



# TOWN OF APPLE VALLEY

## TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council Date: September 22, 2015

From: Marc Puckett Item No: 17  
Assistant Town Manager

Subject: ADOPT RESOLUTION NO. 2015-37, A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY, CALIFORNIA APPROVING THE TRANSFER OF CONTROL OF VERIZON CALIFORNIA INC. FROM VERIZON COMMUNICATIONS INC. TO FRONTIER COMMUNICATIONS CORPORATION

T.M. Approval: \_\_\_\_\_ Budgeted Item:  Yes  No  N/A

### **RECOMMENDED ACTION**

That the Town Council adopt the attached Resolution No. 2015-37 approving the transfer of control of Verizon California Inc. from Verizon Communications Inc. to Frontier Communications Corporation.

### **BACKGROUND**

Since 2006, Verizon California Inc. ("Franchisee"), the wholly-owned subsidiary of Verizon Communications Inc. ("Verizon") has provided cable services to Town residents pursuant to a 15-year local cable franchise granted by the Town ("Franchise"). Verizon announced in February 2015 an agreement to sell its local wireline businesses serving California, Florida and Texas to Frontier Communications Corporation ("Frontier"). As a result of the sale, Franchisee will become a wholly-owned indirect subsidiary of Frontier and will remain the Franchise holder, but its name will be changed to Frontier California Inc. The proposed resolution will grant the Town's consent to the transfer of control of Franchisee from Verizon to Frontier subject to the terms and conditions of a transfer agreement negotiated between the Town and the companies.

On May 18, 2015, as required by Federal Communications Commission regulations, the Apple Valley Municipal Code and the Franchise, the Town received an application for consent to transfer of control of Franchisee (FCC Form 394 and supporting exhibits) from Verizon requesting approval of the transfer of control of the Franchisee to Frontier ("Transfer Application").

Section 5.06.040(j) of the Apple Valley Municipal Code and Section 11 of the Franchise require the Town's prior approval of any change in ownership or control of the Franchisee. Section 5.06.040(j)(2) provides:

(2)...In seeking the Grantor's consent to any change in ownership or control, the Grantee shall have the responsibility:

a. To show to the satisfaction of the Grantor whether the proposed purchaser, transferee, or assignee (the "proposed transferee"), which in the case of a corporation, shall include all directors and all persons having a legal or equitable interest in 5% or more of its voting stock:

1. Has ever been convicted or held liable for acts involving moral turpitude including, but not limited to any violation of Federal, State or local law or regulations, or is presently under an indictment, investigation or complaint charging such acts;

2. Has ever had a judgment in an action for fraud, deceit or misrepresentation entered against it, her, him, or them by any court of competent jurisdiction; or

3. Has pending any legal claim, lawsuit or administrative proceeding arising out of or involving a Cable System.

b. To establish, to the satisfaction of the Grantor, the financial solvency of the proposed transferee by submitting relevant current financial data for the proposed transferee. Financial statements shall be audited, certified and qualified by a certified public accountant.

c. To establish to the satisfaction of the Grantor that the financial and technical capability of the proposed transferee is such as shall enable it to maintain and operate the Cable System for the remaining term of the franchise under the existing franchise terms.

Town Staff and legal counsel from the Town Attorney's office reviewed the Transfer Application and supplemental information made available by Frontier and Verizon, met with company management, and negotiated a transfer agreement that addresses issues which were raised by their review concerning Frontier's financial solvency and its financial and technical capability to maintain and operate the cable system for the remaining term of the Franchise. Frontier also made certain performance commitments and assurances in a separate side letter.

## DISCUSSION

Frontier is the fourth largest incumbent local exchange carrier in the nation and a full-service wireline communications provider who offers communications and broadband services, including local and long distance voice, broadband data, and cable television, through its wholly-owned operating companies. Frontier has approximately 17,000 employees, all of whom are based in the United States, and serves approximately four (4) million customers in twenty-eight (28) states. However, Frontier does not currently have any significant operations in California, and has only limited technical and operational experience and expertise in the competitive provision of video programming services. This is primarily experience with the operation of the fiber-to-the-premise (FTTP) networks it acquired from Verizon in 2010 in some limited areas of Washington, Oregon, and Indiana. As a result of this acquisition, Frontier will add some 3.6 million voice, 2.2 million broadband and 1.2 million video subscribers, and almost double its levels of long-term debt, significantly increasing annual interest expense, and making it vulnerable to changes in interest rates and potential financial stress.

