



Mt. Hood Cable Regulatory Commission

Serving Multnomah County and the Cities of Fairview, Gresham, Portland, Troutdale & Wood Village

COVER SHEET – AGENDA ITEM #R1

For Commission Meeting: October 21, 2024

“Resolution 2024-01: Recommend MHCRC Comcast Jurisdictions approve the renewal of the franchise agreement with Comcast of Oregon, LLC”

Staff Recommendation

Staff recommends that the MHCRC approve Resolution 2024-01, “Recommend MHCRC Comcast Jurisdictions approve the renewal of the franchise agreement with Comcast of Oregon, LLC” with all Exhibits and specific conditions.

Background

The process to negotiate the renewal of the Comcast franchise agreement has been a multi-year process. Current staff took over the negotiations with Comcast in late spring/early summer of 2023. Since that time, Staff have met with Tim Goodman at Comcast to discuss and negotiate specific sections of the agreement. Staff evaluated the already agreed upon language to-date prior to joining the work as the ‘starting’ point for where to pick-up discussions in summer of 2023.

Staff have held meetings with the Commission in December of 2023 and April of 2024 to provide status updates and inform on specific policy topics as it related to specific sections of the agreement and negotiations. In practice, the agreement shows the specific grantee (Comcast) needs to both operate in the right-of-way, pay fees, provide notice to cities/county, specific technical programming requirements, and operational engagements for PEG channel programming.

MHCRC Staff Process and Summary of Findings

Current staff began meeting with Tim Goodman at Comcast on a regular cadence on the Comcast franchise agreement starting in summer of 2023 meeting bi-weekly for long stretches of time. The work between staff and Mr. Goodman have been to work through specific edits, come to consensus, and then ensure that legal review was carried out by our respective legal counsels. The MHCRC has Best, Best, & Krieger, LLP (BBK) as its legal counsel. MHCRC staff have been working directly with Gail Karish from BBK to review and receive recommendations on agreement edits as a subject matter expert for cable franchise agreements.

This past spring of 2024, MHCRC staff and Mr. Goodman were able to identify the remaining agreement items where consensus had not yet been reached. In June of this year, staff sent Comcast a comprehensive package of items to include a 2.5% PEG fee offer for consideration. Mr. Goodman processed the package items and franchise edits through his legal review, but wasn’t able to formally respond to the proposal until early September. Since September, staff have been working with Comcast to come to consensus on the roughly 4 outstanding items with Comcast. Mr. Goodman provided the last reply to MHCRC staff on October 8th which was the last remaining item that needed to be responded to by Comcast.



In terms of stakeholder outreach, MHCRC staff have made outreach to city managers for the jurisdictions to provide updates and also held a community media meeting with Open Signal and MetroEast on Thursday July 18th to update on the status of the franchise agreement process with Comcast.

Staff – Recommended Conditions (Summarized)

MHCRC staff have prepared a comprehensive list of topics negotiated between staff and Comcast. See Attachment 2. Below is a summary of some of the more material items:

- **Agreement Term** – 10-year agreement term (to start once agreement receives full approval by all jurisdictions)
- **I-NET** – All sections that were I-NET related have been removed (consistent with the prior “I-NET transition agreement” between MHCRC and Comcast)
- **GAAP Changes** – Edits that remove the requirement of the grantee to notify on any GAAP changes that occur (all GAAP changes can be identified and reported at the time of an audit)
- **PEG Fee Percentage** – The proposed PEG fee percentage recommended by staff is 2.5%.

Staff Conclusion

After negotiations with Comcast and legal review of the agreement by BBK, MHCRC staff have negotiated and come to agreement with Comcast on all items of the franchise agreement renewal and are recommending approval of the renewal with Comcast. Staff have worked carefully to ensure legal compliance while balancing the jurisdictional and community needs of the agreement as we think about our cities, the County, and community partner needs over the next 10 years of the agreement period.

Attachments:

- 1) **Draft Resolution 2024-01:** Resolution to Recommend Adoption of the Comcast Franchise Agreement Renewal
- 2) **Exhibit A:** Franchise Agreement Negotiation Issues List
- 3) **Exhibit B:** Comcast Franchise Agreement Redline
- 4) **Exhibit C:** MHCRC Staff Recommended Comcast Franchise Agreement

Prepared By: Andrew Speer
October 11, 2024

PUBLIC TESTIMONY PROTOCOLS

1. In Person: sign-in on the public sign up sheet to provide testimony.
2. Online: state your name in the chat or raise hand to provide testimony.
3. When called to provide testimony, please:
 - a. State **Your Name**
 - b. State the **City you live in** – OR- the **Organization you are representing**
 - c. Limit your comments to **3 minutes** and address specific requirements of the proposed agreement
 - d. Please refrain from asking questions of the Commission

Website: www.mhcr.org

Thank you. We appreciate your time and input.

**Before the
Mt. Hood Cable Regulatory Commission
1810 SW 5th Ave.
Portland, OR 97201**

Recommend MHCRC Jurisdictions)	Resolution No. 2024-01
To Adopt the Franchise Agreement)	Adopted by the Commission
Renewal with Comcast of)	
Illinois/Ohio/Oregon, LLC)	

Section 1. Findings.

1.1 Authority. The Mt. Hood Cable Regulatory Commission ("MHCRC" or "Commission") was created by Intergovernmental Agreement (dated December 24, 1992) ("IGA") to carry out cable regulation and administration on behalf of Multnomah County and the cities of Gresham, Fairview, Portland, Troutdale, and Wood Village ("the Jurisdictions"). Under the Section 3, subsection A of the IGA, the Commission is vested with all the powers, rights, and duties necessary to carry out the purposes vested by law in each Jurisdiction as well as to enforce franchise agreements. This includes the authority to enter into contracts, award grants, and take such other action as it deems necessary and appropriate to accomplish the general purposes of the IGA.

1.2 Multnomah County and the cities of Gresham, Troutdale, Fairview, and Wood Village each granted Comcast of Illinois/Ohio/Oregon, LLC ("Comcast") a cable services franchise. The City of Portland also granted Comcast of Oregon II, Inc. ("Comcast") a cable services franchise. (Collectively, the "Franchises"). The agreement with Comcast became effective January 1, 2012 for a term of 10-years and expired on December 31, 2021. Since the expiration of the agreement, Comcast has been operating on an extension to the franchise per Section 19.4 of the Agreement which gives the Jurisdictions the ability to extend a grantees franchise.

1.3 In total, Comcast and MHCRC staff have been negotiating the agreement for over three years now. Current MHCRC staff have been actively involved with Comcast since mid-2023 to negotiate the remaining operational and policy topics of the agreement.

1.4 Staff have consulted with legal counsel to review the proposed agreement included as Exhibit C of the Resolution to ensure that all aspects of the agreement comply with federal law that govern cable franchising and cable service.

1.5 The agreement brought before the Commission included in Exhibit C is an agreement that both MHCRC staff and Comcast have come to an agreement in principle on the applicable section language edits and fees due to the Jurisdictions under the agreement as seen in the redline document included as Exhibit B of the Resolution.

1.6 MHCRC staff are recommending the adoption of the Resolution and recommendation of the Commission to the Jurisdictions to approve the recommended franchise agreement renewal with Comcast as set forth in Exhibit C.

Now, therefore, the Commission resolves:

Section 2.

2.1 The Commission recommends that the Jurisdictions consent by ordinance or resolution, as applicable, to adopt the Comcast franchise agreement.

2.2 In furtherance of this recommendation, the Commission recommends that the Jurisdictions approve an ordinance or resolution, as applicable, substantially similar to that attached hereto as Exhibit C.

2.3 MHCRC directs its staff to cooperate with staff and/or legal counsel for the Jurisdictions to effectuate such changes in Exhibit C as may be necessary for consideration and final action by the individual Jurisdictions on a timely basis.

ADOPTED BY THE COMMISSION on October 21, 2024.

Julia DeGraw, Chair

Reviewed by:

Attachments:

Exhibit A: Franchise Agreement Negotiation Issues List

Exhibit B: Comcast Franchise Agreement Redline

Exhibit C: MHCRC Staff Recommended Comcast Franchise Agreement

Franchise Agreement Negotiation Issues List – Comcast

This list highlights key negotiations items as identified by MHCRC staff. It is not intended as a substitute for Commissioners’ review of Exhibit B_Comcast Renewal Franchise Agreement_Redline_10162024. The redline document is provided to ensure full transparency and allow for discussion of any additional items of import or concern identified by Commissioners. Due to length and materiality of the items listed with “” should be reviewed in the redline.*

TOPIC/SECTION	NARATIVE	PROPOSED CHANGE	STAFF COMMENTS
Term	Agreement will have a 10-year term	No change. Continuing 10-year term consistent with the previous agreement.	
I-NET	Removes all I-NET provisions from current agreement.	All references to I-NET have been removed from agreement.	Change reflects a letter agreement negotiation process between Comcast and MHCRC (I-NET transition agreement).
Section 1.1(A) Grant of Franchise	Language adopts MHCRC counsel’s legal advice from that is consistent with other jurisdictional agreements.	*See Section 1.1(A)	Agreed upon language with Comcast and MHCRC staff.
Section 1.4 (B) Authorization of Cable Franchises, Franchise Modification	Clarifying language proposed by MHCRC legal counsel to ensure transparency and process for “Modification Notice” by grantor to grantee.	*See Section 1.4(B)(1)(i)	These edits were provided from MHCRC legal counsel as best practice.

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<p>Section 3.8 Basic Service</p>	<p>Clean-up language that helps better define and simplify the “Basic Service” definition.</p>	<p>“Basic Service” means Grantee’s lowest service tier that includes the retransmission of local television broadcast signals and all PEG Access Channels required in this Franchise.</p>	<p>Agreed upon language by Comcast and MHCRC staff. The word “means” will be inserted in final and a comprehensive typographical/non-substantive edit will be conducted before finalization.</p>
<p>Section 3.23(A) Gross Revenue GAAP Changes</p>	<p>Removal of notification language for GAAP accounting changes. Grantee can verify and receive updates to GAAP via the audit process and those changes can be verified during an audit.</p>	<p>(A) Grantee shall report Gross Revenues to the [City/County], consistent with Generally Accepted Accounting Principles (“GAAP”) Nothing in this Section shall be construed to mean that the City accepts Grantee’s interpretation of GAAP, or shall impair the City’s ability to challenge Grantee’s interpretation of GAAP.</p>	

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<p>Section 3.30 “Incremental” Costs (located between current Sections 3.25 and 3.26 in redline)</p>	<p>Striking definition of “Incremental Cost”. Change made by MHCRC counsel, because federal law and FCC guidance applies to situations where marginal or incremental costs are used.</p>		<p>Given existing federal law and FCC orders on the use and application of “marginal cost,” there’s sufficient legal language to cite if an issue were to arise with grantee. This change also avoids potential conflicts of law.</p>
<p>Section 5.2(B) Access Channel Primary Origination Points</p>	<p>Decrease number of “up to” sites from 6 to 5.</p>	<p>*See Section 5.2(B)</p>	<p>In the term of the past agreement through present, the number has not gone past ‘4’, so the expansion of 1 more additional site is agreed upon by MHCRC staff and Comcast.</p>

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<p>Section 6.1 PEG Fee</p>	<p>PEG fee is decreasing from 3% to 2.5%.</p>	<p>6.1 PEG Capital Fee. Grantee shall pay to the [City/County] two and one-half percent (2.5%) of Grantee’s Gross Revenues Annually (PEG Fee).</p>	<p>PEG percentage change agreed upon by MHCRC staff and Comcast. Reflects legal counsel’s advice and previous authority from Commissioners.</p>
<p>Section 6.6(D) Review of Records</p>	<p>Limits look-back period in accordance audit standards, which are limited to current franchise period.</p>	<p>(D) If [City/County] fails to act on any of the options under Sections 6.6 (A) and (B) within such thirty (30) days, then after a further sixty (60) days’ notice (which includes the Grantee’s proposed schedule of future PEG fee payment reductions), if [City/County] has still not acted on any option, Grantee may reduce future PEG Fee payments by the amount not used in accordance with this franchise as previously determined by agreement of the parties or by arbitration, as the case may be.</p>	<p>MHCRC staff and Comcast agree to language proposed by MHCRC legal counsel. Since jurisdictions cannot go back and audit past periods outside current franchise period that same logic will apply in this section.</p>

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<p>Section 7.4 Connection of Public Facilities</p>	<p>Clarifies request process and updates language to reference applicable law governing how the costs for install are communicated and determined by the requesting grantor. Ensures the grantee can only charge for the marginal costs associated with the ‘new’ build and that all other existing sites (in the attachment to the agreement) continue to be served without cost.</p>	<p>*See Section 7.4.</p>	<p>Edits ensure that both the grantee and grantor understand the processes, laws, and method for how costs are assigned. MHCRC staff and Comcast agree on the edits.</p>
<p>Section 12.6 Additional Commitments Not Franchise Fees (located between current Sections 11.6 and 11.7)</p>	<p>Proposed deletion.</p>		<p>This section is redundant since the agreement and existing federal laws already recognize that agreements to pay other fees cannot be considered “franchise fees.”</p>

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Section 12.2 (B) & (C) Information and Reports	Edits ensure that reported data to grantee is treated in a confidential manner.	*See Section 12.2 (B) & (C)	Clear expectations on the treatment of information received by grantee. Edits agreed upon by MHCRC staff and Comcast.
Section 15.9 Common Users (located between current Sections 14.4 and 14.6)	Proposed deletion. Section has not been implemented over the course of two franchise periods.	*See Section 15.9 , Page 75 of 96	There is no longer a need for this section given decline in cable use and interest from new providers.
Section 19.11 Notice	Clarifying language for communications that are required by hard copy. Updated language allows for time sensitive items to be sent via electronic communication.	*See Section 19.11 , Page 91 of 96	Primary modes of communication between MHCRC staff, Commissioners, and Comcast are electronic, such as email, use of 311 platform software, etc.

Franchise Agreement
For
Cable Services
Between
Comcast of ~~Illinois/Ohio/Oregon~~, LLC II, Inc.

And

~~The Cities of Fairview, Gresham, Troutdale,
Wood Village and Multnomah~~ [City/County

], Oregon Effective January 1, 2012[_____]

TABLE OF CONTENTS

Section 1. NATURE AND TERM OF GRANT..... 1

 1.1 Grant of Franchise..... 1

 1.2 Term of Franchise..... 1

 1.3 Effective Date..... 1

 1.4 Non-Exclusive Franchise; Competitive Parity..... 1

 1.5 Charter and General Ordinances..... 2

Section 2. INTERGOVERNMENTAL AGREEMENT/CABLE REGULATORY COMMISSION..... 2

 2.1 Purpose and Scope of Agreement..... 2

 2.2 Intergovernmental Agreement..... 3

Section 3. DEFINITIONS..... 4

 3.1 (A) Captions..... 4

 (B) Definitions..... 4

 3.2 “Access”..... 4

 (A) “Public Access”..... 4

 (B) “Educational Access”..... 4

 (C) “Government Access”..... 4

 (D) “PEG Access”..... 5

 3.3 “Access Channel”..... 5

 3.4 “Access Resources”..... 5

 3.5 “Activation” or “Activated”..... 5

 3.6 “Affiliated Entity”..... 5

 3.7 “Annual” or “Annually”..... 5

 3.8 “Basic Service”..... 5

 3.9 “Broadcast Channels”..... 5

 3.10 “Cable Regulatory Commission”..... 12..... 5

3.11 “Cable Services”	5
3.12 “Cable Services Area”	5
3.13 “Cable System”	5
3.14 “Capacity”	5
3.15 “Capital” or “Capital Costs”	5
3.16 “Channel”	5
3.17 “Clerk”	5
3.18 “Designated Access Provider”	6
3.19 “Downstream”	6
3.20 “Dwelling Unit”	6
3.21 “Expanded Basic Service Tier”	6
3.22 “Facility”	6
3.23 “FCC”	6
3.24 “Fiber”	6
3.25 “Franchise”	6
3.26 “Franchise Area”	6
3.27 “Gross Revenues”	6
3.28 “Hazardous Substances”	7
3.29 “Headend”	7
3.30 “Incremental”	7
3.31 “Interconnect” or “Interconnection”	7
3.32 “Institutional Network” or “I Net”	7
3.33 “I Net Institution”	7
3.34 “I Net Services”	7
3.35 “I Net Site”	7
3.36 “I Net Subscriber”	8
3.37 “Jurisdictions”	8
3.38 “Legal Counsel”	5
3.39 “Parent Corporation”	8
3.40 “Pay Service”	8
3.41 “Person”	8
3.42 “Programmer”	8
3.43 “Programming”	8
3.44 “Record”	8
3.45 “Residential Network”	8
3.46 “Residential Subscriber”	8
3.47 “Section”	8
3.48 “Signal”	9
3.49 “Streets”	9
3.50 “Subscriber”	9
3.51 “Upstream”	9
Section 4. FRANCHISE AREA	9
4.1 Cable Services	9
Section 5. PEG ACCESS	9
5.1 Designated PEG Access Providers	9
5.2 Access Channel Capacity on the Residential Network	9
5.3 Access Channel Assignments	12
5.4 Access Interconnections	13

FINAL DRAFT 10-15-24

5.5 Live Programming Origination Capabilities.....	14
5.6 Charges.....	15
5.7 Change in Technology.....	15
5.8 Change in Designated Access Provider Location.....	15
5.9 Technical Quality.....	15
5.10 Recognition of Grantee for PEG Contributions.....	16
Section 6. INSTITUTIONAL NETWORK.....	16
6.1 "Fiber Optic".....	16
6.2 "Transport Hub".....	16
6.3 Existing Institutional Network.....	16
6.4 I Net Upgrades and Expansion.....	16
6.5 I Net Services.....	19
6.6 Maintenance and Performance Standards.....	19
6.7 I Net Usage Fees.....	20
6.8 I Net Interconnections.....	20
6.9 I Net not Common Carrier.....	20
6.10 Effect of Jurisdictions Provision of Commercial Services in Competition with Grantee.....	20
Section 7. PEG ACCESS AND I-NET CAPITAL FUNDING.....	21
7.1 PEG and I Net Capital Fee.....	21
7.2 Payments.....	21
7.3 Quarterly Reports.....	21
7.4 Interest on Late Payments.....	21
7.5 PEG Access Support not Franchise Fees; Applicable Federal Law.....	21
7.6 Review of Records.....	21
7.7 Undedicated I Net Funds.....	22
Section 8. SERVICE.....	23
8.1 Non-Discriminatory Rates and Charges.....	23
8.2 Standard Installation.....	23
8.3 Non-Standard Installations.....	23
8.4 Density Requirement Within Cable Services Area.....	23
8.5 Areas Outside Cable Services Area.....	23
8.6 Line-Extension Aid to Construction.....	23
8.7 Monthly Service and Installation of Schools.....	23
Section 9. CABLE SYSTEM UPGRADE.....	23
9.1 Technology Assessment.....	23
Section 10. CONSUMER PROTECTION.....	23
10.1 Jurisdictions' Cable Television Consumer Protection Policy.....	23
10.2 Subscriber Contracts.....	23
10.3 Obscenity.....	23
10.4 Parental Control Device.....	23
10.5 Regulation of Rates and Charges.....	23
10.6 Rate Discrimination.....	23
10.7 Filing of Rates and Charges.....	23
10.8 Changes in Rates and Charges.....	23
10.9 ADA Accessible Equipment and Services.....	23
10.10 Discriminatory Practices.....	23
10.11 Unauthorized Monitoring or Cable Tapping.....	23
10.12 Privacy.....	23

10.13 Permission of Property Owner or Tenant 23

10.14 Sale of Subscriber Lists and Personalized Data..... 23

10.15 Contact Information on Subscribers’ Bills..... 23

Section 11. RESIDENTIAL NETWORK..... 23

11.1 Channel Capacity..... 23

11.2 Leased Access Channels..... 23

11.3 Technical and Safety Standards..... 23

11.4 Performance Testing..... 23

11.5 Specific Technical Facilities or Capabilities..... 23

11.6 Quality and Workmanship..... 23

11.7 Inspection of Construction..... 23

Section 12. COMPENSATION AND AUDITING..... 23

12.1 Amount of Compensation..... 23

12.2 Payments and Quarterly Reports..... 23

12.3 Interest on Late Payments..... 23

12.4 Bundled Services..... 23

12.5 Maximum Legal Compensation..... 23

12.6 Additional Commitments not Franchise Fees..... 23

12.7 Acceptance of Payment and Recomputation..... 23

12.8 Audits and Reviews..... 23

12.9 Liability for Licenses and Taxes..... 23

Section 13. RECORDS AND REPORTS..... 23

13.1 Open Records..... 23

13.2 Information and Reports..... 23

13.3 General Reports..... 23

13.4 Format..... 23

13.5 Reports of Regulatory Violations..... 23

13.6 Public Records..... 23

Section 14. GENERAL INDEMNIFICATION AND INSURANCE..... 23

14.1 Indemnification..... 23

14.2 Insurance..... 23

14.3 Faithful Performance Bond..... 23

14.4 Construction Bond..... 23

Section 15. GENERAL STREET USE AND CONSTRUCTION..... 23

15.1 Construction..... 23

15.2 Locates..... 36

15.3 Relocation..... 36

15.4 Restoration of Streets..... 37

15.5 Maintenance and Workmanship..... 37

15.6 Acquisition of Facilities..... 38

15.7 Reservation of Jurisdiction Street Rights..... 38

15.8 Street Vacation..... 38

15.9 Common Users..... 38

15.10 Discontinuing Use of Facilities..... 40

15.11 Hazardous Substances..... 40

15.12 Undergrounding of Cable..... 41

15.13 Construction Codes..... 41

15.14 Construction and Use of Poles..... 41

FINAL DRAFT 10-15-24

15.15 Tree Trimming.....	41
Section 16. TRANSFER OF GRANTEE'S CABLE SYSTEM.....	23
16.1 Transfer Defined.....	23
16.2 Jurisdiction Approval of Transfers.....	23
16.3 Review.....	23
16.4 Leases.....	23
16.5 Sales.....	23
Section 17. JURISDICTION REGULATORY AUTHORITY.....	23
17.1 Jurisdiction Regulatory Rights.....	23
17.2 Jurisdiction Regulatory Actions.....	23
17.3 Right of Intervention.....	23
Section 18. EQUAL EMPLOYMENT OPPORTUNITY/ AFFIRMATIVE ACTION/ MINORITY BUSINESS ENTERPRISES.....	23
18.1 Equal Employment Opportunity.....	23
18.2 Affirmative Action.....	23
18.3 Minority and Female Business Enterprises.....	23
Section 19. FRANCHISE VIOLATIONS AND REMEDIES, EXPIRATION AND RENEWAL.....	23
19.1 Remedies for Franchise Violations.....	23
19.2 Notice and Opportunity to Cure.....	23
19.3 Minor Variances.....	23
19.4 Expiration.....	23
19.5 Removal of Plant and Equipment.....	23
Section 20. MISCELLANEOUS PROVISIONS.....	23
20.1 Compliance with Laws.....	23
20.2 Arbitration.....	23
20.3 Mediation.....	23
20.4 Continuity of Service.....	23
20.5 Severability and Survivability.....	23
20.6 No Recourse against Jurisdictions.....	23
20.7 Nonenforcement by the Jurisdictions.....	23
20.8 Action by Agencies or Courts.....	23
20.9 Choice of Forum.....	23
20.10 Choice of Law.....	23
20.11 Notice.....	23
20.12 Reasonability of Actions.....	23
20.13 Force Majeure.....	23
20.14 Integration and Written Modification.....	23
20.15 Changes in Law or Unenforceability of Franchise Provisions.....	23
20.16 Renegotiation.....	23
Section 21. WRITTEN ACCEPTANCE.....	23
21.1 Written Acceptance.....	23
21.2 Failure to File Acceptance.....	23
21.3 Execution in Counterparts.....	23

TABLE OF CONTENTS

	<u>Page</u>
<u>Section 1. NATURE AND TERM OF GRANT</u>	1
1.1 Grant of Franchise.....	1
1.2 Term of Franchise.....	1
1.3 Effective Date.....	1
1.4 Non-Exclusive Franchise; Competitive Parity.....	1
1.5 Charter and General Ordinances.....	5
<u>Section 2. INTERGOVERNMENTAL AGREEMENT/ CABLE REGULATORY COMMISSION</u>	6
2.1 Intergovernmental Agreement.....	6
<u>Section 3. DEFINITIONS</u>	8
3.1 (A) Captions.....	8
(B) Definitions.....	8
3.2 “Access”.....	8
(A) “Public Access”, “Educational Access”, and “Government Access”.....	8
(B) “PEG Access”.....	8
3.3 “Access Channel”.....	9
3.4 “Access Resources”.....	9
3.5 “Activation” or “Activated”.....	9
3.6 “Affiliated Entity”.....	9
3.7 “Annual” or “Annually”.....	9
3.8 “Basic Service”.....	9
3.9 “Broadcast Channels”.....	9
3.10 “Cable Regulatory Commission”.....	9
3.11 “Cable Services”.....	9
3.12 “Cable System”.....	10
3.13 “Capacity”.....	10
3.14 “Capital” or “Capital Costs”.....	10
3.15 “Channel”.....	10
3.16 “Designated Access Provider”.....	10
3.17 “Downstream”.....	10
3.18 “Dwelling Unit”.....	10
3.19 “Facility”.....	10
3.20 “FCC”.....	10
3.21 “Fiber”.....	11
3.22 “Franchise Area”.....	11
3.23 “Gross Revenues”.....	11
3.24 “Hazardous Substances”.....	14
3.25 “Headend”.....	14
3.26 “Interconnect” or “Interconnection”.....	14
3.27 “Parent Corporation”.....	14
3.28 “Pay Service”.....	15

TABLE OF CONTENTS
(continued)

	<u>Page</u>
3.29 “Person”	15
3.30 “Programmer”	15
3.31 “Programming”	15
3.32 “Record”	15
3.33 “Residential Network”	16
3.34 “Residential Subscriber”	16
3.35 “Section”	16
3.36 “Signal”	16
3.37 “Streets”	16
3.38 “Subscriber”	16
3.39 “Upstream”	16
<u>Section 4. FRANCHISE AREA</u>	<u>16</u>
4.1 Cable Services	16
<u>Section 5. PEG ACCESS</u>	<u>16</u>
5.1 Designated PEG Access Providers	17
5.2 Access Channel Capacity on the Residential Network	17
5.3 Access Channel Assignments	21
5.4 Access Interconnections	24
5.5 Live Programming Origination Capabilities	25
5.6 Change in Technology	27
5.7 Change in Designated Access Provider Location	27
5.8 Technical Quality	28
5.9 Recognition of Grantee for PEG Contributions	28
5.10 Video on Demand	34
5.11 Detailed Access Program Listings on the Digital Guide	35
<u>Section 6. PEG ACCESS CAPITAL FUNDING</u>	<u>35</u>
6.1 PEG Capital Fee	35
6.2 Payments	36
6.3 Quarterly Reports	36
6.4 Interest on Late Payments	36
6.5 PEG Access Support not Franchise Fees	36
6.6 Review of Records	36
<u>Section 7. SERVICE</u>	<u>38</u>
7.1 Non-Discriminatory Rates and Charges	38
7.2 Standard Installation	38
7.3 Non-Standard Installations	39
7.4 Connection of Public Facilities	1
<u>Section 8. CABLE SYSTEM UPGRADE(S)</u>	<u>2</u>

TABLE OF CONTENTS
(continued)

	<u>Page</u>
8.1 Technology Assessment.....	2
<u>Section 9. CONSUMER PROTECTION.....</u>	3
9.1 City/County’s Cable Television Consumer Protection Policy.....	3
9.2 Subscriber Contracts	3
9.3 Obscenity	3
9.4 Parental Control Device	3
9.5 Regulation of Rates and Charges-Reservation of Rights.....	3
9.6 Rate Discrimination	4
9.7 Filing of Rates and Charges.....	4
9.8 Changes in Rates and Charges.....	4
9.9 ADA Accessible Equipment and Services.....	5
9.10 Discriminatory Practices.....	5
9.11 Unauthorized Monitoring or Cable Tapping.....	5
9.12 Privacy	5
9.13 Permission of Property Owner or Tenant	5
9.14 Sale of Subscriber Lists and Personalized Data.....	6
9.15 Contact Information on Subscribers’ Bills	6
<u>Section 10. RESIDENTIAL NETWORK</u>	6
10.1 Channel Capacity.....	6
10.2 Leased Access Channels	7
10.3 Technical and Safety Standards.....	7
10.4 Performance Testing.....	7
10.5 Specific Technical Facilities or Capabilities.....	9
10.6 Quality and Workmanship	9
10.7 Inspection of Construction.....	9
<u>Section 11. COMPENSATION AND AUDITING.....</u>	9
11.1 Amount of Compensation.....	9
11.2 Payments and Quarterly Reports.....	10
11.3 Interest on Late Payments.....	10
11.4 Bundled Services	10
11.5 Cost of Publication.....	10
11.6 Maximum Legal Compensation.....	10
11.7 Acceptance of Payment and Recomputation	11
11.8 Audits and Reviews.....	11
11.9 Liability for Licenses and Taxes.....	12
<u>Section 12. RECORDS AND REPORTS</u>	12
12.1 Open Records.....	12
12.2 Information and Reports	13
12.3 General Reports	14

TABLE OF CONTENTS
(continued)

	<u>Page</u>
12.4 Reports of Regulatory Violations	14
12.5 Public Records.	15
<u>Section 13. GENERAL INDEMNIFICATION AND INSURANCE.....</u>	16
13.1 Indemnification.	16
13.2 Insurance.	16
13.3 Faithful Performance Bond.	19
<u>Section 14. GENERAL STREET USE AND CONSTRUCTION</u>	20
14.1 Construction.	20
14.2 Relocation	22
14.3 Restoration of Streets.....	22
14.4 Maintenance and Workmanship.	22
14.5 Acquisition of Facilities.....	23
14.6 New Construction.	25
14.7 Discontinuing Use of Facilities.....	26
14.8 Hazardous Substances.....	26
14.9 Undergrounding of Cable	27
14.10 Construction Codes.....	27
14.11 Construction and Use of Poles.....	27
14.12 Tree Trimming.....	28
<u>Section 15. TRANSFER OF GRANTEE’S CABLE SYSTEM</u>	28
15.1 Transfer Defined.....	28
15.2 Council Consent.....	28
15.3 Review.	29
15.4 Leases.....	29
15.5 Sales.....	29
<u>Section 16. CITY/COUNTY REGULATORY AUTHORITY</u>	30
16.1 City/County Regulatory Rights.....	31
16.2 City/County Regulatory Actions.....	31
16.3 Right of Intervention.....	31
<u>Section 17. EQUAL EMPLOYMENT OPPORTUNITY/ AFFIRMATIVE ACTION/ MINORITY BUSINESS ENTERPRISES</u>	31
17.1 Equal Employment Opportunity.....	31
17.2 Affirmative Action.....	32
17.3 Minority-Owned, Woman-Owned and Emerging Small Business Enterprises.....	32
<u>Section 18. FRANCHISE VIOLATIONS AND REMEDIES, EXPIRATION AND RENEWAL</u>	32
18.1 Remedies for Franchise Violations.....	32
18.2 Notice and Opportunity to Cure.....	36
18.3 Minor Variances.....	37

TABLE OF CONTENTS
(continued)

	<u>Page</u>
18.4 Expiration.....	37
18.5 Removal of Plant and Equipment.	37
<u>Section 19. MISCELLANEOUS PROVISIONS</u>	<u>38</u>
19.1 Compliance with Laws.	38
19.2 Arbitration.....	38
19.3 Mediation.....	40
19.4 Continuity of Service	40
19.5 Severability and Survivability.....	41
19.6 No Recourse against [City/County].....	41
19.7 Nonenforcement by the [City/County]	41
19.8 Action by Agencies or Courts.....	41
19.9 Choice of Forum	41
19.10 Choice of Law.....	41
19.11 Notice.....	41
19.12 Reasonability of Actions.....	43
19.13 Force Majeure.	43
19.14 Integration and Written Modification	43
19.15 Changes in Law or Unenforceability of Franchise Provisions.	44
19.16 Renegotiation.	44
<u>Section 20. WRITTEN ACCEPTANCE</u>	<u>44</u>
20.1 Written Acceptance.....	45
20.2 Failure to File Acceptance	45

EXHIBITS

- EXHIBIT A: ~~_____~~ Intergovernmental Agreement Creating Mt. Hood Cable Regulatory Commission
- EXHIBIT B: ~~_____~~ Hardwired Live Origination Sites
- EXHIBIT C: ~~_____~~ ~~Institutional Network Assets~~ Public Facilities
- EXHIBIT D: ~~_____~~ Customer Service Standards Interpretations
- EXHIBIT E: ~~_____~~ Form of Guarantee in Lieu of Bond
- EXHIBIT F: ~~_____~~ Form of Acceptance

TABLE OF CONTENTS

(continued)

PageORDINANCE NO. ~~[RESOLUTION NO.]~~.Grant a franchise to Comcast of ~~Illinois/Ohio/Oregon, LLC II, Inc.~~ to operate a Cable System.The ~~[JURISDICTION]~~ City/County ordains ~~[resolves]~~:**Section 1. SECTION 1. NATURE AND TERM OF GRANT****1.1 Grant of Franchise.**

~~1.1(A)~~ (A) The ~~Jurisdictions of Multnomah County, Gresham, Fairview, Troutdale and Wood Village (“Jurisdictions”)~~ [City/County] does hereby grant to Comcast of ~~Illinois/Ohio/Oregon, LLC, II, Inc. (“Grantee”)~~, who is qualified to do business in Oregon, and to its successors and assigns, a franchise to construct, operate and maintain a Cable System to provide Cable Services ~~and I-Net Services in the Streets of the Jurisdictions.~~ in the Streets of the [City/County]. This franchise grants no right or power not expressly provided herein, but shall not be read to prohibit Grantee from offering any service over the Cable System that federal or state law authorizes by reason of the granting of this franchise, provided any requirements of the state and the [City/County] Municipal Code not inconsistent with federal law are satisfied.

