CABLE TELEVISION FRANCHISE AGREEMENT
Between
THE CITY OF WOODBURN
And
COMCAST OF OREGON I, INC.

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1. PURPOSE AND INTENT

A. The City of Woodburn, Oregon (hereafter Grantor) is authorized to and by this Franchise Agreement, does grant to Comcast of Oregon I, Inc. (hereafter Grantee) a non-exclusive five (5) year franchise, revocable as provided herein, to construct, operate and maintain a Cable System in the City for the purpose of providing wireline cable services within the City.

B. The purpose of this Franchise Agreement is to create a binding, enforceable contract between Grantor and Grantee.

C. Should any change to state and federal law after the Effective Date have the lawful effect of materially altering the terms and conditions of this Franchise to the detriment of one or both parties, then the parties will modify this Franchise to ensure that the Franchise remains consistent with Applicable Law.

2. DEFINITIONS

For the purposes of this Franchise Agreement and all attachments included hereto, the following words, terms, phrases, and their derivations will have the meanings given herein. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory. Words used in this Franchise which are not defined hereunder but defined in the Cable Communications Policy Act of 1984, as amended by the Cable Consumer Protection and Competition Act of 1992 and the Telecommunications Act of 1996 ("Cable Act") will have the meaning specified in the Cable Act definition.

A. "<u>Access</u>" or "<u>Community Access" or "Public, Educational and Government (PEG) Access</u>" means the availability for use of the Cable System by various agencies, institutions, organizations, groups and individuals in the community, including the Grantor and its designees, of designated Channels on the Cable System to acquire, create, and distribute non-commercial programming.

B. "<u>Access Channel</u>" or "<u>Public, Educational or Government Access (PEG) Channel</u>" means any channel or portion of a channel utilized for non-commercial programming, where any member of the general public or any organization may be a Programmer, without charge by the Grantee, on a non-discriminatory basis.

C. "<u>Public Access Channel</u>" or <u>"Public Access"</u> means any Access channel or portion of an Access channel where any member of the general public or any non-commercial organization may be an Access Programmer on a non-discriminatory basis, subject to operating rules formulated by the Grantor or its designee. Such rules will not be designed to control the content of public access programming.

D. "<u>Educational Access Channel</u>" means any Access channel or portion of an Access channel available for educational programming by individuals or institutions, where educational institutions are the primary or designated Programmers or user having editorial control over their Programming.

E. "<u>Government Access Channel</u>" means any Access channel or portion of an Access channel available for programming by government agencies, where governmental institution are the primary or designated Programmers or users having editorial control over their Programming.

F. “PEG Access” means Public Access Channels, Educational Access Channels and Government Access Channels collectively.

G. “Access Center” means a facility or facilities where Public, Educational, or Government use Signals are managed and delivered Upstream to the Grantee for Downstream transmission to Subscribers or to other Access Centers vis a dedicated connection.

H. “Access Channel” mean any Channel, or portion thereof, designated for Access purposes or otherwise made available to facilitate or transmit Access programming or service.

I. “Affiliate” when used in relation to any person, means another person who owns or controls, is owned or controlled by, or is under common ownership or control with, such person.

J. “Basic Cable Service” means any service of tier that includes the retransmission of local television broadcast signals as well as the PEG Channels required by this Franchise and is made available to all Cable Services Subscribers.

K. “Broadcast Signal” means a television or radio signal that is transmitted over-the-air to a wide geographic audience and is received by the cable communications system off-the-air, whether by microwave link, by satellite receiver, or by other means.

L. “Cable Act” means collectively the federal Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992, and the Telecommunications Act of 1996, as amended.

M. “Cable Operator”, “Wireline Cable Service Provider” means any Person or group of Persons, including Grantee, who provide Cable Service over a Cable System and directly or through one or more Affiliates own a significant interest in such Cable System or who otherwise control or are responsible for, through any arrangement, the management and operations of such a Cable System.

N. “Cable Service” will have the meaning provided under Federal law and regulations.

O. “Cable System” or “Cable Communications System” or “System” will have the meaning specified in the definition of “Cable System” in the Cable Act. In every case of its use in this Franchise, unless otherwise specified, the term will refer to the cable system constructed and/or operated by the Grantee in the City under this Franchise.

P. “Calendar Year” means the period of time from January 1 to December 31.

Q. “Capacity” means the maximum ability to carry Signals or other information within the specified format.

R. “Capital Cost” means the expenditure of funds for PEG capital resources whose useful life can be expected to exceed a period of one (1) year or longer.

S. “Channel” will have the meaning specified in the definition of “Channel” in Section 602 of the Cable Act (47 U.S.C. 522 (4)).

T. "City" means the City of Woodburn a municipal corporation, or its duly appointed and/or authorized representative, and all the territory within its boundaries, as such may change from time to time.

U. "Demarcation" means up to and including the device where the DAP Signal is converted into a format to be transmitted over a connection to the Grantee.

V. "Designated Access Provider ("DAP") means the entity or entities designated by the Grantor to manage or co-manage PEG Access Channels and Access Centers. The Grantor may be a Designated Access Provider.

W. "Downstream" means the transport of Signals from the Headend to Subscribers or to Interconnection points service by the Cable System.

X. "Emergency" means a circumstance in which immediate work to repair damaged or malfunctioning facilities is necessary to restore lost service or prevent immediate harm to persons or property.

Y. "FCC" means the Federal Communications Commission.

Z. "Fiscal Year" means the period from July 1 to June 30.

AA. "Franchise" or "Franchise Agreement" means the authorization granted by this document for the construction or operation of a cable system for the sole purpose of delivering cable services.

BB. "Franchise Area" means the present legal boundaries of the City as of the Effective Date, and will also include any additions thereto, by annexation or other legal means.

CC. "Grantee" means Comcast of Oregon I, Inc., and its lawful successors, transferees, or assignees thereof.

DD. "Grantor" means the City, a municipal corporation in the State of Oregon and/or its authorized representative or agents.

EE. "Gross Revenues" means, and will be construed broadly to include all amounts in whatever form and from all sources derived directly or indirectly by Grantee and/or an Affiliate from the operation of Grantee's Cable System to provide Cable Service within the Franchise Area. Gross revenues include, by way of illustration and not limitation:

I. Fees for Cable Services, regardless of whether such Cable Services are provided to residential or commercial subscribers, including revenues derived from the provision of all Cable Services (including but not limited to pay or premium Cable Services, digital Cable Services, pay-per-view, pay-per-event, audio channels and video-on-demand Cable Services);

II. Installation, disconnection, reconnection, downgrade, upgrade, maintenance, repair, or similar charges associated with Subscriber Cable Service within the Franchise Area;

III. Fees paid to Grantee for channels designated for commercial/leased access use, which will be allocated on a pro rata basis using total Cable Service Subscribers;

IV. Converter, remote control, and other Cable Service equipment rentals, leases, or sales;

V. Payments for pre-paid Cable Services and/or equipment;

VI. Advertising Revenues as defined herein;

VII. Fees including, but not limited to:

   a. late fees, convenience fees, administrative fees and similar multiservice fees, which will be allocated on a pro rata basis using Cable Services revenue as a percentage of total Grantee revenues within the Franchise Area;
   b. Franchise fees;
   c. The FCC User Fee;

VIII. Revenue from programing guides; and

IX. Commissions from home shopping channels and other Cable Service revenue sharing arrangements which will be allocated on a pro rata basis using total Cable Service Subscribers within the Franchise area.

"Gross Revenues" will not be net of: 1) any operating expense; (2) any accrual, including without limitation, any accrual for commissions to Affiliates; or (3) any other expenditure, regardless of whether such expense, accrual, or expenditure reflects a cash payment. "Gross Revenues", however, will not be double counted. Revenues of both Grantee and an Affiliate that represent a transfer of funds between the Grantee and the Affiliate, and that would otherwise constitute Gross Revenues of both the Grantee and the Affiliate, will be counted only once for purposes of determining Gross Revenues. Similarly, operating expenses of the Grantee which are payable from Grantee's revenue to an Affiliate and which may otherwise constitute revenue of the Affiliate, will not constitute additional Gross Revenues for the purpose of this Franchise. "Gross Revenues" will include amounts earned by Affiliates only to the extent that Grantee could, in concept, have earned such types of revenue in connection with the operation of Grantee's Cable System to provide Cable Services and recorded such types of revenue in its books and Records directly, but for the existence of Affiliates. "Gross Revenues" will not include sales taxes imposed by law on Subscribers that the Grantee is obligated to collect. With the exception of recovered bad debt, "Gross Revenues" will not include bad debt.

"Advertising Revenues" will mean amounts derived from sales of advertising that are made available to Grantee's Cable System Subscribers and will be allocated on a pro rata basis using total Cable Service Subscribers reached by the advertising. Whenever Grantee acts as the principal in advertising arrangements involving representation firms and/or advertising interconnects and/or other multichannel video providers, Advertising Revenues subject to Franchise fees will include the total amount from advertising that is sold, and not be reduced by any operating expenses (e.g., "revenue offsets" and "contra expenses" and "administrative expenses" or similar expenses), or by fees, commissions, or other amounts paid to or retained by National Cable Communications or Effectv or similarly affiliated advertising representations firms to Grantee or their successors involved with sales of advertising on the Cable System within the Franchise Area.

"Gross Revenues" will **<u>not</u>** include:

I. Actual Cable Services bad debt write-offs, except any portion which is subsequently collected which will be allocated on a pro rata basis using Cable Services revenue as a percentage of total Grantee revenues within the Franchise Area;

II. Any taxes and/or fees on services furnished by Grantee imposed on Subscribers by any municipality, state or other governmental unit, provided that the Franchise Fee, the FCC User Fee will not be regarded as such a tax or fee;

III. Launch fees and marketing co-op fees;

IV. Unaffiliated third-party advertising sales agency fees or commissions which are reflected as a deduction from revenues, except when Grantee acts as a principal as specified in paragraph (A) immediately above;

V. Refunds, rebates or discounts made to Subscribers;

VI. Sales of capital assets or sales of surplus equipment; and,

VII. Revenue from non - cable services and/or any service or product that has not been determined by federal law or regulation to be a Cable Service.

To the extent revenues are derived by Grantee for the provision of a discounted bundle of services which includes Cable Services and non-Cable Services, Grantee will calculate revenues to be included in Gross Revenues using a methodology that allocates revenue on a pro rata basis when comparing the bundled service price and its components to the sum of the published rate card prices for such components. Except as required by specific federal, state or local law, it is expressly understood that equipment may be subject to inclusion in the bundled price at full rate card value. This calculation will be applied to every bundled service package containing Cable Service from which Grantee derives revenues in the Franchise Area. The Grantor reserves its right to review and to challenge Grantee's calculations.
Example: Cable Service represents 50% of the total rate card for services to be offered in a bundle, then Cable Service is to be valued and reported as being no less than 50% of the price of the bundled service total.

The parties acknowledge that Grantee maintains its books and records in accordance with Generally Accepted Accounting Principles (GAAP). Grantee further agrees that it will not utilize GAAP to unlawfully, or in contravention of this agreement, avoid payment of franchise fees. At all times, Grantor reserves its right to challenge Grantee's calculation of Gross Revenues, including Grantee's interpretation of GAAP and Grantee's interpretation of FASB, EITF and SEC directives. Grantee agrees to explain and document the source of any change it deems required by FASB, EITF and SEC concurrently with any Franchise required document at the time of submittal, identifying each revised Section or line item.

FF. "Headend" means Grantee's facility for Signal reception and dissemination on the Cable System, including cables, antennas, wires, satellite dishes, monitors, switches, modulators, processors, equipment for Interconnection of the Cable System with adjacent Cable Systems or other separate communications networks, and all other related equipment and facilities.

GG. "Interconnect" or "Interconnection" means the linking of the Cable System or I-Net with another cable system, communications systems or I-Net, or the linking of locations connect to portions of the Cable System outside the Franchise Area and those portions of the Cable System inside the Franchise Area, including technical, engineering, physical, financial and other necessary components to accomplish, complete, and adequately maintain such linking, in a manner that permits the transmission and receiving of electronic or optical signals between the systems or locations. Such linking does not necessarily include the provision of end-user equipment for generating or receiving signals.

HH. "Leased Channel" means any channel or portion of a channel available for programming by persons or entities other than Grantee for a fee or charge.

II. "Non-Cable Services" means the transmission(s) of Telecommunications or information including, but not limited to, voice, video or data, without regard to the transmission protocol employed, whether or not the transmission facilities are owned by the provider itself, and includes all forms of telephone services and voice, video, data or information transport, but does not include (1) Cable Service; (2) open video system service, as defined in 47 C.F.R. 76 (3) private communication systems services provided without using the public right-of-way; (4) over-the-air radio or television broadcasting to the public at-large from facilities licensed by the FCC (5) direct-to-home satellite service with the meaning of Section 602 of the Communications Act and (6) public communications systems.

JJ. “Origination Point” means a location other than the Access Center, where PEG use programing is delivered to the Grantee for Upstream transmission.

KK. “Person” means any corporation, partnership, proprietorship, individual, organization, association, or other entity authorized to do business in the State of Oregon, or any natural person.