Approval of the proposed transfer under the terms of the transfer agreement will provide the following benefits and commitments for the Town and its residents:

- *Increased Performance Security.* The performance security in the Franchise will be increased from \$6,000 to \$60,000.
- *Out-of-Pocket Cost Reimbursement.* Frontier will reimburse the Town up to \$25,000 for the Town's out-of-pocket costs related to the consideration and review of the Transfer Application and preparation of the transfer agreement and related documents. This amount will not be deducted from franchise fees.

In a separate side letter, Frontier has made several additional representations and commitments concerning the performance of the Franchisee after the closing. These are:

- *Free Cable Service to Public Buildings.* Staff raised a concern about whether Verizon was complying with its obligation in the Franchise to provide free cable outlets and basic service to certain public buildings, and requested that service be provided at 24 government buildings, schools and libraries listed in an exhibit to the Franchise, plus 2 additional government buildings. Verizon initiated corrective action to evaluate the request and provide service consistent with the terms of the Franchise. Although the parties anticipate this work will likely be completed before the closing of the proposed transfer, Frontier has committed to meet with Town representatives after the closing to assess the status of any outstanding requests.
- *PEG Fee.* Frontier has committed to begin paying PEG fees within a reasonable period of time after the closing, to the extent that other cable providers operating in the Town are subject to and paying PEG fees. In a separate agenda item, Staff has submitted an ordinance adopting a PEG fee applicable to State video

franchise holders (such as Charter) in the amount of 1% of gross revenues pursuant to the State video franchising law (Public Util. Code § 5870(n)).

- *Programming.* Frontier has indicated that it expects to maintain substantially the same variety of programming choices as available to Franchisee's subscribers in the Town today.

Federal law requires action on a transfer request within 120 days of the filing of a complete transfer application, and if no action is taken by that time, the application is deemed granted. Although the Town does not agree the Transfer Application was complete when filed, the companies have taken the position that the application was complete upon filing, and that September 15, 2015 was the deadline for action under federal law. However, they have also agreed to extend the date for Town action to September 22, 2015.

The Town Council may approve, deny, or take no action on the Transfer Application. If the Town Council denies the Transfer Application, the companies are obligated under their purchase agreement to use commercially reasonable efforts to obtain required consents and it is possible this may include litigation challenging the legality of the denial. If the Town Council chooses not to take any action, the companies can be expected to take the position that the transfer request was deemed granted under federal law without conditions. The Town would have to initiate legal action to challenge that interpretation. Finally, the Town Council could direct Staff to seek a further extension of time during which it may seek to renegotiate the terms of the transfer agreement; however, the companies have already indicated they are not willing to agree to a further extension.

### **FISCAL IMPACT**

In the transfer agreement, Frontier commits to pay a non-refundable fee to cover out-of-pocket transfer application processing costs in the amount of up to Twenty-five Thousand Dollars (\$25,000), which will not be deducted from the franchise fees owed to the Town by the Franchisee. Within a reasonable period after the closing, the Franchisee will begin to pay PEG fees to the Town to the extent that other cable providers operating in the Town are subject to and paying PEG fees.

### **STAFF RECOMMENDATION:**

Staff recommends that the Town Council adopt the attached resolution approving the transfer of control of Verizon California Inc. from Verizon Communications Inc. to Frontier Communications Corporation.

### **ATTACHMENTS:**

1. Resolution No. 2015-37
2. Transfer Agreement

## RESOLUTION NO. 2015-37

### **A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY, CALIFORNIA, APPROVING THE TRANSFER OF CONTROL OF VERIZON CALIFORNIA INC. FROM VERIZON COMMUNICATIONS INC. TO FRONTIER COMMUNICATIONS CORPORATION**

**WHEREAS**, the Town of Apple Valley granted a franchise to Verizon California Inc. ("Franchisee"), an indirect wholly owned subsidiary of Verizon Communications Inc. ("Verizon"), authorizing the Franchisee to provide cable services pursuant to a 15-year cable franchise agreement which took effect on July 27, 2006 ("Franchise Agreement"); and

**WHEREAS**, Section 11 of the Franchise Agreement requires prior approval by the Town of any proposed "Transfer of the Franchise" which is defined in Section 1.36.1.1 of the Franchise Agreement to include a transfer of ownership and control of the Franchisee; and