~~(A)~~ —

(B) Throughout this Franchise, the [City/County] shall be referred to as the “[City/County]” and Comcast of Oregon II, Inc. shall be referred to as the “Grantee.”

1.2 Term of Franchise. This Franchise, and all rights, privileges, obligations and restrictions pertaining thereto, shall expire on December 31, ~~2021~~ 2031, unless terminated sooner as provided herein.

1.3 Effective Date. The effective date of this Franchise shall be ~~January 1, 2012,~~ sixty (60) days after passage of this Franchise by the [City Council/County Commission], unless the Grantee fails to ~~execute~~ file an unconditional written acceptance of this Franchise, in which event this Franchise shall be null and void. ~~The passage date of this Franchise is set forth on the last page of the original hereof, as stamped by the Clerk.~~

1.4 ~~1.4~~ Non-Exclusive Franchise; Competitive Parity.

TABLE OF CONTENTS(continued)Page

(A) This Franchise is not exclusive. -The Jurisdictions[City/County] expressly reserves the right, and may be required by federal or state law, to grant rights or franchises to other Persons, as well as the right in its own name as a municipality/county, to use the Streets for similar or different purposes allowed Grantee hereunder, by franchise, permit or otherwise.

(B) Authorization of Cable Franchises.

(1) _____ ~~(1)~~ If, after the effective date of this Franchise, the Jurisdictions grant[City/County] grants an additional cable services franchise for the provision of Cable Services or similar wireline facilities-based owner/operator multichannel video programming services pursuant to Section 1.4(A), and Grantee believes there are material differences with Grantee's obligations under this Franchise ~~relating to, specifically regarding~~ PEG Access Channels, PEG/~~Net~~ Capital support, franchise fees, customer service standards and reports, ~~reports and records contained~~ service area except as provided for in Section 13, 1.4(G)(iii), and the provision of duct under Section 15.9, the parties agree that the corresponding obligations 14.6, as required in this Franchise will be modified to substantially reflect the franchise obligations under the competitive cable franchise of the newly awarded franchised cable operator., the Grantee may elect to proceed under (i) or (ii) below, but not both, by providing the applicable notice to the [City/County] within one year of the effective date of such wireline competitor's franchise. For the avoidance of doubt, identical word for word provisions are not required in both franchises so long as the regulatory and financial burdens regarding those obligations identified in this subsection 1.4(B)(1) on each entity are materially equivalent taken as a whole.

i. Franchise Modification: The modification process shall only be initiated by written notice ("Modification Notice") by the Grantee to the Jurisdictions[City/County] regarding specified franchise obligations. -Grantee's notice shall address the following: (a) ~~identifying~~ identify the specific terms or conditions in the competitive cable services competitor's franchise which Grantee believes are materially different from Grantee's obligations under this Franchise; (b) ~~identifying~~ identify the Franchise terms and conditions for which Grantee is seeking amendments; (c) ~~providing~~ provide text for any proposed Franchise amendments to the Jurisdictions, [City/County], with a written explanation of why the proposed amendments are necessary ~~and consistent to ensure~~

TABLE OF CONTENTS

(continued)

Page

the regulatory and financial burdens regarding those obligations identified in subsection 1.4(B)(1) on each entity are materially equivalent taken as a whole. Grantee agrees to also address all relevant factors, evidence and circumstances in its ~~written notice.~~ The parties agree that this provision Modification Notice. Within sixty (60) days of Grantee's Modification Notice, the [City/County] shall ~~not require identical word for word provisions so long as notify~~ Grantee either: (a) that [City/County] is willing to enter into negotiations with Grantee; or (b) that [City/County] believes the regulatory and financial burdens regarding those obligations identified in subsection 1.4(B)(1) on each entity are materially equivalent. ~~The taken as a whole. In the event the [City/County] notifies Grantee that subparagraph (a) applies, the parties agree that they will attempt in good faith to negotiate the form of these modifications-~~ for a period of one hundred and twenty (120) days. If the parties fail to reach agreement in informal negotiations, either party may initiate mediation in accordance with Section ~~2019.3.~~ or by arbitration in accordance with Section ~~2019.2.~~ In the event mediation or arbitration is not successful, or if, in response to the Grantee's Modification Notice, the [City/County] notifies Grantee that subparagraph (b) applies , Grantee may bring an action in federal or state court for a determination as to whether the regulatory and financial burdens regarding those obligations identified in subsection 1.4(B)(1) on each entity are materially equivalent taken as a whole and as to what Franchise amendments would be necessary to remedy the disparity, if any.

ii. ~~_____ (2) Term Reduction. In the alternative to franchise modification as provided under Section 1.4(B)(1), in the event of a competitive entry as provided in Section 1.4(B)(1), Grantee may elect at any time prior to the commencement of~~ If the Grantee's thirty-six (36) month renewal window provided by 47 USC §546 ~~to has not yet commenced, Grantee may~~ file a written notice indicating an election to shorten the term of this Franchise, and thereafter the term of Grantee's Franchise shall, ~~ninety (90) days from the Grantee's written notice,~~ be shortened so that the Franchise shall be deemed to expire on a date thirty ~~six (36)~~ months from the first day of the month following the date of Grantee's notice. ~~Grantee shall immediately thereafter secure franchise renewal rights pursuant to 47 USC §546 with no further notice to the Jurisdictions~~ [City/County] required. ~~The Jurisdictions~~ [City/County] and Grantee shall then enter into

TABLE OF CONTENTS(continued)Page

proceedings consistent with ~~Section §~~546 for renewal of this Franchise. -The ~~Jurisdictions~~[City/County] and Grantee shall have all rights and obligations provided under said Section 546.

~~(3) Solely for the purposes of Section 1.4(B), “Cable Services” shall mean the one-way transmission of video programming, or other programming service for commercial purposes, including any subscriber interaction necessary for the selection or use of such programming.~~

- (C) ~~(1)~~(1) Nothing in Section 1.4(B) shall be construed as limiting, restricting or preventing a ~~Jurisdiction~~the [City/County] from issuing any franchise, permit, license or other form of agreement for all of Grantee’s Franchise Area or any portion thereof, that provides for equal or greater requirements or for a similar or higher level of Cable Services to Residential Subscribers, than that required of Grantee under this Franchise.

~~(2)~~(2) Grantee agrees and acknowledges that, solely for the purposes of Section 1.4(B), the provisions of any other franchise issued or administered by a ~~Jurisdiction~~the [City/County] with respect to the provision of Cable Services and in effect as of the effective date of this Franchise, are reasonably non-discriminatory and competitively neutral, and do not contain material differences with Grantee’s obligations under this Franchise.

- ~~(D)~~ 1. Nothing in Section 1.4(B) is intended to alter the rights or obligations of either party under applicable federal or state law, and it shall only apply to the extent permitted under applicable law and FCC orders.

- (E) Limits to Relief: The Parties agree that:

(1) In no event will the [City/County] be required to refund or to offset against future amounts due the value of benefits already received or to be liable for any damages to Grantee for any breach of this Section.

(2) Grantee may not on its own accord, withhold, delay or enjoin any performance or otherwise refuse to comply with its obligations whether or not it believes it is entitled to relief under this Section.

(3) Grantee may not obtain any relief from obligations it may have under settlements or other contracts with the Grantor via this Section.

(4) The relief is contingent on the new Cable Services or similar wireline facilities – based owner/operator multichannel video

TABLE OF CONTENTS

(continued)

Page

programming services provider actually commencing provision of such service in the Franchise Area to its first customer. Should the new Cable Services or similar wireline facilities – based owner/operator multichannel video programming services provider fail to continuously provide such service for a period of six (6) months, the [City/County] has the right to implement this Agreement with its original terms upon one hundred eighty (180) days' notice to Grantee.

(F) This Section shall apply separately in the individual member units of local government who are members of the Commission. Grantee may seek to invoke the provisions of this Section only in that individual jurisdiction, not in any jurisdiction where a competitor has not secured a competitive franchise for the provision of Cable Services or similar wireline facilities-based owner/operator multichannel video programming services from the jurisdiction .

(G) This Section does not apply to:

(1) Open video systems

(2) Common carrier systems exempted from franchise requirements pursuant to 47 U.S.C. Section 571;

(3) Systems that serve less than five percent (5-%) of the geographic area of the [City/County];

(4) Systems that only provide streaming services accessible by anyone via the public Internet;

(5) Any system where the [City/County] is ordered or required to issue a franchise on different terms and conditions, or it is legally unable to do so;

(6) Wireless networks that deliver multichannel video programming services, unless the state or FCC has determined that these are subject to [City/County] franchising authority.

1.5 Charter and General Ordinances. To the extent authorized by law, the Grantee's Franchise with each of the individual Jurisdictions is subject to the Charter of that Jurisdiction and any general ordinances and resolutions passed pursuant thereto. This Franchise is subject to the [City/County] Charter and Code provisions, now in effect or hereafter made effective, affecting that affect matters of general Jurisdictional [City/County] concern and that are not materially in conflict with existing contractual rights of Grantee, now in effect or hereafter made effective. This Section shall not be construed to waive Grantee's right to challenge any code provision under applicable law. Nothing in this Franchise shall be deemed to waive the requirements of the various applicable codes, and ordinances and resolutions of the Jurisdictions [City/County] regarding permits, fees to be paid or the

TABLE OF CONTENTS

(continued)

Page

manner of construction. ~~Grantee shall comply with all applicable Jurisdiction ordinances, resolutions, rules and regulations adopted or established pursuant to a Jurisdiction's lawful authority. Nothing in this Section 1.5 shall be deemed a waiver by Grantee or the Jurisdictions of the rights of Grantee or the Jurisdictions under applicable law.~~

Section 2. SECTION 2. INTERGOVERNMENTAL AGREEMENT/ CABLE REGULATORY COMMISSION

~~2.1 Purpose and Scope of Agreement. The purpose of this Franchise is to create a binding, enforceable contract between the Jurisdictions and the Grantee. Therefore, this Franchise is considered by the Jurisdictions and the Grantee to be a contractual action of the parties rather than a legislative action by the Jurisdictions. This Franchise is intended to be the primary document defining the performance of the Grantee. Nothing contained in this Franchise will be construed to deem the Grantee a common carrier.~~

~~2.2.1 Intergovernmental Agreement.~~

~~(A) The governing body of each Jurisdiction has adopted this Franchise as its own, under its independent government authority. In addition, the Jurisdictions have elected to provide. The [City/County] has provided for regulation of this Franchise through a cable regulatory commission ("Commission") created through an Intergovernmental Agreement (attached as Exhibit A), entered into among and by all the Jurisdictions. The Jurisdictions have). The [City/County] has agreed to be bound by the decisions and actions taken by the Commission pursuant to powers, duties, and responsibilities set forth in delegated to the Commission under the Intergovernmental Agreement. Unless specifically stated otherwise herein, the Commission shall be the sole representative and agent of the Jurisdictions [City/County] in dealing with Grantee under the terms of this Franchise. Throughout this Franchise, all references to the "Jurisdictions" in the plural is intended by the parties to refer to the Commission acting on behalf of the Jurisdictions, unless the context requires otherwise or such powers are reserved to the individual Jurisdictions under the Intergovernmental Agreement. In fulfilling the terms of this Franchise, Grantee is expected to rely upon, look to, communicate with, and comply with the decisions and orders of the Commission, its agents, and employees on all cable matters over which they have authority with respect to which the [City/County] has lawfully delegated the exercise of the [City/County]'s authority under this Franchise. Nothing in this Franchise is intended to empower the Commission to act contrary to the provisions of the Intergovernmental Agreement. The Jurisdictions retain [City/County] retains all powers not expressly delegated to the Commission.~~

~~(B) Each Jurisdiction has the right to withdraw from the Intergovernmental Agreement. In the event a Jurisdiction does withdraw, it will have the latitude either to create its own cable regulatory commission or to designate its own governing body to handle cable affairs. In such case, the Grantee will deal separately with the Jurisdiction that has withdrawn. Each of the Jurisdictions that is a party to~~

TABLE OF CONTENTS

(continued)

Page

the Intergovernmental Agreement agrees that it will not withdraw from the Intergovernmental Agreement without first providing written notice to the Grantee and giving the Grantee an opportunity to state its position on such withdrawal. Similarly, the Jurisdictions agree that they will not amend the Intergovernmental Agreement without first providing written notice to the Grantee and giving the Grantee an opportunity to state its position on any proposed amendment.

—————(C)———— Any withdrawal from or amendment to the Intergovernmental Agreement will not be construed as amending this Franchise or permitting the withdrawal of any of the remaining Jurisdictions, or the Grantee, from this Franchise.

—————(D)———— Divisibility.

—————(1) Unaffected Sections. Any Jurisdiction which elects to withdraw from the Intergovernmental Agreement shall be entitled to receive the five percent (5%) franchise fee payment, as provided in Section 12 of this Franchise, for Grantee's Gross Revenues attributable to that Jurisdiction's territorial limits. ~~Except for the Sections specifically identified in Section 2.2(D)(2), a Jurisdiction's withdrawal from the Intergovernmental Agreement shall not affect any of the Sections of this Franchise, and the Franchise shall otherwise remain in effect between the Grantee and the individual withdrawing Jurisdiction.~~

—————(2) Sections to be Renegotiated.

(a) ~~The public benefits provided under this Franchise, such as PEG Access Channels, PEG Access Capital funds and the Institutional Network, have been negotiated by the Jurisdictions and the Grantee as an indivisible whole. Grantee has relied upon the Jurisdictions negotiating as a single entity to provide economic assurances, allowing for the consideration of these public benefits in return. The withdrawal of any Jurisdiction from the Intergovernmental Agreement shall require that Jurisdiction and the Grantee to renegotiate the following Sections of this Franchise: Section 5; Section 6; Section 7; Section 9; Section 13.1; Section 13.2; Section 14.3; and Section 19.1. The renegotiated Sections shall, to the extent practicable continue to provide the benefits to the Jurisdiction provided hereunder, but only to the extent such benefits may be provided without any additional cost (whether by direct payment to the Jurisdiction, increase labor costs, increased material costs or otherwise) to Grantee over and above the cost it would have incurred had the Jurisdiction not withdrawn. If the parties are unable to reach agreement on the modification of these identified Sections within 90 days after the withdrawal of the Jurisdiction becomes effective, the parties may submit the renegotiation to binding arbitration, which shall take place under the terms of Section 20.2 of this Franchise or to mediation under the terms of Section 20.3. Until such time as an agreement with respect to a particular Section is effective, the Section as provided in this Franchise shall remain in effect as if the Jurisdiction had not withdrawn.~~

(b) ~~A withdrawing Jurisdiction will not be entitled to any of the PEG Access services provided under this Franchise, unless it continues to pay to MetroEast Community Media the same percentage of franchise fee revenues paid by the remaining Jurisdictions. For purposes of this Section 2.2(D)(2)(b), MetroEast Community Media is the nonprofit designated by contract with the Jurisdictions to manage Access Resources. The Grantee shall not be obligated to provide other public benefits to~~

TABLE OF CONTENTS(continued)Page

~~withdrawing Jurisdictions on any proportional basis, and a withdrawing Jurisdiction will not be entitled to any of the other public benefits provided under this Franchise, except as an ancillary third party beneficiary of those benefits being provided by the Grantee to the remaining Jurisdictions. A withdrawing Jurisdiction will not be entitled to the regulatory services of the Commission provided for under the Intergovernmental Agreement.~~

Section 3. SECTION 3. DEFINITIONS

~~3.1 (A) (A) Captions.~~ Throughout this Franchise, captions to Sections are intended solely to facilitate reading and to reference the Sections and provisions of this Franchise. ~~The captions shall not affect the meaning and interpretation of this Franchise.~~

~~(B) Definitions.~~ For the purpose of this Franchise, and all Exhibits attached hereto, the following terms, phrases, and their derivations shall have the meanings given below unless the context indicates otherwise. ~~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 include the plural number. The word "shall" is always mandatory and not merely directory.~~

~~3.2 3.2~~ "Access" ~~means the availability for use of the Cable System in accordance with the Franchise by various agencies, institutions, organizations, groups and individuals in the community to acquire, create, and distribute Programming not intended to generate income which may be subject to federal, state, or local income taxes and not under the Grantee's Grantee's editorial control, including, but not limited to:~~

~~(A) "Public Access" means Access where organizations, groups or individual members of the general public, on a nondiscriminatory basis, are the primary or designated Programmers or users having editorial control over their Programming;~~

~~(B) "Educational Access" means Access where educational institutions are the primary or designated Programmers or users having editorial control over their Programming;~~

~~(A) (C) "Government Access" means Access where governmental institutions are the primary or designated Programmers or users having editorial control over their Programming; and"~~

~~(D) Such Access means public, educational and government use of channel capacity, facilities and equipment as defined in Sections 602 and 611 of the federal Cable Act. 47 U.S.C. §§ 522, 531 (1984).~~

~~(B) "PEG Access" means Public Access, Educational Access, and Government Access, collectively.~~

TABLE OF CONTENTS(continued)Page

3.3 ~~3.3~~ “Access Channel²²” means any Channel designated for Access purposes or otherwise made available to facilitate or transmit non-commercial PEG Access Programming.

3.4 ~~3.4~~ “Access Resources²²” means the Channels, services, facilities, equipment, technical components and/or financial support provided under this Franchise, which is used or useable by and for PEG Access.

3.5 ~~3.5~~ —“Activation” or “Activated²²” means the status of any Capacity or part of the Cable System in which any Residential Service, Institutional Service or Access Resource requiring the use of that Capacity or part is made available, in accordance with the Franchise, without further installation, adjustment, modification or testing of Cable System equipment.

3.6 ~~3.6~~ —“Affiliated Entity” means any entity having ownership or control in common with the Grantee, in whole or in part, including, without limitation, ~~Grantee's~~ Grantee's Parent Corporations and any subsidiaries or affiliates of such Parent Corporations.

3.7 ~~3.7~~ “Annual” or “Annually²²” means the period consisting of a full calendar year, beginning January 1 and ending December 31, unless otherwise provided in this Franchise.

3.8 ~~3.8~~ “Basic Service” ~~is the level of Programming” Grantee’s lowest service which tier that includes, at a minimum, all Broadcast Channels, the retransmission of local television broadcast signals and all PEG Access Channels required in this Franchise, and any additional Programming added by the Grantee, and is made available to all Cable Services Subscribers in the Franchise Area.~~

3.9 ~~3.9~~ “Broadcast Channels²²” means local commercial television stations, qualified low power stations and qualified local noncommercial educational television stations, as referenced under 47 USC § 534 and 535.

3.10 ~~3.10~~ —“Cable Regulatory Commission²²” means the Mt. Hood Cable Regulatory Commission, or its successor agency as designated by ordinance ~~or resolution~~ of the Jurisdictions [City/County] Council.

3.11 ~~3.11~~ “Cable Services²²” shall have the meaning provided under Federal law ~~and~~ 47 USC Section 522 (6) and pertinent regulations.

TABLE OF CONTENTS(continued)Page

~~3.12 “Cable Services Area” means that portion of the Franchise Area which is within the Urban Growth Boundary, as now or hereafter constituted. In the event that the Urban Growth Boundary ceases to exist as a legal measurement, then the last existing Urban Growth Boundary shall be controlling.~~

~~3.12~~ 3.13 “Cable System” shall have the meaning provided under Federal law ~~and~~ 47 USC 522 Section (7) and pertinent regulations.

~~3.13~~ 3.14 “Capacity” means the capability of the Cable System to carry Signals within a given format (e.g. at the time of the effective date of this Franchise, RF Capacity may be described in terms of portions of the total radio frequency bandwidth by specifying a number of MHz).

~~3.14~~ 3.15 “Capital” or “Capital Costs” means the expenditure of funds for services, products or other resources, whose useful life can be expected to exceed a period of one year or longer.

~~3.15~~ 3.16 “Channel” means a time or frequency slot or technical equivalent on the Cable System, discretely identified and capable of carrying full motion color video and audio, and may include other non-video subcarriers and digital information.

~~3.17 “Clerk” means the clerk or recorder of each Jurisdiction, unless the Jurisdiction has designated an alternative recipient.~~

~~3.16~~ 3.18 “Designated Access Provider” means the entity or entities designated by the ~~Jurisdictions~~ [City/County] under Section 5.1.

~~3.17~~ 3.19 “Downstream” means the direction of Signals from the Headend to Subscribers or Interconnect points served by the Cable System.

~~3.18~~ 3.20 “Dwelling Unit” means any building, or portion thereof, that has independent living facilities, including provisions for cooking, sanitation and sleeping, and that is lawfully occupied for residential purposes. Buildings with more than one set of facilities for cooking shall be considered multiple dwelling units unless the additional facilities are clearly accessory.

~~3.21 “Expanded Basic Service Tier” is the most commonly subscribed to tier of service and does not include the Basic Service Tier or pay per view or pay per program services.~~

~~3.19~~ 3.22 “Facility” means any tangible component of the Cable System.

~~3.20~~ 3.23 “FCC” means the Federal Communications Commission.

TABLE OF CONTENTS

(continued)

Page

~~3.21 3.24~~ “Fiber” means a transmission medium of optical fiber cable capable of carrying Signals by means of lightwave impulses.

~~3.25~~ “Franchise” means ~~this franchise agreement, as fully executed by the Jurisdictions and the Grantee.~~

~~3.22 3.26~~ “Franchise Area” means the territory within the boundaries of the ~~cities of Fairview, Wood Village, Troutdale and Gresham, together with all territory within the boundaries of Multnomah [City/County not included within the territory of any incorporated city.].~~

~~3.23 3.27~~ “Gross Revenues” means ~~and shall be construed broadly to include all amounts/revenues, in whatever form and from all sources, derived by Grantee or an Affiliated Entity from the operation of Grantee’s Grantee’s Cable System to provide Cable Services within the Jurisdictions, by the Grantee or by any Affiliated Entity only to the extent such amounts are earned from the operation [City/County].~~ Gross revenues include, but are not limited to: fees for Cable Services, regardless of whether such Cable Services are provided to residential, commercial or other customers, including revenues derived from the provision of all video programming (including but not limited to Basic, Expanded, pay or premium channels, digital programming including all service tiers, music services, pay-per-view, pay-per-event, and video-on-demand.); fees for service and repair calls; installation, disconnection, reconnection, downgrade, upgrade or similar charges associated with changes in subscriber Cable Service levels; fees paid to Grantee for channels designated for commercial leased access use and shall be allocated on a pro rata basis using the total Cable Service subscribers within the [City/County] compared to the total number of subscribers in the Oregon/SW Washington region; converter, remote control, set-top unit (STU), digital terminal adapter (DTA) digital video recorder (DVR) and other Cable Service equipment rentals, leases, or sales; additional outlet fees; Advertising Revenues as defined herein; broadcast retransmission and regional sports programming fees; billing and collection fees, including but not limited to, NSF charges, late fees, convenience fees and administrative fees; inside wire maintenance and service plan protection fees; revenue from program guides; franchise fees; FCC Regulatory Fees; early termination fees; fees in support of Grantee’s Cable System within Public, Education and Government Access (PEG); commissions from home shopping channels and other Cable Service revenue sharing arrangements which shall be allocated on a pro rata basis using total Cable Service subscribers within the [City/County] compared to the total number of subscribers in the Jurisdictions. “Gross Revenues” shall include, without limitation, amounts for the Basic Service Tier, any other programming service tiers, Pay Services, audio services, Subscriber installations and transactions, Leased Access, advertising, equipment rentals and all other revenues derived from the operation of Grantee’s Cable System to provide Cable Services within the Jurisdictions. Oregon/SW Washington region.

~~(A)~~ Grantee shall report Gross Revenues to the ~~Jurisdictions using the accrual method of accounting, City (County),~~ consistent with Generally Accepted Accounting Principles (“GAAP”). ~~Nothing in this Section shall be construed to mean that the City accepts Grantee’s interpretation of GAAP, or shall impair a~~

TABLE OF CONTENTS(continued)Page

~~Jurisdiction's the City's ability to challenge Grantee's interpretation of GAAP. Revenues which are not directly attributable to specific customers, such as advertising revenue and home shopping commissions, shall be allocated to systems and jurisdictions on a per subscriber basis measured in a consistent manner from period to period.~~

(B) "Gross Revenues" shall also include amounts earned during any period regardless of whether: (1) the amounts are paid in cash, in trade or by means of some other benefit to the Grantee or any Affiliated Entity; (2) the goods or services with which the revenue is associated are provided at cost or the revenue amount can be matched against an equivalent expenditure; and (3) the amounts are initially recorded by the Grantee or an Affiliated Entity.

(C) "Gross Revenues" shall not be net of (1) any operating expense; (2) any accrual, including, without limitation, any accrual for commissions; or (3) any other expenditure, regardless of whether such expense, accrual or expenditure reflects a cash payment. ~~"Gross Revenues", however, shall not be double counted. Revenues of both Grantee and an Affiliated Entity that represent a transfer of funds between the Grantee and the Affiliated Entity, and that would otherwise constitute Gross Revenues of both the Grantee and the Affiliated Entity, shall 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 Affiliated Entity and which may otherwise constitute revenue of the Affiliated Entity, shall not constitute additional Gross Revenues for purposes of this Franchise. "Gross Revenues" shall include amounts earned by Affiliated Entities 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 and recorded such types of revenue in its books and Records directly but for the existence of Affiliated Entities. "Gross Revenues" shall not include sales or other similar taxes imposed by law on Subscribers which the Grantee is not obligated to collect, nor amounts received from I Net Institutions for use of the Institutional Network.~~

(D) "Advertising Revenues" shall mean revenues derived from sales of advertising that are made available to Grantee's Cable System subscribers within the [City/County] and shall be allocated on a pro rata basis using total Cable Service subscribers of Grantee and any Affiliated Entities in the relevant advertising region. Additionally, Grantee agrees that Gross Revenues subject to franchise fees shall include all commissions, rep fees, Affiliated Entity fees, or rebates paid to National Cable Communications ("NCC") and ("Effectv") or their successors associated with sales of advertising on the Cable System within the [City/County] allocated according to this paragraph using total Cable Service subscribers reached by the advertising.

TABLE OF CONTENTS

(continued)

Page

- (E) “Gross Revenues” shall not include: actual bad debt write-offs, except any portion which is subsequently collected which shall be allocated on a pro rata basis using Cable Services revenue as a percentage of total subscriber revenues within the [City/County]; any tax of general applicability imposed upon Grantee or upon Subscribers by a city, state, federal or any other governmental entity and that Grantee is required to collect and remit to the taxing entity (including, but not limited to, sales/use tax, gross receipts tax, excise tax, utility users tax, public service tax, and communication taxes) provided that franchise fees, PEG fees and the FCC regulatory fee shall not be regarded as such a tax; launch fees and marketing co-op fees; and unaffiliated third-party advertising sales agency fees or commissions which are reflected as a deduction from revenues.
- (F) To the extent revenues are received by Grantee for the provision of a discounted bundle of services which includes Cable Services and non-Cable Services, Grantee shall 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, 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 shall be applied to every bundled service package containing Cable Service from which Grantee derives revenues in the [City/County]. The [City/County] reserves its right to review and to challenge Grantee’s calculations.
- (G) Installation, disconnection, reconnection, downgrade, upgrade, early termination and similar fees, fees for service and repair calls, additional outlet fees, billing and collection fees (including NSF charges, late fees, convenience fees, and administrative fees), inside wire maintenance and service protection plan fees, and any other multiservice charges shall be allocated on a pro rata basis using Cable Services revenue as a percentage of total subscriber revenues within the [City/County]. The [City/County] reserves the right to review and challenge Grantee’s calculations.
- (H) Grantee reserves the right to change the allocation methodologies set forth in this definition in order to meet the standards required by governing accounting principles as promulgated and defined by the Financial Accounting Standards Board (“FASB”), Emerging Issues Task Force (“EITF”) and/or the U.S. Securities and Exchange Commission (“SEC”). Grantee will explain and document the required changes to the [City/County] within one hundred twenty (120) days of making the change, and as part of any audit or review of franchise fee payments. The [City/County] has the right to dispute such changes, and any such changes shall be subject to subsection (I) below.