LL. “Programmer” means any person or entity who or which produces or otherwise provides program material or information for transmission by video, audio, digital or other storage methods or media, to Subscribers, by means of the Cable System.

MM. “Programming” means the process of causing television programs or other patterns of signals in video, voice or data formats to be transmitted on the Cable System, and includes all programs or patterns of signals transmitted or capable of being transmitted, on the Cable System.

NN. “Record” means written or graphic materials, however produced, or reproduced, or any other tangible permanent record, without limitation, all letters, correspondence, memoranda, minutes, notes, summaries or accounts of telephone conversations, magnetic and laser disk files, opinions or reports of consultants or expert, invoices, billings, statement of accounts, studies, appraisal, analyses, contracts, agreement, charts, graphs, and photographs, to the extent related to the enforcement or administration of this Agreement.

OO. “Resident” means any natural person residing within the Franchise Area.

PP. “Residential Service” means Cable Services delivered on the Cable System to residential subscribers.

QQ. “Residential Subscriber” means any Resident who is lawfully receiving for any purpose or reason, any Cable Service provided by Grantee.

RR. “Right of Way”, “Rights of Way”, “ROW”, or “Public Right of Way” means and includes, but is not limited to, the space in, upon, above, along, across, over or under the public streets, roads, highways, lanes, courts, ways, alleys, boulevards, bridges, trails, paths, sidewalks, bicycle lanes, public utility easements and all other public ways or areas, including the subsurface under and air space over these areas, but does not include parks, parkland, or other city property not generally open to the public for travel. This definition applies only to the extent of the City’s right, title, interest and authority to grant a license to occupy and use such areas for utility facilities.

SS. “School” means any public or accredited private primary or secondary schools and all similarly situated private and parochial educational institutions that have received the appropriate accreditation from the State of Oregon and, where required, from other authorized accrediting agencies.

TT. “Section” means any section, subsection or provision of this Franchise Agreement.

UU. “Signal” means any electrical or light impulses carried on the Cable System whether one-way or bi-directional.

VV. “Streets and Public Ways” means the surface of and the space above and below any public street, road, sidewalk, alley, or other public way of any type whatsoever, now or hereafter existing as such within the Franchise Area, and any easements, rights of way or other similar means of access to the extent Grantor has the right to allow Grantee to use them, and except the airwaves above a right-of-way with regard to cellular or other non-wire communications or broadcast services.

WW. “Subscriber” means any person who is lawfully receiving, for any purpose or reason, any Cable Service provided by Grantee by means of or in connection with the Cable System whether or not a fee is paid for such services.

XX. “Tap” or “Tapping” means observing a two-way communication signal exchange where the observer is neither of the communicating parties, whether the exchange is observed by visual or electronic means, for any purpose whatsoever.

YY. “Telecommunications” means the transmission, between or among points specified by the user, of information of the user’s choosing, without change in the form or content of the information as sent and received (as provided in 47 U.S.C. Section 153(43)).

ZZ. “Telecommunications Services” means the offering of Telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used (as provided in 47 U.S.C. Section 153(46)).

AAA. “Year” means a full twelve-month calendar year, unless designated otherwise, such as a “fiscal year.”

3. GRANT OF FRANCHISE

3.1 Grant

A. Grantor hereby grants to the Grantee a non-exclusive and revocable franchise Effective on APRIL 1, 2021 revocable as provided herein, to construct, operate and maintain a Cable System for the provision of Cable service within the Franchise area. This Franchise constitutes the authority, right, privilege and obligation to provide Cable Services over the facilities of the Cable Communications System as required and conditioned by the provisions of this Franchise Agreement.

B. This Franchise is subject to the laws of the United States and the State of Oregon, to the general codes and police powers of the City enacted pursuant thereto affecting matters of general City concern and not merely existing contractual rights of Grantee, whether now existing or hereinafter enacted. The Grantor will make a good faith effort to notify the Grantee of any City proceedings which would substantially affect the Grantee’s operations and will upon request supply the Grantee with copies of any City laws or regulations affecting Grantee’s operations. Notwithstanding

Grantor's general exercise of police power described in Section 3.7 below, in cases of conflict between this Agreement and any ordinance or resolution that directly affects or changes the material terms outlined under section 3.5(B) of Grantee under this Agreement, this Franchise Agreement will govern. Nothing herein will be interpreted to prevent Grantor or Grantee from challenging the lawfulness of enforceability of any provision of applicable law.

C. Grantee promises and guarantees as a condition of exercising the privileges granted by this Agreement, that any Affiliate or joint venture partner of the Grantee directly involved in the offering of Cable Service in the Franchise Area, or directly involved in the management or operation of the Cable System in the Franchise Area, will also comply with the terms and conditions of this Agreement and any Federal, State or City law, rule, or regulation.

D. No rights will pass from Grantor to Grantee by implication. Without limiting the forgoing, by way of example and not limitation, the Franchise will not include or be a substitute for:

I. Any other permit or authorizations required for the privilege of transaction and carrying on a business within the City that may be required under generally applicable ordinances and laws of the Grantor;

II. Any permit, agreement of authorization required under generally applicable ordinances and laws of the Grantor in connection with operations on or in the Right of Way or property, including by way example and not limitation, street cut permits; or

III. Any permits or agreement for occupying any other property of the Grantor or private entities to which access is not specifically granted by this Franchise including, without limitation, permits and agreement for placing devices on or in poles or wires, conduits, other structures or railroad easements, whether owned by the Grantor or a private entity. This provision should not be interpreted to restrict Grantee's general franchise rights under 47 U.S.C. Section 541(a).

IV. Grantor agrees to use best efforts in its working relationship with Grantee in the permitting processes associated with Grantee's permit requests.

3.2 Use of Public Streets and Rights of Way

For the purpose of constructing, operating and maintaining a Cable System for the provision of cable services in the Franchise Area, the Grantee may erect, install, audit, construct, repair, replace, reconstruct, and retain in, on, over, under, upon, across, and along the Streets and Public Ways within the Franchise Area such wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, pedestals, attachments, and other property and equipment as are necessary, convenient and appurtenant to the operation of the Cable System. Prior to construction or alteration within City Streets and Public Ways, the Grantee will in each case request all required permits, pay applicable fees, and receive approval as necessary before proceeding. Nothing in this Section will relieve the Grantee of the obligations of Section 4.6 regarding the trimming of trees and other vegetation.

3.3 Duration and Effective Date of Franchise/Franchise Review

Except as otherwise provided herein for revocation, the term of this Franchise and all rights, privileges, obligations, and restrictions pertaining thereto will be Five (5) years from the Effective Date of this Agreement, at which time the Franchise will expire and be of no force and effect. The effective date of the Franchise is specified in 3.1.A, ("Effective Date") unless the Grantee fails to file the Franchise acceptance in accordance with Section 3.7 herein, in which event this Franchise will be null and void.

A. Renewal

I. The Grantor and Grantee agree that any proceedings undertaken by the Grantor that relate to the renewal of Grantee's Agreement will be governed by and comply with the provisions of the Cable Act (47 USC § 546), unless the procedures and substantive protections set forth therein will be deemed to be preempted and superseded by the provisions of any subsequent provision of federal or state law.

II. In addition to the procedures set forth in the Cable Act, the Grantor agrees to notify Grantee of the completion of its assessments regarding the identification of future cable-related community needs and interests, as well as the past performance of Grantee under the then current Franchise term. Notwithstanding anything to the contrary set forth herein, Grantee and Grantor agree that at any time during the term of the then current Agreement, while affording the public adequate notice and opportunity for comment, the Grantor and Grantee may agree to undertake and finalize negotiations regarding renewal of the then current Agreement and the Grantor may grant a renewal thereof. Grantee and Grantor consider the terms set forth in this Section to be consistent with the express provisions of the Cable Act.

3.4 Franchise Not Exclusive

The franchise granted herein is not exclusive. This Franchise will not be construed as any limitation upon the right of the Grantor, through its proper officers, to grant to other persons or corporations, rights, privileges or authority the same as, similar to or different from the rights, privileges or authority herein set forth, in the same or other Streets and Public Ways by franchise, permit, or otherwise subject to the provisions of Section 3.5 herein.

3.5 Grant of Other Franchises

A. The Grantor reserves the right to grant additional Franchises or similar authorizations to provide video programming services via Cable Systems or similar wireline systems located in the Public Rights of Way. Grantor intends to treat wireline cable service competitors in a nondiscriminatory manner in keeping with federal law. If the Grantor grants such an additional Franchise or authorization to use the Public Rights of Way to provide such services and Grantee believes the Grantor has done so on terms materially more favorable than the obligations under this Agreement, then the provisions of this Section 3.5 will apply.

B. As part of this Agreement, the Grantor and Grantee have mutually agreed that the following material Franchise terms may be used to compare Grantee's Franchise to a wireline cable service provider competitor: a 5% (five percent) Franchise fee, PEG funding, PEG Access Channels, and customer service obligations (hereinafter "Material Obligations"). Grantor and Grantee agree that these Material Obligations bear no relationship to the technology employed by the Grantee or a wireline cable service provider competitor and as such can reasonably be expected to be applied fairly across all wireline cable service competitors.

C. Within one (1) year of the adoption of a wireline cable service competitor's Franchise or similar authorization, Grantee must notify the Grantor in writing of the Material Obligations in this Agreement that exceed the Material Obligations of the wireline cable service competitor's Franchise or similar authorization. The Grantor will have one hundred twenty (120) days to agree to allow Grantee to adopt the same Material Obligations provided to the wireline cable service competitor, or dispute that the Material Obligations are different. In the event the Grantor disputes the Material Obligations are different, Grantee may bring an action in a competent court of law for a determination as to whether the Material Obligations are different and as to what Franchise amendments would be necessary to remedy the disparity. Alternatively, Grantee may notify the Grantor that it elects to immediately commence the renewal process under 47 USC§ 546 and to have the remaining term of this Franchise shortened to not more than thirty (30) months.

D. Nothing in this Section 3.5 is intended to alter the rights or obligations of either party under applicable federal or state law, and it will only apply to the extent permitted under applicable law and FCC orders. In no event will the Grantor be required to refund or to offset against future amounts due the value of benefits already received.

E. This provision does not apply if the Grantor is ordered or required to issue a Franchise on different terms and conditions, or it is legally unable to do so; and the relief is contingent on the new Wireline Cable Service Provider actually commencing provision of service in the market to its first customer. Should the new Wireline Cable Service Provider fail to continuously provide service for a period of six (6) months, the Grantor has the right to implement this Agreement with its original terms upon ninety (90) days' notice to Grantee.

F. This Section does not apply to open video systems, nor does it apply to common carrier systems exempted from Franchise requirements pursuant to 47 U.S.C. Section 571; or to Systems that serve less than 5% (five percent) of the geographic area of the Grantor; or to Systems that only provide video services via the public Internet.

3.6 Franchise Transfer

Subject to Section 617 of the Cable Act (47 U.S.C. Section 537), no transfer of the Franchise or change in control of Grantee will occur without the prior written consent of Grantor, provided that such consent will not be unreasonably withheld.

No such consent will be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, interest of Grantee in the Franchise or Cable System in order to secure indebtedness, and no such consent will be required for a change in control or transfer of an ownership interest or other interest in Grantee to the parent of Grantee or transfer of an interest in the Franchise to the parent of Grantee, or any action which is the result of a merger of the parent of Grantee or any action which is the result of a merger of another Affiliate of Grantee. Grantee will provide written notice to Grantor of any transaction as described in this paragraph within sixty (60) days of such transaction.

If the Grantee wishes to transfer this Franchise, the Grantee and Grantor will proceed pursuant to Section 617 of the Cable Act and related rule makings of the FCC. Grantee will give Grantor written notice of the proposed transfer and will request consent of the transfer by the Grantor. Grantee will furnish all information required by law and/or reasonably requested by Grantor, at no cost to Grantor, with respect to the consideration of the transfer. For the purpose of determining whether it will consent to such transfer, Grantor may inquire into the legal, financial and technical qualifications of the prospective transferee to perform the obligations of the Grantee under this Franchise. The Grantee will assist Grantor in any such inquiry.

In cases where the Grantor finds it inappropriate to give unconditional consent to the proposed transfer, the Grantor may condition its consent upon terms and conditions related to the legal, financial, and technical qualifications of the proposed transferee and to the resolution of outstanding and unresolved issues of Grantee's noncompliance with material terms and conditions of this Franchise. Grantee reserves the right to challenge Grantor's conditional consent as outside the scope of its authority under this

Franchise or federal law. Any transfer of ownership affected without the written consent of the Grantor will render this Franchise subject to revocation, provided that any such consent will not be unreasonably withheld. The Grantor will have one hundred twenty (120) days to act upon any request for approval of a transfer that contains or is accompanied by such information as is required in accordance with FCC regulations and by the Grantor. If the Grantor fails to render a final decision on the request within one hundred twenty (120) days, the request will be deemed granted unless the Grantee and the Grantor agree to an extension of time.

The Grantee, upon any transfer as heretofore described, will within sixty (60) days thereafter file with the Grantor a copy of the deed, agreement, mortgage, lease, or other written instrument evidencing such sale, lease, mortgage, assignment or transfer, certified and sworn to as correct by the Grantee.

