

Franchise Obligations Summary

	East Portland	West Portland	East County
	Effective February 2, 1997 Expires December 31, 2010	Effective July 1, 1993 Amended July 7, 1998 Amended November 22, 2006 Expires December 31, 2010	(Cities of Fairview, Gresham, Troutdale, Wood Village and Mult. Co.) Effective May 23, 1998 Expires December 31, 2010
<u>RESIDENTIAL CABLE SYSTEM</u>	<ul style="list-style-type: none"> • Complete cable system upgrades. • Minimum Activated Downstream Channel Capacity of 550 MHz (min. 78 Standard Video Channels). • Minimum Activated Upstream digital Channel Capacity of 35 MHz. • Emergency Alert System. • Adhere to certain technical performance standards. • Adhere to certain construction and safety standards. • Provide the following broad categories of Programming: <ul style="list-style-type: none"> ○ Arts, culture and performing arts; ○ Foreign languages; ○ Programming addressed to diverse ethnic and minority interesting the City; ○ National, state and local government affairs; and, ○ Local Origination Programming concerning local and regional issues, events, and affairs of interest to City residents. • Provide Broadcast Channels to all Subscribers. • Provide service throughout franchise areas with standard installations or certain special extension and connection requirements. • Provide residential service to all schools. 		
<u>PEG ACCESS</u>	<ul style="list-style-type: none"> • Currently four Non-Commercial PEG Access providers (PCM, MetroEast, PPS, PCC); MHCRC may designate up to six. • Activate 8 Access Channels; reserve one additional channel for future access use. • Narrowcast certain channels to educational or jurisdictional boundaries. • Include all Access Channels in the Basic Service Tier. • Transmit signals for Access Channels from the designated channel origination points onto system (currently four; MHCRC may designate up to six). • Provide transmission capability for Designated Access Providers to originate live programming from I-Net 		

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	<p>sites and other origination points on any cable system with which the PEG Access Channels are Interconnected.</p> <ul style="list-style-type: none"> • Capability to scramble up to three Access channels. • Carry Access Channels in digital format when 50% or more commercial channels are converted to digital format. • Reserve 36 digital channels (or 10% capacity, whichever is less) for access use; activate capacity upon MHCRC request. • Provide one stereo audio channel for access use. • Provide technical assistance and acquisition of equipment if signal delivery technology changes. • Maintain technical quality of Access Channels same level as commercial channels. • Interconnect with all other major contiguous cable systems in the Washington, Multnomah, and Clackamas Counties, Oregon and Clark County, Washington.
<p><u>INSTITUTIONAL NETWORK</u></p>	<ul style="list-style-type: none"> • Install, activate, maintain and own the High Capacity I-Net. Provide switching and routing of signals. • Provide Low Capacity I-Net capabilities. • Adhere to certain I-Net technical and performance standards. • Charge a periodic fee for I-Net use based on certain costs to operate and maintain I-Net. • Interconnect I-Net to certain municipal networks. • Interconnect with all other major contiguous cable systems in the Washington, Multnomah, and Clackamas Counties, Oregon and Clark County, Washington.
<p><u>CONSUMER PROTECTION/ CUSTOMER SERVICE</u></p>	<ul style="list-style-type: none"> • Comply with the Customer Service Standards adopted by the Jurisdictions. • Not transmit, or permit to be transmitted, Programming which is obscene under applicable law. • Make available a parental control or lockout device. • Provide Cable Services universally and under non-discriminatory rates and reasonable terms and conditions. • Maintain constant vigilance with regard to possible abuses of the right of privacy or other human rights of any Subscriber, Programmer or any other Person resulting from any device or Signal associated with the Cable System.

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<u>RATES</u>	<ul style="list-style-type: none">• Publish and give notice to the MHCRC of changes in rates or charges 30 days in advance of effective dates.• MHCRC may regulate rates subject to applicable federal, state and local laws and City ordinances.• Limits disconnect and downgrade charges.
<u>FINANCIAL PROVISIONS</u>	<ul style="list-style-type: none">• Pay 1% of Gross Revenues to provide support for Access Corporation Capital Costs (quarterly payments).• Pay 1% of Gross Revenues as dedicated Access Capital Grant Fund (quarterly payments).• Retain 1% of Gross Revenues for I-Net capital fund, subject to ongoing oversight and expenditure approval by the MHCRC.• Advance up to a certain amount of money to construct the I-Net; and recover advance amount and interest from future I-Net Fund revenues.• Pay 5% of Gross Revenues related to Cable Services as compensation for the benefits and privileges of use the public rights-of-way (quarterly payments).• MHCRC may audit or review PEG and franchise fee payments up to five years from the date payment was due.• Maintain liability, property and other insurance and performance bonds.