**WHEREAS**, Section 5.06.040(j) of the Apple Valley Municipal Code requires prior approval by the Town of any proposed transfer of ownership or control of the Franchisee; and

**WHEREAS**, Verizon has entered into a securities purchase agreement with Frontier Communications Corporation ("Frontier") to effect a transfer of ownership and control of the Franchisee from Verizon to Frontier ("Proposed Transfer"); and

**WHEREAS**, upon completion of the Proposed Transfer, Franchisee would become a wholly owned indirect subsidiary of Frontier which is a transfer of control which is subject to the Town's approval under the terms and conditions of the Franchise Agreement and the Apple Valley Municipal Code; and

**WHEREAS**, on or about May 18, 2015, the Town received an application (FCC Form 394) and supporting exhibits, requesting approval of the Proposed Transfer ("Transfer Application"); and

**WHEREAS**, the Companies and the Town have agreed without prejudice to extend the time for review of and action on the Transfer Application to September 22, 2015; and

**WHEREAS**, Town staff and legal counsel from the Town Attorney's office have reviewed the Transfer Application and supplemental information made available by Frontier and Verizon and has negotiated the terms and conditions of a transfer agreement to be entered into by and between the Town, the Franchisee and Frontier ("Transfer Agreement"); and

**WHEREAS**, Frontier has made certain representations as to the performance and commitments of the Franchisee following the closing of the Proposed Transfer; and

**WHEREAS**, Town staff has recommended that Town Council approve the Proposed Transfer, subject to the terms and conditions set forth in a transfer agreement substantially in the form presented to Town Council; and

**WHEREAS**, following the closing of the Proposed Transfer, Franchisee will continue to hold the Franchise and be responsible for performance in accordance with the Franchise Agreement, the Transfer Agreement, any applicable federal, state, or local law and the representations made by Frontier; and

**WHEREAS**, all other legal prerequisites to the adoption of this resolution have occurred.

**NOW, THEREFORE**, the Town Council of the Town of Apple Valley does hereby resolve as follows:

Section 1. In consideration for the representations, promises and performances of the Companies, as specifically expressed elsewhere, the Town Council hereby consents to the Proposed Transfer, subject to the following conditions:

(a) By September 29, 2015, Frontier and the Franchisee shall execute and file with the Town a Transfer Agreement substantially in the form presented to Town Council.

(b) Within 60 days of execution of the Transfer Agreement and the delivery of an invoice from the City to Frontier and the Franchisee identifying the reasonable costs paid by the City in completing its review of Transfer Application, Frontier and the Franchisee shall remit to the Town all payments required by the Transfer Agreement.

(c) The Proposed Transfer shall be consummated on terms and conditions that are not in any material respect different from those described in the Transfer Application and other related materials provided to the Town.

(d) The Proposed Transfer shall be consummated no later than June 30, 2016.

Section 2. The Town Council hereby approves the Transfer Agreement presented to the Town Council and authorizes and directs the Town Manager to execute said Transfer Agreement on behalf of the Town following execution by Frontier and the Franchisee.

Section 3. In the event the Transfer Agreement is not executed and filed with the City by the date specified in Section 1(a) above, or if the Proposed Transfer does not close by the date specified in Section 1(d) above, or closes on terms that are in any material respect different from the terms disclosed to the Town, then any Town consent

to the Proposed Transfer shall be void and of no force or effect, and the Transfer Application will be deemed to have been timely denied.

Section 4. This resolution is a final decision on the Transfer Application within the meaning of 47 U.S.C. § 537, and for these purposes the Transfer Application is deemed acted upon when this resolution is approved by the Town Council.

**APPROVED** and **ADOPTED** by the Town Council of the Town of Apple Valley this 22<sup>nd</sup> day of September, 2015.

\_\_\_\_\_  
Larry Cusack, Mayor

**ATTEST:**

\_\_\_\_\_  
La Vonda M-Pearson, Town Clerk

## TRANSFER OF CONTROL AGREEMENT

THIS AGREEMENT is made this \_\_\_\_ day of September, 2015, by and between:

- a) The Town of Apple Valley, a duly organized town under the applicable laws of the State of California ("Town");
- b) Frontier Communications Corporation, a Delaware corporation ("Frontier");  
and
- c) Verizon California Inc., a California corporation currently wholly-owned by Verizon Communications Inc., ("Verizon Parent") which will be renamed by Frontier on or after the date of the closing of the Proposed Transaction (as defined herein) to Frontier California Inc. ("Franchisee"), and;

Frontier, and Franchisee, as that term is defined herein, may be referred to collectively as "Companies".