Every such transfer as heretofore described will be deemed void and of no effect unless Grantee will, within sixty (60) days after the same will have been made, file such certified copy as is required.

3.7 Relation to Other Provisions of Law

This Agreement and all rights and privileges granted under it are subject to, and the Grantee must exercise all rights in accordance with, applicable law as amended over the Franchise Term. The Agreement is a contract, subject to the Grantor's exercise of its police and other regulatory powers and such applicable law. This Agreement does not confer rights or immunities upon the Grantee other than as expressly provided herein. In cases of conflict between this Agreement and any ordinance of general application enacted pursuant to the Grantor's police power, the ordinance will govern. Grantee reserves all rights it may have to challenge the lawfulness of any Grantor ordinance, whether arising in contract or at law. The Grantor reserves all of it rights and defenses to such challenges, whether arising out of contract or at law. The Franchise issued, and the fees paid hereunder, are not in lieu of any other required permit, authorization, fee, charge, or tax, unless expressly stated herein.

3.8 Franchise Acceptance

The Grantee, within forty-five (45) days after the tender by the Grantor to Grantee of the Franchise Agreement adopted by the Grantor, will file with the City a written acceptance executed by the Grantee, in the form attached hereto as Exhibit A. In the event Grantee fails to file the acceptance as required herein, then this Franchise will be null and void.

3.9 Effect of Acceptance

By accepting the Franchise, the Grantee;

A. Acknowledges and accepts the Grantor's legal right to issue and enforce this agreement,
B. Agrees that it will not oppose the Grantor's intervening or other participation in any proceeding affecting the Cable System,
C. Accepts and agrees to comply with each and every provision of this agreement,
D. Agrees that the Franchise was granted pursuant to processes and procedures consistent with applicable law, and
E. Agrees to not raise any claim to the contrary.

4. CONSTRUCTION AND SERVICE REQUIREMENTS

4.1 General

The Grantee will maintain on its cable system a minimum capacity of one hundred and twenty (120) activated channels, defined under the Cable Act as those channels engineered at the headend of the Cable

System for the provision of services generally available to residential subscribers of the cable services, regardless of whether such services actually are provided. In all its construction and service provision activities, Grantee will meet or exceed the construction, extension and service requirements set forth in this agreement.

4.2 Construction

In all its construction and service provision activities, Grantee will meet or exceed the construction, extension and service requirements set forth in this Franchise Agreement.

Prior to beginning any construction other than routine installations or repairs for individual subscribers, Grantee will provide Grantor with a construction schedule for work in the Streets. All construction will be performed in compliance with this Agreement and all applicable Grantor ordinances, codes, resolutions, rules and regulations heretofore or hereafter adopted or established during the entire term of the Franchise. When obtaining a permit, Grantee will inquire in writing about other construction currently in progress, planned or proposed, in order to investigate thoroughly all opportunities for joint trenching or boring. Whenever it is possible and reasonably practicable to joint trench or share bores or cuts. Grantee will work with other providers, grantees, permittees, and franchisees so as to reduce as far as possible the number of street cuts and disruption to the public.

A. Open Trench. The Grantor agrees that in the event that Grantor is conducting a city project, Grantee requests Grantor provide means to discuss any open trench opportunities associated with Grantor's project to the extent consistent with applicable law and provide reasonable access to the open trench. Notwithstanding the foregoing, Grantee will not be required to utilize any open trench nor will failure of Grantor to contact Grantee under this section be considered a violation of this Agreement.

4.3 Right of Inspection of Construction

Grantor will have the right to inspect all construction or installation work performed within the Franchise Area and to make such tests as it finds necessary to ensure compliance with construction or installation standards of this Franchise Agreement, other applicable City codes and ordinances, and other pertinent provisions of law. Grantee will fully cooperate in facilitating such inspections or tests and will be subject to any fees or charges applicable under ordinance or other laws or regulations.

4.4 Provision of Service

A. It is the Grantor's general policy that all residences in the Grantee's franchise area should have equivalent availability of service from Grantee's Cable System under non-discriminatory rates and reasonable terms and conditions. Grantee will not arbitrarily refuse to provide Cable Services to any Person within the Franchise Area subject to Section (B) below.

B. Except as otherwise provided in Section 4.4 (F) Grantee will provide Cable Service to every residential dwelling unit within the Franchise Area where the average density is equal to or greater than ten (10) dwelling units per linear strand quarter cable mile as measured from Grantee's nearest cable line:

   I. With no line extension charge; and

   II. At a non-discriminatory installation charge for a standard installation, consisting of a one hundred twenty-five (125) foot drop connecting from the nearest point on Grantee's Cable System to an outside wall for residential Subscribers with additional charges for non-standard installations computed on a time plus material basis to be calculated on that portion of the installation that exceeds the standard one hundred twenty-five (125) foot drop.

III. In all new subdivisions or other areas where undergrounding is required, cable plant and drops will be placed underground; in other areas, new or replacement cable plant and drops will be placed underground whenever feasible.

Grantee will provide Cable Service to potential Subscribers that do not meet the density requirement set forth in Section 4.4(B) under the following circumstances, through agreement between the Grantee and the person requesting service for payment of line extension construction costs:

I. Grantee will provide service at its normal, published installation charge for the initial one hundred twenty-five (125) feet of extension.

II. The subscriber will pay the actual cost of the extension for the distance over one hundred twenty-five (125) feet

C. Notwithstanding Section 4.4(A), Grantee may establish different and non-discriminatory rates and charges and classes of services for Commercial Subscribers, as well as different and non-discriminatory monthly rates for classes of Commercial Subscribers. For the purposes of this Section 4.4.C, "Commercial Subscribers" means any other Subscriber other than Residential Subscribers in single family or multifamily dwellings.

D. As areas are annexed into the City, Grantee will provide Cable Television services to all residences within the annexed area on the same terms as provided for in Section 4.4.C, unless otherwise authorized by the City.

E. In new subdivisions, cable television service will be made available under the terms of 4.4.A through 4.4.C above either (i) contemporaneously with other utility services; or (ii) no more than sixty (60) days from first occupancy, whichever is first.

F. Notwithstanding any other provision in this Franchise, Grantee will not be required to extend its Cable television service to any area of the City that already receives Cable television service from a provider that is not commonly owned to any degree with Grantee, unless the density meets or exceeds 60 dwelling units per linear cable quarter mile (1,320 feet) from Grantee's nearest cable plant.

4.5 Erection of Poles

Grantee may not erect, for any reason, any pole on or along any street or public way in an existing aerial utility system unless approved by the Grantor. The Grantee will make all reasonable efforts to lease pole space from the existing pole owners for all aerial constructions, under mutually acceptable terms and conditions, and will comply with all applicable ordinances, resolutions, rules and regulations of the Grantor, heretofore or hereafter adopted or established during the entire term of the Franchise.

4.6 Trimming of Trees or other Vegetation

In the conduct of its business, it may be necessary for Grantee to trim trees or other vegetation in order to provide space for its facilities. Tree or vegetation trimming will be done only in accordance with the codes and other rules and regulations of Grantor, heretofore or hereafter adopted or established during the entire term of the Franchise, and if the tree or vegetation is located on private property, with the permission of the owner of the property on which the tree or vegetation stands. Nothing contained in this Franchise Agreement will be deemed to empower or authorize Grantee to cut, trim or otherwise disturb any trees or other vegetation, whether ornamental or otherwise.

4.7 Repair and Restoration of Streets, Public Ways and Grounds

Whenever the Grantee disturbs the surface or otherwise damages any Street, alley, public roadway, hard surface pavement, other public ground, or ground, it will repair and restore the same to at least the prior condition or the legally required standard. In the case of a hard surface opening, Grantee will promptly refill the opening and restore the pavement to at least its original condition or the legally required standard. Grantor will notify Grantee if any opening made by Grantee requires further restoration and, after an eight-hour period for Grantee to affect the repairs, Grantor may refill and/or pave. All costs thereof, including but not limited to, inspection, supervision, and administration will be paid by Grantee. All excavations made by the Grantee will be properly safeguarded for the prevention of accidents. Any work required will be done in compliance with the rules, regulations and ordinances of the Grantor heretofore or hereafter adopted. Unless otherwise provided for in a written legal agreement with a private property owner, Grantee will repair and restore any private property it disturbs in the same manner required by the Franchise with respect to public property.

The requirement under this Section for the Grantor to notify the Grantee and to allow a minimum time period for repairs is effective except in the case of emergency, as determined under this Agreement.

4.8 Construction Codes

The Grantee will strictly adhere to all applicable building, zoning or other laws, codes, regulations and rules of Grantor in effect at the time of Grantee's work. The Grantee will arrange its lines, cables and other appurtenances, on both public and private property, in such a manner as to cause no unreasonable interference, as determined by the Grantor, with the use of said public or private property by any person. In the event of such interference, Grantor may require the removal of Grantee's lines, cables and appurtenances from the property in question at the sole expense of the Grantee.

4.9 Reservations of Street Rights

Nothing in this Franchise Agreement will be construed to prevent any public work of the Grantor, including without limitation constructing sanitary or stormwater sewers, grading, paving, repairing and/or altering any Streets and Public Ways, or laying down, repairing or removing water mains or maintaining, repairing, constructing or establishing any other public property. If any property of the Grantee will interfere with the construction or repair of any street or public improvement, whether it be construction, repair or removal of a sanitary or stormwater sewer or water main, the improvement of a street or any other public improvement, then upon reasonable written notice from the Grantor, all such property including poles, wires, conduits or other appliances and facilities will be removed, replaced or relocated in a timely manner as will be directed by the Grantor, so that the same will not interfere with the said public work of the Grantor, and such removal, replacement or relocation will be at the sole expense of the Grantee. In the event of failure, neglect or refusal of the Grantee to relocate its facilities or to repair, restore, or reconstruct such street, the Grantor may do such work or cause it to be done, provided that Grantor first notifies and provides Grantee fifteen (15) days to cure. Notwithstanding, if a public emergency exists, at the sole determination of the Grantor, Grantor may effect immediate repairs. All costs incurred by Grantor, including but not limited to the cost of inspection, supervision and administration, will be paid by the Grantee.

4.10 Street Vacation and Abandonment

In the event any street, alley, public highway or portion thereof used by the Grantee will be vacated by the Grantor, or the use thereof discontinued by the Grantee, during the term of this Franchise, the Grantee may abandon its above ground Cable System facilities if Grantor grants Grantee the right to do so in writing. Grantee will have the right to abandon its underground Cable System facilities. If the above ground cable facilities removal is required by Grantor, at the time of removal thereof the Grantee will, at no cost to Grantor, restore, repair or reconstruct the street area where such removal has occurred, and place the street area where such removal has occurred in such condition as may be reasonably required by Grantor and/or the new controlling jurisdiction. In the event of failure, neglect or refusal of the Grantee to remove its facilities or to repair, restore, or reconstruct such street, the Grantor may do such work or cause it to be done, provided that Grantor first notifies and provides Grantee fifteen (15) days to cure unless additional time is granted in writing by the Grantor. All costs incurred by Grantor, including but not limited to the cost of inspection, supervision and administration, will be paid by the Grantee.

4.11 Movement and Location of Facilities

A. Movement and location of Grantee's facilities will follow all applicable Grantor's regulations, heretofore or hereafter amended, unless otherwise provided within this Franchise.

B. Unless otherwise agreed to in writing by the Grantor, Grantee will, at no cost to the Grantor, temporarily or permanently remove, relocate, change or alter the position of any utility facility within the ROW, including relocation of aerial facilities underground where all wireline cable providers are being asked to relocate underground, when requested to do so in writing by the Grantor.

Grantor will bear no responsibility nor be liable for any costs, associated with Grantee's movement or alternate locations of Grantee's facilities.

4.12 Undergrounding

A. Cable must be installed underground where:

I. All existing wireline cable service utilities are placed underground, other than high voltage electric facilities;

II. Statute, ordinance, policy or other regulation of Grantor lawfully requires utilities to be placed underground;

III. All overhead utility lines are placed underground, other than high voltage electric facilities (Grantee will bear the cost of such movement of its facilities unless specific exemption is given by Grantor in any individual case or unless preemptive state or federal law or regulation provides otherwise);

IV. Grantee is unable to get pole clearance;

V. Underground easements are obtained from developers of new residential areas; or

VI. Utilities are overhead but Residents prefer underground (undergrounding to be provided at Residents' cost).

B. Cable may be installed above ground where:

I. Existing Wireline Cable Providers lines are above ground, excluding high voltage electric facilities; or

II. Grantee obtains written permission from Grantor

C. Grantee will use conduit or its functional equivalent on 100% of undergrounding, except for drops from poles, pedestals or vaults to Subscribers' homes and for cable on other private property where the owner requests that conduit not be used. Cable and conduit will be utilized which meets the highest industry standards for electronic performance and resistance to interference or damage from environmental factors. Grantee will use, in conjunction with utility companies or providers, common trenches for underground construction wherever available.

Nothing in this Section will be construed to prohibit Grantee from constructing, operating, or maintaining aboveground any ground-mounted appurtenances such as customer taps, line extenders, system passive devices, amplifiers, power supplies, pedestals, or other related equipment provided that these are placed in a manner consistent with applicable laws, codes, rules and regulations, heretofore or hereafter adopted.