TABLE OF CONTENTS(continued)Page

(I) Resolution of any disputes over the classification of revenue should first be attempted by agreement of the Parties, but should no resolution be reached, the Parties shall seek resolution by Mediation as provided for in Section 19.3-28 and/or Arbitration as provided for in Section 19.2.

3.24 “Hazardous Substances” has the meaning given by ORS 465.200(16) (2009)).

3.25 3.29 “Headend” means Grantee's Grantee’s Facility for reception and dissemination of Signals on the Cable System, including cable, antennas, wires, satellite dishes, monitors, switchers, modulators, processors, equipment for the Interconnection of the Cable System with adjacent cable systems or other separate communications network, and all other related equipment and Facilities.

3.30 “Incremental” costs means the amount actually expended by Grantee in meeting an obligation under this Franchise which Grantee would not otherwise have expended in order to operate and conduct the business of its Cable System or to meet another obligation of this Franchise.

3.26 3.31 “Interconnect” or “Interconnection” means the provision by Grantee of technical, engineering, physical, financial, and all other necessary components to provide and adequately maintain a physical linking of Grantee's Grantee’s Cable System with any other designated cable system or any separate communications network so that services of technically adequate quality may be sent to and received from such other systems to the extent required by this Franchise.

3.32 “Institutional Network” or “I-Net” means Capacity on the Cable System facilities used to provide one-way and bi-directional communication services to and among I-Net Subscribers pursuant to 47 USC § 531 and § 541. The facilities include all equipment on Grantee’s side of the demarcation point at the I-Net Site’s termination panel required to make the Capacity available including but not limited to Fiber, coaxial cable, switching, patching, electronic transmitting, receiving, and Signal conversion necessary for effective use of the I-Net.

3.33 “I-Net Institution” means any public primary and secondary school and community colleges, which have received the appropriate accreditation from the State of Oregon; public libraries; Designated Access Providers; and any agency of local government, excluding state or federal governments, except that the Oregon Judicial Department and Oregon Department of Justice shall be included as I-Net Institutions.

3.34 “I-Net Services” means one-way and bi-directional communications services provided over the Institutional Network to and among I-Net Institutions.

3.35 “I-Net Site” means a site within the Franchise Area identified by the Jurisdictions to receive I-Net Services over the Institutional Network in accordance with this Franchise.

TABLE OF CONTENTS(continued)Page

~~3.36 “I Net Subscriber” means an I Net Institution receiving I Net Services.~~

~~3.37 “Jurisdictions” in the plural means the Oregon cities of Fairview, Wood Village, Troutdale, and Gresham, together with Multnomah County, Oregon, and if any other city enters into the Intergovernmental Agreement and adopts this Franchise, and the Grantee executes the Franchise, as provided in Section 21, such city shall also be included with the “Jurisdictions.” “Jurisdiction” in the singular means variously, depending on the context of usage, an individual member unit of government, such as a city or county, or to the collective units of local government which have adopted this Franchise; or the Cable Regulatory Commission created by the Jurisdictions pursuant to the Intergovernmental Agreement.~~

~~3.38 “Legal Counsel” means the city attorney or county counsel of each Jurisdiction, unless the Jurisdiction has designated an alternative recipient.~~

~~3.27~~ ~~3.39~~ “Parent Corporation” means Comcast ~~Communications, Inc. Corporation~~ and includes any other existing or future corporations with greater than fifty percent ownership or control over Grantee.

~~3.28~~ ~~3.40~~ “Pay Service” means video Signals delivered to Subscribers on a per program, per Channel, or other separate subscription basis for a fee or charge over and above the regular charges for other Grantee tiers of service.

~~3.29~~ ~~3.41~~ “Person” means any individual, sole proprietorship, partnership, association, corporation or other form of organization authorized to do business in the State of Oregon, and includes any natural person.

~~3.30~~ ~~3.42~~ “Programmer” means any Person responsible for Programming on the Cable System, including, without limitation, any Person who produces or otherwise provides Programming for transmission on the Cable System.

~~3.31~~ ~~3.43~~ “Programming” means television programs, audio, video or other patterns of Signals 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.

~~3.32~~ ~~3.44~~ “Record” means written or graphic materials, however produced or reproduced, or any other tangible permanent record, including, without limitation, all letters, correspondence, memoranda, minutes, notes, summaries or accounts of telephone conversations, summaries or accounts of personal conversations or interviews, reports, notebooks, sketches, summaries or accounts of meetings or conferences, opinions or reports of consultants or experts, invoices, billings, statements of

TABLE OF CONTENTS**(continued)****Page**

accounts, studies, appraisals, analyses, contracts, agreements, charts, graphs, photographs and any other writings or recordings of every kind and description, including magnetic media, and all sound recordings, to the extent related to the enforcement or administration of this Franchise.

~~3.33~~ ~~3.45~~ “Residential Network” means the Cable System designed principally for the delivery of Cable Service to individual Dwelling Units.

~~3.34~~ ~~3.46~~ “Residential Subscriber” means any Subscriber receiving Cable Services delivered to single or multiple Dwelling Units.

~~3.35~~ ~~3.47~~ “Section” means a provision of this Franchise, unless specified as part of another document.

~~3.36~~ ~~3.48~~ “Signal” means any analog or digital electrical or light impulses carried on the Cable System, whether one-way or bi-directional.

~~3.37~~ ~~3.49~~ “Streets” means the surface of ~~and the space above and below~~ any public street, road, alley or highway, within the ~~Jurisdictions,~~ [City/County], used or intended to be used by the general public for general transportation purposes to the extent the ~~Jurisdictions have~~ [City/County] has the right to allow the Grantee to use them, ~~and the space above and below.~~

~~3.38~~ ~~3.50~~ “Subscriber” means any Person who is lawfully receiving, for any purpose or reason, any Cable Services provided by Grantee by means of or in connection with the Cable System, whether or not a fee is paid for such service.

~~3.39~~ ~~3.51~~ “Upstream” means the direction of Signals transmitted to the Headend from remote points on the Cable System or from Interconnection points on the Cable System.

Section 4. SECTION 4. FRANCHISE AREA

~~4.1~~ ~~4.1~~ Cable Services. Subject to the provisions of this Franchise, Grantee shall provide Cable Services ~~and I-Net Services~~ authorized by this Franchise and applicable law within the Franchise Area.

Section 5. SECTION 5. PEG ACCESS

TABLE OF CONTENTS(continued)Page5.1 5.1 Designated PEG Access Providers.

(A) (A)—The Jurisdictions[City/County] may designate up to six (6) ~~-~~PEG Access providers located within the Portland Metropolitan area, including itself for Government Access purposes, to control and manage the use of any or all Access Resources provided by Grantee under this Franchise. ~~-~~To the extent of such designation by the Jurisdictions,[City/County], the Designated Access Provider shall have sole and exclusive responsibility for operating and managing such Access Resources.

(B) (B)—Grantee shall cooperate with Designated Access Providers in the use of the Cable System and Access Resources. ~~-~~Grantee shall enter into operating agreements as may be necessary to facilitate and coordinate the provision of PEG Access, provided that all such operating agreements shall not be inconsistent with the terms of this Franchise.

5.2 5.2 Access Channel Capacity on the Residential Network.

(A) (A)—Access Channels Universally Available. All Access Channels, required by this Franchise, shall be included by Grantee in Basic all levels of Cable Service, and in accordance with Sections 5.2(C) through (F), be readily accessible and be fully available and accessible viewable to every Cable Services Subscriber, regardless of subscription level.

(B) (B)—Access Channel Primary Origination Points. The Jurisdictions[City/County] may designate up to ~~six (6)~~five (5) points of primary origination for existing and future Access Channels located within the Cable Services Franchise Area. ~~-~~Grantee shall continue to provide the technical capability fiber optic connections and related transport equipment to transmit Signals for Access Channels without degradation from the designated origination points ~~in place on the effective date of this Franchise~~ to Grantee's Headend for distribution on the Residential Network. To the extent specifically authorized by applicable law, Grantee shall have the right to recoup the maintenance costs associated with the EG transport as set forth in this Section. Grantee shall invoice the City for such maintenance costs in accordance with the requirements of applicable law. Grantee shall be responsible for any damage and all maintenance on the existing fiber, including replacement of damaged fiber if necessary. Any costs to be charged by the Grantee shall be no greater than that legally permitted

TABLE OF CONTENTS

(continued)

Page

by applicable law including the FCC 621 Order and federal litigation interpreting the FCC 621 Order.

~~(C)~~ (C) Simulcast Analog Standard Definition and Digital High-Definition Access Channels. ~~Prior to digital transition under Section 5.2(D),~~ Grantee shall provide not less than ~~eight (8)~~ six (6) Activated Downstream Channels, for PEG Access use, in all levels of Grantee's ~~Basic~~ Service. Grantee shall also carry two (2) regional PEG Access Channels. The regional PEG Access Channels shall have programming that is pertinent to residents of the MHCRC service area and shall not use programming that is already provided on any of the other six (6) Activated Downstream Channels for PEG Access provided in this section. Grantee shall simultaneously carry each Access Channel under this Section in both ~~analog and digital~~ Standard Definition (SD) and High Definition (HD) format ~~Basic Service,~~ for a total of 16 Activated Downstream Channels, until Grantee no longer offers ~~analog format Basic Service.~~ standard definition format, or until such time as Grantee makes High Definition Access Channels available and accessible to all Subscribers at no additional cost. Grantee shall carry all components of the ~~standard definition~~ Access Channel Signals provided by the Designated Access Provider including, but not limited to, closed captioning, stereo audio and other elements associated with the Programming.

~~(D) Digital High-Definition Access Channels After Digital Transition.~~ At such time Grantee no longer offers ~~Basic Service in an analog standard definition~~ format, Grantee shall continue to provide not less than eight (8) Activated Downstream Channels for PEG Access use in a ~~standard digital format in Grantee's Basic Service.~~ Grantee shall carry all components of the standard definition Access Channel Signals provided by the Designated Access Provider including, but not limited to, closed captioning, stereo audio and other elements associated with the Programming. The Designated Access Provider shall be responsible for providing the Access Channel Signal in a standard definition format to the demarcation point at the designated point of origination for the Access Channel. Grantee shall transport and distribute the Access Channel Signal on its Cable System and shall not discriminate against PEG Access Channels with respect to the functionality, signal quality, and features from those of the local Broadcast digital format Channels carried on the Cable System. With respect to signal quality, Grantee shall not be required to carry a PEG Access Channel in a higher quality format than that of the Channel Signal delivered to Grantee, but Grantee shall distribute the Access Channel Signal without degradation. Upon reasonable written request by a Designated Access Provider, Grantee shall verify Signal delivery to Subscribers with the Designated Access Provider, consistent with the requirements of this Section 5.2(D).

~~(E) HD Channel Signal Option.~~ After July 1, 2012, and with at least 120-day written notice to Grantee, a Designated Access Provider may provide Access Channel Signals in only HD format to the demarcation point at the designated point of origination for the Access Channel, and as such the Designated Access Provider will no longer provide the Access Channel Signals in a standard definition

TABLE OF CONTENTS

(continued)

Page

~~digital format. Grantee shall provide all necessary transmission equipment from the Designated Access Provider Channel origination point, at its Headend and throughout its distribution system, in order to deliver the Access Channels in accordance with Sections 5.2(C), (D), (F) and (G). Upon reasonable written request by Designated Access Provider, Grantee shall verify Signal delivery to Subscribers with the Designated Access Provider, consistent with the requirements of Section 5.2(E). Solely for purposes of this Section 5.2(E), Access Channel Signals delivered in HD to Grantee shall not require Grantee to deliver such HD signals to Subscribers.~~

~~(F) HD Channels Upon Digital Transition. At such time Grantee no longer offers Basic Service in an analog format, Grantee shall simultaneously carry two (2) of the existing Access Channels in high definition (HD) format Channels on the Downstream Residential Network for PEG Access use, in addition to simultaneously carrying the standard digital Access Channels provided under Section 5.2(D), high-definition digital format in Grantee's Service. Grantee shall carry all components of the HD format Access Channel Signals provided by the Designated Access Provider including, but not limited to, closed captioning, stereo audio and other elements associated with the Programming. The Designated Access Provider shall be responsible for providing the Access Channel Signal in an HD format to the demarcation point (input to the channel encoder) at the designated point of origination for the Access Channel. Grantee shall transport and distribute the Access Programming signal, in its entirety (including all information that may be included in the signal, without filtering or stripping) without degradation. If the signal requires modification, such as transcoding, Grantee will work with the PEG Access Provider to determine a mutually beneficial solution. Consistent with this requirement, Grantee shall provide all necessary equipment outside the demarcation point at the Designated Access Provider Channel origination point, at its Headend and throughout its distribution system to deliver the Access Channel(s) in the HD format to Subscribers. Grantee shall not discriminate against PEG Access Channels with respect to the functionality, signal quality, and features from those of the local Broadcast HD Channels carried on the Cable System. With respect to signal quality, Grantee shall not be required to carry a PEG Access Channel in a higher quality format than that of the Channel Signal delivered to Grantee, but Grantee shall distribute the Access Channel Signal without degradation. Channels may be encoded in Internet Protocol (IP) format and delivered to subscribers, so long as the other requirements of this section are met. Grantee shall verify Signal delivery to Subscribers with the Designated Access Provider, consistent with the requirements of this Section 5.2(F), in a manner and on a timetable as to ensure that the HD format Access Channels are included in Grantee's program services offered to Subscribers at the time that analog format Basic Service is no longer available to Subscribers.~~

~~(G) Additional HD Access Channels.~~

~~(1) D). Specifically, Grantee shall continue to provide and Activate up to two (2) more of the existing Access Channels in HD format Access Channels the capability, without charge, for a total of four (4) HD format Access Channels subject to the conditions in Section 5.2(G)(4), 12 months after Grantee transitions to digital-only format.~~

~~(2) Grantee shall provide and Activate up to two (2) more of the existing Access Channels in HD format Access Channels, for a total of six (6) HD format Access Channels, subject to~~

TABLE OF CONTENTS

(continued)

Page

~~the conditions in Section 5.2(G)(4), 24 months after Grantee transitions to digital-only format.~~

~~(3) Grantee shall provide and Activate up to two (2) more of the existing Access Channels in HD format Access Channels, for a total of eight (8) HD format Access Channels, subject to the conditions in Section 5.2(G)(4), 36 months after Grantee transitions to digital-only format.~~

~~(4) Activation of HD format Access Channels under Section 5.2(G) shall occur under the following conditions:~~

~~_____ (a) The Jurisdictions shall notify Grantee in writing of its need to Activate the HD format Access Channels under this Section 5.2(G) and shall provide notice to Grantee that the following criteria have been met:~~

~~_____ (1) At least 80% (eighty percent) of the Access Programming carried on the SD format Commission representatives and PEG Access Channel, which the Jurisdictions have identified as the Channel to be carried in an HD format Channel, has been produced in an HD format for any three-month time period prior to the notice provided under this Section; and~~

~~_____ (2) Not more than 50% (fifty percent) of the Access Programming carried on the SD format Channel, which the Jurisdictions have identified as the Channel to be carried in an HD format Channel, is character-generated only Programming for any three-month time period prior to the notice provided under this Section.~~

~~_____ (b) The HD format Access Channels provided under Section 5.2(G) are in addition to the SD format of those Access Channels provided for in Section 5.2(D).~~

~~_____ (c) Grantee shall have no more than 120 days from the date of the written notice under Section 5.2(G)(4)(a) to fully Activate the Access Channels from the Designated Access Provider to Subscribers in the HD format. Grantee shall providers at the current dedicated points of origination to monitor and verify HD Channel Signal delivery to Subscribers with the Designated Access Provider, consistent with the requirements of Section 5.2(F).~~

~~(D) _____ (d) The Jurisdictions acknowledgethe audio and visual quality of PEG Channels received by Subscribers. This will include equipment that will also allow the Commission to verify the accuracy of EPG listings for the PEG Channels. The [City/County] acknowledges that receipt of HD format Access Channels may require Subscribers to buy or lease special equipment, or pay additional HD charges applicable to all HD services.~~

~~(E) (H) Audio:Audio. Access Channels shall include stereo audio or other forms of audio carried within the Access Channel. For example, any PEG Access Programming provided to Grantee with SAP (Second Audio Program) shall be~~

TABLE OF CONTENTS

(continued)

Page

~~provided to Subscribers with the SAP feed intact. For digital Access Channels, any PEG Access Programming provided to Grantee with SAP or MAP (Multiple Audio Program) shall be provided to Subscribers with the SAP or MAP feeds intact, except to the extent Federal, State or Local law or regulation prescribes otherwise.~~

~~(I) — PEG Access Capacity not Offset. The PEG Access Capacity set forth in Section 5 does not include, nor is it to be offset against, I-Net Capacity as set forth in Section 6.~~

~~(F) (J) — Advances in Channel Technology. If As Grantee incorporates continues to incorporate new or emerging improvements (such as 3D display) in Channel delivery or display on Grantee Channels made available to Residential Subscribers, the Jurisdictions [City/County] or a Designated Access Provider may submit a written request notice to meet with the Grantee. Without further obligation, following Within thirty (30) days of receipt of such request notice, Grantee will participate engage in discussions of regarding these improvements or enhancements with the Jurisdictions [City/County] and the Designated Access Providers. These discussions shall address potential options for improvements identify costs and enhancements on benefits associated with incorporating the technology into the delivery of the PEG Access Channels to subscribers in comparable format, including possible technical means and costs, as well as a timetable, for incorporation. Grantor may factor such discussions and information received into both the Technology Assessment described in Section 8.1 and future community needs assessments related to cable franchise renewal proceedings. At a minimum, such timetable shall be consistent with incorporation of incorporating such similar improvements or enhancements in Grantee’s fifteen (15) largest U.S. Cable systems in terms of homes passed, and may include carriage in more than one format for the PEG Channels a transition period.~~

~~5.3 5.3 Access Channel Assignments.~~

~~(A) (A) — Grantee shall provide acknowledges that current Access Channel assignments for PEG Access and narrowcast such Access Channels to the specific geographic areas are as follows:~~

- ~~(1) Channel 11 — public access ————— (Franchise Area)~~
- ~~(2) Channel 21 — public access ————— (Franchise Area)~~
- ~~(3) Channel 22 — public access ————— (Franchise Area)~~

TABLE OF CONTENTS

(continued)

Page

~~(4) Channel 23 — public access — (Franchise Area)~~

~~(5) Channel 30 — government access — (Franchise Area)~~

~~(6) Channel 27 — educational access — (Portland Community College service area and Mt. Hood Community College service area discretely) —~~

~~(7) Channel 28 — educational access — (Portland Public Schools service area and other public schools' service areas within Multnomah County discretely)~~

~~(8) Channel 29 — public access — (Franchise Area)~~

~~— (B) — PEG Access Channel assignments, as provided under Section 5.3(A), may be adjusted or altered only with the specific written approval, in advance, by the Jurisdictions. Access Channel types, (i.e. Public, Educational, Government), as provided under this Section, may be adjusted by Designated Access Providers upon approval by the Jurisdictions.~~

~~— (C) — If Grantee no longer offers Basic Service in an analog format and Grantee provides Access Channels in a digital only format in accordance with Section 5.2(D), Grantee may reassign Access Channels under Section 5.2(D) at its discretion, subject to the following:~~

(1)	Channel 11	Regional Public Access SD	(Franchise Area)
(2)	Channel 331	Regional Public Access HD	(Franchise Area)
(3)	Channel 21	Public Access SD	(Franchise Area)
(4)	Channel 321	Public Access HD	(Franchise Area)
(5)	Channel 22	Public Access SD	(Franchise Area)
(6)	Channel 322	Public Access HD	(Franchise Area)
(7)	Channel 23	Public Access SD	(Franchise Area)
(8)	Channel 323	Public Access HD	(Franchise Area)
(9)	Channel 30	Government Access SD	(Franchise Area)
(10)	Channel 330	Government Access HD	(Franchise Area)

TABLE OF CONTENTS(continued)**Page**

<u>(11)</u>	<u>Channel 27</u>	<u>Regional Educational Access SD</u>	<u>(Portland Community College and Mount Hood Community College service area discretely)</u>
<u>(12)</u>	<u>Channel 327</u>	<u>HD</u>	
<u>(13)</u>	<u>Channel 28</u>	<u>Educational Access SD</u>	<u>(Portland Public Schools' service area and other public schools' service areas within Multnomah County discretely)</u>
<u>(14)</u>	<u>Channel 328</u>	<u>Educational Access HD</u>	
<u>(15)</u>	<u>Channel 29</u>	<u>Public Access SD</u>	<u>(Franchise Area)</u>
<u>(16)</u>	<u>Channel 329</u>	<u>Public Access HD</u>	<u>(Franchise Area)</u>

Grantee shall continue to place the SD and HD format Access Channels within the channel blocks for the SD and HD format Channels in reasonable proximity to each other and to the local Broadcast SD and HD Channels in the Cable System's channel lineup. If this is not feasible becomes infeasible, as demonstrated by Grantee to the satisfaction of the Jurisdictions based on Federal regulatory requirements or changes in nationwide channel lineups, Grantee shall work with the Jurisdictions[City/County] to determine placement of Access Channels that is equitable to channel assignment obligations in this Section 5.3(C). ~~The Jurisdictions shall consider the evolving interactive guides and navigation features available on a Subscriber's set-top unit that may make channel number assignments and placement less important in the future, as viewers may find Access Programming through a search function.~~

~~(B) (D) — When HD format Access Channels are activated in accordance with Section 5.2(E) & (F), Grantee shall place the HD format Access Channels within the channel block for the HD format Channels in reasonable proximity to each other and to the local Broadcast HD Channels. If this is not feasible, as demonstrated by Grantee to the satisfaction of the Jurisdictions, Grantee shall work with the Jurisdictions to determine placement of Access Channels that is equitable to channel assignment obligations in this Section 5.3(D). The Jurisdictions B). The [City/County] shall consider the evolving interactive guides and navigation features available on a Subscriber's set-top unit that may make channel number assignments and placement less important in the future, as viewers may find Access Programming through a search function.~~

~~(C) (E) — If at any time during the duration of this Franchise, Grantee reassigns Access Channel numbers, Grantee shall provide at least sixty (60) days advance notice to the Jurisdictions [City/County] and the Designated Access Providers. Grantee shall ensure that Subscribers are notified of such reassignment in accordance with the notice requirements under Section 409.8. Grantee shall also use its customer messaging function of its set-top unit to provide customers the new channel assignments at least 30 days prior to the change and for at least 30 days after the change. In conjunction with any reassignment of any Access~~

TABLE OF CONTENTS(continued)Page

Channels, Grantee shall provide a minimum of ~~\$5,000~~ seven thousand five hundred (\$7,500) compensation to ~~any affected~~ Designated Access Provider for costs associated with the change, or, alternatively at Grantee's sole discretion, \$9 fifteen thousand (\$15,000) of in-kind airtime on advertiser supported Channels (e.g. USA, TNT, TBS, Discovery, or other comparable Channel) for the purpose of airing a thirty (30-) second public service announcement produced by a Designated Access Provider. The ~~Jurisdictions~~[City/County] shall coordinate with the Designated Access Provider and Grantee for such airing. All compensation, whether in cash or in-kind, shall be paid on a per-event basis, regardless of the number of channels affected by the change.

5.4 ~~5.4~~ Access Interconnections.

~~(A)~~ (A)—Grantee shall continue and maintain all Interconnections of Access Channels in effect on the effective date of this Franchise, and as otherwise provided herein, unless otherwise authorized or modified by the ~~Jurisdictions~~[City/County]. Grantee shall provide Activated Interconnection of the Headend to Designated Access Providers for shared PEG Access Programming on Access Channels. The Interconnections shall provide the bi-directional capability to transmit PEG Access Programming among Designated Access Providers and other PEG Access Programming carried by contiguous cable systems in Washington County and Clackamas County, Oregon, and Clark County, Washington. Grantee shall provide Activated Capacity sufficient to enable Signal transmission to and from all Interconnection points on the Cable System. The [City/County] or the PEG Access channel provider shall pay reasonable charges for maintenance and repair of existing and new Access Channel Interconnections and hardwired facilities for origination of access programming not to exceed the marginal (actual, allocable) cost of maintaining, repairing or providing each interconnection or access origination connection or such other cost as may be allowed by applicable law. All such costs shall be fully documented to the satisfaction of the [City/County].

~~(B)~~ (B)—Upon request by the ~~Jurisdictions~~[City/County], and based on a demonstrated need, Grantee shall work in good faith with the ~~Jurisdictions~~[City/County] to interconnect with other cable operators at a designated meet point and not at Grantee's headend or hubs in order to hand off PEG Access Channel Signals for the purposes of sharing PEG Programming throughout the Franchise Area. Such interconnection shall preserve the technical quality of the PEG Access Channels without degradation to Grantee's demarcation at the designated meet point of the Interconnect. The ~~Jurisdictions~~[City/County] shall not require such interconnection without the prior consent of Grantee, which shall not be unreasonably withheld. Grantee shall not be obligated to interconnect with any cable system providing competitive Cable Services within the Franchise Area, except that Grantee shall use reasonable

TABLE OF CONTENTS(continued)Page

efforts to agree with a competitive Cable Services provider on reasonable terms, conditions and costs of a viable interconnection of the PEG Access Channel Signals. Any Incremental, direct Capital costs incurred by Grantee to interconnect shall be paid by the Jurisdictions[City/County] from the PEG/I-Net Fee.

(C) ~~(C)~~—The Jurisdictions[City/County] shall designate the Access provider with the right to control and schedule the operation of all Interconnects of Access Channels with other systems.

(D) ~~(D)~~—Grantee shall take all necessary technical steps to ensure that technically acceptable signal quality and routing systems are continuously provided for all Access Interconnections. ~~Signal quality and routing systems acceptability will be based on meeting applicable IEEE, NAB, FCC or other industry standards.~~

5.5 ~~5.5~~ Live Programming Origination Capabilities:

(A) ~~(A)~~—Grantee shall provide, at a minimum, the transmission capability for Designated Access Providers to originate discrete, live Programming from:

(1) ~~(1)~~ Designated Access Providers,

~~(2) Any location on the I-Net;~~

(2) ~~(3)~~ Existing, hardwired live origination sites, as listed in Exhibit B;

(3) ~~(4)~~ New live origination sites, as constructed under Section 5.5(B); and,

(4) ~~(4)~~ Any available Programming origination points on any cable system with which the PEG Access Channels are Interconnected, provided other cable operators permit.

(B) ~~(B)~~—The Jurisdictions[City/County] may designate new live origination sites, in addition to those listed in Exhibit B. Grantee shall construct and the Jurisdictions[City/County] shall fund Capital costs of new live origination sites in accordance with the following procedures ~~under Section 6.4(D)(2):~~

TABLE OF CONTENTS

(continued)

Page

(1) ~~(C)~~—The [City/County] shall request a cost estimate to connect a new live origination site. Grantee shall provide to the [City/County], within thirty (30) days of the request, a detailed cost estimate for incremental, direct Capital costs necessary to complete the proposed new live origination site connection. Reimbursable costs to construct the site may include only Grantee’s external labor, materials, equipment and internal labor Capital costs directly related to completion of the new live origination site connection. Grantee may also include a burdened cost charge of fifteen percent (15%) of the total cost for internal labor.

(2) The [City/County] shall notify Grantee if the proposed new live origination site connection should be completed based on the cost estimate provided for the site. The Grantee shall complete the new live origination site connection within ninety (90) days of the [City/County]’s notification. If the actions or inactions of a third party prevent Grantee from completing the site connection within the ninety (90) days, Grantee shall notify the [City/County] of the specific reason for the delay and shall work in good faith to promptly complete the connection.

(3) Upon completion of the new live origination site connection, Grantee shall submit an invoice, including accounting and documentation, for the actual costs directly related to completing the new live origination site connection for an approved site. The invoice shall be no more than the new live origination site’s cost estimate approved by the [City/County], plus additional cost amounts equaling ten percent (10%) or less of the approved cost estimate for the site. Upon submission by the Grantee of an invoice, and upon certification by the [City/County] that the invoice is in accordance with this Section 5.5(B), the [City/County] shall promptly reimburse Grantee the amount as specified in the invoice.

(C) The Cable System shall provide functional ability to transmit digital Programming Upstream from each location and return the Programming on Downstream Channels and on all Access Channel Interconnects. Such transmission capability shall be at a minimum, digital, optical, transport capable of transporting the Designated Access Provider’s Programming in the format specified by the Designated Access Provider without degradation from at least eight locations simultaneously. -The transmission equipment utilized to provide the live origination capability shall be chosen in consultation with the Designated Access Provider. -Grantee shall install, test and verify proper Activation with the Designated Access Provider no later than ~~30~~one hundred twenty days one hundred twenty (120) days after the date of a written request to the Grantee concerning live origination from a new location or using a new digital format, and no later than ~~15~~sixty (60) days for live origination using an existing format and from an existing location. Such testing shall, at a minimum, include transmission

TABLE OF CONTENTS(continued)Page

of color bars, video and audio meeting all required technical quality standards, as documented by Grantee with the Designated Access Provider before the site is considered Activated.

(D) ~~(D)~~—Additionally, all hardwired live origination sites, including the sites in Exhibit B and those added by Grantee following the Franchise effective date, upon written request of Jurisdictions[City/County], shall be tested for all applicable standards and Activation status. -Test results shall be documented and reviewed with the Jurisdictions[City/County] and Designated Access Providers. Where test results indicate, as determined by the Jurisdictions[City/County] or a Designated Access Provider, that a live origination site does not meet applicable standards, corrective action shall be implemented by the Grantee with continuous efforts made until all problems have been corrected and the site meets applicable standards.

~~5.6 Charges. All of the Channels, Cable System Capacity, Access Resources and other elements needed for Grantee to provide PEG Access as required under this Section 5 shall be provided without charge to the Jurisdictions or to any Designated Access Provider, except as specifically provided for in Section 5.~~

~~5.6~~ 5.7 ~~Change in Technology-~~. In the event Grantee makes any change in the Cable System and related equipment and Access Resources or in ~~Grantee's~~Grantee's Access Channel Signal delivery technology, which directly or indirectly substantially affect the Signal quality or transmission of Access Programming, Grantee shall at its own expense take necessary technical steps or provide necessary technical assistance, including the acquisition of all necessary equipment, to ensure that the capabilities of Designated Access Providers or Access Programmers are not diminished or adversely affected by such change. -In no case, shall the Signal quality or transmission of Access Programming diminish compared to the quality being achieved prior to the change in technology, provided that this requirement shall not prohibit Grantee from implementing new technologies also utilized for commercial channels carried on its Cable System. Technical quality shall continue to meet all applicable standards contained in this Section 5.

~~5.7~~ 5.8 ~~Change in Designated Access Provider Location-~~. Grantee shall provide all obligations in Section 5 to the Designated Access Provider locations in place on the effective date of this Franchise. -If the ~~Jurisdictions designate~~[City/County] designates new Access providers under Section 5.2(B),1, or if a current Designated Access Provider moves its site or location at its own instigation after the effective date of this Franchise, the Designated Access Provider and/or the Jurisdictions[City/County] will fund the Incremental,actual direct costs to construct the Cable System~~fiber optic connection~~ from the new site or location to the nearest Activated I-Net-Fiber node, or ~~fiber provisioned I-Net node site, or~~ distribution hub. Alternatively, new sites or locations may be served

TABLE OF CONTENTS(continued)**Page**

by a portable cable-modem solution for transport of PEG programming at a charge to be paid by the [City/County].