### RECITALS

WHEREAS, Franchisee currently holds a cable franchise (the "Franchise") granted by the Town subject to the Cable Franchise Agreement effective as of July 27, 2006 ("Franchise Agreement"); and

WHEREAS, Franchisee owns a cable system and provides cable services in the Town ("System"); and

WHEREAS, pursuant to a Securities Purchase Agreement by and between Frontier and Verizon Parent dated as of February 5, 2015 ("SPA"), ownership interests of Franchisee will be transferred to a new limited liability company to be formed by



Verizon Parent called Newco West Holdings LLC (“Newco”), and Frontier will purchase all the ownership interests of Newco, resulting in Newco becoming a wholly-owned direct subsidiary of Frontier and Franchisee becoming a wholly-owned indirect subsidiary of Frontier (“Proposed Transaction”); and

WHEREAS, Section 11 of the Franchise Agreement and Section 5.06.040(j) of the Apple Valley Municipal Code provide that the prior consent of the Town is required for the transfer of control of the Franchisee as contemplated as part of the Proposed Transaction; and

WHEREAS, on May 18, 2015, as required under federal law and FCC regulations, Verizon Parent and Frontier filed an FCC Form 394 with the Town and requested that the Town consent to the transfer of control resulting from the Proposed Transaction (the “Transfer Application”); and

WHEREAS, under federal law, action on a transfer request is required within 120 days of the filing of a complete application unless the applicant and the franchising authority agree to an extension of time; and

WHEREAS, the Companies and the Town have agreed without prejudice to extend the date for review of the Transfer Application to September 22, 2015; and

WHEREAS, the Franchisee has agreed to continue to comply with the Franchise Agreement (as amended by this Agreement), and with this Agreement and applicable law from and after the completion of the Proposed Transaction; and

WHEREAS, Frontier has agreed to pay the Town for the Town's out-of-pocket franchise processing costs in the amount set forth in this Agreement; and

WHEREAS, Frontier has made certain representations as to the performance and commitments of the Franchisee following the closing of the Proposed Transfer; and

WHEREAS, relying on the Companies' representations referred to above, the Town is willing to grant its consent to the transfer of control contemplated in the Proposed Transaction, subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration for the Town's consent to the transfer of control contemplated in the Proposed Transaction and subject to the terms and conditions of this Agreement, THE PARTIES DO HEREBY AGREE as follows:

## **1. DEFINITION**

- a. Terms contained herein and not defined shall have the same definitions as contained in the Franchise Agreement.

## **2. TRANSFER OF CONTROL OF FRANCHISE**

- a. By resolution dated September 22, 2015 (the "Transfer Resolution"), the Town has consented to the transfer of control contemplated in the Proposed Transaction as specified in the Transfer Application, in consideration of the terms of this Agreement and conditioned on the acceptance and execution of this Agreement by the Companies, among other conditions.

### **3. ACCEPTANCE OF FRANCHISE OBLIGATIONS**

- a. From and after the closing of the Proposed Transaction, Franchisee accepts, acknowledges, and agrees that, after the Proposed Transaction, it will continue to be bound by all the commitments, duties, and obligations, present, continuing and future, of the Franchisee embodied in the Franchise Agreement and this Agreement, and that the Proposed Transaction will not materially alter these obligations, except as expressly stated herein. Except as expressly set forth herein, nothing in this Agreement shall be construed to increase or expand the rights of the Town with respect to the Franchise, or Franchisee's provision of cable service pursuant to the terms of the Franchise Agreement. Except as expressly set forth herein, nothing in this Agreement shall be construed to increase or expand the rights of the Franchisee with respect to Franchisee's provision of cable service pursuant to the terms of the Franchise Agreement. Except as expressly provided herein, nothing in this Agreement shall be construed to constitute an amendment to the Franchise Agreement. Nothing in this Agreement shall be construed to amend, alter or modify the SPA.
- b. The Companies agree that neither the Proposed Transaction nor the Town's consent to the transfer of control contemplated in the Proposed Transaction shall in any respect relieve the Franchisee or any of its successors in interest of responsibility for past acts or omissions, known or unknown with respect to provision of cable service pursuant to the

Franchise Agreement. Franchisee agrees that all acts and omissions of Franchisee occurring prior to closing of the Proposed Transaction will continue to be deemed to be those of Franchisee. The Proposed Transaction shall not restrict or expand the rights of the Franchisee under or related to the Franchise Agreement.