4.13 Maps

A. Strand Maps. Grantee will maintain strand map drawings of the Cable System and make them available to the Grantor for inspection upon request. Strand drawings or their functional equivalent will be updated as changes occur in the Cable System. The Grantee will provide to the Grantor, upon request, at no cost to the Grantor, a copy of strand maps showing the location of the Grantee's facilities in the Streets and Public Ways within the Franchise Area.

B. GIS Maps. Grantee will provide, upon request, at no cost the Grantor a GIS map, in a format acceptable to the Grantor of all its facilities located with the Grantor's rights-of-way or Grantor's property. Grantor will not request such map more than once per calendar year.

C. Notwithstanding anything to the contrary set forth in this Section, the Grantee will not be required to disclose information beyond the GIS location of its facilities.

4.14 Emergency

In the event of emergency situation or circumstance that creates or is contributing to an imminent danger to health, safety, or property, as determined by Grantor in its sole discretion, the Grantor may remove or relocate Grantee's Cable System without prior notice. All costs incurred by Grantor, including but not limited to the cost of inspection, supervision and administration, will be paid by the Grantee. Subject to the limits of the Oregon Tort Claims Act and the Oregon Constitution, Grantor will defend, indemnify, and hold Grantee harmless for any negligent actions or gross negligence by Grantor's employees or agents pursuant to this Section 4.14.

4.15 Emergency Repairs

In the event that emergency repairs are necessary, Grantee will immediately notify the Grantor of the need for such repairs. Grantee may initiate such emergency repairs and will apply for appropriate permits as soon as reasonably practicable but in no event not later than two business days after discovery of the emergency. Grantee will comply with all applicable Grantor regulations relating to such repairs, including the payment of permit or license fees.

5. SYSTEM DESIGN AND PERFORMANCE REQUIREMENTS

5.1 Equal and Uniform Service

Reasonable efforts will be made to provide equal and uniform access, Cable Service and rates to Subscribers and potential Subscribers within the Franchise Area.

5.2 System Configuration

The Cable System will have the bidirectional communications capacity for subscriber interaction if any, required for selection or use of Cable Service such as pay-per-view, VOD and other interactive cable services requiring addressability.

5.3 Channel Capacity

The Grantee will maintain on its Cable System a minimum capacity of two hundred (200) activated analog and/or digital Channels. The System will throughout the Franchise term carry reverse signals in the upstream direction. The system performance, capacity and services offered may be reviewed to assure the system keeps pace with changes in technology and is at least comparable to other systems in the area.

5.4 Emergency Alert Capability

A. Grantee will provide emergency alert capability in full compliance with applicable FCC requirements. Grantee will establish procedures to override video and audio on all channels of the Cable System to provide emergency messages consistent with the FCC's directives.

B. Grantee will allow Grantor to transmit an emergency alert message from locations designated by the Grantor to all subscribers.

C. In times of emergency, the Grantor will permit only appropriately trained and authorized persons to operate the EAS equipment and, subject to the limits of the Oregon Tort Claims Act and the Oregon Constitution, will indemnify and hold harmless the Grantee, its employees, officers and assigns from any claims arising from Grantor's use of the cable system or the EAS. Additionally, subject to limits of the Oregon Tort Claims Act and the Oregon Constitution, Grantor will defend, indemnify and hold harmless the Grantee for the negligent actions or gross negligence by Grantor's employees or agents pursuant to this Section 5.4.

D. In non-emergency situations, only the Grantee is authorized to operate the EAS equipment. Upon request, the Grantor will be permitted to participate in and/or witness the EAS testing up to twice a year on a schedule formed in consultation with Grantee. If the test indicates that the EAS is not performing properly, then Grantee will make any necessary adjustment to the EAS and the EAS will be retested.

5.5 Standby Power

Grantee will provide standby power generating capacity at the Cable System headend and all hubs and any fiber optic nodes capable of providing emergency operations for at least forty-eight (48) hours. Grantee will maintain standby power system supplies, rated at least at two (2) hours duration, throughout the trunk and distribution networks. In addition, Grantee will have in place throughout the Franchise term, a plan, and all resources necessary for implementation of the plan, for dealing with outages of more than two hours. Upon request, Grantee will provide a copy of the plan to the Grantor.

5.6 Cable System

Grantee's Cable System will be able to deliver high quality signals that meet or exceed FCC technical quality standards regardless of any particular manner in which the signal is transmitted.

5.7 Parental Control Lock

Grantee will provide Subscribers (by sale, lease or otherwise), upon request, with a manual or electronic parental control locking device or digital code that permits inhibiting the viewing of any channel, consistent with applicable regulations. Any charge for such device will be consistent with applicable rate regulations. Subscribers will be notified by Grantee of the availability of the locking device no less frequently than annually.

5.8 Technical Standards

Grantee will meet all the requirements of The Federal Communications Commission (FCC) Rules and Regulations, Part 76, Subpart K.

5.9 Performance Testing

Grantee will perform all system tests required by the FCC, and all other tests reasonably necessary for the Grantor to easily, to determine compliance with technical standards required by this Franchise.

Upon request, Grantee will advise Grantor of schedules and methods for testing the Cable System on a regular basis to determine compliance with the provisions of this Agreement and applicable FCC technical standards. Written records of all system test results performed by or for the Grantee will be maintained and copies of written test will be made available to Grantor upon request, at no cost to Grantor. Tests may be witnessed by representatives of Grantor.

The Grantor may conduct independent tests of the system for which the Grantee will give its fullest cooperation. If one or more of the locations tested fail to meet the performance standards, the Grantee will be required to indicate what corrective measures have been taken, and the entire test will be repeated at the locations which failed, and at least five (5) additional randomly chosen locations. If results of a second test indicate failure of the system to meet the technical performance requirements of this Franchise, then the Grantor may apply such remedies as it deems appropriate, unless the circumstances of the failure are caused by conditions which are beyond the Grantee's control, as determined, acknowledged and verified by the Grantor.

5.10 FCC Compliance

It is the responsibility of the Grantee to document that the system and its operation are in compliance with FCC technical specifications and performance requirements. If the Grantor has received subscriber complaints regarding the performance of the Cable System, and the Grantor determines that the most efficient or only reasonable way to determine a question of System compliance with FCC technical specifications is through a specific testing of the system in addition to test required by the FCC; Grantee will, upon written notice by the Grantor, perform such testing at a reasonable time, and Grantee will give the Grantor an opportunity to witness the testing and provide the Grantor with documentation of the testing results. The FCC's technical standards will govern the protocols for all such testing.

In any case where the system testing reveals non-compliance with FCC standards, the Grantee will repair the system or make whatever modifications are required and necessary to bring the system performance into compliance with FCC standards within sixty (60) days.

6. SERVICES AND PROGRAMMING

6.1 Programming Categories

To the extent Grantor has regulatory authority under federal law, the Grantee will provide video programming services in at least the following broad categories:

1. News & Information
2. Sports
3. General Entertainment
4. Arts, Culture, Performing Arts
5. Children / Family

6. Science
7. Travel Information
8. Weather Information
9. Governmental and Educational Programming
10. Movies
11. Religious Programming
12. Foreign language / Ethnic Programming

The identification of these broad categories of programming in no way infers regulatory authority by the Grantor over specific programming services or networks which may be carried on the Cable System, except for PEG Access programming, as further described herein.

6.2 Changes in Video Programming Services

Subject to the provision of the Cable Act, no category of services as referred to in Section 6.1 may be deleted, or so limited as to be effectively deleted by the Grantee without Grantor approval, which will not be unreasonably withheld. In the event any applicable law or regulation materially alters the terms and conditions under which Grantee carries programming within the broad programming categories described in Section 6.1, then the Grantee will be obligated to carry such programming.

6.3 Leased Channel Service

The Grantee will offer leased channel service to the extent required by 47 U.S.C. Section 532 (Section 612 of the Cable Act), or regulations adopted thereunder.

6.4 Obscenity

The Grantee agrees that it will not transmit over the Cable System programming, which is obscene or otherwise unprotected by applicable law, provided, however, Grantee will in no way be responsible for programming over which it has no editorial control, including but not limited to, Public, Educational and Governmental Access programming.

6.5 Public, Educational and Government Programming

A. Channels

The Grantor and Grantee agree that the Grantor is not operating a PEG channel at the time this franchise is executed. It is further agreed that the obligations in Section 6.5 are contingent upon Grantor's decision to initiate a PEG channel with all wireline cable providers.

I. Upon one hundred twenty (120) days advance written notice by Grantor, Grantee will provide to the Grantor, for independent administration by the Grantor or its Designated Access Provider (DAP) throughout the term of the Franchise, one (1) PEG Access Channel to be cablecast throughout the Franchise Area.

II. In the event Grantor request the activation of the one (1) or more PEG Access Channel as set forth in this subsection, Grantor will identify three certain origination sites, from which Access Programing may originate and be transmitted therefrom to Grantee's headend. The costs to construct a connection for such transmission will be paid by the Grantor and Grantor may use PEG Supports funds for such purposes.

B. Triggers for Additional Access Channels

I. After the initial Access Channel has been made available for PEG Access use, Grantee will, if directed by the Grantor, provide an additional activated Access Channel for PEG use to a maximum total of two Access Channels as required in this subsection. The Grantor will give

Grantee at least 120 days prior written notice of the required additional Access Channels. Such written notice will include information verifying that the trigger criteria have been met.

II. The one (1) additional Access Channel will be made available to the Grantor at such time that the existing Access Channels is in use for locally scheduled video programming (not to include character- generated programming, non-video transmissions, or repetitions of programs beyond three (3) repetitions an average of 80% of the time, seven days per week for any consecutive five-hour block during the hours from 10:00 a.m. to 10:00 p.m. for 10 consecutive weeks. Provided, however, that if the usage ratio of any additionally designated channel should at any time fall below 30% of the level of usage required above for the addition of a channel, then the use of that channel will revert back to the Grantee, upon 120 days' after Grantee's notice to Grantor.

III. Grantee will make PEG Access Channel(s) available to all Subscribers without any additional or extra costs to subscribers. Grantee may deliver such PEG Channels in a digital format, at Grantee's sole and absolute discretion. The Access Channels must be receivable by Subscribers without special expense, other than the expense required to receive Basic Service. Designated Access Providers have no obligation to provide a signal to Grantee in a digital format.

IV. The Grantee will provide all PEG Channels on the Basic Service tier throughout the life of the Franchise, consistent with the requirements of federal law. If there is no Basic Service tier, Grantee will provide the PEG Channels at no additional charge to any Person who subscribes to the lowest general level of cable video programming service and otherwise in accordance with federal and state law. If channels are selected through a menu system that is under the control of Grantee, the PEG Channels will be displayed in the same manner as other channels. Grantor or its Designated Access Provider will be responsible for the costs associated with specific program listings for the PEG Channels on Cable System program guides and menus.

V. Grantor may, at its sole cost and expense, deliver the PEG Channels to Grantee in video-on-demand (VOD) format. Grantor is responsible for all costs and expenses to encode and deliver such VOD programming. If Grantor delivers VOD programming to Grantee, Grantee will have the right, but not the obligation, to deliver the VOD programming to Subscribers receiving the PEG Channels.

VI. If Grantee modifies its Cable System in a manner that has the effect of requiring modifications to PEG facilities and equipment, in order to deliver PEG signals, Grantee will bear any cost that the Designated Access Providers must incur as a result, subject to applicable law. If, for example, Grantee requires high-definition signals, Grantee will bear the costs any Designated Access Providers incur to provide high-definition signals.

C. Support for Access Costs

I. At any time during the term of this Franchise once Grantee's cable system is operational, within one hundred twenty (120) days of written notice from the Grantor per Section 6.5.A.1, Grantee will pay a PEG Support fee in the amount of fifteen cents, ($0.15) per subscriber per month, which funds will be used in accordance with applicable federal law. Nothing in this Section 6.5 will be viewed as a waiver of Grantor's rights to use the funds provided for any lawful purpose permitted under applicable federal law. Grantee will make such payments in conjunction with and at the same frequency as franchise fees.

a. PEG support payments to the Grantor will be accompanied by such information allowing the Grantor to easily verify compliance with this Section, including monthly subscriber numbers, and if needed or requested any such information Grantor reasonably deems required to verify compliance. Grantee will provide information to the Grantor within 30 (thirty) days without any cost to Grantor.

b. Both parties agree that Support for Access Costs is a material provision and subject to the terms specified in Section 3.5.B.

II. Both parties agree that the PEG Access fee and the Additional Financial Support for PEG Access, if allowed by law, may be passed through to Subscribers. However, Grantee will not reduce or alter payments to the Grantor based on passed through amounts or amounts collected from subscribers. Payments will be calculated on the number of subscribers multiplied by the amount per subscriber, without reduction or off-set of any kind.

III. If at any time after twelve (12) months of the PEG fee being paid to Grantor, the Grantor fails to operate the PEG Access Channel, Grantee may, after providing at least one hundred twenty (120) days written notice to Grantor, discontinue the PEG Access fee unless the Grantor operates the PEG Access channel within the one hundred twenty (120) day notice period.