5.8 ~~5.9~~ Technical Quality.

(A) ~~(A)~~—Grantee shall maintain all Access Channels and Interconnections of Access Channels at the same level of technical quality and reliability required by this Franchise and all other applicable laws, rules and regulations for Residential Subscriber Channels. Grantee shall not discriminate against PEG Access Channels with respect to the functionality, signal quality, and features from those of the local Broadcast Channels that Grantee carries. Access Channels and Interconnections shall be tested ~~semi-annually, consistent with Grantee's FCC Proof of Performance testing,~~ at representative points throughout the Cable System ~~for as needed to demonstrate~~ compliance with all applicable standards. Documentation of such tests shall be provided to the ~~Jurisdictions~~ [City/County] and the Designated Access Providers upon request. Grantee shall promptly resolve any non-compliance issues.

(B) ~~(B)~~—Grantee shall respond promptly, but no later than 24 hours, to resolve technical quality problems after notification by a Designated Access Provider.

(C) ~~(C)~~—Grantee shall have no responsibility for the technical quality of the Access Programming distributed on the Access Channels.

(D) ~~(D)~~—Use of the Cable System by Designated Access Providers shall not interfere with the technical quality or reliability of the Cable System.

5.9 ~~5.10~~ Recognition of Grantee for PEG Contributions. The ~~Jurisdictions~~ [City/County] shall work with the Grantee and the Designated Access Providers to ensure that the contributions of the Grantee relating to Access Resources under this Franchise are appropriately acknowledged.

Section 6. INSTITUTIONAL NETWORK

6.1 "Fiber Optic". For purposes of Section 6, "Fiber Optic" means a transmission medium of optical fiber cable, along with all associated electronics and equipment capable of carrying Signals by means of electric lightwave impulses.

TABLE OF CONTENTS

(continued)

Page

~~6.2 “Transport Hub”. For purposes of Section 6, “Transport Hub” means an intermediate location in the Cable System between the Headend and the Fiber nodes, where Signals are routed to the individual Fiber nodes of the system.~~

~~6.3 Existing Institutional Network. The Parties acknowledge that, as of the effective date of this Franchise, the Institutional Network is operating and utilizing Fiber optic technology. Grantee shall continue to own, operate and maintain its I-Net as constructed and Activated, for I-Net Institution use, in accordance with the Franchise. Grantee's existing Institutional Network assets, as of the effective date of this Franchise, including but not limited to, Fiber, electronics, and other resources, are included in Exhibit C. The Jurisdictions acknowledge that operation of the Institutional Network, and specific provisions related to fees, performance and operations are addressed in a separate agreement between Grantee and the City of Portland, Oregon.~~

~~6.4 I-Net Upgrades and Expansion.~~

~~(A) — Grantee and the Jurisdictions shall cooperate in upgrading or expanding the existing I-Net, in accordance with this Franchise, to meet demonstrated I-Net Institution needs for use of the I-Net. Any such I-Net upgrades or expansions shall be made available for I-Net Institutions use in accordance with this Franchise. It is the intention of the Jurisdictions that the Incremental, direct Capital Costs related to upgrading, expanding or replacing the I-Net be reimbursed from the PEG/I-Net Fee set aside under Section 7.1. I-Net upgrades, expansions and replacements, along with related Incremental, direct Capital Costs, shall be subject to the Jurisdictions’ approval in accordance with this Section 6.4.~~

~~(B) — New I-Net Fiber in Conjunction with Cable System Construction.~~

~~(1) Subject to the Jurisdiction’s approval, which shall not be unreasonable withheld, Grantee shall include up to six single mode Fiber strands as directed by the Jurisdictions dedicated for I-Net use whenever Grantee undertakes construction, following the effective date of the Franchise, of Fiber Optic facilities for its Cable System within the Franchise Area. Grantee shall promptly notify the Jurisdictions about planned construction under this Section 6.4(B). The Jurisdictions shall have up to twenty (20) business days to notify Grantee about the number of Fiber stands to include for I-Net use. Grantee shall provide documentation for the Incremental, direct Capital Cost estimate related to the Fiber dedicated for I-Net use, which may include a burdened cost charge of up to 15 percent (15%) of the internal labor portion of the Capital Cost; and a timeline for completion of the Fiber construction. Documentation for the cost estimate may be a simple calculation of Incremental unit cost for the dedicated I-Net Fiber, based on the cost and size of the Cable System installed Fiber.~~

~~(2) Upon completion of construction of any I-Net Fiber route, Grantee shall provide the Jurisdictions with an invoice, including accounting and documentation, of actual Incremental, direct Capital Costs directly related to completing the I-Net Fiber. The total amount of the invoice shall be no more than the cost estimate provided by Grantee, except that it may also include remaining Incremental, direct Capital Costs that are less than ten percent (10%) of the original cost estimate.~~

TABLE OF CONTENTS

(continued)

Page

~~(3) Upon submission by the Grantee of an invoice, and upon certification by the Jurisdictions that the invoice is in accordance with Section 6.4(B), the Jurisdictions shall promptly reimburse Grantee the amount as specified in the invoice.~~

~~(C) — I Net Capital Plans and Proposals.~~

~~———— (1) At the Jurisdictions' request or at the option of the Grantee, Grantee shall provide Institutional Network Capital plans and proposals, including, but not limited to, proposed expansions, upgrades or replacements. Grantee shall consult with the Jurisdictions and I Net Subscribers in developing such plans and proposals, which shall be subject to approval by the Jurisdictions, which approval shall not be unreasonably withheld.~~

~~(2) Grantee shall provide detailed documentation of any I Net Capital plans or proposals which shall include, as applicable, demonstrated need of I Net Institutions, equipment lists, diagrams illustrating the network topology, descriptions of the I Net configuration and characteristics, and other topics. Grantee shall also provide a detailed cost estimate for proposed Incremental, direct Capital Costs necessary to implement any I Net plan or proposal, which may include a burdened cost charge of up to 15 percent of the internal labor portion of the Capital Cost. Proposed costs under this Section 6.4(C) must tangibly benefit I Net Subscribers and shall include costs as provided in Section 6.4(C)(2) related to the proposed I Net project, but shall not be disqualified by the Jurisdictions if they also accomplish a business purpose of Grantee.~~

~~(3) I Net plans, upgrades, replacements, expansions or other I Net related proposed projects that have been approved by the Jurisdictions shall be completed by Grantee in a timely manner.~~

~~(4) Following completion and Activation of an I Net project, Grantee shall provide the Jurisdictions with an invoice, including accounting and documentation, of actual Incremental, direct Capital costs directly related to completing the approved I Net project. The total amount of the invoice shall be no more than the cost estimate provided by Grantee, except that it may also include remaining Incremental, direct Capital Costs that are less than ten percent (10%) of the original cost estimate.~~

~~———— (5) Upon submission by the Grantee of an invoice, and upon certification by the Jurisdictions that the invoice is in accordance with Section 6.4(C), the Jurisdictions shall promptly reimburse Grantee the amount as specified in the invoice.~~

~~(D) — I Net Site Construction and Activation. The Jurisdictions may designate I Net Sites for connection and Activation for use by I Net Institutions in accordance with this Franchise. Grantee shall construct, Activate and connect I Net Sites, in accordance with Section 6.4(D).~~

~~(1) Connection. A connection of a designated I Net Site shall be deemed complete when no other installation of equipment by Grantee is necessary for Activation and Grantee has:~~

~~(a) Installed four strands, or an amount as otherwise agreed pursuant to Section 6.4(D)(1)(d), of Fiber from the Fiber node serving the site into a location within~~

TABLE OF CONTENTS

(continued)

Page

~~the I-Net site, as reasonably determined by the I-Net Institution based on a design for the site as mutually approved by Grantee and the I-Net Institution. The I-Net Fiber shall provide a continuous path from the I-Net Site to its corresponding Transport Hub, passing through the Fiber node;~~

~~(b) Terminated the I-Net Fiber at the I-Net site on the Grantee-provided wall-mounted termination panel; and~~

~~(c) Upon request, install a coaxial cable drop terminated in the I-Net Site.~~

~~(d) Grantee and the Jurisdictions shall cooperate on variations to the requirements of Section 6.4(D)(1) in order to meet specific needs of an I-Net Institution's use of the I-Net.~~

(2) New Site Connections:

~~(a) The Jurisdictions shall request a cost estimate to connect a new site to the I-Net. Grantee shall provide to the Jurisdictions, within 30 days of the request, a detailed cost estimate for Incremental, direct Capital costs necessary to complete the proposed I-Net Site in accordance with Section 6.4(D)(1). Reimbursable costs to construct the site may include only Grantee's external labor, materials, equipment and internal labor Capital costs directly related to completion of the I-Net Site connection. Grantee may also include a burdened cost charge of 15 percent (15%) of the total cost for internal labor.~~

~~(b) The Jurisdictions shall notify Grantee if the proposed I-Net Site should be completed based on the cost estimate provided for the site. The Grantee shall complete the I-Net Site connection within 90 days of the Jurisdictions' notification. If the actions or inactions of a third party prevent Grantee from completing the site connection within the 90 days, Grantee shall notify the Jurisdictions of the specific reason for the delay and shall work in good faith to promptly complete the connection.~~

~~(c) Upon completion of the I-Net Site, Grantee shall submit an invoice, including accounting and documentation, for the actual costs directly related to completing the I-Net connection for an approved site. The invoice shall be no more than the I-Net Site's cost estimate approved by the Jurisdictions, plus additional cost amounts equaling ten percent (10%) or less of the approved cost estimate for the site. Upon submission by the Grantee of an invoice, and upon certification by the Jurisdictions that the invoice is in accordance with Section 6.4(D)(2), the Jurisdictions shall promptly reimburse Grantee the amount as specified in the invoice.~~

TABLE OF CONTENTS

(continued)

Page

~~(3) Activation. Grantee shall Activate and make I-Net Service available to I-Net Institutions within 30 days of site connection completion in accordance with Section 6.4(D)(1). An I-Net Site connection shall be deemed Activated when Grantee has:~~

~~(a) terminated the Fiber at the Transport Hub on the I-Net backbone switch and at the wall-mounted termination panel; and~~

~~(b) performed testing, in cooperation with the I-Net Subscriber, to verify correct system operation.~~

~~(E) — Joint Use of Fiber or Conduit. So long as it is technically feasible and does not interfere with normal operations of the Cable System, the Jurisdictions and the Grantee shall cooperate to use existing conduit or Fiber for the purpose of expanding the I-Net to achieve the most economical coverage.~~

~~(F) — Use of I-Net Assets by Grantee. Grantee may use I-Net Fiber for a business purpose so long as such use does not materially impair, in any way, the performance of Grantee's obligations under this Franchise.~~

6.5 I-Net Services:

~~(A) — Grantee shall provide and maintain, at a minimum, the following I-Net Services:~~

~~(1) Transport services, including Layers One (Physical) and Layer Two (Data Link) of the Open Systems Interconnection (OSI) Model.~~

~~(2) Managed core network service (MCNS) on Fiber Optic facilities owned by Grantee. The MCNS is the managed transport services between and among Grantee's I-Net Transport Hubs and between the core network and the two City of Portland's I-Net Interconnect locations. MCNS shall include two (2) I-Net Interconnections with the City of Portland's facilities constituting the Integrated Regional Network Enterprise network ("IRNE") on Fiber Optic facilities identified in Exhibit C. The Interconnection shall extend the MCNS to the City of Portland's network, and shall be terminated on a Fiber termination panel by Grantee in the Jurisdictions' sites at a physical location mutually agreed upon by Grantee and the Jurisdictions. For purposes of Section 6.5(A)(2), "Integrated Regional Network Enterprise" or "IRNE" means a communications network owned and operated by the City of Portland.~~

~~(3) I-Net distribution network service (IDNS). Grantee shall provision IDNS on I-Net Fiber to each I-Net Site. IDNS shall be provisioned from Fiber Optic switch interfacing at Grantee's Transport Hubs and terminating at the demarcation point at an Activated I-Net Site.~~

~~(B) — The City of Portland's provision of communications network services to I-Net Institutions does not preclude other I-Net Institutions from receiving the same or similar services from Grantee, including, but not limited to, services described in Section 6.5.~~

TABLE OF CONTENTS

(continued)

Page

~~(C) I Net Subscribers shall not re-sell, lease, or assign use of I Net bandwidth capacity or I Net Services to any commercial third party or for any purpose generating income that might be taxed at the federal, state or local levels.~~

~~(D) All service agreements between Grantee and I Net Institutions for I Net bandwidth capacity and I Net Services shall, at a minimum, meet the requirements of this Franchise. If an I Net Institution and Grantee are unable to mutually agree on the terms of an I Net service agreement, the Jurisdictions shall make a final determination consistent with the terms of this Franchise.~~

~~6.6 Maintenance and Performance Standards. Grantee shall provide I Net Subscribers with a reliable level of service, repair and maintenance comparable to that which the Grantee makes available to commercial users for comparable services. Specific performance, maintenance and operations standards are set forth in the agreement referenced in Section 6.3.~~

~~6.7 I Net Usage Fees. Grantee may charge for I Net Services, in accordance with the fees set forth in the agreement referenced in Section 6.3.~~

~~6.8 I Net Interconnections.~~

~~(A) Grantee shall continue and maintain I Net Interconnections in existence on the effective date of this Franchise.~~

~~(B) Grantee shall continue in effect without a service charge a routing system satisfactory to the Jurisdictions for carriage of Signals to and from the institutional networks of the Grantee in Washington, Multnomah and Clackamas Counties, Oregon and Clark County, Washington. Nothing in this Section 6.8 shall be construed as requiring Grantee to directly provide I Net Services under this Franchise outside of the Franchise Area.~~

~~(C) Upon request by the Jurisdictions, Grantee shall Interconnect its I Net to any City owned communications systems, insofar as such Interconnection is technically feasible, the Jurisdictions shall reimburse Grantee for the Incremental, direct Capital costs of such Interconnection in accordance with the reimbursement process in Section 6.4(C).~~

~~6.9 I Net not Common Carrier. Nothing in this Franchise or Section 6 hereof shall be deemed by the Jurisdictions or Grantee to subject Grantee's operations, or I Net Services provided by Grantee under authority of this Franchise, to regulation as a common carrier within the meaning of applicable state or federal law.~~

~~6.10 Effect of Jurisdictions' Provision of Commercial Services in Competition with Grantee.~~

~~(A) In the event that the Jurisdictions, or one of its agents, elects to provide commercial Cable Services or I Net Services to Residential or business customers in competition with Grantee, on a wholesale or retail basis, during the term of this Franchise, Grantee's Institutional Network obligations under this Section 6 and Grantee's I Net obligations to provide funds in support of I Net Capital Costs~~

TABLE OF CONTENTS

(continued)

Page

~~under Section 7 hereof shall terminate upon physical activation and offering of such service in the manner provided in this Section. In the event the Jurisdictions determine to offer such services during the term of this Franchise, the Jurisdictions will provide Grantee with a minimum of 24 months advance written notice prior to activating service. Such notice period shall be for the purposes of negotiating a reasonable good faith transition schedule and alternative service arrangements, including commercial contracts, for existing I-Net Subscribers prior to the date of such activation. Upon offering or physically activating and providing any Cable Service or I-Net Service by the Jurisdictions or its agents to Residential or business customers in competition with Grantee, on a wholesale or retail basis, Grantee shall have the right to discontinue I-Net Services under Section 6.5, and discontinue payment of one percent (1%) of the three percent (3%) I-Net Capital funding provided in Section 7 of this Franchise. An “offering” of services under this Section 6.10 shall not include a survey or inquiry as to potential customer interest, but shall reference a binding commitment to provide services upon acceptance. As used in this section “competition with Grantee” shall not be deemed to include any non-commercial services provided by any Jurisdiction to itself, to any Designated Access Provider, or to any I-Net Institution.~~

~~(B) Grantee agrees and acknowledges that communications networks operated by any of the Jurisdictions and the provision of communications services in effect as of the effective date of this Franchise are not in competition with Grantee within the meaning of this Section 6.10.~~

5.10 Section 7- Video on Demand.

- ~~(A) Grantee shall include Access Programming on its video-on demand (“VOD”) platform. Grantee shall provide the Designated Access Providers with the VOD capacity on Grantee’s server to include a minimum of thirty (30) hours of Access Programming on Grantee’s VOD at any given time. The [City/County] shall coordinate use of such VOD capacity among the Designated Access Providers. The [City/County] shall pay all costs associated with the provision of Access programming on the VOD platform.~~
- ~~(B) Grantee agrees to work in good faith with the designated Access Providers to continue to provide and adjust as needed, a process agreeable to the Designated Access Providers for placing Access Programming on Grantee’s VOD, utilizing a system that enables online content uploading to an FTP site or equivalent technology. Such process will also include, but not be limited to, addressing programming technical formatting, submitting program descriptions to the EPG, and identifying potentially offensive programming for disclaimers. Designated Access Providers are responsible for selecting the Access Programming and providing it to Grantee in an MPEG2 or other appropriate format compatible with Grantee’s equipment and system.~~
- ~~(C) Any Access Programming placed on VOD shall be accessible by Subscribers free of charge, provided that they subscribe to the appropriate level of cable service in which access to Grantee’s VOD platform is included.~~

TABLE OF CONTENTS

(continued)

Page

- (D) The Parties recognize that VOD platforms for distribution of programming may change over time. Future development may allow for the Designated Access Providers and Grantee to agree on a mutually acceptable alternative to include Access Programming on Comcast's VOD platform and, as a result, increasing the amount of Access Programming available to Subscribers. To that end, Grantee agrees to engage in good faith efforts discuss alternatives to including Access Programming on any Grantee VOD platform.
- 5.11 Detailed Access Program Listings on the Digital Guide.
- (A) For purposes of this section, "Electronic Program Guide" or "EPG" means the program guide, navigation system and search functions accessible on Grantee's digital Cable Services through the Subscriber set-top unit and remote control, or their successor technology.
- (B) Grantee, at Grantor's cost shall include the Access Channels and Programming information in all EPG menus and online program guides available to Subscribers. Access Channels and Programming shall be listed in a substantially similar manner and placement as the Broadcast Channels, including individual program descriptions where provided by the programmer, in a non-discriminatory manner.
- (C) The Designated Access Providers shall be responsible for providing the Access Channel and Programming information through an RSS feed or equivalent format and within the appropriate timeframe for insertion into program guides.
- (D) Grantee shall continue to facilitate an efficient and effective direct working relationship between Designated Access Providers and pertinent third-party guide providers.

Section 6. PEG ACCESS AND I-NET CAPITAL FUNDING

6.1 ~~7.1~~ PEG and I-Net Capital Fee. Grantee shall pay to the ~~Jurisdictions three~~ Jurisdictions ~~[City/County]~~ [City/County] ~~two and one-half~~ three and one-half percent (~~32.5~~ 37.5%) of Grantee's Gross Revenues Annually (PEG/~~I-Net~~ Fee).

- (A) ~~(A)~~ (A)—The PEG/~~I-Net~~ Fee shall be allocated to provide support for Capital Costs related to PEG Access and ~~the I-Net support consistent with applicable law.~~ The PEG/~~I-Net~~ Fee shall not be paid to another cable operator in the Franchise Area for equipment to be owned by that cable operator or an affiliate.
- (B) ~~(B)~~ (B)—The ~~Jurisdictions~~ Jurisdictions ~~[City/County]~~ [City/County] shall provide Grantee with a report Annually describing the allocation of the PEG/~~I-Net~~ Fee, containing sufficient detail to demonstrate that the funds under Section ~~7~~ 6.1 are used in compliance

TABLE OF CONTENTS(continued)Page

with the terms of this Franchise. The Jurisdictions[City/County] shall Annually submit the report to Grantee no later than December 31.

~~(C) — The Jurisdictions intend to use one percent (1%) of funds paid under Section 7.1 to provide support for Designated Access Provider Capital Costs; one percent (1%) for Capital Costs in the form of grants related to use of Access Resources or the I-Net; and one percent (1%) to fund Capital Costs related to the I-Net and its use.~~

~~— (D) — The Jurisdictions shall work with the Grantee and recipients of the PEG/I-Net Fee to ensure that the contributions of the Grantee relating to grant or I-Net resources under this Franchise are appropriately acknowledged.~~

6.2 ~~7.2~~ Payments-. Following the effective date of this Franchise, Grantee shall make quarterly payments of PEG/~~I-Net~~ Fees to the Jurisdictions,[City/County], under Section 76, for the preceding quarter-year period ending September 30, December 31, March 31, and June 30. -Each quarterly payment shall be due and payable no later than forty-five (45) days after the quarter ending date.

6.3 ~~7.3~~ Quarterly Reports-. Each payment shall be accompanied by a written report, verified by an authorized representative of Grantee, containing an accurate statement in summarized form, as well as in detail, of ~~Grantee's~~Grantee's Gross Revenues and the computation of the payment amount.

6.4 ~~7.4~~ Interest on Late Payments-. Payments not received within forty--five (45) days from the quarter ending date shall be assessed in accordance with Section ~~1211.3~~.

6.5 ~~7.5~~ PEG Access Support not Franchise Fees; Applicable Federal Law-. Grantee agrees that ~~financial support for~~PEG Access Capital Costs arising from or relating to the obligations set forth in this Section 76 shall in no way modify or otherwise affect ~~Grantee's~~Grantee's obligations to pay franchise fees to the Jurisdictions-. [City/County]. Grantee agrees that although the sum of franchise fees and the payments set forth in this Section 76 may total more than five percent of ~~Grantee's~~Grantee's Gross Revenues in any 12-month period, ~~the additional commitments~~financial support required by this Franchise for PEG Capital costs, properly expended for PEG Capital purposes, are not to be offset or otherwise credited in any way against any franchise fee payments under this Franchise.

6.6 ~~7.6~~ Review of Records. Grantee may conduct a financial review or audit for the purpose of verifying whether use of the PEG/~~I-Net~~ Fee is in accordance with this Franchise. The Grantee shall notify the Jurisdictions[City/County] in writing at least thirty (30) days prior to the date of an audit or review and identify the relevant financial records of ~~a~~Jurisdiction[City/County] and the Designated Access Provider that Grantee wants to review. The time period of the review or audit shall be for PEG/~~I-~~

TABLE OF CONTENTS(continued)**Page**

~~Net~~ Fee payments received no more than thirty-six (36) months prior to the date the Grantee notifies the Jurisdiction[City/County] of its intent to perform an audit or review. The Jurisdiction[City/County] and recipients of the PEG/~~I-Net~~ Fee shall make such documents available for inspection and copying. Documents shall be reviewed during normal business hours at a time and place made available by the Jurisdiction[City/County] or the Designated Access Provider.

Grantee shall promptly provide the Jurisdiction[City/County] with written notice of the audit or review's conclusions. The Jurisdiction[City/County] shall have sixty (60) days to provide a written response. If the Jurisdiction[City/County] disputes Grantee's conclusions, the parties shall attempt in good faith to reach a mutually acceptable resolution. If the parties are unable to agree, either party may submit the issue to arbitration under Section 2019.2. If the conclusions become final, determining that any PEG/~~I-Net~~ Fee has not been used in accordance with this Franchise, then within thirty (30) days, one of the following actions shall occur:

(A) ~~(A)~~—If the Jurisdiction[City/County] determines that the recipient has access to sufficient unrestricted funds, the Jurisdiction[City/County] may require either:

(1) ~~(1)~~ That the recipient expend its unrestricted funds to achieve the stated purposes of the original PEG/~~I-Net~~ funding not spent in accordance with this Franchise; or,

(2) ~~(2)~~ Upon demand, the recipient shall return the full amount of the PEG/~~I-Net~~ funding amount not spent in accordance with this Franchise to the PEG/~~I-Net~~ funding account.

(B) ~~(B)~~—If the Jurisdiction[City/County] determines that the recipient does not have access to sufficient unrestricted funds, the Jurisdiction[City/County] may decide to either:

(1) ~~(1)~~ Directly reimburse the PEG/~~I-Net~~ funding account for the amount not spent in accordance with this Franchise; or,

(2) ~~(2)~~ Allow the Grantee to reduce future PEG/~~I-Net~~ Fee payments by the amount not spent in accordance with this Franchise.

(C) ~~(C)~~—The decision as to which of these options to exercise, under Sections 76.6(A) and (B), shall be at the Jurisdiction's[City/County]'s sole discretion.

TABLE OF CONTENTS

(continued)

Page

~~7.7 Undedicated I-Net Funds. The restrictions upon the Jurisdictions' use of the one percent (1%) paid by Grantee to the Jurisdictions to fund Capital Costs related to the I-Net and its use ("I-Net Capital Funds") under Section 7 will survive the termination of this Franchise for any cause. Any encumbered or dedicated I-Net Capital funds must be expended within four years of receipt by the Jurisdictions. Within 30 days after December 31, 2015 and December 31, 2020, the Jurisdictions shall document any unencumbered and undedicated amounts in Jurisdictions accounts from I-Net Capital funds paid to the Jurisdictions through June 30, 2015 and through June 30, 2020, respectively. If the amount of unencumbered and undedicated I-Net Capital Funds is in excess of twice the total amount paid to the Jurisdictions and intended for I-Net purposes for the fiscal year period July 1, 2014 through June 30, 2015 or July 1, 2019 through June 30, 2020, respectively, the Jurisdictions will return the excess of such I-Net Capital Funds to Grantee for the purpose of refunding these amounts to cable subscribers or to apply such funds to offset Capital construction costs of line extensions that exceed Grantee's Capital contribution obligations under Section 8.6, for the purpose of distributing Cable Services, including PEG programming, within the Franchise Area.~~

~~(D) Section 8. If [City/County] fails to act on any of the options under Sections 6.6 (A) and (B) within such thirty (30) days, then after a further sixty (60) days' notice (which includes the Grantee's proposed schedule of future PEG fee payment reductions), if [City/County] has still not acted on any option, Grantee may reduce future PEG Fee payments by the amount not used in accordance with this franchise as previously determined by agreement of the parties or by arbitration, as the case may be.~~

Section 7. SERVICE

~~7.1~~ 8.1 Non-Discriminatory Rates and Charges. Grantee shall provide Cable Services to all Subscribers in the Franchise Area under non-discriminatory rates and reasonable terms and conditions. Grantee shall not arbitrarily refuse to provide Cable Services to any Person within the Franchise Area, in accordance with Section ~~109~~.6.

~~7.2~~ 8.2 Standard Installation. For purposes of Section ~~87~~, "Standard Installation" means an installation of a drop no more than 125 feet between the Dwelling Unit and the nearest point of access ~~on the Street~~ from which the Cable System is designed to serve the site, which qualifies a Residential Subscriber for installation at standard rates. ~~Except as otherwise provided in Section 87.3, 8.4 and 8.5,~~ Grantee shall provide Standard Installation within ~~60~~seven (7) days of a service request to any ~~Person~~potential Residential Subscriber throughout the ~~Cable Services Franchise~~ Area at Grantee's published rates and charges. For purposes of this Section, a request shall be deemed made on the date of signing a service agreement, receipt of funds by the Grantee, receipt of a written request by the Grantee or receipt by the Grantee of a verified oral request.

TABLE OF CONTENTS

(continued)

Page7.3 ~~8.3~~ Non-Standard Installations ~~In general.~~

- (A) Density. Subject to the density requirements herein, Grantee shall ~~have no~~ make Cable Service available to residential dwelling unit occupied by a person requesting Cable Service provided that Grantee is able to obtain from the property owners any necessary easements and/or permits in accordance with Section 621(a)(2) of the Cable Act. Upon request or by ascertainment by Grantee, Grantee shall extend the Cable System into all areas within the Grantor where there is a minimum of twenty-five (25) occupied residential dwelling units per linear plant mile for aerial plant, and forty (40) occupied dwelling units per linear plant mile for underground plant, measured in strand footage from the nearest technically feasible point on the active Cable System trunk or feeder line from which a usable cable signal can be obtained. The term “nearest technically feasible point” means the point of the nearest cable distribution line, not including drop lines from the public right of way to residential dwellings. Grantee shall complete any extensions within six (6) months after verification by Grantee that an area has met the minimum density standard set forth herein (weather permitting).
- (B) Definitions. For purposes of this Section 7, a home shall only be counted as a “dwelling unit” if such home is within three hundred (300) feet of the public right of way. Grantee’s obligation to ~~provide hereunder~~ shall be subject to the timely performance of walk-out, make ready and location of all underground utilities.
- (C) Service Drop Setback. Any dwelling unit that (i) either meets the density requirement in Section 7.3(A) or becomes eligible for ~~service necessitating a service drop extension beyond~~ via payment of a capital contribution pursuant to Section 7.3(D); and (ii) is a Standard Installation ~~unless the potential Residential~~ as defined in Section 7.2 shall be entitled to a standard installation rate. For any dwelling unit that is further than the distance for a Standard Installation, Grantee shall be allowed to recover, from a ~~Subscriber requesting service contractually agrees~~ that requests such connection, half of the actual costs incurred ~~its residential dwelling unit connection for the portion that over one hundred twenty-five (125) feet but less than three hundred (300) feet.~~
- (D) Line Extension Aid to Construction. For any dwelling unit that does not meet the density requirement in Section 7.3(A), Grantee shall have no obligation to provide Cable Service absent a Subscriber commitment to pay a portion of the actual construction costs ~~based on the following formula:~~ incurred consistent with the formula below. For the purpose of determining the amount of capital contribution in aid of construction to be borne by the Grantee and Subscribers in the area in which service may be expanded, the Grantee will contribute an amount equal to the construction and other costs per mile, multiplied by a fraction whose numerator equals the actual number of residences per 5,280 cable-bearing strand

TABLE OF CONTENTS

(continued)

Page

feet of its trunk or distribution cable and whose denominator equals twenty five (25) or forty (40), as applicable. Subscribers who request service hereunder will bear the remainder of the actual construction and other costs on a pro rata basis. The Grantee may require that the payment of the capital contribution in aid of construction borne by such potential Subscribers be paid in advance.