- c. From and after the closing of the Proposed Transaction, Frontier and Franchisee shall ensure that all records pertaining to the Franchise and the Franchisee's performance under the Franchise shall continue to be available after the Proposed Transaction in the same way and to the same extent such information was available prior to the Proposed Transaction, consistent with the terms of the Franchise Agreement.
- d. Section 13.1 of the Franchise Agreement is amended effective from and after the closing of the Proposed Transaction, to increase the amount of security required pursuant thereto from Six Thousand Dollars (\$6,000) to Sixty Thousand Dollars (\$60,000).
- e. Franchisee shall provide the connections and interconnections described in Section 6 of the Franchise Agreement required to carry the PEG Channels in accordance with the terms of the Franchise Agreement.

#### **4. RESERVATION OF RIGHTS**

- a. The Town reserves all rights not expressly granted in this Agreement, including without limitation those specified below.
- b. The Town waives none of its rights with respect to the Franchisee's compliance with the requirements set forth in the Franchise Agreement.

At no time will the Companies contend, either directly or indirectly, that the Town is barred, by reason of the Proposed Transaction, from considering, or raising claims based on, any defaults of Franchisee, or any failure by Franchisee to comply with the terms and conditions of the Franchise Agreement or with applicable law. The Town's consent to the Proposed Transaction shall in no way be deemed a representation by the Town that the Franchisee is in compliance with all of its obligations under the Franchise Agreement.

- c. Neither this Agreement, nor any other action or omission by the Town at or before the execution of this Agreement, shall be construed to grant the Town's consent to any future transfer of the Franchise, and/or any future change in ownership and/or control of the Franchise, or to mean that the Town's consent to any future transaction is not required.
- d. Any consent given by the Town to the Proposed Transaction is made without prejudice to, or waiver of, the Town's right to investigate and take into account any lawful considerations during any future franchise renewal or transfer process.
- e. This Agreement does not affect and shall not be construed to affect the rights under any lawful authority of the Town to regulate or authorize, by ordinance, license or otherwise, use of the public rights-of-way for purposes other than for cable service, as that term is defined in the Franchise Agreement.

## 5. REPRESENTATIONS AND WARRANTIES

- a. Each of the Companies hereby represents and warrants that at the time of the execution of this Agreement: (a) it is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized; (b) the Franchise Agreement and, assuming due execution hereof by the other parties hereto, this Agreement constitute legal, valid and binding obligations of each Company that is a party to such agreements, enforceable in accordance with their respective terms; and (c) the execution and delivery of, and performance by such Company under this Agreement and the Franchise Agreement, where applicable, are within such Company's power and authority without the joinder or consent of any other party and have been duly authorized by all requisite corporate action on the part of such Company and are not in contravention of such Company's, charter, bylaws, and/or other organizational documents.
- b. From and after the closing of the Proposed Transaction, Franchisee represents and warrants that the Proposed Transaction will not adversely affect the Franchisee's ability to meet the requirements of the current Franchise Agreement and this Agreement.
- c. From and after the closing of the Proposed Transaction, Franchisee represents and warrants that after the Proposed Transaction, Franchisee's financial qualifications will be such as shall enable it to maintain and

operate the cable system in the Town in accordance with the Franchise Agreement, this Agreement, and applicable law.

- d. From and after the closing of the Proposed Transaction, Franchisee represents and warrants that the Proposed Transaction will not reduce the quality of existing system maintenance or repair.

## **6. BREACHES**

- a. Any breach of this Agreement subsequent to the closing of the Proposed Transaction shall be separately enforceable from the Franchise Agreement but shall be deemed a breach of the Franchise Agreement and shall be subject to the applicable enforcement provisions of the Franchise Agreement, in addition to any other remedies the parties may have under this Agreement at law or equity.