IV. Grantor agrees that the sections of any network infrastructure developed using PEG support funds that are used to transport PEG programming shall be readily identifiable, for their exclusive use for internal, institutional purposes only and shall not be made available to any other public or private entity.

V. Should Grantee continue to provide Cable Services after the expiration of this Franchise and Grantor has activated a PEG channel, Grantee will continue to provide support of PEG Access as detailed in this Section 6.5.

D. Additional Financial Support for PEG Access

The commitments outlined in sections I-II below will be contingent upon Grantor's decision to initiate PEG Channel(s) with all wireline cable providers in the community and Grantee's cable system is operational. If that happens, then Grantor will provide Grantee with written notice of its intent to activate PEG channel(s), consistent with the terms of this Franchise Agreement. Once that occurs, Grantee will pay the below obligations no later than One Hundred Twenty (120) days from the time of notice by Grantor.

After the Grantor has established the operation of a PEG access channel, if the Grantor fails to provision six (6) months of continuous broadcasting of the PEG Access channel, Grantee may discontinue paying all Support in this Subsection D upon One hundred twenty (120) days written notice.

I. Grantee will pay a one-time fee in the amount of Twenty Thousand Dollars ($20,000.00) to contribute towards legally allowable PEG costs.

II. Grantee will pay a quarterly fee in the amount of two thousand two hundred fifty dollars ($2,250) per quarter. The payments will be remitted on the same schedule and subject to the same conditions as the franchise fees. Grantor's access channel(s) will air sponsorship announcements over the Access channel(s). Sponsorship announcements will not be produced or edited by Grantor. However, the announcements must be approved by Grantor and will conform to the FCC rules and regulations for noncommercial use.

III. Grantee will pay its pro rata share of studio/office space for any PEG Access Provider(s) as long as such space is not located within building owned by Grantee. Such cost(s) will be equally shared among all wireline cable providers.

E. Access Support not Franchise Fees

So long as PEG support funds are used in a manner consistent with applicable federal law, the Grantee agrees that financial support for Access arising from or relating to the obligations set forth in Section 6.5 will in no way modify or otherwise affect the Grantee's obligations to pay Franchise fees to the Grantor. Unless allowed under federal law, the Grantee agrees that although the sum of Franchise fees and the payments set forth in this Section may total more than five percent (5%) of the Grantee's Gross Revenues in any twelve (12) month period, the additional PEG support commitments in this Section 6.5, will not be offset or otherwise credited in any way against Franchise fee payments under this Franchise Agreement.

F. Change in Technology

I. In the event Grantee makes any changes in the Cable System and related equipment and facilities or in Grantee's signal delivery technology, which directly or indirectly affects the signal quality or transmission of Access Programing, Grantee will, at Grantee's sole expense take necessary technical steps or provide necessary equipment at its facilities to ensure that the capabilities of Access Providers or Access Programmers are not diminished, or adversity affected by such change. Grantor or its Designated Access providers will be responsible for acquisition of necessary equipment at their respective facilities.

II. In accordance with this Section 6.5, the Grantee, in the event of connecting PEG for Grantor, will be required to provide connections as described herein to its headend wherever the headend may be located or relocated. Without limiting the foregoing, in the event Grantee alters its Cable System (including by relocating its headend), Grantee will be responsible for replacing or restoring all connections at Grantee's sole cost consistent with applicable law so that all the functions and capacity remain available, operate reliably, and satisfy all applicable technical standards without additional cost to the Grantor or Designated Access

G. Technical Quality

I. Grantee will maintain all upstream and downstream Access Channels and interconnections of Access Channels at the same or better level of technical quality and reliability provided for its Residential Network and required by this Franchise and all other applicable laws, rules, and regulations for Residential Subscriber Channels.

II. Grantee will have no responsibility for the technical production quality of the Access Programing distributed on the Access Channels.

III. The Grantee will not cause any Programming other than emergency alert signals to override Access Programming on any Access Channel, except by specific written permission from the Grantor, its Designated Access provider or other duly appointed designee.

6.6 Complimentary Cable Service to Public Buildings/Schools

The Parties agree that at the effective date of this agreement Grantee will not have service available to residential, commercial, schools, or government agencies; due to the time needed for Grantee to build out its cable system. Consequently, the Parties agree that complimentary cable service accounts are not an immediate condition of the franchise agreement.

A. The Parties agree that when Grantee's Cable system is operational, and if allowed by applicable law, Grantee will provide, at no cost to Grantor: One (1) outlet of basic and digital economy tier (or its functional equivalent) programming and any equipment necessary to receive such services, to each and every public use building, as designated by Grantor, including all Emergency Operation Centers, Libraries and Public Schools, passed by Grantee's system. Those portions of buildings that house prison and/or jail populations will be excluded from receiving complimentary services.

B. Grantee and Grantor agree that should Grantee, as provided for by applicable law, be allowed to deduct the value of such services from franchise fees, or Grantor can pay for services:

I. Grantee will give Grantor one hundred twenty (120) days' notice of its intent to off-set franchise fees by the value of such services. Grantor may opt to keep services and accept the off-set, pay for the services, or cancel services.

II. Grantee and Grantor agree that services will be valued at the lowest rate available. For illustration and not limitation the lowest rate could be the bulk rate, municipal price, or other.

The Parties agree that the FCC's regulations regarding complimentary services are currently under review. Should this review, or other action result in a change to federal law, both parties agree to abide by federal law.

7. FRANCHISE REGULATION AND CUSTOMER SERVICE STANDARDS

7.1 Intent

It is the intent of the Grantor to administer and enforce the provisions of this Franchise. Grantor may lawfully delegate all or a part of its administrative and regulatory authority under this Franchise to an agency designated by the Grantor.

7.2 Areas of Regulation and Administration

The Grantor (or its designee) has authority for regulation in the following areas:

A. Administering and enforcing the provisions of this Franchise Agreement, including the adoption of administrative rules and regulations to carry out this responsibility.

B. Coordination of the operation of Public, Educational and Government Access Channels (PEG).

C. Interfacing the Grantee's technical, programming and operational assistance and support to public agency users, such as City departments, Schools and health care institutions.

D. Formulating and recommending long-range cable communications policy of Grantor for the City.

E. Disbursing and utilizing franchise revenues paid to the Grantor.

F. Regulating rates, to the extent permitted by law.

G. Customer service, to the extent permitted by law.

H. Planning and facilitating development of public, education and government access programming, both within the City and through interconnection with adjacent systems.

I. All other areas as provided by the Cable Act

Nothing in this Section 7.2 is intended or will be interpreted to expand Grantee's scope of authority authorized by state and federal law.

7.3 Administration and Regulation

A. Authority. Grantor is vested with the power and right to regulate the exercise of the privileges permitted by this Agreement in the public interest, or to delegate that power and right, or any part thereof, to the extent permitted under state and local law, to any agent, in its sole discretion.

B. Rates and Charges. All of Grantee's rates and charges related to or regarding Cable Service will be subject to regulation by Grantor to the full extent authorized by applicable federal, state and local laws.

C. Rate Discrimination. All of Grantee's rate and charges will be published (in the form of a publicly available rate card) and will be nondiscriminatory as to all Persons and organizations of similar classes, under similar circumstances and conditions. Grantee will apply its rates in accordance with governing law, without regard to race, color, familial, ethnic or national origin, religion, age, sex, sexual orientation, martial, military status or physical or mental disability, or geographic location in the Franchise Area to the extent required by applicable law.

D. Rate Discrimination Prohibited. Grantee will apply non-discriminatory rates and charges to all Subscribers purchasing similar services, regardless of race, color, creed, sex, marital or economic status, age, national origin, or sexual preference, except as otherwise provided herein; provided that nothing in this Franchise will prevent the Grantee from establishing discounted rates and charges for low-income Subscribers or elderly Subscribers, or from temporarily reducing or waiving rates and charges in connection with promotional campaigns.

E. Filing of Rates and Charges. Throughout the term of this Agreement, Grantee will maintain on file with Grantor a complete schedule of applicable rates and charges for Cable Services provided under this Agreement.

F. The provisions of this Section 7.3 will be subject to the provisions of 47 U.S.C. Section 543 (Section 623 of the Cable Act), as amended from time to time. It is not intended that this Section expand or diminish the rights of the Grantor and Grantee in relation to regulation of rates and charges under those provisions of the Act, and any provision of this Section or of any other provision of this Franchise that purports to expand or diminish such rights will be deemed superseded by those provisions of the Act.

7.4 Remedies for Franchise Violations/Revocation

A. Authority.

I. If the Grantor believes that the Grantee has failed to preform any obligation under this Franchise or has failed to perform in a timely manner, and Grantor wishes to impose damages as afforded under applicable law or seek revocation under Section 7, Grantor will notify Grantee in writing, stating with reasonable specificity the nature of the alleged violation. Grantee will have a Cure Period following receipt of such notice to:

a. Response to the Grantor, contesting Grantor's assertion that a violation has occurred and request a hearing in accordance with Section 7.4.D;

b. Cure the violation; or

c. Notify the Grantor, in writing that Grantee cannot cure the violation within the Cure Period due to the nature of the violation and notify the Grantor, in writing what steps the Grantee will take to cure the violation including te Grantee's projected completion date for such cure. In such case, the Grantor will within 30 (thirty) days of receipt of such response either:

i. Accept Grantee's plan and schedule for curing the violation; or

ii. Set a hearing in accordance with 7.4.B.

The Cure Period, for purposes of Section 7, will be thirty (30) days, unless Grantor specifies a longer cure period, and except that in cases of emergency, or repeat violation within any 3 (three) month period, the Grantor may set a reasonable shorter Cure Period.

If a Grantee fails to demonstrate to the reasonable satisfaction of Grantor that no violation exists, or if

Grantee fails to correct the violation within the time prescribed, or if a Grantee is unable to correct the violation and fails to commence corrective action within the time prescribed and to diligently remedy such violation thereafter, the Grantee will then be given written notice of not less than thirty (30) days of a public hearing to be held before the City Council, pursuant to Section 7.4.E. of this Franchise. Said notice will indicate with reasonable specificity the violation alleged to have occurred.

B. Plan for Cure. In the event that the Grantee notifies the Grantor that it cannot cure the violation within the Cure Period and proposes a plan and schedule cure for which is not acceptable by the Grantor, Grantor may, within 30 (thirty) days of Grantee's receipt of such notice, set a hearing before the City Council. At the hearing, Grantor will review and determine whether the Grantee has taken reasonable steps to cure the violation and whether the Grantee's proposed plan and completion date for cure are reasonable. In the event such plan and completion date are determined by mutual consent to be reasonable, the same may be approved by Grantor, who may waive all or part of the applicable damages for such extended cure period in accordance with the criteria set forth in 7.4.F.

C. Imposition of Applicable Damages. In the event that the Grantee fails to cure the violation within the Cure Period, or within an extended cure period approved by the Grantor pursuant to 7.4.B, the Grantor may impose applicable damages or revoke this Franchise in accordance with the Section 7, but may do so only in accordance with the requirements of this Section, only after it holds a hearing before City Council to determine what damages, if any, or revocation, will be applied. Any such applicable damages will not begin to accrue until after the initial Cure Period has expired.

D. Contest of Violation. In the event that the Grantee contests the Grantor's assertion that a violation has occurred and request a hearing in accordance with Section 7.4.A.1 above, the Grantor will set a hearing within sixty (60) days of the Grantor's receipt of the hearing request to determine whether the violation has occurred, and if a violation is found to have occurred, what remedies under this Section 7, will be applied.

E. Opportunity to Be Heard. In the case of any hearing pursuant to this Section 7.4, Grantor will notify Grantee of the hearing is writing at least thirty (30) days prior to the hearing date. At the hearing, Grantee will be provided an opportunity to be heard, examine Grantor's witnesses, and to present evidence in its defense. The Grantor may also hear any other Person interested in the subject and may provide additional hearing procedures as Grantor deems appropriate. After the hearing is closed, Grantor will issue writing findings and a decision based on the evidence presented.

F. Nature of Remedies. If after the hearing, Grantor determines that a violation exists, Grantor may use one or more of the following remedies:
   I. Order Grantee to correct or remedy the violation with a reasonable time frames as Grantor will determine;
   II. Revoke this Franchise, subject to Sections 7.4 and 11.1;
   III. Pursue and other legal or equitable remedy available under this Franchise or other applicable law.

Nothing contained in this Section 7.4 will be deemed to prevent either party from appealing the decision to a higher court.

7.5 Remedies Not Exclusive

Except as provided in Section 7.4, Grantor has the right to apply any one or any combination of the remedies provided for in this Franchise, including without limitation all remedies provided for in this Section 7, and may without limitation pursue any rights, remedies or actions that it may have in law or equity regardless of whether they are specifically mentioned in this Franchise.

7.6 Customer Service Standards

Grantee will comply with all applicable customer service standards established in the Cable Act or federal rules and regulations, including but not limited to FCC Rules and Regulations, Part 76, Subpart H and Subpart T, and Grantor has the authority to enforce such standards. Nothing in this Section will limit the rights of the Grantor to establish additional or different standards in accordance with federal law and regulations.