~~(A) — Grantee shall provide service at its Standard Installation rate for the initial 125 feet of service drop extension.~~

~~(B) — Grantee and the Residential Subscriber shall share equally the actual cost of the service drop extension for the distance over 125 feet but less than 250 feet.~~

~~(C) — The Residential Subscriber shall pay all costs for the service drop extension for the distance greater than 250 feet.~~

~~8.4 Density Requirement Within Cable Services Area. Subject to Section 8.5, Grantee shall provide Cable Services within 60 days of the time when:~~

~~(A) — At least fifty percent (50%) of the development's potential Dwelling Units have been issued building permits, and~~

~~(B) — A Dwelling Unit in the development has requested service, and~~

~~(C) — The development is platted in a way which, when fully developed, would provide at least twenty (20) Dwelling Units per cable plant mile as measured from the nearest point on the existing Cable System.~~

~~8.5 Areas Outside Cable Services Area. In any areas outside the Cable Services Area, Grantee shall provide Cable Services to any Person requesting service only if the average density is equal to or greater than twenty (20) Dwelling Units per cable plant mile as measured from the nearest point on the existing Cable System.~~

~~8.6 Line Extension Aid to Construction. For those Persons not otherwise eligible for installations under Sections 8.2, through 8.5, Grantee shall have no obligation to provide Cable Service causing direct and incremental line extension costs in excess of 50 times the standard monthly charge for Expanded Basic Service Tier or its equivalent, unless the Person requesting service contractually agrees to pay such costs, based on the following formula:~~

~~(A) — Grantee shall provide installation at its standard installation rate if the direct and incremental line extension costs are equal to or less than 50 times the standard monthly charge for Expanded Basic Service Tier.~~

~~(B) — In all other cases the Person shall pay the standard installation rate plus all direct and incremental line extension costs in excess of 50 times the standard monthly charge for Expanded Basic Service Tier.~~

~~8.7 Monthly Service and Installation of Schools. Grantee shall provide without charge Basic Service, the Expanded Basic Service Tier and one Standard Installation to all schools in the Franchise Area. Solely for purposes of this Section 8.7, Expanded Basic Service Tier means Digital Starter or its functional equivalent along with a single digital transport adapter. Non-standard installations shall be subject to Section 8.3. For purposes of Section 8.7, schools mean any public and private primary and secondary schools (K through 12), which have received the appropriate accreditation from the State of Oregon.~~

7.4 Section 9. Connection of Public Facilities

- (A) If the [City/County] requests cable service be provided to Public Facilities not currently served, Grantee will connect such locations within ninety (90) days of written request (subject to necessary permitting and other access permissions) at Grantee's Marginal Cost.. If Grantee desires to charge for cable services to these Public Facilities an amount consistent with then-applicable law, currently "Marginal Cost," Grantee must notify [City/County] in advance and provide supporting information in sufficient detail for [City/County] to evaluate the how the charges were calculated. Grantor reserves the right to challenge the calculation of Marginal Cost. Grantor may elect to take the charges as an offset against Franchise Fees. .
- (B) For those Public Facilities that Grantee currently serves at no cost (see Exhibit C), should Grantee begin to charge for the cable services provided pursuant to this section, it will give [City/County] one hundred twenty (120) days' prior written notice of its intent to commence such charges; provided however that (1) Grantee will disclose in such written notice the proposed amount of the charges and supporting information in sufficient detail for the [City/County] to evaluate the how the charges were calculated; (2) The proposed charges shall be consistent with then-applicable law, currently "Marginal Cost." Grantor may elect to take the charges as an offset against Franchise Fees. Nothing in this Section requires the Grantor to accept Grantee's calculation of Marginal Cost.
- (C) In the event that after the Grantee commences charging for cable services pursuant to this section there is a change in applicable law eliminating the ability for Grantee to charge for franchise-mandated cable services to Public Facilities, then for the remainder of the term of the Franchise, Grantee shall provide cable services to the locations then served on a complimentary basis consistent with such change in applicable law.

Section 8. CABLE SYSTEM UPGRADE-(S)

8.1 9.1 Technology Assessment.

- (A) (A)—The Jurisdictions[City/County] may notify Grantee on or after January 1, 2017,the fourth (4th) anniversary of the effective date of this Franchise that the Jurisdictions[City/County] will conduct a technology assessment of Grantee's Cable System. The technology assessment may include, but is not be limited to, determining whether Grantee's Grantee's Cable System technology and performance are consistent with current technical practices and range and level of services existing in the fifteen (15) largest U.S. cable systems owned and operated by Grantee's Parent Corporation pursuant to franchises that have been renewed or extended since January 1, 2012the effective date of this Franchise.
- (B) (B)—Grantee shall cooperate with the Jurisdictions[City/County] to provide necessary non-confidential and proprietary information upon the Jurisdictions'[City/County]'s reasonable request as part of the technology assessment.

- ~~(C)~~ ~~(C)~~—At the discretion of the ~~Jurisdictions~~,~~[City/County]~~, findings from the technology assessment may be included in any proceeding commenced for the purpose of identifying future cable-related community needs and interests undertaken by the ~~Jurisdictions~~~~[City/County]~~ pursuant to 47 U.S.C. §546.

Section 9. SECTION 10. CONSUMER PROTECTION

9.1 10.1 ~~Jurisdictions~~'~~City/County~~'s Cable Television Consumer Protection Policy.

- ~~(A)~~ ~~Grantee shall comply with the [City/County]'s Cable Television Consumer Protection Policy set forth in Portland City Code Chapter 3.115 The [City/County] will provide Grantee with advance notice of proposed substantive changes to Chapter 3.115 with the intent to obtain input from the Grantee prior to consideration by the City Council. Nothing in this section waives the Grantee's right to challenge any proposed changes to Chapter 3.115.~~
- ~~(A)~~ ~~Grantee shall comply with the Jurisdictions' Cable Television Consumer Protection Policy.~~
- ~~(B)~~ ~~(B)~~—With Grantee and the ~~Jurisdictions~~~~[City/County]~~ both reserving their respective rights under applicable law, the ~~Jurisdictions~~~~[City/County]~~ and Grantee agree that certain requirements of the Cable Television Consumer Protection Policy shall be interpreted in the manner set forth in Exhibit D hereof, and that the interpretations set forth in this Exhibit shall control on the related requirements set forth in the Cable Television Consumer Protection policy as adopted by the ~~Jurisdictions~~,~~[City/County]~~ ~~Council~~.

9.2 10.2 Subscriber Contracts. Grantee shall not enter into contracts with Subscribers which are inconsistent in any material sense with the requirements of this Franchise.

9.3 10.3 Obscenity. Grantee shall not transmit, or permit to be transmitted, over any Channel subject to its editorial control any Programming which is obscene under applicable law. ~~Grantee shall be deemed to have transmitted or permitted a transmission of obscene Programming only if a court of competent jurisdiction has found that~~ ~~Grantee's~~~~Grantee's~~ officers or employees, acting in their authorized capacity, have knowingly permitted Programming which is obscene under applicable law to be transmitted over any Channel that is subject to ~~Grantee's~~~~Grantee's~~ editorial control.

9.4 10.4 Parental Control Device. Upon request by any Subscriber, Grantee shall make available a parental control or lockout ~~device~~capability to enable a Subscriber to control access to both the audio and video portions of any or all Channels. ~~Grantee shall inform its Subscribers of the availability of the lockout device~~ capability at the time of their initial subscription and periodically thereafter.

9.5 10.5 Regulation of Rates and Charges.~~All~~~~Reservation of Rights. The [City/County] reserves its rights to regulate all~~ Grantee Residential Subscriber⁶⁴ rates and charges related to or regarding Cable

FINAL DRAFT 10-15-24

Services ~~shall be subject to regulation by the Jurisdictions~~ to the full extent authorized by a ~~Jurisdiction's Charter and by applicable federal, state and local laws and Jurisdictional ordinances and resolutions.~~ law.

9.6 ~~10.6~~ Rate Discrimination. ~~All Grantee Residential Subscriber rates and charges shall be published and non-discriminatory as to all Persons and organizations of similar classes, under similar circumstances and conditions.~~ Grantee shall establish similar rates and charges for all Residential Subscribers receiving similar services, ~~regardless of~~ without regard to race, color, religion, age, sex, marital or economic status, national origin, sexual orientation, or physical or mental disability, income of the residents, or geographic location within the ~~Grantee's~~ Grantee's Franchise Area-, except when such geographic location may fall under the provisions of Sections 7.3 and 7.4. Nothing in this Section ~~10.6~~ shall be construed to prohibit:

- (A) ~~(A)~~—The temporary reduction or waiving of rates and charges in conjunction with promotional campaigns; and to compete against other multichannel video service providers in all or portions of the franchise area;
- (B) ~~(B)~~—Grantee from offering reasonable discounts to senior citizens or discounts to economically disadvantaged citizens;
- (C) ~~(C)~~—Grantee establishing different and nondiscriminatory rates and charges and classes of services for commercial subscribers, as well as different, nondiscriminatory monthly rates for classes of commercial subscribers; or
- (D) ~~(D)~~—Grantee from establishing reduced bulk rates for Residential Subscribers residing in multiple dwelling units.

9.7 ~~10.7~~ Filing of Rates and Charges. Grantee shall maintain on file with the ~~Jurisdictions~~ [City/County] a complete and current schedule of applicable Residential Subscriber rates and charges for Cable Services provided under this Franchise, in a form satisfactory to the ~~Jurisdictions.~~ [City/County]. Nothing in this Section ~~10.7~~ shall be construed to require the Grantee to file rates and charges under temporary reductions or waivers of rates and charges in conjunction with promotional campaigns. ~~As used solely in this Section 10.7, no rate or charge shall be considered temporary if Residential Subscribers have the ability over a period greater than six (6) consecutive months to purchase Cable Services at such rate or charge.~~

9.8 ~~10.8~~ Changes in Rates and Charges.

- (A) ~~(A)~~—Grantee shall provide written notice to the ~~Jurisdictions~~ [City/County] and Subscribers at least thirty (30) days in advance of any increase in rates and charges. Notice to the ~~Jurisdictions~~ [City/County] of proposed increases in rates and charges shall be filed in a form ~~satisfactory to the Jurisdictions~~ consistent with federal requirements.

~~(B)~~ ~~(B)~~—Unless the ~~Jurisdictions have~~[City/County] has lawfully required prior review of ~~Grantee's~~Grantee's rate increase in accordance with the requirements and conditions of applicable law, ~~Grantee's~~Grantee's rate increase shall become effective on the date identified in the form filed by the Grantee, provided that the effective date shall not be earlier than the thirty-first (31st) day after such filing.

~~9.9~~ ~~10.9~~ ADA Accessible Equipment and Services-. To the extent authorized by law, the ~~Jurisdictions reserve~~[City/County] reserves the right to require and regulate the installation or rental of equipment which facilitates the reception of ~~Basic Service~~Cable Services by hearing impaired individuals. Grantee shall notify Subscribers of the availability of ADA equipment and services and shall provide such equipment and services in accordance with federal and state laws.

~~9.10~~ ~~10.10~~ Discriminatory Practices-. Grantee shall not deny Cable Service, or otherwise discriminate against Subscribers, Programmers or any other Persons on the basis of race, color, religion, age, sex, national origin, sexual orientation or physical or mental disability. ~~Grantee shall comply at all times with all other applicable federal, state or local laws, rules and regulations relating to non-discrimination.~~

~~9.11~~ ~~10.11~~ Unauthorized Monitoring or Cable Tapping-. For the purposes of this Section ~~10.11~~, “Tap²²” means to observe or monitor video, audio, digital or other non-video Signals, or any combination of such Signals carried on the Cable System, where the observer is neither of the communicating parties, whether the exchange is observed by visual or electronic means, for any purpose whatsoever.

~~(A)~~ ~~(A)~~—Neither the Grantee, nor any of its agents, employees, officials or permittees, or any other Person, agency or entity, shall Tap any cable, line, Signal input device or subscriber outlet or receiver in any manner inconsistent with applicable law.

~~(B)~~ ~~(B)~~—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~~Subscriber's written consent.

~~9.12~~ ~~10.12~~ Privacy-. The ~~Jurisdictions~~[City/County] and Grantee shall maintain constant vigilance with regard to possible abuses of the right of privacy or other human rights of any Residential Subscriber, Programmer or any other Person lawfully receiving Cable Services resulting from any device or Signal associated with the Cable System. ~~Grantee shall not use the two-way communications capability of the Cable System for unauthorized or illegal Subscriber surveillance of any kind.~~

~~9.13~~ ~~10.13~~ Permission of Property Owner or Tenant-. Grantee shall not install or attach any of its Facilities to any residence or other property without first securing the permission of the owner or tenant of any property involved, except where there is an existing utility easement reserved by plat or other conveyance or unless such installation or attachment is otherwise authorized by law. ~~Nothing herein,~~

FINAL DRAFT 10-15-24

however, shall excuse the Grantee from obtaining permission from anyone who has the right to approve or disapprove the attachment. If such permission or easement is later revoked, unless Grantee is otherwise lawfully entitled to maintain its Facilities, whether by the original or a subsequent owner or by operation of law, the Grantee, on the ~~owner's~~sowner's request, shall promptly remove any of its Facilities and promptly restore the property to a condition similar to its prior condition. Grantee shall perform all such installations and removals in a workmanlike manner and shall be responsible for any damage to residences or other property caused by the installation or the removal.

9.14 ~~10.14~~ Sale of Subscriber Lists and Personalized Data~~;~~. Grantee shall be subject to the provisions of federal law regarding limitations on ~~Grantee's~~Grantee's collection and use of personalized data, and other issues involving the protection of Subscriber privacy.

9.15 ~~10.15~~ Contact Information on Subscribers' Bills~~;~~. Grantee shall include on Subscribers' bills the contact information for the ~~Jurisdictions~~[City/County]. Grantee shall also provide to Subscribers the ~~Jurisdiction's~~[City/County]'s contact information at the time of Cable Service installation and at least Annually thereafter.

Section 10. SECTION 11. RESIDENTIAL NETWORK10.1 ~~11.1~~ Channel Capacity~~;~~.

(A) ~~_____~~ (A) ~~_____~~ Prior to ~~As of~~ the ~~Effective Date~~effective date of this Franchise, ~~Grantee upgraded its~~Grantee's Cable System ~~to~~uses a Fiber to the Fiber node Cable System architecture, with Fiber Optic cable deployed from Grantee's Headend and hubs to Grantee's Fiber nodes, tying into Grantee's coaxial Cable System already serving Subscribers. Active and passive devices currently are passing a minimum of 860 MHz (with a minimum forward passband of between 50 and 860 MHz) capable of providing to Residential Subscribers at least 200 or more activated minimum Downstream video Channels and minimum Activated Upstream digital Channel Capacity of 35 MHz accessible from any node, any Residential Subscriber, and any points of Access facility, and any I-Net SiteChannel primary origination in the Franchise Area. This Upstream Capacity requires no additional installation of equipment for use except on users' premises.

(B) ~~_____~~ (B) ~~_____~~ The Cable Service provided by the Cable System shall be delivered in accordance with applicable FCC standards, as amended. The Cable System shall meet or exceed FCC technical quality standards at 47.C.F.R. § 76 Subpart K, regardless of the particular format in which a Signal is transmitted.

(C) ~~_____~~ Grantee agrees to maintain the Cable System in a manner ~~consistent with, or in excess of these specifications~~ throughout the term of the Franchise ~~with sufficient~~that maintains and advances system specifications, capability and technical quality to enable the implementation and performance of all the requirements of this Franchise, including the Exhibits hereto, ~~and in a manner which meets or exceeds FCC technical~~

FINAL DRAFT 10-15-24

~~quality standards at 47 C.F.R. § 76 Subpart K, regardless of the particular format in which a Signal is transmitted.~~

10.2 ~~11.2~~ Leased Access Channels-. Grantee shall meet the leased access channel requirements under 47 USC § 532.

10.3 ~~11.3~~ Technical and Safety Standards.

- (A) ~~(A)~~—Grantee shall comply with FCC Rules and Regulations, Part including, but not limited to, 47 C.F.R. §76, Subpart K (Technical Standards), 640, now in effect or as may be amended from time to time.
- (B) ~~(B)~~—Grantee shall at all times employ the standard of care attendant to the risks involved and shall 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 Grantee.
- (C) ~~(C)~~—Grantee shall install and maintain its Cable System in accordance with the all current applicable requirements of codes including the National Electrical Safety Code, ~~and the National Electrical Code and any other applicable federal laws and regulations and the laws, ordinances and construction standards of the State of Oregon and the generally applicable laws, ordinances and construction standards of the [City/County].~~ Furthermore, the system shall be kept in such manner that the Cable System shall not interfere with any installations of the Jurisdictions [City/County] or any public utility or Institutional utility, or any franchisee, licensee or permittee of the Jurisdictions [City/County].
- (D) ~~(D)~~—Grantee shall provide and put in use such equipment and appliances as shall control on a closed circuit basis and effectually carry all electric currents and Grantee television and other system Signal impulses and provide all Grantee's services in a manner so as to prevent injury to the wires, pipes, structures, and property belonging to the Jurisdictions [City/County] or to any Person within the Jurisdictions [City/County].
- (E) ~~(E)~~—Grantee, at its own expense, shall repair, renew, change, and improve its Cable System from time to time as may be necessary to accomplish these purposes.

10.4 ~~11.4~~ Performance Testing-.:

- (A)—Grantee shall perform the following tests on its Cable System:

~~(1) All tests required by the FCC; and~~

~~(2) All other tests reasonably necessary to determine compliance with technical standards adopted by the FCC at any time during the term of this Franchise or in response to subscriber complaints.~~

~~(B) At a minimum, the Grantee's tests shall include:~~

~~(1) Proof of performance when activating any new construction;~~

~~(2) Semi-annual compliance and proof of performance tests in conformance with generally accepted industry guidelines;~~

~~(3) Cable System tests and intervals required by FCC regulations.~~

~~(A) (C) Grantee shall be responsible for ensuring that its Cable System is designed, installed, and operated in a manner that fully complies with 47 C.F.R. §76.640 and/or such other applicable FCC standards as amended. Pursuant to this Section 10.4, Grantee shall conduct and document complete performance tests of its Cable System to show the level of compliance with applicable FCC standards. Upon a showing of a pattern of Subscriber complaints regarding signal quality or as part of a Commission or [City/County] Compliance review or based on a determination of non-compliance related to signal quality through a Compliance Review, Grantee, upon written request by the City, shall perform tests to show compliance with FCC Standards as needed. Grantee shall provide a report to the City within thirty (30) days of completion of a test that describes the results of the test. The performance tests shall be directed at determining the extent to which the Cable System complies with applicable FCC technical standards regarding the transmission and reception capabilities of digital Cable Systems.~~

~~(B) Testing required in this Section 10.4 may be observed by representatives of the [City/County]. Upon written request, Grantee shall provide notice to the [City/County] in advance of the scheduled testing date(s), time and place of each test and the [City/County] shall then notify Comcast before such testing is scheduled to occur if it desires to observe such test(s).~~

~~(C) If any test under this Section 10.4 indicates that the Cable System fails to meet applicable FCC requirements, Grantee shall take such corrective measures as are necessary to correct any failure and to prevent their recurrence as far as is possible. Grantee's failure to correct any deficiencies identified through this testing process within thirty (30) days of identification shall be a material violation of this Agreement. Sites shall be re-tested following correction.~~

Grantee shall maintain written Records of all results of its Cable System tests as required by this Franchise, performed by or for the Grantee. -Such test results shall be available for inspection by the Jurisdictions upon request.

~~(D) (D) Tests may be witnessed by representatives of the Jurisdictions, and, [City/County] upon request, Grantee shall inform the Jurisdictions of the time and place of each test. The Jurisdictions⁶⁹ written request.~~

(E) ~~The [City/County]~~ may conduct independent tests of the system for which the Grantee shall give its fullest cooperation. ~~Grantee shall be required to take prompt corrective measures to correct any system deficiencies and to prevent their recurrence.~~

10.5 ~~11.5~~ Specific Technical Facilities or Capabilities. The following specific technical facilities or capabilities shall be provided on the Cable System by the Grantee:

(A) ~~(A)~~—100% Emergency Standby Power. Grantee shall maintain standby power generating capacity at the Cable System Headend and throughout the trunk and distribution networks as is in place on the effective date of this Franchise. ~~All standby power systems shall be rated to provide at least four (4) hours~~

(1) Hours duration. In addition, Grantee shall have a plan in place, along with all resources necessary for implementing such plan, for dealing with outages of more than four hours. ~~This outage plan and evidence of requisite implementation resources shall be presented to the Jurisdictions[City/County] upon request.~~

(B) ~~(B)~~—Emergency Alert Systems. Grantee shall comply with all applicable federal, ~~state~~ and ~~state~~local regulations regarding emergency alert systems, including equipment standards and procedures for alerting capacities. ~~The Jurisdictions[City/County] may identify authorized emergency officials for activating the emergency alert system. The Jurisdictions[City/County] may also develop a local plan containing methods of emergency alert system message distribution, subject to applicable federal and state laws.~~

10.6 ~~11.6~~ Quality and Workmanship. The Cable System constructed or erected by Grantee shall be of good quality and workmanship and shall be maintained in good repair and efficiency.

10.7 ~~11.7~~ Inspection of Construction. The ~~Jurisdictions[City/County]~~ shall have the right to inspect ~~all infrastructure in the Rights-of-Way including~~ any construction ~~or, maintenance and~~ installation work performed under this Franchise. ~~The Jurisdictions[City/County] shall have the right to makeperform~~ such ~~testsinspections~~ as it deems necessary to ensure compliance with the terms of this Franchise and applicable provisions of law.

Section 11. SECTION 12. COMPENSATION AND AUDITING

11.1 ~~12.1~~ Amount of Compensation. As compensation for the benefits and privileges under this Franchise and in consideration of permission to use the Streets of the ~~Jurisdictions;~~[City/County], the Grantee shall pay as a franchise fee to the ~~Jurisdictions;~~[City/County], throughout the duration of this Franchise, an amount equal to five ~~(5%)~~ percent (5%) of Grantee's Gross Revenues.

11.2 ~~12.2~~ Payments and Quarterly Reports.

(A) ~~(A)~~ Payments. Grantee's franchise fee payments to the Jurisdictions[City/County] shall be computed quarterly following the effective date of this Franchise for the preceding quarter year period ending September 30, December 31, March 31, and June 30. Each quarterly payment shall be due and payable no later than forty-five (45) days after the quarter ending date.

(B) ~~(B)~~ Quarterly Reports. Each payment shall be accompanied by a written report to the Jurisdictions[City/County], in a form approved by the [City/County] and the Commission, verified by an authorized representative of Grantee, containing an accurate statement in summarized form, as well as in detail, of Grantee's Gross Revenues and the computation of the payment amount.

11.3 ~~12.3~~ Interest on Late Payments. Payments not received within forty-five (45) days from the quarter ending date shall be assessed interest compounded at the rate of one percent (1%) per month from the due date.

11.4 ~~12.4~~ Bundled Services. If Cable Services subject to the franchise fee required under this Section ~~12~~11.4 are provided to Subscribers in conjunction with non-cable services, Grantee shall not allocate revenue between Cable Services and non-cable services for the purpose of evading or substantially reducing Grantee's franchise fee obligations to the Jurisdictions.[City/County].

11.5 ~~12.5~~ Cost of Publication. Grantee shall pay the cost of publication of this Franchise and any amendments thereto, if such publication is required by the City Charter.

11.6 Maximum Legal Compensation. The parties acknowledge that, at present, applicable federal law limits the Jurisdictions[City/County] to collection of a maximum permissible franchise fee of five percent (5%) of Gross Revenues. In the event that at any time during the duration of this Franchise, the Jurisdictions are[City/County] is authorized to collect an amount in excess of five percent (5%) of Gross Revenues, then the Jurisdictions[City/County] may request a modification of this Franchise under the provisions of Section ~~20.15~~19.14.

~~12.6 Additional Commitments not Franchise Fees. No term or condition in this Franchise shall in any way modify or affect the Grantee's obligation to pay franchise fees related to Cable Services in accordance with applicable law. Although the total sum of such franchise fee payments and additional commitments set forth elsewhere in this Franchise may total more than five percent (5%) of Grantee's Gross Revenues in any 12-month period, Grantee agrees that the additional commitments herein are not franchise fees as defined under 47 U.S.C. § 542, nor are they to be offset or credited against any franchise fee payments due to the Jurisdictions so long as such commitments are exercised by the Jurisdictions in a manner consistent with this Franchise. Except as otherwise authorized by 47 U.S.C. § 542, and the regulations promulgated thereunder, Grantee shall not pass these additional commitments through to subscribers.~~

11.7 ~~12.7~~ Acceptance of Payment and Recomputation. No acceptance of any payment pursuant to Section 76.1 (PEG/~~I-Net-Fee-s~~) or Section 1211.1 (Franchise fees) shall be construed as an accord that the amount paid is, in fact, the correct amount, nor shall any acceptance of payments be construed as a release of any claim the Jurisdictions[City/County] may have for further or additional sums payable.

11.8 ~~12.8~~ Audits and Reviews.

(A) ~~(A)~~ — Acceptance of Payment and Recomputation. ~~No acceptance of any payment pursuant to Section 7.1 or Section 12.1 of this Franchise shall be construed as an accord that the amount paid is, in fact, the correct amount, nor shall any acceptance of payments be construed as a release of any claim the Jurisdictions may have for further or additional sums payable.~~ All amounts paid under Section 76.1 or Section 1211.1 of this Franchise shall be subject to audit by the Jurisdictions,[City/County], provided ~~that only payments which occurred during a period of such audit is initiated within~~ thirty-six (36) months ~~prior to from~~ the date ~~the Jurisdictions notify Grantee of its intent to perform an audit shall be subject to such audit.~~ payment was due. Grantee agrees to pay the Jurisdictions[City/County] for:

(1) ~~(1)~~ Interest on any underpayment of an amount due under Section 76.1 or Section 1211.1 of this Franchise that is disclosed as the result of an audit, such interest to be calculated at one percent (1%) over the existing prime rate as set by the Wells Fargo Bank, National Association, or its successor and assigns as designated by the Jurisdictions,[City/County], compounded quarterly from the date on which the payment was due. If such payment is not received within thirty (30) days of notice from the Jurisdictions,[City/County], then interest shall be compounded daily from the date on which the payment was due until the date the Jurisdictions receive[City/County] receives the payment.

(2) ~~(2)~~ Five percent (5%) of the underpayment shall be due within thirty (30) days of written notice from the Jurisdictions,[City/County], if the Jurisdictions'[City/County]'s audit discloses that the Grantee has paid ninety-five percent (95%) or less of the principal amount owing for the period under audit. If such payment is not received within thirty (30) days of written notice from the Jurisdictions,[City/County], then interest shall be compounded daily from the date on which the payment was due until the date on which the Jurisdictions receive[City/County] receives the payment, such interest to be calculated at one percent (1%) over the existing prime rate as set by the Wells Fargo Bank, National Association, or its successors and assigns as designated by the Jurisdictions,[City/County].

(B) ~~(B)~~ — Authority to Audit.

~~(1)~~ ~~(1)~~ The ~~Jurisdictions~~[City/County] and its agents and representatives shall have authority to arrange for and conduct audits under Section ~~1211.8~~, within the Portland metropolitan region, upon no less than thirty (30) days prior written notice, and during normal business hours. Within the limitations established by Section ~~1211.8~~, the ~~Jurisdictions~~[City/County] may determine the scope of audit in each instance.

~~(2)~~ ~~(2)~~ The Grantee agrees to reimburse the ~~Jurisdictions~~[City/County] for:

~~(a)~~ ~~(a)~~ The reasonable costs of such audit if the audit discloses that the Grantee has paid ninety-five percent (95%) or less of the fees owing under Sections ~~76.1~~ and ~~1211.1~~ for the period at issue; or

~~(b) One half of the reasonable costs of such audit if the audit discloses that the Grantee had paid more than 95% but less than 98% of the fees owing under Sections 7.1 and 12.1 for the period at issue.~~

~~(3)~~ ~~(3)~~ The Grantee shall reimburse the ~~Jurisdictions~~[City/County] within thirty (30) days of receipt of an invoice from the ~~Jurisdictions~~[City/County] showing such costs were actually incurred and were directly related to the audit. The Grantee's obligation to reimburse auditing costs under this Section ~~1211.8~~ shall not exceed ~~\$15~~ twenty thousand dollars (\$20,000.00) per audit.

~~11.9~~ ~~12.9~~ **Liability for Licenses and Taxes.** Payment of the franchise fee and other financial obligations under this Franchise shall not exempt Grantee from the payment of any license fee, tax or charge on the business, occupation, property or income of Grantee that may be imposed by ~~a Jurisdiction, the~~ [City/County], except as may otherwise be provided in the ordinance or ordinances imposing such other license fee, tax or charge. ~~The Jurisdiction's~~[City/County]'s right to impose any such license fee, tax or charge shall be subject to any limitations on the ~~Jurisdiction~~[City/County] under applicable law.

Section 12. SECTION 13. RECORDS AND REPORTS

~~12.1~~ ~~13.1~~ **Open Records.** Grantee shall manage all of its operations in accordance with a policy of keeping its Records current, open and accessible to the ~~Jurisdictions~~[City/County]. The ~~Jurisdictions~~[City/County] shall have the right to inspect all Records of the Grantee and Affiliated Entities related to the enforcement of and compliance with this Franchise at any time during normal business hours at a Grantee business operations site within Multnomah, Clackamas or Washington counties, Oregon or other pertinent location, and upon reasonable notice to determine compliance by Grantee with its obligations under this Franchise. Grantee shall not deny the ~~Jurisdictions~~[City/County] access to ~~Grantee's~~Grantee's Records on the basis that ~~Grantee's~~Grantee's Records are under the control of an Affiliated Entity or a third party, rather than the Grantee. In the case of Affiliated Entities not under common control with Grantee, Grantee

FINAL DRAFT 10-15-24

shall not be subject to the remedies set forth in Section ~~19~~18.1(A) if such Affiliated Entity does not permit inspection of its Records, and Grantee has;

~~(A)~~ (A) ~~made~~ Made available for inspection all of its Records relevant to the determination of compliance; and

~~(B)~~ (B) ~~exercised~~ Exercised all reasonable efforts to persuade such Affiliated Entity to make such Records available for inspection.

12.2 ~~13.2~~ Information and Reports-. Grantee shall provide a current copy of the following information at the intervals indicated:

~~(A)~~ (A)—Cable System ~~structure and operating~~ information:

~~(1) Total Cable System mileage and overall homes passed (Annually);~~

~~(2) The number of Basic Service Subscribers, other programming service tier subscribers, Pay Service Subscribers and pay to basic percentages, by individual Jurisdiction (Annually);~~

~~(1)~~ (3) Schedule of all Cable Services and Programming services, tiers and/or packages, and Channel assignments, provided on the Cable System (Annually and upon change);

~~(2)~~ (4) A schedule of all Grantee's rates and charges (Annually and upon change);

~~(3)~~ (5) A monthly Cable Services sample customer bill within the ~~Jurisdiction~~ Franchise Area, including copies of all communications of a general nature related to Cable Services sent to Subscribers with the bill (monthly);

~~(4)~~ (6) Copies of other communications of a general nature sent to Subscribers related to Cable Services, excluding communications sent to individual Subscribers which name that Subscriber (at the same time communications are sent to Subscribers); and,

~~(5)~~ (7) A copy of Subscriber privacy policies and the Subscribers service agreements, including terms and conditions (Annually and upon change).

~~(6) (B)~~—A quarterly report on ADA and accessibility services provided, including, but not limited to, TTY and call line statistics, text to speech services and other customer services for persons living with disabilities (quarterly).

(B) Upon thirty (30) day's advance written notice the following information shall be provided at least once annually to [City/County] representatives, and for the purposes of any audit provided for in this Agreement:

(1) Total Cable System mileage and overall homes passed (Annually); The [City/County] shall treat the information provided in this Section 12.2 (B) as Confidential Information, present to the terms of section 12.5.

