasonably determine whether such charges are reasonable for the services rendered. The Company expressly agrees that the payments made pursuant to this Section 8.2 are in addition to and not in lieu of, and shall not be offset against, the compensation to be paid to the City by the Company pursuant to Section 8.1 hereof.

8.2.2 Future Costs. The Company shall pay to the City or to third parties, at the direction of the Director, an amount equal to the reasonable costs and expenses, at the City Rate, which the City incurs for the services of third parties (including, but not limited to, attorneys and other consultants) in connection with any enforcement, termination, renewal, renegotiation, transfer, amendment or other modification of this Agreement or the franchise. However, in the event the City brings any action for termination or for enforcement of this Agreement against the Company and the Company prevails, then the Company shall have no obligation to reimburse the City or pay any sums directly to third parties, at the direction of the City, pursuant to this Section. The procedures set forth in Section 8.2.1 for paying or contesting any charges shall be applicable with respect to any costs and expenses pursuant to this Section 8.2.2. The Company agrees that none of the payments of such costs and expenses shall be offset against the compensation to be paid to the City by the Company pursuant to Section 8.1 hereof.

8.3 Payments Which Are Not Compensation Payments. The Company expressly acknowledges and agrees that:

(a) None of the payments made by the Company pursuant to Section 8.2 or the City Fiber to be provided by the Company for the benefit of the City pursuant to Section 8.1.1(b) are chargeable against the franchise fees to be paid to the City by the Company pursuant to Section 8.1.1(a) hereof; and

(b) The compensation and other payments to be made pursuant to this Section 8 of this Agreement shall not be deemed to be in the nature of a tax, and shall be in addition to any and all taxes or other fees or charges which the Company shall be required to pay to the City or to any state or federal agency or authority, all of which shall be separate and distinct obligations of the Company; and

(c) The Company expressly relinquishes and waives its rights 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 any subsequent law, rule, regulation, or order which would purport to permit any of the acts prohibited by this Section 8.3.

8.4 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 shall accrue from such date until received at a rate equal to the prime rate of interest charged by Chase Manhattan Bank for commercial loans compounded daily.

8.5 Method of Payment. Except as provided elsewhere in the Agreement, all payments by the Company to the City pursuant to this Agreement shall be made to the Department of Finance of the City and shall be delivered to the office designated therefor by such Department, provided that the payment required by Section 8.1 hereof shall be paid to the Comptroller and shall be delivered to the office designated therefor by the Comptroller.

8.6 Continuing Obligation and Holdover. (a) In the event the Company continues to operate all or any part of the System after the Term of this Agreement, then 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 shall in no way 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 of this Agreement, including but not limited to damages and restitution.

(b) In the event this Agreement terminates for any reason whatsoever and the Company fails to cease providing Service over the System, the City, in addition to any other remedies available to it under this Agreement or by law, shall be entitled to receive all payments it is entitled to receive under this Agreement including, but not limited to, the franchise fees set forth in Section 8.1.1.

#### 8.7 Relief.

8.7.1 Consideration. At any time commencing two years after the Effective Date, the Company may ask for and shall have a meeting with the Director for the purpose of discussing relief under this Agreement in the event that the Company is unable to earn a rate of return on its investment in the System that is consistent with the level of risk associated with such investment, due, in substantial part, to a competitive disadvantage imposed on the Company as a result of the fees and charges provided under Section 8 hereof. Nothing in this Section shall require the City to grant such relief.

8.7.2 Company Relief. (a) Company's Petition. In the event that the City grants, renews or renegotiates one or more franchise(s), agreements or similar authorization(s), for the construction, operation, and maintenance, within the Franchise Area, of any communication system which offers, in whole or in part, services substantially equivalent to the

Service offered over the System, and the agreement(s) granting such franchise(s) or authorization(s) contain provisions imposing lesser obligations on the grantee(s) thereof than are imposed by the provisions of this Agreement, the Company may, beginning not earlier than four years after the Effective Date of this Agreement, petition the Board for a modification of this Agreement. In the event the City fails to take action where it otherwise could act by law with regard to any existing communications system which offers services substantially equivalent to the Service offered over the System and such failure to take action results in lesser obligations on the grantee of such other communications system than those imposed by this Agreement, the Company may, beginning not earlier than four years after the Effective Date of this Agreement, petition the Board for a modification of this Agreement.

(b) Matching. The Board shall consider any petition by the Company for modification made under (a) hereof, and shall be required to grant such prospective modification of this Agreement as the Board reasonably determines to be necessary to ensure fair and equal treatment among the Company under this Agreement and the grantees of said other franchises, agreement(s) or authorization(s), provided the Company establishes by a preponderance of the evidence each of the following:

(i) that the Company is in compliance with this Agreement and the other franchise(s), agreement(s) or similar authorization(s) were not granted as a result of the Company's failure to comply, on a timely basis, with the provisions of this Agreement;

(ii) that the prerequisites of subsection (a), above, have been satisfied, specifically that the other franchise(s), agreement(s) or authorization(s) permit(s) the grantees thereof to provide substantially similar services to the Company in the Company's franchise area and that those other authorization(s) or franchise(s) do, in fact, contain provisions imposing lesser obligations on the other grantee(s) than those imposed on the Company by this Agreement;

(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 grantee(s) holders of the other franchise(s), agreement(s) or authorization(s), taken as a whole; and

(iv) that the reason for the City's imposition of or failure to act with respect to a lesser obligation under the other franchise(s), agreement(s) or authorization(s) is not due to the differing nature of the City's regulatory authority with respect to the other communications

systems or justified by the relative benefits, in whatever form, received by the City due to the operation of other communications systems.