7.7 Customer Service and Telephone Responsiveness

A. Customer Service and Telephone Availability

I. Grantee will maintain a store within 20 (twenty) miles of the City limits. The office must be staffed 40 hours per week, and Grantee will be able to respond to subscribers and the public not less than 40 hours per week during normal business hours, plus at least 8 weekend or evening hours.

a. During the hours the office is open, Grantee's staff will be able to respond in at least, but not limited to

i. Accept payments (in cash, by check, or card),

ii. Exchange or accept returned equipment, and

iii. Respond to inquires.

II. Grantee will maintain a toll-free number to receive all calls and inquiries from Subscribers in the Franchise Area and/or residents regarding Cable Service. Grantee representatives trained and qualified to answer questions related to Cable Service in the Service Area must be available to receive reports of Service Interruptions twenty-four (24) hours a day, seven (7) days a week, and such representatives will be available to receive all other inquiries at least forty-five (45) hours per week including at least one night per week and/or some weekend hours. Grantee representatives will identify themselves by name when answering this number.

III. Grantee may use an Automated Response Unit ("ARU") or a Voice Response Unit ("VRU") to distribute calls. If a foreign language routing option is provided, and the Subscriber does not enter an option, the menu will default to the first tier menu of English options.

IV. Under Normal Operating Conditions, as described in 7.7. II, calls received by the Grantee will be answered within thirty (30) seconds during Normal Business Hours. The Grantee will meet this standard for ninety percent (90%) of the calls it receives at call centers receiving calls from Franchise Area Subscribers, as measured on a cumulative Quarterly calendar basis. Measurement of this standard will include all calls received by the Grantee at all call centers receiving calls from Subscribers, whether they are answered by a live representative, by an automated attendant, or abandoned after thirty (30) seconds of call waiting. If the call needs to be transferred, transfer time will not exceed thirty (30) seconds.

V. Under Normal Operating Conditions, callers to the Grantee will receive a busy signal no more than three (3%) percent of the time during any calendar Quarter.

VI. Upon written request during a given calendar Quarter, forty-five (45) days following the end of each Quarter, the Grantee will report to Grantor, the following for all call centers receiving calls from Subscribers except for temporary telephone numbers set up for national promotions:

a. Percentage of calls answered within thirty (30) seconds as set forth in 7.7.IV; and

b. Percentage of time Subscribers received a busy signal when calling the Grantee's service center as set forth in Section 7.7.V.

VII. At the Grantee's option, the measurements and reporting above may be changed from calendar quarters to billing or accounting quarters one time during the term of this Agreement. Grantee will notify Grantor of such a change not less than thirty (30) days in advance.

B. **Installations and Service Appointments**

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

II. The Standard Installation will be performed within seven (7) business days of Subscriber request. Grantee will meet this standard for ninety-five percent (95%) of the Standard Installations it performs, as measured on a calendar quarter basis, excluding those requested by the Subscriber outside of the seven (7) day period.

III. Upon written request during a given calendar Quarter, Grantee will provide Grantor with a report noting the percentage of Standard Installations completed within the seven (7) day period, excluding those requested outside of the seven (7) day period by the Subscriber for that quarter. Subject to consumer privacy requirements, underlying activity will be made available to Grantor for review upon reasonable request.

IV. At Grantee's option, the measurements and reporting above may be changed from calendar quarters to billing or accounting quarters one time during the term of this Agreement. Grantee will notify Grantor of such a change not less than thirty (30) days in advance.

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

VI. Grantee must provide for the pick up or drop off of equipment free of charge in one of the following manners: (i) by having a Grantee representative go to the Subscriber's residence, (ii) by using a pre-paid mailer. If requested by a mobility-limited Subscriber, the Grantee will arrange for pickup and/or replacement of converters or other Grantee equipment at Subscriber's address, at no cost to Subscriber, or by a satisfactory equivalent.

C. **Service Interruptions and Outages**

Grantee will promptly notify Grantor of any Significant Outage of the Cable Service.

I. Grantee will exercise commercially reasonable efforts to limit any Significant Outage for the purpose of maintaining, repairing, or constructing the Cable System. Except in an emergency or other situation necessitating a more expedited or alternative notification procedure, Grantee may schedule a Significant Outage for a period of more than four (4) hours during any twenty-four (24) hour period only after Grantor and each affected Subscriber in the Service Area have been given at least 3 (three) days prior notice of the proposed Significant Outage. Notwithstanding the foregoing, Grantee may perform modifications, repairs and upgrades to the System preferably between 12:01 a.m. and 6 a.m., so as to minimize service disruption to Customers.

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

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

a. Within twenty-four (24) hours, including weekends, of receiving Subscriber calls about Service Interruptions in the Service Area.

b. Grantee must begin actions to correct all other Cable Service problems the next business day after notification by the Subscriber or Grantor of a Cable Service problem.

IV. Under Normal Operating Conditions, Grantee will complete Service Calls within seventy-two (72) hours of the time Grantee commences to Respond to the Service Interruption, not including weekends and situations where the Subscriber is not reasonably available for a Service Call to correct the Service Interruption within the seventy-two (72) hour period.

V. Grantee will meet the standard in this Section for ninety percent (90%) of the Service Calls it completes, as measured on a Quarterly basis.

VI. Upon written request during a given calendar Quarter, Grantee will provide Grantor with a report within forty-five (45) days following the end of each calendar quarter, noting the percentage of Service Calls completed within the seventy-two (72) hour period, not including Service Calls where the Subscriber was reasonably unavailable for a Service Call within the seventy-two (72) hour period as set forth in this Section. Subject to consumer privacy requirements, underlying activity will be made available to Grantor for review upon reasonable request.

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

VIII. Under Normal Operating Conditions, if a Significant Outage affects all Video Programming Cable Services for more than twenty-four (24) consecutive hours, Grantee will automatically issue a credit to the affected Subscribers in the amount equal to their monthly recurring charges for the proportionate time the Cable Service was out, or a credit to the affected Subscribers in the amount equal to the charge for the basic plus enhanced basic level of service for the proportionate time the Cable Service was out, whichever is technically feasible or, if both are technically feasible, as determined by Grantee, provided such determination is non-discriminatory. Such credit will be reflected on Subscriber billing statements within the next available billing cycle following the outage.

D. **Subscriber Complaints Referred by Grantor**

Under Normal Operating Conditions, Grantee will begin investigating Subscriber complaints referred by Grantor within twenty-four (24) hours. Grantee will notify Grantor of those matters that require more than seventy-two (72) hours to resolve, but Grantee must make all necessary efforts to resolve those complaints within ten (10) business days of the initial complaint. Grantor may require Grantee to provide reasonable documentation to substantiate the request for additional time to resolve the problem. Grantee will inform Grantor in writing, which may be by an electronic mail message, of how and when referred complaints have been resolved within a reasonable time after resolution. For purposes of this Section, “resolve” means that Grantee will perform those actions, which, in the normal course of business, are necessary to investigate the Subscriber’s complaint and advise the Subscriber of the results of that investigation.

E. **Billing**

I. Subscriber bills must be itemized to describe Cable Services purchased by Subscribers and related equipment charges. Bills will clearly delineate activity during the billing period, including optional charges, rebates, credits, and aggregate late charges. Grantee will without limitation as to additional line items, be allowed to itemize as separate line items, Franchise fees, taxes, PEG fees, and/or other governmental-imposed fees. Grantee will maintain records of the date and place of mailing of bills.

Grantee will provide an example of subscribers' invoice, to Grantor with quarterly franchise fee payments. Confidential information may be redacted.

II. Grantee will provide a telephone number and address clearly and prominently on the bill for Subscribers to contact Grantee.

III. Grantee will provide a copy of any rate-related or customer service-related billing inserts or other mailings related to Cable Service, but not promotional materials, sent to Subscribers, to Grantor.

F. **Deposits, Refunds and Credits**

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

II. Under Normal Operating Conditions, Credits for Cable Service will be issued no later than the Subscriber's next available billing cycle. Such approval and processing will not be unreasonably delayed.

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

a. If subscribers accidentally remit a payment to Grantor, Grantor will notify Grantee and forward payment to Grantee. If such notice is received by Grantor before the due date, such payment will be considered on time.

G. **Rates, Fees and Charges**

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

II. Grantee will provide reasonable notice to Subscribers of the possible assessment of a late fee on bills or by separate notice. Such late fees are subject to ORS 646.649.

H. **Disconnection/Denial of Service**

I. Cable Service terminated in error must be restored without charge within twenty-four (24) hours of notice. If a Subscriber was billed for the period during which Cable Service was terminated in error, a credit will be automatically issued to the Subscriber.

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

III. Charges for Cable Service will be discontinued at the time of the requested termination of service by the Subscriber, except equipment charges may be applied until equipment has been returned. No period of notice prior to requested termination of service can be required of Subscribers by Grantee. No charge will be imposed upon the Subscriber for or related to total disconnection of Cable Service or for any Cable Service delivered after the effective date of the disconnect request unless there is a delay in returning Grantee equipment or early termination charges apply pursuant to the Subscriber's service contract. If the Subscriber fails to specify an effective date for disconnection, the Subscriber will not be responsible for Cable Services received after the day following the date the disconnect request is received by Grantee. For purposes of this subsection, the term "disconnect" will include

Subscribers who elect to cease receiving Cable Service from Grantee and to receive Cable Service or other multi-channel video service from another Person or entity.

IV. If by reason of force majeure the Grantee is unable to provide service to the subscriber, or the subscriber is unable to utilize wireline cable services, charges for such services will be discontinued at the time of the force majeure event.

I. **Communications with Subscribers**

I. Grantee will comply with federal regulations including, but not limited to:
   a. 47 C.F.R. §76.952(a). Providing Grantor's information to Subscribers
   b. 47 U.S.C. §551. Privacy rights of Subscribers.

II. Grantee will provide information to all Subscribers about each of the following items at the time of installation of Cable Services, annually to all Subscribers or in hard copy format to Grantor, at any time upon request, and, subject to this Section, at least thirty (30) days prior to making significant changes in the information required by this Section if within the control of Grantee:
   a. Products and Cable Service offered;
   b. Prices and options for Cable Services and condition of subscription to Cable Services. Prices will include those for Cable Service options, equipment rentals, program guides, installation, downgrades, late fees and other fees charged by Grantee related to Cable Service;
   c. Installation and maintenance policies including, when applicable, information regarding the Subscriber's in-home wiring rights during the period Cable Service is being provided;
   d. Channel positions of Cable Services offered on the Cable System;
   e. Complaint procedures, including the name, address, and telephone number of Grantor, but with a notice advising the Subscriber to initially contact Grantee about all complaints and questions;
   f. Procedures for requesting Cable Service credit;
   g. The availability of a parental control device;
   h. Grantee practices and procedures for protecting against invasion of privacy; and
   i. The address and telephone number of Grantee's office to which complaints may be reported.

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

IV. All notices identified in this Section to subscribers will be by either:
   a. A separate document included with a billing statement or included on the portion of the monthly bill that is to be retained by the Subscriber; or
   b. A separate electronic notification.

III. Grantee will provide reasonable notice to Subscribers and Grantor of any pricing changes or additional changes (excluding sales discounts, new products or offers) and, subject to the forgoing, any changes in Cable Services, including Channel line-ups. Such notice must be given to Subscribers a minimum of thirty (30) days in advance of such changes if within the control of Grantee. If the change is not within Grantee's control, Grantee will provide an explanation to Grantor of the reason and expected length of delay. Grantee will provide a copy of the notice to Grantor including how and where the notice was given to Subscribers.

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

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

X. Every notice of termination of Cable Service will include the following information:

a. The name and address of the Subscriber whose account is delinquent;
b. The amount of the delinquency for all services billed;
c. The date by which payment is required in order to avoid termination of Cable Service; and
d. The telephone number for Grantee where the Subscriber can receive additional information about their account and discuss the pending termination.

8. GENERAL FINANCIAL AND INSURANCE PROVISIONS

8.1 Compensation

A. Franchise Fee.

As compensation for the Franchise to be granted, and in consideration of permission to use the Streets and Public Ways of the Grantor for the construction, operation, and maintenance of a Cable System providing Cable services, within the Franchise Area and to defray the costs of Franchise regulation, the Grantee will pay to Grantor an amount equal to five percent (5%) of Gross Revenues. In the event any law or valid rule or regulation applicable to this Franchise limits franchise fees below or above the five percent (5%) of Gross Revenues required herein, the Grantee agrees to and will pay the maximum permissible amount and, if such law or valid rule or regulation is later repealed or amended to limit a higher or lower permissible amount, then Grantee will pay the higher or lower amount up to the maximum allowable by law.

Grantor and Grantee agree that the sum of Franchise fee and additional commitment set forth elsewhere in this Franchise may total more than five percent (5%) of Grantee's Gross Revenue in any twelve (12) month period. If allowed under Federal Law and with written 60 (sixty) day notice to Grantor, Grantee may offset or deduct the amount allowed by law from Grantee's payment of franchise fees. Grantee's notice to Grantor will provide Grantor detailed and specific information on amounts claimed as credits or offsets.

Within thirty (30) days of a request from Grantor, Grantee will make available an up-to-date list of all Affiliates receiving Gross Revenues as such revenues are defined in this Franchise.