(2) The number of Basic Service Subscribers, other programming service tier subscribers, Pay Service Subscribers and pay-to-basic percentages (Annually).

(C) The [City/County] shall treat the information provided in this Section 12.2 (B) as Confidential Information, pursuant to the terms of Section 12.5.

(D) Grantee shall provide an audited statement or, in lieu of such audited statement, a statement certified by an officer of the company of Gross Revenues for the ~~Jurisdictions~~Franchise Area from the previous year, no later than one hundred twenty (120) days after the end of its fiscal year. The statement shall contain such information as may be required from time to time by the ~~Jurisdictions~~[City/County], and at least the following, unless the ~~Jurisdictions waive~~[City/County] waives the requirement: a listing of all categories of Gross Revenues, and the revenue associated with such categories, in sufficient detail and with sufficient explanation to enable the ~~Jurisdictions~~[City/County] to understand the statement and to verify the accuracy of payments to the ~~Jurisdictions~~[City/County]. The report shall include an explanation of any deductions made from Gross Revenues in the calculation of payments.

~~12.3 13.3~~ General Reports~~;~~. The ~~Jurisdictions~~[City/County] shall have the right to request, in writing, information as is appropriate and reasonable to determine whether Grantee is in compliance with this Franchise. Grantee shall provide the ~~Jurisdictions~~[City/County] such information in a format as Grantee customarily prepares such report or information. Grantee shall fully cooperate with the ~~Jurisdictions~~[City/County] and shall provide such information and documents as necessary and reasonable for the ~~Jurisdictions~~[City/County] to evaluate compliance. -Grantee reserves the right to object to any request made under this Section ~~13~~12.3 as unnecessary, unreasonable or inappropriate under the circumstances. This Section shall not require the creation of new data, but may include new reports based on the existing data in the forms and formats needed to evaluate compliance. Format. The [City/County], after consultation with Grantee, may specify the form and details of all Grantee's reports required under this Franchise.

~~13.4~~ Format. The ~~Jurisdictions~~, after consultation with Grantee, may specify the form and details of all Grantee's reports required under this Franchise.

~~12.4 13.5~~ Reports of Regulatory Violations~~;~~⁷⁵. Upon written request, Grantee shall provide copies to the ~~Jurisdictions~~[City/County] of any communications to and from federal, state or local courts, regulatory

FINAL DRAFT 10-15-24

agencies or other governmental bodies addressed to Grantee regarding any alleged, apparent or acknowledged violation by Grantee of any applicable federal or state law specifically related to the operation of Grantee's Cable System or Grantee's provision of Cable Services within the ~~Jurisdictions-Franchise Area~~. Grantee shall submit such communications to the ~~Jurisdictions~~[City/County] no later than thirty (30) days after such request.- Grantee shall not claim confidential, privileged or proprietary rights to such documents unless under applicable federal, state, or local law such documents have been determined to be confidential by a court of competent jurisdiction, or a federal or state agency or a request for confidential treatment is pending.

12.5 ~~13.6~~ Public Records.

~~(A)~~ (A)—Grantee acknowledges that information submitted by Grantee to the ~~Jurisdictions~~[City/County] may be open to public inspection under the Oregon Public Records Law.- Grantee is responsible for becoming familiar with and understanding the provisions of the Oregon Public Records Law.

~~(B)~~ (B)—Confidential Information. Grantee may identify information submitted to the ~~Jurisdictions~~[City/County] and clearly marked as ~~confidential~~, "Confidential," if Grantee reasonably believes such information is qualified for an exemption recognized under the Oregon Public Records Law. ~~Grantee shall prominently mark each page, or portion thereof, for which it is claiming confidentiality as "Confidential" prior to submitting such information to the Jurisdictions.~~ When submitting such information to the ~~Jurisdictions~~,[City/County], Grantee shall also submit documentation to the Commission that specifically identifies the applicable exemption under the Oregon Public Records Law, and stating the reason(s) Grantee believes the information is exempt ~~from public inspection.~~ ~~After reviewing the Grantee's request for confidentiality, and determining whether the identified exemptions are applicable, the Jurisdictions shall take reasonable steps to protect the confidential nature of any such information, consistent with the Oregon Public Records Law, including only disclosing such information to employees, representatives, and agents thereof that have a need to know or in order to enforce the provisions of this Franchise.~~

~~(C)~~ (C)—The [City/County] shall take reasonable steps to keep the identified information confidential, acting consistently with the Public Records Law.

Notice to Grantee. Within five (5) ~~workingbusiness~~ days of receiving a public records request ~~to inspect any such request, the Jurisdictions~~for information identified by Grantee as "Confidential", the ~~[City/County]~~ shall provide the Grantee with written notice of the request, including a copy of the request. ~~Grantee shall have five (5) working days within which to provide a written response to the Jurisdictions, before the Jurisdictions may disclose any of~~ Within the requested confidential information. ~~If limits and discretion allowed by Oregon laws, the Jurisdictions determine that it~~[City/County] will be necessary to ~~reveal~~maintain the information, the Jurisdictions shall promptly notify the Grantee, and do so at least five (5) ~~working days prior to the confidentiality of information being released.~~ The ~~Jurisdictions~~[City/County] shall retain ~~final~~discretion to determine whether to release the requested information ~~in response to any public records request, as recognized under~~consistent⁷⁶with the Oregon Public Records Law.

(D) Nothing in this Section 14 affects Grantee's right to seek legal relief to prevent the [City/County]'s release of Grantee's Confidential Information.

Section 13. GENERAL INDEMNIFICATION AND INSURANCE

13.1 14.1 Indemnification.

(A) (A) — General Indemnification. Grantee shall indemnify, defend and hold harmless the Jurisdictions,[City/County], its officers, agents, boards and employees, from any liability for claims, damages, costs or expenses, including court and appeal costs and reasonable attorney fees or expenses, arising from any casualty or accident to person or property, including, without limitation: copyright infringement; defamation; damages arising out of or by reason of any construction, excavation, operation, maintenance, reconstruction or any other act done under this Franchise, by or for Grantee, its agents, or its employees; or by reason of any neglect or omission of Grantee to keep its system in a safe condition. ~~Grantee's indemnification obligation shall not extend to liability directly arising solely out of anythe [City/County]'s gross negligence or willful misconduct by the Jurisdictions or its officers, agents, boards or employees.~~ The Jurisdictions[City/County] shall provide Grantee prompt notice of any such claim which Grantee shall defend with counsel of its own choosing and no settlement or compromise of any such claim will be done without the prior written approval of the Jurisdictions[City/County] which approval shall not be unreasonable withheld. ~~Grantee shall consult and cooperate with the Jurisdictions[City/County] while conducting its defense of the Jurisdictions[City/County] and the Jurisdictions[City/County] shall fully cooperate with the Grantee.~~

(B) (B) — Indemnification for Relocation. Grantee shall indemnify the Jurisdictions[City/County] for any damages, claims, additional costs or expenses assessed against or payable by the Jurisdictions[City/County] arising out of or resulting, directly or indirectly, from ~~Grantee's~~Grantee's failure to remove, adjust or relocate any of its Facilities in the Streets in a timely manner in accordance with a relocation schedule furnished Grantee by ~~a Jurisdiction's~~the [City/County]'s duly authorized agent in writing, unless ~~Grantee's~~Grantee's failure arises directly from the ~~a Jurisdiction's~~[City/County]'s negligence or willful misconduct.

(C) (C) — Indemnification – Hazardous Substances. Grantee agrees to forever indemnify the Jurisdictions,[City/County], its officers, agents and employees, from and against any claims, costs and expenses of any kind, whether direct or indirect, or pursuant to any state or federal law, statute, regulation or order, for the removal or remediation of any leaks, spills, contamination or residues of Hazardous Substances, directly attributable to Grantee's structures or other Facilities in the Streets.

13.2 14.2 Insurance.

~~(A)~~ ~~(A)~~—Grantee shall maintain in full force and effect, at its own cost and expense, continuously during the Franchise Term, the following insurance coverage:

~~(1)~~ ~~(1)~~ Commercial General Liability Insurance. Grantee shall provide and maintain commercial general liability and property damage insurance in the amount of two million U.S. dollars (\$2,000,000) combined single per occurrence, and aggregate limit of four million U.S. dollars (\$4,000,000) that protects Grantee and [City/County] and its officers, agents and employees from any and all claims, demands, actions and suits for damage to property damage and bodily or personal injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of arising from Grantee's Cable Service business in the Jurisdictions work under this franchise.

~~(2)~~ ~~(2)~~ Automobile Liability Insurance in the amount of one million dollars (\$1,000,000). Grantee shall carry automobile liability insurance with a combined single limit of one million U.S. dollars (\$1,000,000) each occurrence, and an umbrella or excess liability coverage of two million U.S. dollars (\$2,000,000), for bodily injury and property damage coverage. The insurance shall include coverage for any damages or injuries arising out of the use of automobiles or other motor vehicles by Grantee.

~~(3)~~ ~~Workers' Compensation Insurance meeting all legal requirements of the State of Oregon.~~

~~(3)~~ ~~(4)~~ Workers' Compensation. Grantee shall comply with the workers' compensation law, ORS Chapter 656, as it may be amended. If required, Grantee shall maintain coverage for all subject workers as defined by ORS Chapter 656 and shall maintain a current, valid certificate of workers' compensation insurance on file with the [City/County] Auditor for the entire period during which work is performed under this franchise. Contractors who are non-subject workers meeting one of the exceptions in ORS 656.027 may not be required to carry workers' compensation insurance. Any Contractor requesting an exemption from the workers' compensation coverage listed above must make that request in writing to the [City/County] Attorney, stating its Contractor's qualification for exemption under ORS 656.027.

~~(4)~~ ~~Employers' Liability Insurance in the following amounts: -~~(A) Bodily Injury by Accident: ~~one five~~ hundred thousand dollars (~~\$100500,000~~); and (B) Bodily Injury by Disease: ~~one five~~ hundred thousand dollars (~~\$100500,000~~) employee limit; five hundred thousand dollars (\$500,000) policy limit.

~~(5)~~ ~~(5)~~ The limits of the insurance as provided herein shall be subject to any changes as to the maximum limits imposed on municipalities of the State of Oregon during the term of this Franchise.

~~(B) — The Jurisdictions and the Commission shall each be designated as an additional insured under each of the insurance policies required in this Section 14.2 by endorsement on the policies, except Workers' Compensation and Employer's Liability Insurance.~~

~~(B) (C) — Additional Insureds. The coverage shall apply as to claims between insureds on the policy. The insurance shall be without prejudice to other coverage. For liability coverage, the insurance certificate shall list [City/County] and the Commission as a Certificate Holder and include as additional insureds "the [City/County] and the Commission, and their officers, agents and employees" and an endorsement to the liability policy shall confirm the listing of [City/County] and the Commission as an additional insured. Notwithstanding the listing of additional insureds, the insurance shall protect each additional insured in the same manner as though a separate policy had been issued to each, but nothing herein shall 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.~~

~~(C) — Grantee shall not cancel any required insurance policy, nor shall Grantee allow the required insurance to lapse, without obtaining alternative insurance in conformance with this Agreement. -For any of the insurance policies identifying the Jurisdictions [City/County] and the Commission as additional insureds, as provided under this Section 1413.2, the Grantee shall notify the Jurisdictions [City/County] and the Commission within five (5) business days of any notice of non-renewal, any cancelation, or any material adverse change in coverage. -If the insurance is canceled or materially altered so as to be out of compliance with the requirements of this Section 1413.2 during the term of this Franchise, Grantee shall provide a replacement policy.~~

~~(D) (D) — Each of the All required insurance policies shall must be with insurers issued by companies or financial institutions with an AM Best rating of A- or better and duly authorized or permitted to do business in the State of Oregon, with an A : VII or better rating for financial condition and financial performance by Best's Key Rating Guide, Property/Casualty Edition, or an equivalent rating entity.~~

~~(E) (E) — The insurance shall be without prejudice to coverage otherwise existing and shall name the Jurisdictions, Commission, [City/County], and its officers, agents, and employees as additional insureds as their interest may appear, except the Workers' Compensation and Employer's Liability Insurance.~~

~~(F) (F) — Grantee shall provide the Commission, within fifteen (15) days of the Effective Date effective date of this Franchise, a certificate of insurance certifying the coverage required above, which certificate shall be subject to the approval of a Jurisdiction's the [City/County]'s Legal Counsel as to whether the certificate and the insurance certified is consistent with the requirements of this Section 1413.2. - Failure to maintain adequate insurance as required under this Section 1413.2 shall be cause~~

for revocation of this Franchise by the Jurisdictions[City/County] as set forth in Section ~~19~~18.

~~(G)~~ (G)—The Jurisdictions[City/County] shall require as a condition of any separate agreement between the Jurisdictions[City/County] and a Designated Access Provider, that the Designated Access Provider shall include the Grantee as a named insured in the Designated Access Provider's liability insurance policy with respect to any claim for injury, damage, loss, liability, cost or expense arising from Programming or other transmission placed by the Designated Access Provider on PEG Access Channels or the Institutional Network (but not if arising out of or by reason of any act done by the Grantee or its officers, agents or employees).

~~13.3~~ 14.3 Faithful Performance Bond.

~~(A)~~ (A)—Upon the effective date of this Franchise, the Grantee shall furnish proof of the posting ~~of, and maintain in full force and effect at its own cost and expense~~ a faithful performance bond running to the Jurisdictions[City/County] with good and sufficient surety approved by the Jurisdictions, ~~in the penal sum of Five Hundred Thousand Dollars~~[City/County], ~~in an amount of five hundred thousand dollars (\$500,000.00); conditioned that the~~ Grantee shall ~~well and truly observe, fulfill and perform each term and condition of this Franchise. Such bond shall be maintained immediately replace or replenish to the full amount any draw down of the security by the Grantee throughout the term of this Franchise.~~[City/County].

~~(B)~~—Grantee shall pay all premiums charged for any bond required under ~~this Section 14.3, and unless the Jurisdictions specifically direct otherwise, shall keep the same in full force and effect at all times through.~~ The bond shall be in effect until the later of ~~either:~~

~~(1) The remaining term; (i) termination~~ of this ~~Franchise; franchise;~~ or

~~(2) If required by the Jurisdictions, the~~ (ii) removal of all of ~~Grantee's~~Grantee's system installed in the Jurisdictions'[City/County]'s Streets.

~~(C)~~ (C)—The performance bond shall contain a provision that it shall not be terminated or otherwise allowed to expire without thirty (30) calendar days prior written notice first being given to the Jurisdictions cable regulatory office.[City/County]. The performance bond ~~shall be is~~ subject ~~to thereview and~~ approval ~~of the Jurisdictions' Legal Counsel as to its adequacy under the requirements of this Section 14.3. During the term of the bond, by the~~ [City/County] Attorney. Grantee shall file with the Jurisdictions cable regulatory office[City/County] a duplicate copy of the performance bond along with written evidence of payment of the required premiums ~~unless the bond otherwise provides that the bond shall not expire or be terminated without 30 days prior written notice to the Jurisdictions premium~~

- ~~(D)~~ (D)—Subject to the ~~Jurisdictions'~~[City/County]'s prior approval, Grantee may provide an irrevocable letter of credit or other form of financial assurance in lieu of a faithful performance bond. -The alternative form of financial assurance shall give the ~~Jurisdictions~~[City/County] substantially the same rights and guarantees provided by a faithful performance bond.
- ~~(E)~~ (E)—In lieu of the performance bond required under ~~this~~ Section ~~14~~13.3, the Grantee may elect to provide to the ~~Jurisdictions~~[City/County] a fully executed Guarantee in Lieu of Bond of Comcast Communications, Inc., in the form provided in Exhibit E to this Franchise. -In the event of such election, the duly executed Guarantee in Lieu of Bond shall be filed by the Grantee within thirty (30) days. Any performance bond required under Section ~~14~~13.3(A) shall remain in effect until replaced by such Guarantee in Lieu of Bond.

~~14.4 Construction Bond. During all times when Grantee is performing any construction work in or under the Streets requiring a street opening permit, Grantee shall post a faithful performance bond or irrevocable letter of credit, as is required for street opening permits, running to the Jurisdictions, with good and sufficient surety approved by the Jurisdictions, in the sum required by the Jurisdiction's permit. The bond or letter of credit shall be conditioned that the Grantee shall well and truly observe, fulfill and perform each term and condition of the Franchise. Grantee shall pay all premiums or other costs associated with maintaining the bond or letter of credit, and shall keep the same in full force and effect at all times during the construction work. The bond or letter of credit shall provide that it may be terminated upon final approval of Grantee's construction work in or under the Streets by the Jurisdiction. Upon such approval, the Jurisdiction agrees to sign all documents necessary to release the bond in accordance with the terms of this Section 14.4. During the duration of the construction work, Grantee shall file with the Jurisdiction a copy of the bond or letter of credit, along with written evidence of the required premiums. The bond or letter of credit shall be subject to the approval of the Jurisdiction as to its adequacy under the requirements of Section 14.4.~~

Section 14. SECTION 15. GENERAL STREET USE AND CONSTRUCTION

14.1 15.1 Construction.

- ~~(A)~~ (A)—Subject to applicable regulations of ~~a Jurisdiction,~~the [City/County], Grantee may perform all construction necessary for the operation, maintenance, extension, upgrade and rebuild of its Cable System. -All ~~construction and maintenance of any and all Facilities-work~~ within Streets incident to ~~Grantee's~~Grantee's Cable System shall, regardless of who performs the construction, be and remain the ~~Grantee's~~Grantee's responsibility.- Grantee shall apply for and obtain all permits necessary for construction or installation of any Facilities, and for excavating and laying any Facilities, within the Streets. -Grantee shall pay all applicable fees based on the type of construction it performs or plans to perform upon issuance of the requisite construction permits by ~~a Jurisdiction~~the [City/County] to Grantee.

FINAL DRAFT 10-15-24

~~(B) — Prior to beginning any construction, Grantee shall provide a Jurisdiction with a construction schedule for work in the Streets. When Grantee's construction of Facilities in the Streets is completed, Grantee shall provide the Jurisdiction with a map showing the location of the installed Facility in the Streets, in a form acceptable to the Jurisdiction.~~

~~(C) — Grantee may make excavations in Streets for any Facility needed for the maintenance or extension of the Grantee's Cable System. Prior to doing such work, Grantee shall apply for, and obtain, appropriate permits from a Jurisdiction, and give appropriate notices to any other franchisees, licensees or permittees of the Jurisdiction or other units of government owning or maintaining pipes, wires, conduits or other facilities which may be affected by the proposed excavation.~~

~~(D) — In the event that emergency repairs are necessary, Grantee shall immediately notify the Jurisdiction of the need for such repairs. Grantee may initiate such emergency repairs, and shall apply for appropriate permits within forty-eight (48) hours after discovery of the emergency. Grantee shall comply with all applicable Jurisdiction regulations relating to such excavations or construction, including the payment of permit or license fees.~~

~~15.2 Locates. Grantee shall comply with the requirements of ORS 757.542-757.562 and ORS 757.993 (2009), and the rules and regulations promulgated thereunder in OAR Chapter 952.~~

~~15.3 Relocation. A Jurisdiction shall have the right to require Grantee to change the location of any of Grantee's Cable System within the Streets when the public convenience requires such change, and the expense thereof shall be paid by Grantee (however payment by Grantee shall in no way limit Grantee's right, if any, to seek reimbursement for such costs from any third party). If in ordering relocation, the Jurisdiction imposes additional specifications regarding materials or design for Grantee's Facilities, the additional marginal increase shall not be considered relocation costs that are the Grantee's responsibility. The Jurisdiction shall have unlimited discretion in determining the reasonable relocation schedule, based upon the Jurisdiction's consideration of the total circumstances of the project schedule. If after receiving the Jurisdiction's relocation schedule, Grantee identifies in writing that the work associated with relocating Grantee's Facilities will be of such size or scope that Grantee believes that it is probable that Grantee will not be able to complete the work within the schedule, Grantee may request a meeting with the Jurisdiction to discuss whether modification of the relocation schedule, alternate construction methods or alternate locations are reasonably possible given other project constraints. The Jurisdiction will consider Grantee's safety, reliability and cost concerns while considering potential effects on project schedules, project budget and any other relevant matters. However, the Jurisdiction will retain full authority and discretion to make any final decisions regarding any modifications to the relocation schedule, based upon the Jurisdiction's consideration of the total circumstances of the project schedule. The Jurisdiction shall provide the Grantee with the standard notice given under the circumstances to other Persons franchised, permitted, licensed or otherwise granted authority by the Jurisdiction. Should Grantee fail to remove or relocate any such Facilities by the date established by the Jurisdiction's schedule, the Jurisdiction may cause and/or effect such removal or relocation by qualified workers and the expense thereof shall be paid by Grantee, including all direct, indirect and/or consequential costs and expenses incurred by the Jurisdiction due to Grantee's delay (however payment by Grantee shall in no way limit Grantee's right, if any, to seek reimbursement for such costs from any third party). If the Jurisdiction requires Grantee to relocate its Facilities located within the Streets, the Jurisdiction will make a reasonable effort to provide Grantee with an alternate location for its Facilities within the Streets, or if an alternate location is unavailable, will make project management personnel available to meet with affected property owners and explain project needs in support of Grantee's efforts to secure an alternate location on private property.~~

FINAL DRAFT 10-15-2415.4 Restoration of Streets.

~~(A) Whenever Grantee disturbs the surface of any Street for any purpose, Grantee shall promptly restore the Street to at least its prior condition. When any opening is made by Grantee in a hard surface pavement in any Street, Grantee shall promptly refill the opening and restore the surface to a condition satisfactory to the Jurisdiction.~~

~~(B) If Grantee excavates the surface of any Street, Grantee shall be responsible for restoration and maintenance of the Street and its surface within the area affected by the excavation. A Jurisdiction may, after providing notice to Grantee, refill and/or repave any opening made by Grantee in the Street, and the expense thereof shall be paid by Grantee. The Jurisdictions reserve the right, after providing notice to Grantee, to remove and/or repair any work done by Grantee which, in the determination of the Jurisdiction, is inadequate. The cost thereof, including the cost of inspection and supervision, shall be paid by the Grantee. All excavations made by Grantee in the Streets shall be properly safeguarded for the prevention of accidents. All of Grantee's work under Section 15.4 shall be done in strict compliance with all rules, regulations, resolutions and ordinances of the Jurisdiction.~~

(B) 15.5 Maps.

(1) As of the effective date of this Franchise, and annually thereafter in the event of any alterations, Grantee shall provide a map to the [City/County] Engineer and the [City/County]'s Office of Cable Communications and Franchise Management, or its successor, showing the location of Grantee's Facilities in the Streets on a scale of three thousand five hundred feet (3,500') per inch or whatever scale the [City/County] and Grantee agree upon. Grantee shall also provide such maps in an electronic format acceptable to the [City/County] and the Grantee. The level of detail in maps provided by Grantee shall be limited to that which is needed for the [City/County]'s administration of the Streets in order to protect Grantee's confidential business information and the security of Grantee's Cable System.

14.2 Relocation. Grantee shall relocate its Cable System within the Streets in compliance with the requirements of applicable [City/County] Code and administrative regulations

14.3 Restoration of Streets. Grantee's responsibility for maintaining repairs to any Street surface areas disturbed by Grantee's work shall end upon the occurrence of either a reconstruction of the Street in an approved manner by the [City/County] (curb to curb) or upon subsequent work at the same location by any other Person franchised, permitted, licensed or otherwise granted authority by the [City/County], whichever occurs first.

14.4 Maintenance and Workmanship.

(A) (A) Grantee's Grantee's Cable System shall be constructed and maintained in such manner as not to interfere with sewers, water pipes, or any other property of the Jurisdictions, [City/County], or with any other pipes, wires, conduits, structures or other facilities that may have been laid in the Streets by or under a Jurisdiction's the [City/County]'s authority.

- ~~(B)~~ ~~(B)~~—Grantee shall provide and use any equipment and appliances necessary to control and carry ~~Grantee's~~Grantee's Signals so as to prevent injury to ~~a~~ ~~Jurisdiction's~~the [City/County]'s property or property belonging to any Person within the ~~Jurisdiction-~~[City/County]. Grantee, at its own expense, shall repair, renew, change and improve its Facilities from time to time as may be necessary to accomplish this purpose.
- ~~(C)~~ ~~(C)~~—Grantee shall not construct its Cable System in any manner that requires any Subscriber to install any cable, wire, conduits or other facilities, under or over a Street.

~~14.5~~ ~~15.6~~ Acquisition of Facilities— Upon ~~Grantee's~~Grantee's acquisition of Facilities in any ~~Jurisdiction's Street,~~[City/County] Streets, or upon ~~the~~any addition or annexation to ~~a~~ ~~Jurisdiction~~the [City/County] of any area in which Grantee owns or operates any Facility in ~~any~~the Streets, the Grantee shall, ~~at the Jurisdiction's request,~~ submit to the ~~Jurisdiction~~[City/County] a statement describing all Facilities involved, whether authorized by franchise, license, permit, license or any other prior similar form of right, granted by the [City/County], and specifying the location of all such ~~Facilities to the extent the Grantee has possession of such information.~~ ~~At the Jurisdiction's sole option, such~~acquired Facilities. Such Facilities shall immediately be subject to the terms of this Franchise ~~within, with~~ a reasonable period of time to bring the acquired Facilities into compliance with this Franchise. The [City/County] expressly reserves the right to install, affix, maintain, remove or relocate [City/County] streetlights and other [City/County]-owned infrastructure, including traffic signals, beacons, signs and transportation control equipment, in the Streets without charge, for use by the [City/County] or other government entities and for emergency services.

- ~~(A)~~ ~~15.7~~ Reservation of ~~Jurisdiction~~[City/County] Street Rights. -Nothing in this Franchise shall prevent the ~~Jurisdictions~~[City/County] from constructing sewers; grading, paving, repairing and/or altering any Street; laying down, repairing or removing water mains; or constructing or establishing any other public work or improvement. -All such work shall be done, insofar as practicable, so as not to obstruct, injure or prevent the use and operation of ~~Grantee's~~Grantee's Cable System. -However, if any of the ~~Grantee's~~Grantee's Cable System interferes with the construction or repair of any Street or public improvement, including construction, repair or removal of a sewer or water main, the ~~Grantee's~~Grantee's Cable System shall be removed or replaced in the manner ~~a~~ ~~Jurisdiction~~the [City/County] shall direct. -Any and all such removal or replacement shall be at the expense of the Grantee. -Should Grantee fail to remove, adjust or relocate its Facilities by the date established by ~~a~~ ~~Jurisdiction's~~the [City/County] Engineer's written notice to Grantee, the ~~Jurisdiction~~[City/County] may effect such removal, adjustment or relocation, and the expense thereof shall be paid by Grantee, including all costs and expenses incurred by the ~~Jurisdiction~~due to Grantee's delay[City/County] due to Grantee's delay. However, should the City make available funds for the cost of relocating, removing or replacing facilities, Grantee shall be allowed to participate in such funding. If non-City funds, such as funds from residents or state or federal grant funding, are made available to place electric or telephone lines underground, Grantee shall participate in such funding to the extent allowed.

FINAL DRAFT 10-15-24

~~15.8 Street Vacation.~~ If any Street or portion thereof used by Grantee is vacated by a Jurisdiction during the term of this Franchise, unless the Jurisdiction specifically reserves to Grantee the right to continue its installation in the vacated Street, Grantee shall, without delay or expense to the Jurisdiction, remove its Facilities from such Street, and restore, repair or reconstruct the Street where such removal has occurred, and place the Street in such condition as may be required by the Jurisdiction. In the event of failure, neglect or refusal of Grantee, after thirty (30) days' notice by the Jurisdiction, to restore, repair or reconstruct such Street, the Jurisdiction may do such work or cause it to be done, and the cost thereof, as found and declared by Jurisdiction, shall be the Grantee's responsibility.

~~15.9 Common Users:~~

~~(A) For the purposes of this Section:~~

~~(1) "Attachment" means any wire, optical fiber or other cable, and any related device, apparatus or auxiliary equipment, for the purpose of voice, video or data transmission.~~

~~(2) "Conduit Facility" means any structure, or section thereof, containing one or more ducts, conduits, manholes, handhole or other such facilities in the Grantee's Cable System.~~

~~(3) "Duct" means a single enclosed raceway for conductors, optical fiber, wire or other cable.~~

~~(4) "Licensee" means any person, firm, corporation, partnership, company, association, joint stock association or cooperatively organized association franchised, licensed or otherwise permitted by a Jurisdiction to use the Streets.~~

~~(5) "Surplus ducts or conduits" are Conduit Facilities other than those occupied by the Grantee or any prior Licensee, one unoccupied duct held by Grantee as an emergency use spare, and other unoccupied ducts that the Grantee reasonably expects to use within the next 18 months.~~

~~(B) Grantee acknowledges that the Streets have a finite capacity for containing conduits. Therefore, Grantee agrees that, whenever a Jurisdiction determines it is impracticable to permit construction of an underground conduit system by any other Licensee, the Jurisdiction may require Grantee to afford to such person the right to use Grantee's Surplus Ducts or Conduits in common with the Grantee, pursuant to the terms and conditions of an agreement for use of surplus conduits and ducts being entered into by the Grantee and the Licensee.~~

~~(C) If the Grantee and any Licensee fail or cannot otherwise agree to fair and equitable terms, conditions and regulations, including but not limited to a conduit rental rate, within a reasonable period of time, the Grantee and the Licensee shall enter into binding arbitration to determine such terms, conditions and regulations. In such arbitration, the arbitrators shall determine the conduit rental rate at a fair market rate. The binding arbitration shall be as provided in Section 20.2.~~

~~(D) A Licensee occupying part of a Duct shall be deemed to occupy the entire Duct.~~

~~(E) The Grantee shall give a Licensee a minimum of one hundred and twenty (120) days notice of its need to occupy licensed conduit and shall propose that the Licensee take the first feasible action as follows:~~

~~(1) Pay revised conduit rent designed to recover the cost of retrofitting the conduit with multiplexing, optical fibers or other space-saving technology sufficient to meet the Grantee's space needs;~~

~~(2) Pay revised conduit rent based on the cost of new conduit constructed to meet the Grantee's space needs;~~

~~(3) Vacate ducts that are no longer surplus; or~~

~~(4) Construct and maintain sufficient new conduit to meet the Grantee's space needs.~~

~~(F) — When two (2) or more Licensees occupy a section of Conduit Facility, the last Licensee to occupy the Conduit Facility shall be the first to vacate or construct new conduit. When conduit rent is revised because of retrofitting of space-saving technology or construction of new conduit, all Licensees shall bear the increased cost.~~

~~(G) — All attachments shall meet local, state, and federal clearance and other safety requirements, be adequately grounded and anchored, and meet the provisions of contracts executed between the Grantee and the Licensee. The Grantee may, at its option, correct any attachment deficiencies and charge the Licensee for its costs. Each Licensee shall pay the Grantee for any fines, fees, damages or other costs the Licensee's attachments cause the Grantee to incur.~~

~~(H) — The Jurisdiction will be allowed to access and use Grantee's Surplus Ducts or Conduits without use fees, subject to the same process and other terms applicable to Licensees under Section 15.9 and subject to a separate written agreement between the Jurisdiction and Grantee specifying the terms of such access and usage by the Jurisdiction.~~

14.6 ~~15.10~~ New Construction.