(c) For the purpose of this Section 8.7.2, in order to promote fair comparison, to the extent possible all benefits and burdens shall be quantified monetarily.

8.7.3 City Relief. (a) Director's Petition (i) In the event that the City, on or before June 30, 1992, grants, renews or renegotiates any franchise, agreement or similar authorization, for the construction, operation and maintenance, within all or any part of Manhattan or all of the Boroughs of the City, of any Telecommunications System which offers Services substantially equivalent to the Services offered over the System, and the contract granting such franchise, agreement or authorization imposes significantly greater obligations on the grantee thereof than are imposed on the Company by the provisions of this Agreement, and said franchise, agreement or authorization imposing such greater obligations has been shown (as described in subsection (b) hereof) to be "viable" (as defined hereafter), the Director shall have the right, within nine (9) months after the "Comparison Date", as defined below, to petition the Board for a modification of this Agreement so as to impose such greater obligations on the Company.

(ii) A franchise, agreement or authorization will be deemed to have been shown to be "viable" if, as of the second anniversary (the "Comparison Date") of the effective date of such franchise, agreement or authorization:

(1) the grantee thereof is operating a Telecommunications System thereunder;

(2) such Telecommunications System is at least of substantially equivalent size and is comprised of substantially similar equipment as was present in the System two years after the Effective Date hereof;

(3) the grantee is earning from non-affiliated parties on a real-dollar basis (adjusted for inflation), at least seventy five percent (75%) of the Gross Revenue from Telecommunications Services for Service similar to the Services offered over the System that was earned by the Company two years after the Effective Date hereof;

(4) the ratio of the grantee's Gross Revenue from Telecommunications Services for Services similar to the Services offered over the System and earned from non-affiliated parties on a real-dollar basis, to the grantee's investment in grantee's Telecommunications System is greater than or substantially equivalent to the ratio of the Company's Gross Revenues from Telecommunications Services to the Company's

investment in the System two years after the Effective Date hereof; and

(5) and the grantee is fulfilling its obligations under such franchise, agreement or authorization to the City.

(iii) If, at any time after a modification of this Agreement pursuant to this subsection (a) and subsection (b), below, has been made, the franchise, agreement or authorization which was the basis for such modification is terminated or the Telecommunications System constructed thereunder is abandoned or operation thereof otherwise ceases, or the terms of the franchise, agreement or authorization are significantly changed in favor of the grantee thereof, then the City shall rescind the modification, prospectively only.

(iv) Notwithstanding the foregoing, the provisions of Section 8.7.2 shall take precedence over the provisions of this Section 8.7.3.

(b) Reverse Matching. The Board shall consider any petition by the Director pursuant to subsection (a) hereof and may grant such prospective modification of this Agreement as the Board reasonably determines to be necessary to ensure fair and equal treatment among the Company under this Agreement, the grantee of another franchise, agreement or authorization, and

such other operators of Telecommunications Systems upon which the City could act by law to impose equal obligations, provided the Director establishes by a preponderance of the evidence each of the following:

(i) the grantee under the franchise, agreement or other authorization imposing such greater obligations is not the holder or the affiliate of the holder of a cable television franchise within the City;

(ii) the franchise, agreement or authorization imposing such significantly greater obligations is a bona fide, arms length transaction, all the obligations of which represent true consideration for the granting of the franchise, agreement or authorization and are not more properly allocable to another agreement between the City and the grantee thereof;

(iii) the calculation of whether the obligations imposed by such franchise, agreement or authorization are significantly greater than those hereunder shall take into account all aspects of the agreements in their entirety, including all benefits, obligations and other terms;

(iv) the total obligation on the Company, including the increased obligation, also shall be imposed by the City on all entities which operate Telecommunications Systems in

the City which offer Services substantially equivalent to the Services offered over the System, whenever the City, by law, could act to impose such obligations or financially comparable obligations;

(v) the grantee's business, consisting of Services on its Telecommunications System which are substantially similar to the Services offered on the Company's System, is not subsidized by any other activity or business of either the grantee or any of its affiliates, or by a governmental or quasi-governmental entity;

(vi) that all of the prerequisites of subsection (a)(i), above, have been satisfied;

(vii) that the grantee's Telecommunications System is "viable" as defined in subsection (a)(ii);

(viii) that the grantee's franchise, agreement or authorization does in fact contain provisions imposing substantially greater obligations on such grantee than those imposed on the Company by this Agreement; and

(ix) that the entities operating Telecommunications Systems in the City upon which the City by law could impose obligations similar to those imposed on the grantee under such franchise, agreement or authorization, have had or

will have imposed on them similar obligations as are imposed on the grantee under its franchise, agreement or authorization and, pursuant to this Section, would be imposed on the Company.

(c) For the purpose of this Section 8.7.3, in order to promote fair comparison, to the extent possible all benefits and burdens shall be quantified monetarily.

8.7.4 No Basis for City Relief. The terms of this Agreement and the franchise fees paid pursuant hereto shall not be the basis for the City to invoke the "City Relief" clauses set forth in Section 8.7.3 of the Lower Manhattan Franchise Agreement.

#### SECTION 9 -- OVERSIGHT AND REGULATION

9.1 Confidentiality. Confidential, proprietary information of the Company submitted to the City pursuant to this Agreement shall not be disclosed to any other Persons or governmental agencies except in accordance with applicable law.

9.2 Oversight. The Director shall have the right to inspect periodically the construction, and maintenance of the System and the City Fiber, and any part thereof, in accordance with the provisions of this Agreement and applicable law. The Company shall establish and maintain managerial and operational records, standards, procedures and controls to enable the Company