B. Bundling

If Cable Services subject to the Franchise fee required under this Franchise are provided to Subscribers in conjunction with non-Cable Services, Grantee will not allocate revenue between Cable Services and non-Cable Services for the purpose or with the intent of evading or substantially reducing Grantee's Franchise fee obligations to Grantor.

C. Payment of Franchise Fees

I. Payments due under this Section will be computed and paid quarterly, for the preceding quarter, as of March 31, June 30, September 30, and December 31. Each quarterly payment will be due and payable no later than thirty (30) days after the dates listed in the previous sentence. At the time of quarterly payment, the Grantee will submit a report to the Grantor, verified by an officer of Grantee, which will contain an accurate statement of all Gross Revenues related to operation of the cable system franchised hereunder, in sufficient detail to enable the Grantor to verify the accuracy of franchise fee payments. Grantee will provide additional information request by Grantor within 15 days, if so requested by Grantor, at no cost to Grantor.

II. No acceptance of any payment will be construed as accord that the amount paid is in fact the correct amount, nor will such acceptance of payment be construed as a release of any claim Grantor may have for further or additional sums payable under the provisions of this Franchise. All amounts paid will be subject to audit and re-computation by Grantor.

III. Payments received after the due date specified in this section 8.1.C will be subject to Penalties and Interest as specified in Woodburn's Utility Service Ordinance, section 14, heretofore or hereafter amended.

IV. Payment of the franchise fees under this Agreement will not exempt Grantee from the payment of any generally applicable license, permit fee or other generally applicable fee, tax or charge on the business, occupation, property or income of Grantee in connection with the operation of the Cable System that may be imposed by Grantor.

8.2 Faithful Performance Bond

A. Within sixty (60) days after the Effective Date of this Franchise, the Grantee will furnish proof of the posting of a faithful performance bond running to the Grantor, with good and sufficient surety approved by the Grantor in the penal sum of Three hundred and fifty thousand dollars ($350,000.00), conditioned that the Grantee will well and truly observe, fulfill, and perform each term and condition of this Franchise. Such bond will be in a form acceptable to the Grantor and maintained by the Grantee throughout the term of this Franchise.

B. Grantee will pay all premiums charged for any bond required under Section 8.2(A), and unless the Grantor specifically directs otherwise, will keep the same in full force and effect at all times through the later of either:

I. The remaining term of this Franchise; or

II. If required by the Grantor, the removal of all of Grantee's system installed in Grantor's Streets and Public Ways.

C. The bond will contain a provision that it will not be terminated or otherwise allowed to expire without thirty (30) days written notice first given to the Grantor. The bond will be subject to the approval of the Grantor as to its adequacy under the requirements of Section 8.2. During the term of the bond, Grantee will file with the Grantor a duplicate copy of the bond along with written evidence of payment of the required premiums unless the bond otherwise provides that the bond will not expire or be terminated without thirty (30) days prior written notice to the Grantor.

D. In a form approved by the Grantor, the Grantee may provide an irrevocable letter of credit, guaranty in lieu of bond, or other form of financial assurance in lieu of a faithful performance bond. The alternative form of financial assurance will give the Grantor substantially the same rights and guarantees provided by a faithful performance bond.

8.3 Damages and Defense

A. The Grantee agrees and covenants to defend, indemnify and hold harmless the Grantor, and its officers, agents, employees and representatives, from and against any and all claims, damages, loss, liability, cost or expense, including expert witness and other consultants, court and appeal costs and penalties, including but not limited to attorney fees or expenses, including without limitation, copyright infringement, defamation and all other damages, arising out of any reason of any construction, excavation, operation, maintenance, reconstruction or any other act done by the Grantee within the Franchise Area, whether or not any act or omission complained of is authorized, allowed, or prohibited by this Franchise, except to the extent such claims, damages and penalties are caused by the negligent or grossly negligent acts or omissions of the Grantor, its officers, agents and employees. Grantor will give Grantee prompt written notice of any claim which Grantee will defend with counsel of its own choosing and no settlements or compromise of any such claim will be done without the prior written approval of the Grantor. Grantee will consult and cooperate with the Grantor while conduction its defense of the Grantor and the Grantor will fully cooperate with Grantee and Grantee's counsel. Nothing in this Section 8.3 will be deemed to limit the Grantors option to hire its own counsel.

B. If the Grantee fails to defend as required in Section 8.3(A), then the Grantee agrees to and will pay all expenses incurred by Grantor, and its officers, agents, employees, and representatives, in defending itself with regard to all claims, damages and penalties mentioned in Section 8.3(A). These expenses will include all out-of-pocket expenses, such as attorney fees, witness fees and costs at trial and appeal, and will also include the value of any services rendered by any employees or contractors of the Grantor.

8.4 Liability Insurance and Indemnification

A. The Grantee will maintain automobile and Worker's Compensation insurance, as well as public liability and property damage insurance, that protects the Grantee and the Grantor, its officers, agents and employees, from any and all claims for damages or personal injury including death, demands, actions and suits brought against any of them arising from operations under this Franchise or in connection therewith, as follows.

B. The insurance will provide coverage at all times for not less than $2,000,000 for personal injury to each person, $2,000,000 aggregate for each occurrence, and $1,000,000 for each occurrence involving property damages, plus costs of defense: or a single limit policy of not less than $2,000,000 covering all claims per occurrence, plus costs of defense. The insurance will be equal to or better than commercial general liability insurance.

The minimum amounts of insurance set out in subsection (B) of this Section will be subject to change from time to time to the extent necessary to provide coverage at least as great as the limits on the City's liability under the Oregon Tort Claims Act.

The evidence of coverage for Workers' Compensation will show that it includes State of Oregon Statutory Limits, and Employer's Liability limits of at least $2,000,000.

Any insurance carrier will have an A.M. Best rating of "A" or better, or a Best Financial Performance Rating of "7" or better and be authorized to do business in the State of Oregon.

C. The insurance will be without prejudice to coverage otherwise existing and will name as additional insureds the City and its officers, agents, and employees. Notwithstanding the naming of additional insureds, the insurance will protect each insured in the same manner as though a separate policy had been issued to each, but nothing herein will operate to increase the insurer's liability as set forth elsewhere in the policy beyond the amount or amounts for which the insurer would have been liable if only one person or interest had been named as insured. The coverage must apply as to claims between insureds on the policy.

D. The insurance will provide that the insurance will not be canceled or materially altered so as to be out of compliance with the requirements of this Section 8.4 without thirty (30) days written notice first being given to the City. If the insurance is canceled or materially altered so as to be out of compliance with the requirements of this Section 8.4 within the term of this Franchise, Grantee will provide a replacement policy. Grantee agrees to maintain continuous uninterrupted insurance coverage, in the amounts required, for the duration of this Franchise.

E. Grantee will maintain on file with the City a certificate of insurance certifying the coverage required above, which certificate will be subject to the approval of the City as to the adequacy of the certificate and of the insurance certified under the requirements of this Section 8.4.

The certificate will show that the general liability portion of the insurance includes:

I. Broad form property damage;
II. Products and completed operations;
III. Explosion, collapse, and underground exposures;
IV. Contractual liability; and
V. Owners and contractors protective coverage.

F. Failure to maintain adequate insurance as required under this Section 8.4 will be cause for immediate termination of this Franchise by the City subject to Grantee's right to cure as provided in Section 7.4.

G. The Grantee will also indemnify, defend and hold harmless the Grantor and its officers, agents and employees for any and all claims for damages or personal injury which exceed the limits of insurance provided for in this Section arising from operations of the Grantee within the Franchise area.

9. RIGHTS RESERVED TO GRANTOR

9.1 Grantor Acquisition of the Cable System

The parties will be subject to the provisions of 47 U.S.C. 547 (Section 627 of the Cable Act), as amended from time to time. It is not intended that this Agreement diminish the rights of either the Grantor or the Grantee under Section 627 of the Act, and any provision of this Agreement that purports to diminish such rights will be deemed superseded by the Act.

9.2 Right to Perform Franchise Audit or Review

The Grantor will have the right to perform, or cause to have performed, a formal and/or informal audit or review of the Grantee's books and records and, for the specific purposes of Franchise enforcement effort, the books and records of any parent or Affiliate company, for the purpose of determining the Gross Revenues of the Grantee generated in any manner through the operation of the Cable System under this Franchise and the accuracy of amounts paid as franchise and PEG fees to the Grantor by the Grantee for the provision of Cable Services within the Franchise Area, provided that any audit must be commenced not later than three (3) years after the date on which fees for any period being audited were due. The cost of any such audit will be borne by the Grantor, except that if through the audit it is established that the Grantee has made underpayment of two percent (2%) or more in fees that are required by this Franchise, then the Grantee will, within thirty (30) days of being requested to do so by the Grantor, reimburse the

Grantor for all expenses of performing the audit, to a maximum of $30,000 (thirty thousand dollars).

Grantee will provide, at Grantee's sole expense any records requested by the Grantor for the purposes of an audit or review.

Nothing in this Section implies or will be interpreted to limit or waive any rights of the Grantor or its legal recourse through the courts to obtain records necessary to the enforcement of this franchise.

9.3 Right of Inspection of Construction

The Grantor or its representatives will have the right to inspect all construction or installation work performed pursuant to the provision of this Franchise Agreement and to make such tests as it will find necessary to ensure compliance with the terms of this Franchise, other pertinent provisions of law, and other rules or regulations of the Grantor.

9.4 Intervention

The Grantee will not hinder the Grantor's lawful intervention in any suit or proceeding to which the Grantee is a party which may have a direct adverse effect upon the construction, upgrade, maintenance or operation of the Cable System.

9.5 Right to Require Removal of Property

At the expiration of the term for which the Franchise is granted providing no renewal is granted, or upon its revocation, as provided for herein, and subject to Grantee's rights under Section 626 of the Cable Act, the Grantor will have the right to require the Grantee to remove, at Grantee's own expense, all or any part of the Cable System from all Streets and Public Ways within the Franchise Area. If the Grantee fails to do so within 120 (one hundred twenty) days of Grantor's request, or within a mutually agreed to longer period of time as agreed to by both parties, then the Grantor may perform the work and collect the cost thereof from the Grantee. The actual cost thereof, including direct and indirect administrative costs, will be a lien upon all plant and property of the Grantee effective upon placement in the lien books of the Grantor. Notwithstanding the other provisions of this section, the Grantee, by written notice to the Grantor, may request that Grantor allow the Cable System to remain in place. Grantor may deny Grantee's request and require Grantee to remove the above ground Cable System facilities from the Streets and Public Ways or modify the Cable System to protect the public health, welfare, safety, and convenience, or otherwise serve the public interest. The parties agree that Grantee has the right to abandon its underground cable facilities.

9.6 Inspection of Facilities

Grantor may inspect upon request any of the Grantee's facilities and equipment to confirm compliance with this Agreement at any time upon at least twenty-four (24) hours' notice, during regular business hours, or in case of an emergency, upon demand without prior notice.

10. RIGHTS OF INDIVIDUALS PROTECTED

10.1 Discriminatory Practices Prohibited

A. The Grantee will not deny service, deny access, or otherwise unlawfully discriminate against Subscribers or persons on the basis of race, color, religion, national origin, sexual orientation, sex, age, disability, income, or, except as otherwise provided herein, the area in which such person lives. The Grantee will comply at all times with all applicable federal, state, or local laws, rules and regulations relating to nondiscrimination.

B. The Grantee will use best efforts to assure maximum practical availability of Grantee's services and facilities to all Subscribers, regardless of disability, including the provision of a remote-control device to those Subscribers who are mobility limited, or where a member of the Subscriber's household is mobility limited.

C. For hearing impaired customers, the Grantee, upon request, will provide information concerning the cost and availability of equipment to facilitate the reception of basic service for the hearing impaired. In addition, the Grantee must have TDD/TTY (or equivalent) equipment at the company office, and a publicly listed telephone number for such equipment, that will allow hearing impaired customers to contact the company.

D. Upon request by a Subscriber or potential Subscriber, the Grantee will make a reasonable effort to provide information required under this franchise, or otherwise provided in the normal course of business, in both English and the primary language of the requestor.

E. Nothing in this subsection 10.1 will be construed to prohibit: 1) the temporary reduction or waiving of rates and charges in conjunction with promotional campaigns; or 2) Grantee from offering reasonable discounts to senior citizens or discounts to economically disadvantaged residents.

10.2 Unauthorized Monitoring or Cable Tapping Prohibited

The Grantee will not, nor will Grantee allow any other person, agency, or entity to Tap, or arrange for the Tapping, of any cable, line, signal input device, or Subscriber outlet or receiver for any purpose whatsoever, without the Subscriber's written consent or a valid court order or a valid request from a law enforcement agency permitting the Tapping.

Grantee may Tap a cable, line, Signal input device or Subscriber outlet or receiver to 1) determine the number of viewers watching a program where the identities of the viewers are not determined; 2) perform Cable System maintenance and verify technical performance; and 3) identify theft of services, without the Subscriber's written consent.

10.3 Privacy and Other Rights

The Grantee and the Grantor will maintain constant vigilance with regard to possible abuses of the right of privacy and any other civil right of any Subscriber or Person resulting from any device or signal associated with Cable Service. The Grantee will not utilize two-way communication capability of the Cable System for unauthorized or illegal Subscriber surveillance of any kind.