~~(A) Grantee shall provide twenty-one (21) days prior written notice to the [City/County] of any planned Duct construction. Such notice shall include a description of any planned duct construction and a map showing the planned route in a form acceptable to the [City/County] Engineer. Within ten (10) business days of receiving the written notice, the [City/County] shall provide a written request to Grantee if it desires any Ducts along the planned route, and Grantee shall provide such Ducts to the [City/County] pursuant to the process set forth in this Section 14.6.~~

~~(B) For Grantee's new Duct installation, Grantee will provide additional Duct(s) as needed by the [City/County]~~

~~(1) Grantee will confer with [City/County] prior to finalizing plans and specifications for any proposed new build, to establish and define [City/County] requirements for Duct and access vaults;~~

~~(2) If the [City/County] determines a need for Duct and access vaults under Section 14.6(A), [City/County] will pay Grantee the marginal costs for this work, consisting of material, labor, and design and engineering costs associated with modifications to the plans and specifications for the segments defined and necessary facilities;~~

(3) Grantee will provide suitable documentation of ownership and include location in map submitted per Section 14.1(B). [City/County] will then maintain ownership of and maintenance responsibilities for the additional Duct(s).

(C) Grantee will provide separate access vaults for the [City/County] at [City/County]'s cost, at locations to be determined by the [City/County] during the conference noted in Section 14.6(B)(1).

14.7 Discontinuing Use of Facilities- Whenever Grantee intends to discontinue using any Facility within the Streets, Grantee shall submit for the ~~Jurisdiction's~~[City/County] Engineer's approval a complete description of the Facility and the date on which the Grantee intends to discontinue using the Facility. Grantee may remove the Facility or request that the ~~Jurisdiction~~[City/County] permit it to remain in place. Notwithstanding the ~~Grantee's~~Grantee's request that any such Facility remain in place, the ~~Jurisdiction~~[City/County] Engineer may require the Grantee to remove the Facility from the Street or modify the Facility to protect the public health and safety or otherwise serve the public interest. -The ~~Jurisdiction~~[City/County] Engineer may require the Grantee to perform a combination of modification and removal of the Facility. -Grantee shall complete such removal or modification in accordance with a schedule set by the ~~Jurisdiction-~~[City/County] Engineer. Until such time as Grantee removes or modifies the Facility as directed by the ~~Jurisdiction~~[City/County] Engineer, or until the rights to and responsibility for the Facility are accepted by another Person having authority to construct and maintain such Facility, Grantee shall be responsible for all necessary repairs and relocations of the Facility, as well as maintenance of the Street, in the same manner and degree as if the Facility were in active use, and Grantee shall retain all liability for such Facility.

14.8 ~~15.11~~ Hazardous Substances.

(A) ~~(A)~~—Compliance with Applicable Law.- Grantee shall comply with all applicable state and federal laws, statutes, regulations and orders concerning Hazardous Substances relating to its Cable System and Facilities in the Streets.

(B) ~~(B)~~—Maintenance, Inspection and Remediation.- Grantee shall maintain and inspect its Cable System located in the Streets.- If Grantee discovers any Hazardous Substances in the course of Grantee's work on its Facilities in the Streets, Grantee shall provide a written report of the discovery to the ~~Jurisdiction~~[City/County] within two (2) business days.- Grantee shall immediately proceed to remove and remediate, in accordance with, and only to the extent required by, all applicable local, state and federal laws, any Hazardous Substances in the Streets directly attributable to or caused by Grantee's Facilities or the acts or omissions of Grantee. -Nothing in this Franchise transfers or is intended to transfer any liability to the ~~Jurisdiction~~[City/County] for removal or remediation of any such Hazardous Substances in the Streets.

(C) ~~(C)~~—Construction, Modification or Removal of Facilities.- In the course of construction, modification or removal of any of its Facilities in the Streets, to the extent necessary to safely proceed with such work, Grantee shall remove and

remediate Hazardous Substances encountered in the course of its activities in accordance with, and only to the extent required by, all applicable state and federal laws, statutes, regulations and orders. Grantee may use reasonable business efforts to recover its costs for such removal and disposal from all legally responsible third parties.

14.9 ~~15.12~~ Undergrounding of Cable-. Grantee is strongly encouraged to locate and construct its present and future cables underground.- Grantee shall install its cables or other Facilities underground wherever all existing utilities already are underground, where all utilities are placed underground, or where statute or ordinance requires utilities to be placed underground. -Previously installed aerial cable shall be undergrounded in concert, and on a reasonable cost-sharing basis, with other utilities pursuant to the general ordinances of the ~~Jurisdictions~~[City/County] or applicable State law, or in the event that an institutional utility or a public utility decides to underground its facilities on a voluntary basis, unless ~~a Jurisdiction~~the [City/County] grants an exception.

14.10 ~~15.13~~ Construction Codes-. Grantee shall strictly adhere to all building and zoning codes currently or hereafter in effect.- Grantee shall arrange its lines, cables, and other appurtenances, on both public and private property, in such a manner as to cause no unreasonable interference with the use of said public or private property by any Person. -In the event of such interference, ~~a Jurisdiction~~the [City/County] may require the removal or relocation of the ~~Grantee's~~Grantee's lines, cables, and other appurtenances from the property in question.

14.11 ~~15.14~~ Construction and Use of Poles.

(A) ~~(A)~~ ~~— In the event Grantee cannot obtain the necessary poles and allied facilities agreements~~Whenever feasible, the construction, maintenance, and use of Grantee's Cable System shall comply with the standards of materials in engineering and all other provisions of a pole user agreement for use of poles, entered into by and between the pole owners and the Grantee, or separate agreements between each of said companies and the Grantee. The [City/County] may request a copy of any pole attachment agreement affecting poles place in the Streets, and Grantee shall not unreasonably refuse such request. In the event Grantee cannot obtain the necessary poles and allied facilities pursuant to the provisions of such an agreement, and only in such event, then it shall be lawful for the Grantee to make all needed excavations in the Streets for the purpose of placing, erecting, laying, maintaining, repairing, and removing poles, conduits, supports for wires and conductors, and any other Facility needed for the maintenance or extension of ~~Grantee's~~Grantee's Cable System.- All poles of the Grantee shall be erected between the curb and the sidewalk unless otherwise designated by the proper ~~Jurisdictional~~[City/County] authorities, and each pole shall be set whenever practicable at an extension of a lot line. ~~A Jurisdiction~~The [City/County] shall have the right to require the Grantee to change the location of any pole, conduit, structure or other Facility within the Streets when in the opinion of the ~~Jurisdiction~~[City/County] the public convenience requires such change, and the expense thereof shall be paid by the Grantee.

~~(B)~~ ~~(B)~~—The terms of ~~this~~ Section ~~15.14(A).11~~ shall not exempt the Grantee from compliance with all ~~Charters, resolutions~~ Charter and ordinance provisions relating to such excavations or construction or from any provision requiring payment of permit or license fees pertaining thereto.

14.12 ~~15.15~~ Tree Trimming.

~~(A)~~—~~Upon obtaining proper permits from~~ Blanket Permit Grantee has received a Jurisdiction, ~~Grantee may prune or cause to be pruned, using proper arboricultural practices in accordance with such programmatic permit, any from Urban Forestry for routine tree or vegetation in or overhanging the Streets which interferes with Grantee's Cable System. Tree and vegetation pruning will only be done in accordance with each Jurisdiction's ordinances, rules and regulations and, if the tree or vegetation is located on private property, with the permission of the property owner.~~

~~(A)~~ ~~(B)~~ A Jurisdiction may, at its own discretion, waive the notification and permit process in the case of single trees, if Grantee adequately demonstrates the ability to consistently apply proper arboricultural practices to the pruning of trees. ~~Before any tree trimming permit may be issued, any contractor to be used by Grantee shall be subject to the approval of the Jurisdiction.~~ maintenance. The ~~Jurisdiction~~ City Forester shall have ~~the~~ discretion to cancel the blanket permit, if, at any time, the Grantee or its agents ~~fails~~ fail to either use proper utility arboricultural practices or to properly notify the public as specified in such blanket permit.

~~(B)~~ Section 16. Emergencies. Notwithstanding the permit and notice requirements of the above-noted blanket permit, in the event of an emergency, Grantee may prune a tree or trees as necessary to abate the emergency. For purposes of this Section 14.12, emergencies exist when it is necessary to prune a tree or trees in order to restore electrical services, or to protect the public from imminent danger, or to prevent the imminent destruction of property.

Section 15. TRANSFER OF GRANTEE'S CABLE SYSTEM

15.1 ~~16.1~~ Transfer Defined. For purposes of this Section ~~16~~ 15, “Transfer” shall mean any form of sale, change in control, conveyance, mortgage, assignment, merger, pledge, encumbrance, deed or grant, in whole or in part, and whether voluntary or involuntary.

15.2 Council Consent. Except
~~16.2~~ Jurisdiction Approval of Transfers. ~~Neither as otherwise provided below, neither~~ this Franchise, nor all or substantially all of Grantee's ~~Cable System located in the Streets by authority of this Franchise~~ Facilities, shall be ~~Transferred~~ sold, leased, assigned, merged or otherwise transferred without the prior written consent of the ~~Jurisdiction~~ [City/County] as expressed by ordinance ~~or resolution,~~ which consent shall not be unreasonably withheld or delayed, except to entities that control, are controlled by, or are under common control with the Grantee. ~~Grantee shall give written notice to the Jurisdiction~~ [City/County] of any Transfers to entities under such common control within ten (10) ~~days~~ days of such transfers. ~~The~~

FINAL DRAFT 10-15-24

~~Jurisdiction's~~[City/County]'s granting of consent in one instance shall not render unnecessary any subsequent consent in any other instance. -Nothing contained in this Franchise shall be deemed to prohibit the mortgage, pledge, or assignment of tangible assets of ~~Grantee's~~Grantee's Cable System for the purpose of financing the acquisition of equipment for or the construction and operation of Grantee's cable system, within or outside the ~~Jurisdictions~~City, without the ~~Jurisdiction's~~City's consent, but any such mortgage, pledge or assignment with respect to Grantee's Cable System shall be subject to the ~~Jurisdiction's~~City's other rights contained in this Franchise.

15.3 ~~16.3~~ Review.

~~(A)~~ (A) — In determining whether the ~~Jurisdiction~~[City/County] will consent to any Transfer, the ~~Jurisdictions~~[City/County] may inquire into the technical, legal, and financial qualifications of the prospective party. -Grantee shall assist the ~~Jurisdiction~~[City/County] in any such inquiry. -The ~~Jurisdiction~~[City/County] may condition any Transfer upon such conditions related to the technical, legal, and financial qualifications of the prospective party to perform according to the terms of this Franchise, as it deems reasonably appropriate or to the resolution of outstanding and unresolved issues of Grantee's noncompliance with the terms and conditions of this Franchise.

~~(B)~~ (B) — No Transfer for which the ~~Jurisdiction's~~[City/County]'s consent by ordinance ~~or resolution~~ is required may occur until the successor, assignee, lessee or transferee has complied with the requirements of ~~Section 14 of~~this Franchise, including, but not limited to, providing certificates of insurance, ~~unless the Jurisdiction waives such compliance by ordinance or resolution.~~ Within ten (10) business days after execution and delivery of any instrument so consented to by the ~~Jurisdiction,~~[City/County], Grantee shall file with the ~~Jurisdiction~~[City/County] Auditor an executed counterpart or certified copy thereof.

15.4 ~~16.4~~ Leases. Grantee shall not lease any portion of its franchised Cable System without the ~~Jurisdiction's~~[City/County]'s prior consent as expressed by ordinance ~~or resolution.~~ However, and notwithstanding Section ~~16~~15.2, Grantee may lease any portion of its Cable System in the ordinary course of its business without otherwise obtaining the ~~Jurisdiction's~~[City/County]'s consent by ordinance ~~or resolution~~, so long as Grantee remains solely responsible for locating, servicing, repairing, relocating or removing such portion of its Cable System. -A lessee of any portion of Grantee's Cable System shall not obtain any rights under this Franchise.

15.5 ~~16.5~~ Sales.

~~(A)~~ (A) — Notwithstanding Section ~~16~~15.2, Grantee may sell portions of its Cable System in the ordinary course of its business, without otherwise obtaining the ~~Jurisdiction's~~[City/County]'s consent by ordinance ~~or resolution~~, so long as Grantee complies with the following conditions:

~~(1)~~ ~~(1)~~—The sale is to the holder of a current existing, cable system franchise, license, permit, or other similar right granted by the ~~Jurisdiction;~~[City/County];

~~(2)~~ ~~(2)~~—Within fourteen (14) days of the sale being executed and becoming final, Grantee shall provide written notice to the ~~Jurisdiction;~~[City/County], describing the portions of the Cable System sold by the Grantee, identifying the purchaser of the Facilities, the location of the Facilities (in accordance with the mapping requirements of Section ~~15~~14.1(B) and providing an executed counterpart or certified copy of the sales documents;

~~(3)~~ ~~(3)~~—Grantee remains solely responsible for locating, servicing, repairing, relocating or removing its remaining Cable System; and,

~~(4)~~ ~~(4)~~—Within fourteen (14) days of the sale being executed and becoming final, the purchaser of such Facilities shall file written notice to the ~~Jurisdiction~~[City/County] that it has assumed sole responsibility for locating, servicing, repairing, relocating or removing the purchased Facilities under the purchaser's current, existing valid cable system franchise, license, permit or other similar right granted by the ~~Jurisdiction.~~[City/County]. The purchaser shall not obtain any of the Grantee's rights under this Franchise.

~~(B)~~ ~~(B)~~—If required by federal law, the ~~Jurisdictions~~[City/County] shall make a final decision upon a proposed Transfer within one hundred twenty (120) days of receiving a written request for approval of a Transfer containing or accompanied by such information as is required by federal law and this Franchise. ~~If the Jurisdictions fail~~[City/County] fails to render a final decision on the request within one hundred twenty (120) days, then the proposed Transfer shall be deemed to be consented to by the ~~Jurisdictions.~~[City/County]. At any time during the one hundred twenty (120) day period, the ~~Jurisdictions~~[City/County] may request in writing that the Grantee provide or cause to provide any information reasonably necessary to rendering a final decision on the request. ~~The Jurisdictions~~[City/County] and the Grantee may, at any time, agree to extend the one hundred twenty (120) day period.

~~(C)~~ ~~(C)~~—Bankruptcy or Dissolution. ~~Grantee shall immediately report to the Jurisdictions;~~[City/County], as soon as it becomes known, the initiation of bankruptcy proceedings, or corporate or partnership dissolution.

~~(D)~~ ~~(D)~~—Consent. ~~No consent by the Jurisdictions;~~[City/County], which is required under this Section, shall be unreasonably denied or delayed.

16.1 ~~17.1~~ ~~Jurisdiction~~ City/County Regulatory Rights.

- (A) ~~(A)~~—The ~~Jurisdictions~~ City/County Council shall be vested with the power and right to reasonably regulate the exercise of the privileges permitted by this Franchise in the public interest.
- (B) ~~(B)~~—Grantee shall not be relieved of its obligations to comply, promptly and completely, with any provision of this Franchise by any failure of the ~~Jurisdictions~~ City/County to promptly enforce compliance with this Franchise.

16.2 ~~17.2~~ ~~Jurisdiction~~ City/County Regulatory Actions. Grantee shall comply with any and all lawful actions of the ~~Jurisdictions~~ City/County affecting ~~Grantee's~~ Grantee's operations under this Franchise, including, without limitation, all orders, contracts, and regulatory actions taken pursuant thereto, in all respects and without exception, so long as such actions do not materially affect the rights of Grantee hereunder. In the event of any direct conflict between ~~Jurisdictions~~ City/County orders and regulatory actions, and the terms of this Franchise, this Franchise shall prevail.

16.3 ~~17.3~~ Right of Intervention. The ~~Jurisdictions~~ City/County shall have the right to intervene in any suit or proceeding to which the Grantee is a party, in the event the ~~Jurisdictions'~~ City/County's rights under this Franchise may be affected thereby.

Section 17. SECTION 18. EQUAL EMPLOYMENT OPPORTUNITY/ AFFIRMATIVE ACTION/ MINORITY BUSINESS ENTERPRISES

17.1 ~~18.1~~ Equal Employment Opportunity.

- (A) ~~(A)~~—Throughout the term of this Franchise, Grantee shall fully comply with the equal employment opportunity requirements of federal, state, and local law, and in particular, FCC rules and regulations relating thereto. Upon request by the ~~Jurisdictions,~~ City/County, Grantee shall furnish the ~~Jurisdictions~~ City/County a copy of the Grantee's Annual statistical report filed with the FCC, along with proof of Grantee's Annual certification of compliance. Grantee shall immediately notify the ~~Jurisdictions~~ City/County in the event Grantee is at any time determined not to be in compliance with FCC rules or regulations.
- (B) ~~(B)~~—Throughout the term of this Franchise, the Grantee shall maintain a policy that all employment decisions, practices, and procedures are based on merit and ability without discrimination on the basis of an individual's race, color, religion or non-religion, age, sex, gender identity, national origin, sexual orientation, limited English proficiency, marital status, family status or physical or mental disability. Grantee's policy shall apply to all employment actions including advertising, recruiting, hiring,

promotion, transfer, remuneration, selection for training, company benefits, disciplinary action, lay-off, and termination.

~~17.2~~ ~~18.2~~ Affirmative Action— Grantee shall carry out its equal employment opportunity policy by making a determined and good-faith effort at affirmative action to employ and advance in employment women, minorities, and the physically and mentally disabled.

~~17.3~~ ~~18.3~~ Minority-Owned, Woman-Owned and Female Emerging Small Business Enterprises— Grantee shall make determined and good faith efforts to use minority-owned, woman-owned and female emerging small business enterprises in its contracted expenditures, including, without limitation, contracts for the acquisition of goods, services, materials, supplies, and equipment used in the construction, maintenance, and operation of its Cable System. ~~If directed by the [City/County], the Grantee shall participate in the [City/County]’s Minority-Owned, Woman-Owned and Emerging Small Business Enterprise Certification Program.~~

Section 18. SECTION 19. FRANCHISE VIOLATIONS AND REMEDIES, EXPIRATION AND RENEWAL

~~18.1~~ ~~19.1~~ Remedies for Franchise Violations.

~~(A)~~ ~~(A)~~—In addition to any rights set out elsewhere in this Franchise, or such other rights as it may possess, the ~~Jurisdictions reserve~~ [City/County] reserves the right at its discretion to apply any of the following remedies, alone or in combination, in the event Grantee violates any material provision of this Franchise.

~~(1)~~ ~~(1)~~—Recover liquidated damages as provided in Section ~~19~~18.1(C);

~~(2)~~ ~~(2)~~—Recover specific damages from all or any part of the security provided pursuant to this Franchise, including without limitation any performance bond, letter of credit or other security, provided, however, the assessment shall be for such amount as the ~~Jurisdictions~~ [City/County] reasonably ~~determine~~ determines is necessary to remedy the violation;

~~(3)~~ ~~(3)~~—Commence litigation seeking recovery of monetary damages or specific performance of this Franchise, as such remedy may be available;

~~(4)~~ ~~(4)~~—Reduce the duration of the term of this Franchise on such basis as is reasonable provided that in no event shall the amount of the term remaining after the reduction be less than three (3) years; or

~~(5)~~ ~~(5)~~ Revoke this Franchise.

~~(B)~~ ~~(B)~~ ~~(1)~~ ~~(1)~~ Grantee shall not be relieved of its obligations to comply promptly with this Franchise by reason of any failure of the Jurisdictions[City/County] to enforce prompt compliance. The Jurisdictions'[City/County]'s failure to enforce shall not constitute a waiver of any term, condition, or obligation imposed upon the Grantee under this Franchise; nor a waiver of rights by the Jurisdictions[City/County] or acquiescence in Grantee's conduct. - A specific waiver of a particular term, condition, or obligation imposed upon Grantee under this Franchise shall not be a waiver of any other or subsequent or future breach of the same or of any other term, condition or obligation. -The acts or omissions of Affiliates are not beyond the Grantee's control, and the knowledge of Affiliates shall be imputed to Grantee.

~~(2)~~ ~~(2)~~ Subject to applicable law, the remedies provided for in this Franchise are cumulative and not exclusive; the exercise of one remedy shall not prevent the exercise of another remedy, or the exercise of any available rights of the Jurisdictions[City/County] at law or equity.

~~(3)~~ ~~(3)~~ No cost or liability to Grantee arising from a breach or violation of this Franchise shall be recovered from Subscribers or be offset against any other sums due to the Jurisdictions[City/County] as a tax, Franchise Fee or otherwise regardless of whether the combination of Franchise Fees and said costs exceeds five percent (5%) of Grantee's Gross Revenues in any twelve (12) month period.

~~(C)~~ ~~(C)~~ Liquidated Damages.

~~(1)~~ ~~(1)~~ The Jurisdictions[City/County] and Grantee recognize that delays, expense and unique difficulties would be involved in establishing actual losses suffered by the Jurisdictions[City/County] and the public as a result of the Grantee's violation of certain aspects of this Franchise. - To that end and subject to Grantee's right to notice and the opportunity to cure as provided in Section ~~19~~18.2, the Jurisdictions[City/County] may assess liquidated damages as set forth in the categories below. -Instead of requiring proof of actual damages, the Jurisdictions[City/County] and Grantee agree that Grantee shall pay liquidated damages in these amounts to the Jurisdictions[City/County] for any violation of the categories listed below. - The parties agree that such amounts are a reasonable estimate of the actual damages (including increased costs of administration and other damages difficult to measure) the Jurisdictions[City/County] and the public would suffer in the event of Grantee's breach such provisions of this Franchise. -The election of liquidated damages for an incident shall be the Jurisdictions'[City/County]'s sole and complete remedy as to that incident. - The parties agree that such liquidated

damages shall be considered as a reasonable estimation of the actual and potential damages suffered for violations of these categories:

~~(a)~~ ~~(a)~~ For any failure to provide data, documents, reports or information as provided in the Franchise ~~-\$700-~~ five hundred dollars (\$500) per day or per violation, up to a total of \$twenty thousand dollars (\$20,000) during any rolling twelve (12) month period;

~~(b)~~ ~~(b)~~ For any failure to comply with FCC technical standards, any emergency alert standards or any back-up power requirements ~~-\$700-~~ one thousand dollars (\$1,000) per day or per violation, up to a total of \$forty thousand dollars (\$40,000) during any rolling twelve (12) month period;

~~(c)~~ ~~(e)~~ Failure to provide PEG Channels and/or PEG/~~I-Net~~ capital support payments required by this Franchise ~~-\$700-~~ one thousand dollars (\$1,000) per day or per violation, up to a total of \$forty thousand (\$40,000) during any rolling twelve (12) month period;

~~(d)~~ ~~(d)~~ Failure to ~~provide I-Net in compliance~~ comply with the ~~provisions of this Franchise~~ ~~-\$700~~ customer service standards and reports ~~-\$700-~~ one thousand dollars (\$1,000) per day or per violation, up to a total of \$forty thousand dollars (\$40,000) during any rolling twelve (12) month period;

~~(e)~~ ~~(e)~~ ~~Failure to comply with customer service standards and reports~~ ~~-\$700~~ Violation of any other provision of the Franchise ~~-\$700-~~ one thousand dollars (\$1,000) per day or per violation, up to a total of ~~\$40~~ twenty thousand dollars (\$20,000) during any rolling twelve (12) month period.

~~(f)~~ ~~Violation of any other provision of the Franchise~~ ~~-\$700~~ per day or per violation, up to a total of \$20,000 during any rolling twelve (12) month period.

~~(2)~~ ~~(2)~~ The Commission, acting on behalf of the ~~Jurisdictions,~~ [City/County], may determine that the actual and potential harm to the public is greater than the amounts agreed to by the parties as liquidated damages, taking into account the nature and extent of the violation, whether there has been a pattern or practice of repeated violations of the same nature resulting in increased costs of administrative oversight by staff and the Commission, and the harm to the public or individual subscribers. ~~-Any~~ liquidated damages exceeding the amounts set forth in Section ~~19~~ 18.1(C)(1)

may be submitted to Arbitration in accordance with the provisions of Section ~~20~~19.2 of this Franchise

~~(3) Effective January 1, 2017, maximum liability for each category of damages set forth in Section 19.1(C)(1)(a) through (f) above shall increase by 15%, so that, by way of example and not limitation, where the maximum liability in a twelve month rolling period is \$20,000, that limit shall increase to \$23,000 for each remaining year of the Franchise term.~~

~~(3)~~ (4) The assessment and recovery of liquidated damages will not constitute a waiver by the ~~Jurisdictions~~[City/County] of any other right or remedy it may have under the Franchise or applicable law as to subsequent incidents. However, should the [City/County] elect to pursue liquidated damages, that remedy shall be the sole remedy available until the [City/County] has recovered the maximum amount available in any rolling twelve (12) month period. If after the maximum amount has been reached and Grantee has not cured or commenced to cure the alleged breach to the satisfaction of the City, the City may pursue all other remedies. The assessment and recovery of liquidated damages for a particular violation will substitute for the recovery of actual damages for the period of the assessment.

~~(4)~~ (5) The amounts specified herein shall be charged and collected by the Commission only as a common fund and not an individual or per member basis.

~~(5)~~ Liquidated damages pursuant to this Section shall not be collected prior to the expiration of Grantee's 30-day period to correct the violation as specified in Section 18.2. Should the violation not be cured or corrected, the [City/County] may, at its discretion, assess liquidated damages from the point at which the pertinent violation commenced.

~~(6)~~ Each violation of any material provision of this Franchise shall be considered a separate violation for which separate liquidated damages may be imposed. -Grantee's obligations under this Franchise relating to PEG Access Channels, PEG/I-Net Capital support, I-Net, franchise fees, customer service standards and reports, and reports and records contained in Section ~~13~~12 shall at all times be considered material provisions. -Enumeration of material Franchise provisions set forth in this Section ~~20~~18.1(C)(5) is not exhaustive and shall not be invoked under any guideline for contract interpretation to narrow the scope of other material terms, violation of which would be a material breach of this Franchise. ~~After the imposition of liquidated damages~~Subject to subsections (4) and (6) herein, if Grantee has not cured or commenced to cure the alleged breach to the satisfaction of the ~~Jurisdictions~~[City/County], the ~~Jurisdictions~~[City/County] may pursue any other remedies available under this Franchise or applicable law.

~~(D)~~ ~~(D)~~—In determining which of the remedies available under this Franchise is appropriate, the ~~Jurisdictions~~[City/County] may consider, among other things: (1) the nature and extent of the violation; (2) whether Grantee has had a history of similar violations; (3) the damage suffered by the public and the cost of remedying the violation; and (4) such other factors as the ~~Jurisdictions~~[City/County] may deem appropriate.

~~(E)~~—The ~~Jurisdictions~~ may shorten the term of this Franchise or revoke this Franchise in the manner described in Sections 20.1(A)(4) and (5) upon the occurrence of any of the following acts or events:

~~(1) Any failure to comply with the requirements of Section 14 of this Franchise, including but not limited to, any failure to provide uninterrupted insurance or performance bonds;~~

~~(2) Grantee is found by a court of competent jurisdiction to have practiced any fraud upon the Jurisdictions; or~~

~~(3) Grantee fails to obtain and maintain any permit, franchise or license required by any federal or state regulatory body affecting Grantee's authority to own or operate a Cable System within the Jurisdictions.~~

~~(E)~~ ~~(F)~~—Except for the remedies specified in Section ~~2018~~.1(A)(3), in addition to its other rights and remedies as set forth in this Franchise, the ~~Jurisdictions~~[City/County] shall have the right to revoke this Franchise after the appointment of a receiver or trustee to take over and conduct the Grantee's business, or the initiation of receivership, reorganization, insolvency or other similar action or proceeding, unless Grantee, its receiver or trustee timely and fully perform all obligations, until such time as this Franchise is either rejected or assumed by Grantee, its receiver or trustee.

~~(F)~~ ~~(G)~~—Except for liquidated damages as provided in Section ~~2018~~.1(C), in the event that the ~~Jurisdictions~~ make[City/County] makes a preliminary determination that the Grantee has violated this franchise, the ~~Jurisdictions~~[City/County] shall commence a contested case proceeding under the rules adopted by the ~~Jurisdictions~~.[City/County]. The ~~Jurisdictions~~'s[City/County]'s final determination, following a contested case proceeding, may be appealed to the ~~Jurisdiction's governing body~~.[City/County] Council. The ~~Jurisdiction's governing body~~[City/County] Council shall consider the appeal, under rules established by the ~~Jurisdictions~~[City/County] Council, based on the record established in the contested case proceeding.

~~18.2~~ ~~19.2~~ Notice and Opportunity to Cure.

~~(A)~~ ~~(A)~~—The ~~Jurisdictions~~[City/County] shall give Grantee thirty (30) ~~calendar~~ days prior written notice of its intent to exercise any of its rights under Section ~~1918~~.1, identifying the reasons for such action.

~~(B)~~ ~~(B)~~—If Grantee removes or otherwise cures the asserted violation constituting the stated reason within the thirty (30) calendar day notice period, or if cure is not reasonably possible within the thirty (30) calendar day period and the Grantee initiates good faith efforts satisfactory to the Jurisdictions[City/County] within the thirty (30) calendar day period to cure the asserted violation constituting the stated reason and the efforts continue in good faith, the Jurisdictions[City/County] shall not exercise its rights under this Section ~~19.1~~18.

~~(C)~~ ~~(C)~~—If Grantee fails to remove or otherwise cure the asserted violation constituting the stated reason within the thirty (30) calendar day notice period, or if the Grantee does not undertake and continue efforts satisfactory to the Jurisdictions[City/County] to remedy the stated reason, then the Jurisdictions[City/County] may exercise any or all of the remedies available under Section ~~19~~18.1 or such other rights as the Jurisdictions[City/County] may possess.

~~18.3~~ ~~19.3~~—Minor Variances— The Jurisdictions[City/County] may, upon request of the Grantee or its own motion, permit the Grantee to vary its manner of performance under this Franchise so long as the variance does not result in a substantial change in the terms of this Franchise or a substantial reduction in the services to be provided.

~~18.4~~ ~~19.4~~—Expiration.

~~(A)~~ ~~(A)~~—Upon the expiration of this Franchise, subject to 47 U.S.C. § 546 and other applicable federal, state or local laws, the Jurisdictions[City/County] shall have the right, at its election, to:

~~(1)~~ ~~(1)~~—Renew or extend Grantee’s Franchise;

~~(2)~~ ~~(2)~~—Invite additional proposals and award a Franchise to another Person;

~~(3)~~ ~~(3)~~—Decline to grant a renewed franchise; or

~~(4)~~ ~~(4)~~—Take such further action as the Jurisdiction[City/County] deems appropriate.