## **7. ADDITIONAL CONDITIONS**

- a. **Non-refundable Franchise Processing Costs.** Within 60 days of execution of this Agreement and the delivery of an invoice from the Town to the Companies identifying the reasonable costs paid by the Town in completing its review of Transfer Application, the Companies shall pay the Town for the Town's franchise processing costs in an amount not to exceed Twenty-Five Thousand Dollars (\$25,000), which shall be non-refundable. The Companies' obligation to pay the non-refundable franchise processing costs shall survive any termination of this Agreement.

- b. The Companies shall fulfill their obligations in this Agreement at no cost to the Town. The Companies' costs of fulfillment, including without limitation the non-refundable franchise processing costs, are in addition to, and shall not be deducted from, franchise fees owed to the Town.

## **8. MISCELLANEOUS PROVISIONS**

- a. **Effective Date:** This Agreement shall be effective and binding upon the signatories once it is fully executed, and shall continue in force for the duration of the Franchise Agreement, provided that, this Agreement shall terminate if the SPA is terminated or the transaction contemplated in the SPA otherwise does not close.
- b. **Binding Acceptance:** This Agreement shall bind and benefit the parties hereto and their respective heirs, beneficiaries, administrators, executors, receivers, trustees, successors and assigns, and the promises and obligations herein shall survive the expiration date hereof. Any purported assignment of this Agreement is void without the express written consent of the signatories.
- c. **Voluntary Agreement:** This Agreement is freely and voluntarily given by each party, without any duress or coercion, and after each party has consulted with its counsel. Each party has carefully and completely read all of the terms and provisions of this Agreement. Neither any of the Companies, nor any of their Affiliates, nor the Town will take any action to challenge the validity or enforceability of any provision of this Agreement;



nor will they participate with any other person or entity in any such challenge.

- d. **Severability:** If any term, condition, or provision of this Agreement shall, to any extent, be held to be invalid, preempted, or unenforceable, the remainder hereof shall be valid in all other respects and continue to be effective.
- e. **Counterparts:** The Agreement may be executed in counterparts, and shall be fully binding and effective upon execution and delivery of the required signatures below.
- f. **No Waiver:** No waiver of any provision of this Agreement or any breach of this Agreement shall be effective unless such waiver is in writing and signed by the waiving party and any such waiver shall not be deemed a waiver of any other provision of this Agreement or any other or subsequent breach of this Agreement.
- g. **Captions and References:** The captions and headings of sections throughout this Agreement are intended solely to facilitate reading and reference to the sections and provisions of this Agreement. Such captions shall not affect the meaning or interpretation of this Agreement.
- h. **Notices:** All notices or other communications required or permitted to be made or given hereunder shall be in writing and shall be mailed overnight delivery or otherwise delivered in an expedited manner (via email or fax) to the below addresses or at such other address as may be specified by the parties in writing:

For: Verizon California Inc.

Monica Azare

Verizon Communications Inc.

Vice President & Deputy General Counsel

140 West Street, 6<sup>th</sup> Floor

New York, NY 10007

Timothy J. McCallion

President, Verizon California

2535 W. Hillcrest Drive

CAM21GA

Newbury Park, CA 91320

For: Frontier Communications Corporation and for Franchisee after  
Closing

Kevin Saville

Vice President & Associate General Counsel

Frontier Communications Corporation

2378 Wilshire Blvd.

Mound, MN 55364

For the Town:

Town of Apple Valley

Attn: Town Manager

14955 Dale Evans Parkway  
Apple Valley, CA 92307

With a copy to  
Town of Apple Valley  
Attn: Town Attorney  
Best Best and Krieger, LLP  
2855 East Guasti Road  
Suite 400  
Ontario, CA 91761

- i. **Governing Law:** This Agreement shall be governed in all respects by the laws of the State of California.
- j. **Time of Essence:** In determining whether a party has substantially complied with this Agreement, the parties agree that time is of the essence.

AGREED TO THIS \_\_\_\_\_ DAY OF SEPTEMBER, 2015.

TOWN OF APPLE VALLEY,  
a municipal corporation of California

By: \_\_\_\_\_  
Town Manager

ATTEST:

\_\_\_\_\_  
Town Clerk

APPROVED AS TO FORM:

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Town Attorney

VERIZON CALIFORNIA INC.

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By:

Title:

Dated: \_\_\_\_\_

FRONTIER COMMUNICATIONS CORPORATION

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By:

Title:

Dated: \_\_\_\_\_