10.4 Permission of Property Owner Required

No cable, line, wire, amplifier, converter, or other piece of equipment owned by the Grantee will be installed by the Grantee without first securing the written permission of the owner or tenant of any property involved except where there is an existing utility easement or other easement reserved by plat or other conveyance. If such permission or easement is later lawfully revoked, whether by the original or a subsequent owner or tenant or Grantor, the Grantee will remove forthwith on request of the owner or tenant any of its equipment and promptly restore the property to its original condition. The Grantee will perform all installations and removals in a workmanlike manner and will be responsible for any damage to residences or other property caused by the installation.

10.5 Sale of Subscriber Lists and Personalized Data Prohibited

The Grantee is be subject to 47 U.S.C Section 551 (Section 631 of the Cable Act), as amended from time to time, regarding limitations on the cable company's collection and use of personally identifiable information, and other issues involving the protection of Subscriber privacy.

11. TERMINATION AND EXPIRATION

11.1 Grantor's Rights in Lieu of Revocation

The Grantor may, at its sole discretion, take any lawful action which it deems appropriate to enforce the Grantor's rights under the Franchise in lieu of revocation of the Franchise.

The parties agree that the limitation of Grantor liability set forth in 47 U.S.C. § 555a, as may be amended, is applicable to this Agreement.

11.2 Expiration

Upon expiration of this Franchise, the parties will abide by the renewal provisions of the Cable Act, as amended from time to time.

11.3 Continuity of Service Mandatory

It will be the right of all Subscribers to receive all available services insofar as their financial and other obligations to the Grantee are honored. In the event that the Grantee elects to rebuild, modify, or sell the Cable System the Grantee will make its best effort to ensure that all Subscribers receive continuous uninterrupted service.

12. OPERATION AND MAINTENANCE

12.1 Open Books and Records

The Grantor will have the right as necessary or desirable for effectively administering and enforcing the Franchise, to inspect at any time upon reasonable notice all records of the Grantee which relate to the operation of the Cable System, provision of Cable Service, or the Grantee's performance under this Franchise. Access to such records will be maintained or made available at no cost to the Grantor within the Franchise Area during normal business hours if maintained locally, or, if not available locally, provided within ten (10) days of notice from the Grantor requesting such records at an agreed upon location within the Franchise Area. Access to the aforementioned records will not be denied by the Grantee to representatives of the Grantor on the basis that said records contain "proprietary information," nor on the basis that they contain trade secrets. To the extent allowed under Oregon law, the Grantor will protect proprietary information including trade secrets of the Grantee from disclosure.

The Grantee will also provide, upon request and reasonable notice, in the manner set forth in this Section the following information: (a) for the specific purpose of a bona fide audit or enforcement effort being conducted by the Grantor, the true and entire cost of construction, upgrade and replacement of plant and equipment for the cable system authorized under this franchise; the true and entire cost of the maintenance, administration and operation of the cable system, including any operations or revenue generated from the cable system by any parent company or affiliate within the Franchise Area indicated or implicated as direct or indirect revenue to the Grantee from the provision of Cable Services within the Franchise Area; and (b) the amount collected by the Grantee from Subscribers of Cable Services of the Grantee's Cable System under this Franchise and other information necessary to verify compliance with this Franchise or other ordinances of the Grantor.

Within 45 (forty-five) days of written request, Grantee will provide to Grantor, at no cost to Grantor, any information that allows Grantor to easily and sufficiently verify compliance with all the requirements of this Franchise.

12.2 Communication with Regulatory Agencies

A list and copies of all material written petitions, applications, communications, and reports submitted by the Grantee, and also by any Affiliate, to the Federal Communications Commission, Securities and Exchange Commission, or any other federal or state regulatory commission or agency having jurisdiction in respect to any matters affecting Cable Services or the Cable System in the Franchise Area pursuant to this Franchise Agreement, will be submitted to the Grantor upon request. In addition, copies of any communications to and from any regulatory agency pertaining to any alleged, apparent or acknowledged violation of an applicable rule or law of the agency related to or affecting Cable Services or the Cable System within the Franchise Area, will be immediately submitted to the Grantor, if the communications are to or from the Grantee, or upon written request from the Grantor if the communications are to or from an Affiliate.

12.3 Reports

A. Quarterly Reports. Upon written request by the Grantor, within thirty (30) days after the end of each fiscal quarter, Grantee will provide outage reports, summary statistics on patterns of complaints or service problems, and other customer service information, provided that such information may be reasonably generated by the Grantee. Grantee will not be required to maintain any reports, regarding this section 12.3 (A), for a period longer than 24 months.

B. Annual Report. No later than ninety (90) days following the end of the Grantee's fiscal year each year, Grantee will present, upon request, a written report to the Grantor which will include:
   I. Financial reports that are normally prepared for the Grantee for the previous calendar year, including gross revenues from all sources, gross Subscriber revenues from each category of service, as well as an income statement, statement of cash flow, and a balance sheet.
   II. A summary of the previous year's activities including, but not limited to, monthly Subscriber totals in each category and new services.

All financial reports required under this subsection will be presented to the Grantor accompanied by such notes and explanations as are required or requested by Grantor to fully and easily understand the reports. Such notes and explanations will include, but not be limited to, an explanation of any and all deductions made from Gross Revenues for the calculation of franchise fees to be paid to the Grantor.

C. Monitoring and Compliance Reports. Upon request written, the Grantee will provide a written report of technical performance tests for the Cable System required by applicable FCC rules and regulations as now or hereinafter constituted. In addition, the Grantee will upon request provide reports of the test and compliance procedures established by this Franchise Agreement, Grantee will not be required to maintain any reports, regarding this section 12.3 (C), for a period longer than twenty-four (24) months.

D. All reports and records required under this or any other Section will be furnished to Grantor at the sole expense of Grantee.

12.4 Safety

A. The Grantee will, at all times, employ the standard of care attendant to the risks involved and will install and maintain in use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injury, or nuisance to the public or to employees of the Grantor.

B. The Grantee will install and maintain its wires, cable, fixtures, and other equipment, including the drop to the Subscriber's premise, in accordance with the requirements of the National Electrical Safety Code, industry standards, and in such manner that they will not interfere with the installations of any public utility.

C. All lines, equipment and connections in, over, under, and upon either the Streets and Public Ways of Grantor or private property within boundaries of Grantor, wherever situated or located, will at all times be kept and maintained in a safe and suitable condition, and in good order and repair.

13. MISCELLANEOUS PROVISIONS

13.1 Compliance with Laws

The Grantee will comply with all federal and state laws and regulations, including regulations, rules and orders of any administrative agency thereof, as well as all general ordinances, resolutions, rules and regulations of the Grantor heretofore or hereafter adopted or established during the entire term of this Franchise. If, any such federal or state laws, rules or regulations; or ordinances, resolutions, rules and regulations of the Grantor hereafter adopted or established be in conflict or interfere with the existing rights of the Grantee or Grantor under this Franchise, Grantee and Grantor will work together and find a mutually acceptable resolution.

13.2 Severability and Preemption

Notwithstanding the provisions of Section 13.7 below, if any section, subsection, sentence, clause, phrase, term, provision, condition, covenant, or portion of this Franchise Agreement is for any reason held to be invalid or unenforceable by any court of competent jurisdiction, or superseded by state or federal legislation, rules, regulations or decision, the remainder of this Franchise will not be affected thereby but will be deemed as a separate, distinct and independent provision, and such holding will not affect the validity of the remaining portions hereof, and each remaining section, subsection, sentence, clause, phrase, provision, condition, covenant and portion of this Franchise will be valid and enforceable to the fullest extent permitted by law.

If any material provision of this Franchise is for any reason held invalid or unenforceable by any court of competent jurisdiction, or superseded by state or federal law, rules, regulations or decision so that the intent of these provisions is frustrated, the parties agree to immediately negotiate replacement provisions to fulfill the purpose and intent of the superseded provisions consistent with applicable law.

In the event that federal or state laws, rules or regulations preempt a provision or limit the enforceability of a provision of this Franchise, then the provision will be read to be preempted only to the extent and for the time required by law. In the event such federal or state law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision hereof that had been preempted is no longer preempted, such provision will thereupon return to full force and effect, and will thereafter be binding on the parties hereto, without the requirement of further action on the part of the City, and any amendments to this Franchise negotiated pursuant to this Section as a result of such provision being preempted will no longer be of any force or effect.

13.3 Captions

The captions to Sections throughout this Franchise Agreement are intended solely to facilitate reading and reference to the Sections and provisions contained herein. Such captions will not affect the meaning or interpretation of this Franchise Agreement.

13.4 No Recourse Against the Grantor

Grantee's recourse against the City of Woodburn, its officers, agents and employees, for any claim arising from any provision or requirement of this Franchise, will be limited as prescribed by applicable laws, rules and regulations as in effect from time to time including without limitation the restrictions set forth in 47 USC & 555a, the Local Government Antitrust Immunity Act and sovereign immunity. Except as provided under applicable law, the Grantee will have no recourse whatsoever against the Grantor or its officials, boards, commissions, or employees for any loss, costs, expense, or damage arising out of any provision or requirement contained herein, or in the event this Franchise Agreement or any part thereof is determined to be invalid.

13.5 Nonenforcement by Grantor

The Grantee will not be relieved of its obligations to comply with any of the provisions of this Franchise Agreement by reason of any failure of the Grantor to enforce prompt compliance.

13.6 Force Majeure

If by reason of force majeure the Grantee is unable in whole or in part to carry out its obligations hereunder, the Grantee will not be deemed in violation or default during the continuance of such inability. The term "force majeure" as used herein will include the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of the government of the United States of America, or of the State of Oregon, or their departments, agencies, political subdivisions, or officials; acts of any civil or military authority; insurrections; riots; epidemics; landslides; earthquakes; lightning; fires; hurricanes; volcanic activity; storms; floods; washouts; droughts; restraint of government and people; civil disturbances; explosions; partial or entire failure of utilities; documented work delays caused by waiting for utility providers to service or monitor utility poles to which Grantee's facilities are attached and documented unavailability of materials and/or qualified labor to perform the work necessary; and similar occurrences outside the control of the Grantee. The Grantee agrees, however, to give its best efforts to remedy as soon as possible, under the circumstances, the cause or causes preventing Grantee from carrying out its responsibilities and duties under this Franchise Agreement.

13.7 Entire Agreement

This Franchise Agreement contains the entire agreement between the parties, supersedes all prior agreements or proposals except as specifically set forth herein, and cannot be changed orally but only by an instrument in writing executed by the parties.

13.8 Consent

Wherever the consent or approval of either the Grantee or the Grantor is specifically required in this Agreement, such consent or approval will not be unreasonably withheld.

13.9 Notices and Time Limit for Grantee Communications

Grantee will provide any written communication required by this Franchise within thirty (30) days of being requested to do so by the Grantor, in each case in which no other specific minimum time limit for a communication is identified in the Franchise.

13.10 Consistency of Franchise with Cable Act

The parties intend and believe that all of the provisions hereof are consistent with and permitted by the Cable Act.

13.11 Notice

Any notice provided for under this Franchise will be sufficient if in writing and delivered personally to the following addressee or deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed as follows, or to such address as the receiving party specifies in writing:

If to the City:	City of Woodburn Attn: ROW Manager 270 Montgomery St. Woodburn, OR 97222
If to the Grantee:	Comcast of Oregon, I, Inc. Attn: Government Affairs 11309 SW 68th Parkway Tigard, OR 97223

13.12 Public Disclosure

Subject to the Oregon Public Records Law, whenever pursuant to this Franchise Agreement, Grantee will make available for inspection by the Grantor or submit to the Grantor reports containing information considered confidential and/or proprietary by the Grantee, the Grantor will not disclose or release such reports or information to the public without Grantee's written consent, provided that each page of such report or information is clearly marked as confidential and/or proprietary.

13.13 Time is of the Essence

Whenever this Agreement sets forth a time for any act to be performed by Grantee, such time will be deemed to be of the essence.

13.14 Reservation of Rights

Notwithstanding any provision to the contrary, the parties reserve any and all rights at law or in equity regarding any enforcement proceeding or other matters hereunder.

IN WITNESS WHEREOF, the City has executed this Agreement on the date set forth below and Grantee will execute this Agreement by submission of the executed Acceptance required in Section 3.7.

CONSIDERED and APPROVED this ____ day of __________________, 2020.

CITY OF WOODBURN

By: ________________________________

Title: ________________________________

EXHIBIT A: ACCEPTANCE

ROW Manager
City of Woodburn

This is to advise the City of Woodburn, Oregon (the "Grantor") that Comcast of Oregon I, Inc. (the "Grantee") hereby accepts the terms and provisions of Ordinance No._______ passed by the City Council on __________ (the "Franchise") granting a Franchise for five (5) years to Grantee. The Grantee agrees to abide by each and every term of the Franchise.

By executing and returning this acceptance form, the Grantee also attests that there are no parent corporations of Grantee apart from Comcast of Oregon I, Inc.

COMCAST OF OREGON I, INC.

BY: _______________________

TITLE: _______________________

DATE: _______________________