~~(B)~~ ~~(B)~~—Until such time as the Jurisdiction[City/County] exercises its rights under this Section ~~19~~18.4, the Grantee’s rights and responsibilities within the Jurisdiction[City/County] shall be controlled by the terms of this Franchise.

~~18.5~~ ~~19.5~~—Removal of Plant and Equipment. If the Jurisdiction[City/County] has revoked this Franchise as provided in Section ~~19~~18.1, or if this Franchise has expired without being renewed or extended, or in the event of the Jurisdiction’s[City/County]’s⁹⁸ purchase, lease-purchase, condemnation, acquisition,

FINAL DRAFT 10-15-24

taking over or holding of plant and equipment, all of Grantee's rights under this Franchise shall immediately cease and be divested. -Thereafter, except as provided in this Section, or as otherwise provided by ordinance ~~or resolution~~, the Grantee shall remove its Facilities from the Streets and restore the Streets to the standards provided in Section ~~15.414.3~~. In the event of a failure by the Grantee to properly perform such work, then the ~~Jurisdiction~~[City/County] may perform the work and collect the cost thereof from the Grantee.- The cost thereof shall be a lien upon the system of the Grantee and a set-off against any sums owed Grantee by ~~the Jurisdiction~~.[City/County]. Grantee shall have no obligation to remove portions of the Cable System where it utilizes those portions of the system to provide other non-Cable Services and has specific authority under Applicable Law to maintain facilities in the public rights-of-way. Grantee may also maintain pertinent facilities in the rights of way if Grantee is able to find a purchaser of the Cable System who holds a lawful authorization to provide services, subject to the [City/County]'s rights under Section 16 and 47 USC Section 547.

Section 19. ~~SECTION 20.~~ MISCELLANEOUS PROVISIONS19.1 ~~20.1~~ Compliance with Laws.

- (A) ~~(A)~~—Both Grantee and the ~~Jurisdictions~~[City/County] shall comply with all applicable federal and state laws.
- (B) ~~(B)~~—Grantee shall comply with all applicable ~~Jurisdiction~~[City/County] ordinances, resolutions, rules and regulations adopted or established pursuant to the ~~Jurisdiction's~~[City/County]'s lawful authority.
- (C) ~~(C)~~—Nothing in this Franchise is intended to authorize the Grantee to engage in any activity constituting a violation of federal or state antitrust laws, including, but not limited to, the Sherman Act, the Clayton Act, the Robinson-Patman Act or any related amendments or regulatory provisions.
- (D) ~~20.2~~ To the extent that any Order of the FCC materially impacts any provision of this Franchise, the parties hereto agree to meet and address any necessary modifications to such Franchise provision.

19.2 Arbitration.

- (A) ~~(A)~~—Any dispute between the parties hereto, including but not limited to disputes or controversies arising from or related to interpretation of this Franchise, may be arbitrated provided that both parties consent in writing to the arbitration. -Such arbitration will be final and binding, and the parties shall have no right to appeal from the ~~arbitrator's~~arbitrator's decision.
- (B) ~~(B)~~—A ~~Jurisdiction~~The [City/County] may initiate arbitration by resolution of its [City/County] Council, while Grantee may choose to initiate arbitration by sending written notice to the ~~Jurisdiction~~.[City/County].

~~(C)~~ ~~(C)~~—After arbitration has been initiated, the ~~Jurisdiction~~[City/County] and Grantee may agree that one arbitrator may conduct the arbitration. -If the parties are unable to agree upon the identity of the arbitrator within ~~twenty~~ (20) days after the arbitration has been initiated, the arbitrator shall be selected by the presiding civil judge of the Multnomah County Circuit Court.

~~(D)~~ ~~(D)~~—If either the ~~Jurisdiction~~[City/County] or Grantee does not consent to having one arbitrator conduct the arbitration, the arbitration shall be conducted by three arbitrators, who shall be selected as follows:

~~(1)~~ ~~(1)~~-If the ~~Jurisdiction~~[City/County] initiates arbitration, the ~~Jurisdiction~~[City/County] shall select one arbitrator and Grantee by written notice shall select one arbitrator within ~~fifteen~~ (15-) days after passage of the resolution.- If Grantee initiates arbitration, it shall identify its selected arbitrator in its written notice, and the ~~Jurisdiction~~[City/County] shall select one arbitrator, within ~~fifteen~~ (15-) days after receiving the notice.

~~(2)~~ ~~(2)~~-The two selected arbitrators shall select a third arbitrator within ~~fifteen~~ (15-) days after the appointment of the second arbitrator.- If the two arbitrators are unable to agree upon a third arbitrator within the time limit, the third arbitrator shall be appointed by the presiding civil judge of the Multnomah County Circuit Court.

~~(E)~~ ~~(E)~~—After selection of the arbitrator(s), the arbitrator(s) shall take an oath to serve neutrally and impartially. -The arbitrator(s) shall then schedule a date, time and place for the arbitration hearing. -The hearing shall occur not less than ~~one hundred twenty~~ (120-) days after the appointment of the arbitrator (or the third arbitrator, if three arbitrators are used), unless extended by mutual agreement of the ~~Jurisdiction~~[City/County] and Grantee. -The arbitrator(s) shall make a written report to the ~~Jurisdiction~~[City/County] and Grantee on the final determination within ~~sixty~~ (60-) days after completion of the hearing.- If the arbitration is conducted by three arbitrators, the determination of a majority of the arbitrators shall constitute a final, binding arbitration determination.

~~(F)~~ ~~(F)~~—Once initiated by the parties, the arbitration shall be conducted according to the Uniform Arbitration Act, ORS 36.600 to ORS 36.470 (2009).

~~(G)~~ ~~(G)~~—The ~~Jurisdiction~~[City/County] and Grantee shall share equally the fees and costs of the arbitrator(s).

~~(H)~~ ~~(H)~~—In any arbitration proceeding regarding a modification of this Franchise, initiated under Section ~~2019~~.15, Section ~~2019~~.16 or Section ~~2019~~.8, the arbitrator(s)

may order a modification of the Franchise in response to the events and circumstances initiating the arbitration proceeding. -The arbitrator(s) shall attempt to modify the Franchise so that the net rights and obligations of the Jurisdiction[City/County] and the Grantee remain substantially the same after the modification as they were prior to the events and circumstances leading to the arbitration proceeding. -The party seeking the modification shall have the burden of establishing how the net rights and obligations remain substantially the same. -If the arbitrator(s) determine that it is not possible to so modify the franchise, then they shall make a finding so stating in their final determination and instead shall modify the franchise to provide as fair a balancing of the rights and obligations of the Jurisdiction[City/County] and the Grantee as they are reasonably able to achieve in relation to the balancing of rights and obligations under the franchise prior to modification.

19.3 ~~20.3~~ Mediation.

(A) ~~(A)~~—The Jurisdictions[City/County] and Grantee agree that should any dispute arise between the parties concerning any aspect of this Franchise which is not resolved by mutual agreement of the parties, and unless either party believes in good faith that injunctive relief is warranted, -the dispute may be submitted to mediated negotiation prior to any party commencing litigation. -In such event, the Jurisdiction[City/County] and Grantee may agree to participate in good faith in a non-binding mediation process. The mediator shall be selected by mutual agreement of the parties.- In the absence of such mutual agreement, each party shall select a temporary mediator, and those mediators shall jointly select a permanent mediator. -If the Jurisdiction[City/County] and Grantee are unable to successfully conclude the mediation within 45 days from the date of the selection of the mediator, either party may terminate further mediation by sending written notice. -After written termination notice has been received by the other party, either party may request arbitration, as set forth in Section 2019.2, or may pursue any other available legal remedies.- All costs associated with mediation shall be borne, equally and separately, by the parties.

(B) ~~(B)~~—In any mediation regarding a modification of this Franchise, regarding disputes between the parties under Section 2019.15, Section 2019.16 or Section 2019.8, the Jurisdiction[City/County] and the Grantee agree that they shall attempt, in good faith, to agree to modifications to the Franchise so that the net rights and obligations of the Jurisdiction[City/County] and the Grantee remain substantially the same after the modification, as they were prior to the events and circumstances leading to the mediation proceeding.

19.4 ~~20.4~~ Continuity of Service-. Grantee agrees that all Residential Subscribers shall receive all available Cable Services insofar as their financial and other obligations to the Grantee are honored. -In the event that the Grantee elects to modify or sell its Cable System, the Grantee shall make a good faith effort to ensure that all Residential Subscribers receive continuous, uninterrupted service regardless of the circumstances during the term of this Franchise. -In the event of purchase, lease-purchase, condemnation, acquisition, taking over or holding of plant and equipment, including subsequent assignment, sale, lease or

FINAL DRAFT 10-15-24

other transfer to any other Person, the Grantee shall operate the Cable System for such reasonable periods as are necessary to maintain continuity of Cable Service to all Residential Subscribers.

19.5 ~~20.5~~ Severability and Survivability-. If any Section, provision or clause of this Franchise is held by a court of competent jurisdiction to be invalid or unenforceable, or is preempted by federal or state laws or regulations, the remainder of this Franchise shall not be affected, ~~except as is otherwise provided in Section 20.15~~-. All provisions concerning indemnity shall survive the termination of this Agreement for any cause.- Expiration or termination of this Franchise shall not extinguish, prejudice or limit either party's right to enforce this Franchise with respect to any default or defect in performance that has not been corrected.

19.6 ~~20.6~~ No Recourse against Jurisdictions-.~~[City/County]~~. To the extent provided by law, ~~Grantee's~~Grantee's recourse against the ~~Jurisdictions~~[City/County] or its officials, boards, commissions, agents or employees for any claim arising from any provision or requirement of this Franchise shall be limited to injunctive relief and declaratory relief.

19.7 ~~20.7~~ Nonenforcement by the Jurisdictions-.~~[City/County]~~. Grantee shall not be relieved of its obligations to comply with any of the provisions of this Franchise by reason of any failure of the ~~Jurisdictions~~[City/County] to enforce prompt compliance, nor ~~does~~ the ~~Jurisdictions~~[City/County] waive or limit any of its rights under this Franchise by reason of such failure or neglect. ~~The Jurisdiction's governing body~~The [City/County] Council shall be vested with the power and authority to reasonably regulate the exercise of the privileges permitted by this franchise in the public interest.

19.8 ~~20.8~~ Action by Agencies or Courts-. Grantee shall promptly notify the ~~Jurisdictions~~[City/County] in the event that any agency of the federal government or the State of Oregon or any court with competent jurisdiction requires the Grantee to act inconsistently with any provisions of this Franchise. -Upon receipt of such notification, the ~~Jurisdictions~~[City/County] or the Grantee may determine if a material provision of this Franchise has been affected. -Upon such determination, the ~~Jurisdictions~~[City/County] or the Grantee may seek to modify or amend this Franchise, pursuant to Section ~~20~~19.15, as may be necessary to carry out the ~~parties'~~parties' intentions and purposes under this Franchise.

19.9 ~~20.9~~ Choice of Forum-. Any litigation between the ~~Jurisdictions~~[City/County] and the Grantee arising under or regarding this Franchise shall occur, if in the state courts, in the Multnomah County Court having jurisdiction thereof, and if in the federal courts, in the United States District Court for the District of Oregon, Portland Division.

19.10 ~~20.10~~ Choice of Law-. This Franchise shall be governed by and construed in accordance with the laws of the State of Oregon, even if Oregon's choice of law rules would otherwise require application of the law of a different state.

19.11 ~~20.11~~ Notice-. ~~Any notice~~-. General day-to-day communications between the parties, can be sent by electronic mail. Sample customer billings, notices regarding service and price changes and other similar communications required under this Franchise must be provided for in writing but may be preceded by an electronic communication if necessary to meet Franchise deadlines. All notices to, and other written

~~communication between, the parties~~ under this Franchise shall be ~~suffieient if in writing and: (1) delivered personally to the following addressee; (2) deposited in the United States Mail, postage prepaid, deemed to be received five (5) business days after being sent by pre-paid first-class certified mail, return receipt requested; (3) sent by overnight or commercial courier (such as Federal Express); or, (4) sent by faesimile transmission addressed as follows, or to such other address as the receiving party hereafter shall specify in writing; or the same business day if transmitted during regular business hours by electronic communication (or the first business day after being sent if transmitted outside of regular business hours or on a weekend or legal holiday); or upon receipt when sent by reliable expedited courier services which provide written evidence of delivery. Except as otherwise provided in this Section 19.11, all notices and written communication shall be sent to the parties as set forth below, or to such other places as they may designate by like notice from time to time.~~

If to the ~~Jurisdictions: [City/County]:~~ _____ Office for Community Technology

_____ City of Portland, Oregon

_____ 1120 SW 5th Ave., ~~Rm 1305~~

_____ Suite 405

_____ Portland, OR 97204

With a copy to: ~~MHCRC Attorney's~~ City Attorney's Office

_____ Room 430, City Hall

_____ 1221 SW 4th Avenue

_____ Room 430

_____ Portland, Oregon -97204

_____ FAX No. (503) 823-3089

If to the Grantee:- Comcast Cable

Attention: Government Affairs

_____ ~~9605~~

_____ ~~11308 SW Nimbus Ave.~~

_____ ~~Beaverton 68th Parkway~~

_____ ~~Tigard, OR 97008 97223~~

~~With a copy to: Comcast Cable~~

_____ ~~Attention: Government Affairs~~

_____ ~~15815 25th Ave. West~~

_____ ~~Lynwood, WA 98087~~

FINAL DRAFT 10-15-24

~~Any such notice, communication or delivery shall be deemed effective and delivered upon the earliest to occur of: 1) actual delivery; three (3) business days after depositing in the United States mail as aforesaid; 2) one (1) business day after shipment by commercial courier as aforesaid; or 3) the same day as facsimile transmission (or the first business day thereafter if faxed on a Saturday, Sunday or legal holiday).~~

19.12 ~~20.12~~ Reasonability of Actions-. In any matter provided for in this Franchise involving discretionary acts by the Jurisdictions[City/County] or the Grantee, including but not limited to the giving of consent, approval or instructions, the parties agree that they will each act in a manner that is reasonable under the circumstances.

19.13 ~~20.13~~ Force Majeure.

(A) ~~(A)~~—For purposes of this Franchise, the term “Force Majeure” shall mean acts of God, landslides, earthquakes, lightning, fires, hurricanes, volcanic activity, storms, floods, washouts, droughts, civil disturbances, pandemics, acts of terrorism or of the public enemy, strikes, explosions, lockouts or other industrial disturbances, insurrections, public riots, ~~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 other similar events which are not reasonably within the control of the distressed party.

(B) ~~(B)~~—If either party is wholly or partially unable to carry out or perform its obligations under this Franchise as a result of Force Majeure, the distressed party shall not be deemed in violation or default during the duration of the Force Majeure. ~~The distressed party shall take immediate and diligent steps to comply as soon as possible under the circumstances, and shall take all necessary corrective steps to remedy as expeditiously as possible the non-compliant responsibilities and duties affected by the Force Majeure. -The distressed party shall give prompt notice of such Force Majeure, describing the same in reasonable detail. The distressed party’s obligations under this Franchise shall not be deemed in violation or default for the duration of the Force Majeure. -In the event that delay in performance or failure to perform affects only part of the distressed party’s capacity to perform, the distressed party shall perform to the extent that it is reasonably able to do so. -Force Majeure shall not apply to any obligations under this Franchise for the payment of ~~monies due-~~ franchise fees, PEG fees and other pertinent fees. The acts or omissions of Affiliates are not beyond the Grantee’s control, and knowledge of Affiliates shall be imputed to Grantee.~~

19.14 ~~20.14~~ Integration and Written Modification-. Except as otherwise expressly provided within this Franchise, this Franchise contains the entire agreement between the Jurisdictions[City/County] and the Grantee. ~~-Any prior franchise agreements between the Jurisdictions[City/County] and the Grantee shall be superseded upon the effective date of this Franchise.- This Franchise may not be altered or modified orally but only by an instrument in writing executed by duly authorized representatives of the Jurisdictions[City/County] and the Grantee.~~

19.15 ~~20.15~~ Changes in Law or Unenforceability of Franchise Provisions.

- (A) ~~(A)~~—The Jurisdictions[City/County] and Grantee have entered into this Franchise under the federal and state laws in effect on the effective date of this Franchise. -The Jurisdictions[City/County] and the Grantee reserve the right to request modifications to this Franchise, under Section 2019.15(B), to account for changes in the law during the term of this Franchise. -The Jurisdictions[City/County] and the Grantee also reserve the right to request modifications in this Franchise, under Section 2019.15(B), if any provision of this Franchise becomes, or is declared, invalid or unenforceable.
- (B) ~~(B)~~—Upon written notice from either party, the Jurisdictions[City/County] and the Grantee may voluntarily agree, under Section 2019.15(A), to participate in a non-binding mediation proceeding under Section 20.3 to mediate, in good faith, modifications to the terms and conditions of this Franchise. -The written request shall specifically identify the particular reasons under Section 2019.15 (A) for the modification sought by the requesting party. -In the mediation proceeding, the Jurisdictions[City/County] and the Grantee shall attempt, in good faith, to agree to modifications to the Franchise so that the net rights and obligations of the Jurisdictions[City/County] and the Grantee remain substantially the same after the modification, as they were prior to the events and circumstances leading to the mediation proceeding. -If the Jurisdictions[City/County] and Grantee are unable to successfully conclude the mediation within ninety (90) days from the date of the written notice requesting the mediation proceeding, the parties may agree to submit the matter to arbitration as set forth in Section 2019.2.

19.16 ~~20.16~~ Renegotiation.

- (A) ~~(A)~~—If any provision of this Franchise becomes invalid or unenforceable and the Jurisdictions[City/County] Council or the Grantee expressly finds that such provision constituted a consideration material to this Franchise, then the Jurisdictions[City/County] and the Grantee shall renegotiate the terms of this Franchise, subject to the mediation procedures of Section 2019.3. The party seeking renegotiation shall serve on the other party written notice of a request to mediate. The parties shall have ninety (90) days to conduct and complete the renegotiation. If the Jurisdictions[City/County] and the Grantee cannot successfully conclude the renegotiation within ninety (90) days from the date of the mediation request is served upon the other party, the matter may be submitted to arbitration under Section 2019.2.
- (B) ~~(B)~~—By mutual agreement, the Jurisdictions[City/County] and the Grantee may meet at any time during the term of this Franchise to review and renegotiate matters of concern or interest to either of them. The topics of such renegotiation shall be stated in writing by each party prior to such meeting, but each party may include any topic or concern arising under this Franchise or otherwise.

Section 20. SECTION 21. WRITTEN ACCEPTANCE

~~20.1~~ 21.1 Written Acceptance. On or before thirty (30) days after this Franchise becomes effective, Grantee shall file with the ~~Jurisdiction's Clerk~~[City/County] Auditor's Office a written acceptance of this Franchise duly executed by the Grantee, in the form provided in Exhibit F to this Franchise. Such acceptance shall be unqualified and shall be an acceptance of all the terms, conditions and restrictions contained in this Franchise.

~~20.2~~ 21.2 Failure to File Acceptance. Any failure on the part of the Grantee to file such written acceptance within such time shall be deemed an abandonment and rejection of the rights and privileges conferred by this Franchise, and this ~~Franchise ordinance~~ shall thereupon be null and void.

~~21.3~~ Execution in Counterparts. ~~The Jurisdictions may executed this Franchise in the signature blocks provided below in any number of separate counterparts, any one of which shall constitute an agreement between and among the Jurisdictions and the Grantee.~~

JURISDICTIONS:

City of Fairview

Entered into this 7th day of December, 2011

Attest:

Mayor _____ City Recorder

City of Gresham

Entered into this 15th day of November, 2011

Mayor _____ City Manager

Multnomah County

Entered into this 17th day of November, 2011

Reviewed by:

County Chair _____ County Counsel

FINAL DRAFT 10-15-24

City of Troutdale

Entered into this 8th day of November, 2011

Attest:

Mayor City Recorder

City of Wood Village

Entered into this 8th day of November, 2011

Attest:

Mayor City Recorder

FINAL DRAFT 10-15-24

**Franchise Agreement For
Cable Services Between
Comcast of Oregon II, Inc.
And
[City/County], Oregon Effective [_____]**

TABLE OF CONTENTS

	Page
Section 1. NATURE AND TERM OF GRANT.....	1
1.1 Grant of Franchise.....	1
1.2 Term of Franchise.....	1
1.3 Effective Date.....	1
1.4 Non-Exclusive Franchise; Competitive Parity.....	1
1.5 Charter and General Ordinances.....	4
Section 2. INTERGOVERNMENTAL AGREEMENT/ CABLE REGULATORY COMMISSION	4
2.1 Intergovernmental Agreement.....	4
Section 3. DEFINITIONS.....	4
3.1 (A) Captions.....	4
(B) Definitions.....	4
3.2 “Access”.....	5
(A) “Public Access”, “Educational Access”, and “Government Access”.....	5
(B) “PEG Access”.....	5
3.3 “Access Channel”.....	5
3.4 “Access Resources”.....	5
3.5 “Activation” or “Activated”.....	5
3.6 “Affiliated Entity”.....	5
3.7 “Annual” or “Annually”.....	5
3.8 “Basic Service”.....	5
3.9 “Broadcast Channels”.....	5
3.10 “Cable Regulatory Commission”.....	5
3.11 “Cable Services”.....	5
3.12 “Cable System”.....	5
3.13 “Capacity”.....	6
3.14 “Capital” or “Capital Costs”.....	6
3.15 “Channel”.....	6
3.16 “Designated Access Provider”.....	6
3.17 “Downstream”.....	6
3.18 “Dwelling Unit”.....	6
3.19 “Facility”.....	6
3.20 “FCC”.....	6
3.21 “Fiber”.....	6
3.22 “Franchise Area”.....	6
3.23 “Gross Revenues”.....	6
3.24 “Hazardous Substances”.....	8
3.25 “Headend”.....	8
3.26 “Interconnect” or “Interconnection”.....	8
3.27 “Parent Corporation”.....	8
3.28 “Pay Service”.....	8

TABLE OF CONTENTS
(continued)

	Page
3.29 “Person”	8
3.30 “Programmer”	8
3.31 “Programming”	9
3.32 “Record”	9
3.33 “Residential Network”	9
3.34 “Residential Subscriber”	9
3.35 “Section”	9
3.36 “Signal”	9
3.37 “Streets”	9
3.38 “Subscriber”	9
3.39 “Upstream”	9
Section 4. FRANCHISE AREA	9
4.1 Cable Services	9
Section 5. PEG ACCESS	9
5.1 Designated PEG Access Providers.	9
5.2 Access Channel Capacity on the Residential Network	10
5.3 Access Channel Assignments.	12
5.4 Access Interconnections.....	13
5.5 Live Programming Origination Capabilities.....	14
5.6 Change in Technology	15
5.7 Change in Designated Access Provider Location.....	16
5.8 Technical Quality.....	16
5.9 Recognition of Grantee for PEG Contributions.....	16
5.10 Video on Demand.	16
5.11 Detailed Access Program Listings on the Digital Guide.	17
Section 6. PEG ACCESS CAPITAL FUNDING	17
6.1 PEG Capital Fee.....	17
6.2 Payments	18
6.3 Quarterly Reports.....	18
6.4 Interest on Late Payments.....	18
6.5 PEG Access Support not Franchise Fees.....	18
6.6 Review of Records.....	18
Section 7. SERVICE	19
7.1 Non-Discriminatory Rates and Charges	19
7.2 Standard Installation	19
7.3 Non-Standard Installations.....	19
7.4 Connection of Public Facilities.....	20
Section 8. CABLE SYSTEM UPGRADE(S)	21
8.1 Technology Assessment.....	21

TABLE OF CONTENTS
(continued)

	Page
Section 9. CONSUMER PROTECTION.....	21
9.1 City/County’s Cable Television Consumer Protection Policy.....	21
9.2 Subscriber Contracts	22
9.3 Obscenity	22
9.4 Parental Control Device.....	22
9.5 Regulation of Rates and Charges-Reservation of Rights.....	22
9.6 Rate Discrimination	22
9.7 Filing of Rates and Charges.....	22
9.8 Changes in Rates and Charges.....	23
9.9 ADA Accessible Equipment and Services.....	23
9.10 Discriminatory Practices.....	23
9.11 Unauthorized Monitoring or Cable Tapping.....	23
9.12 Privacy	23
9.13 Permission of Property Owner or Tenant	23
9.14 Sale of Subscriber Lists and Personalized Data.....	24
9.15 Contact Information on Subscribers’ Bills	24
Section 10. RESIDENTIAL NETWORK.....	24
10.1 Channel Capacity.....	24
10.2 Leased Access Channels.....	24
10.3 Technical and Safety Standards.....	24
10.4 Performance Testing.....	25
10.5 Specific Technical Facilities or Capabilities.....	26
10.6 Quality and Workmanship.....	26
10.7 Inspection of Construction.....	26
Section 11. COMPENSATION AND AUDITING.....	26
11.1 Amount of Compensation.....	26
11.2 Payments and Quarterly Reports.....	26
11.3 Interest on Late Payments.....	27
11.4 Bundled Services	27
11.5 Cost of Publication.....	27
11.6 Maximum Legal Compensation.....	27
11.7 Acceptance of Payment and Recomputation	27
11.8 Audits and Reviews.....	27
11.9 Liability for Licenses and Taxes.....	28
Section 12. RECORDS AND REPORTS.....	28
12.1 Open Records.....	28
12.2 Information and Reports	29
12.3 General Reports	30
12.4 Reports of Regulatory Violations	30
12.5 Public Records.....	30

TABLE OF CONTENTS
(continued)

	Page
Section 13. GENERAL INDEMNIFICATION AND INSURANCE.....	31
13.1 Indemnification.....	31
13.2 Insurance.....	31
13.3 Faithful Performance Bond.....	33
Section 14. GENERAL STREET USE AND CONSTRUCTION	34
14.1 Construction.....	34
14.2 Relocation	34
14.3 Restoration of Streets.....	35
14.4 Maintenance and Workmanship.....	35
14.5 Acquisition of Facilities.....	35
14.6 New Construction.....	36
14.7 Discontinuing Use of Facilities.....	36
14.8 Hazardous Substances.....	37
14.9 Undergrounding of Cable	37
14.10 Construction Codes.....	37
14.11 Construction and Use of Poles.....	37
14.12 Tree Trimming.....	38
Section 15. TRANSFER OF GRANTEE’S CABLE SYSTEM	38
15.1 Transfer Defined.....	38
15.2 Council Consent.....	38
15.3 Review.....	38
15.4 Leases.....	39
15.5 Sales.....	39
Section 16. CITY/COUNTY REGULATORY AUTHORITY	40
16.1 City/County Regulatory Rights.....	40
16.2 City/County Regulatory Actions.....	40
16.3 Right of Intervention.....	40
Section 17. EQUAL EMPLOYMENT OPPORTUNITY/ AFFIRMATIVE ACTION/ MINORITY BUSINESS ENTERPRISES	40
17.1 Equal Employment Opportunity.....	40
17.2 Affirmative Action.....	41
17.3 Minority-Owned, Woman-Owned and Emerging Small Business Enterprises.....	41
Section 18. FRANCHISE VIOLATIONS AND REMEDIES, EXPIRATION AND RENEWAL	41
18.1 Remedies for Franchise Violations.....	41
18.2 Notice and Opportunity to Cure.....	44
18.3 Minor Variances.....	45
18.4 Expiration.....	45
18.5 Removal of Plant and Equipment.....	45

TABLE OF CONTENTS
(continued)

	Page
Section 19. MISCELLANEOUS PROVISIONS	45
19.1 Compliance with Laws.	45
19.2 Arbitration.....	46
19.3 Mediation.....	47
19.4 Continuity of Service	48
19.5 Severability and Survivability.....	48
19.6 No Recourse against [City/County].....	48
19.7 Nonenforcement by the [City/County]	48
19.8 Action by Agencies or Courts.....	48
19.9 Choice of Forum	48
19.10 Choice of Law.....	48
19.11 Notice.....	49
19.12 Reasonability of Actions.....	49
19.13 Force Majeure.....	49
19.14 Integration and Written Modification	50
19.15 Changes in Law or Unenforceability of Franchise Provisions.	50
19.16 Renegotiation.....	50
Section 20. WRITTEN ACCEPTANCE.....	51
20.1 Written Acceptance.....	51
20.2 Failure to File Acceptance	51

EXHIBITS

- EXHIBIT A: Intergovernmental Agreement Creating Mt. Hood Cable Regulatory Commission
- EXHIBIT B: Hardwired Live Origination Sites
- EXHIBIT C: Public Facilities
- EXHIBIT D: Customer Service Standards Interpretations
- EXHIBIT E: Form of Guarantee in Lieu of Bond
- EXHIBIT F: Form of Acceptance

FINAL DRAFT 10-15-24

ORDINANCE NO.

Grant a franchise to Comcast of Oregon II, Inc. to operate a Cable System.

The [City/County] ordains:

Section 1. NATURE AND TERM OF GRANT

1.1 Grant of Franchise.

- (A) The [City/County] does hereby grant to Comcast of Oregon II, Inc. (“Grantee”), who is qualified to do business in Oregon, and to its successors and assigns, a franchise to construct, operate and maintain a Cable System to provide Cable Services in the Streets of the [City/County]. This franchise grants no right or power not expressly provided herein, but shall not be read to prohibit Grantee from offering any service over the Cable System that federal or state law authorizes by reason of the granting of this franchise, provided any requirements of the state and the [City/County] Municipal Code not inconsistent with federal law are satisfied.
- (B) Throughout this Franchise, the [City/County] shall be referred to as the “[City/County]” and Comcast of Oregon II, Inc. shall be referred to as the “Grantee.”

1.2 Term of Franchise. This Franchise, and all rights, privileges, obligations and restrictions pertaining thereto, shall expire on December 31, 2031, unless terminated sooner as provided herein.

1.3 Effective Date. The effective date of this Franchise shall be sixty (60) days after passage of this Franchise by the [City Council/County Commission], unless the Grantee fails to file an unconditional written acceptance of this Franchise, in which event this Franchise shall be null and void. The passage date of this Franchise is set forth on the last page of the original hereof, as stamped by the Clerk.

1.4 Non-Exclusive Franchise; Competitive Parity.

- (A) This Franchise is not exclusive. The [City/County] expressly reserves the right, and may be required by federal or state law, to grant rights or franchises to other Persons, as well as the right in its own name as a municipality/county, to use the Streets for similar or different purposes allowed Grantee hereunder, by franchise, permit or otherwise.
- (B) Authorization of Cable Franchises.

(1) If, after the effective date of this Franchise, the [City/County] grants an additional franchise for the provision of Cable Services or similar wireline facilities-based owner/operator multichannel video programming services pursuant to Section 1.4(A), and Grantee believes there are material differences with Grantee’s obligations under this Franchise, specifically regarding PEG Access Channels, PEG Capital support, franchise fees, customer service standards and reports and service area except as provided for in Section 1.4(G)(iii), and the provision of duct under Section 14.6, as required in this Franchise, the Grantee may elect to proceed under (i) or (ii) below, but not both, by providing the applicable notice to the [City/County] within one year

of the effective date of such wireline competitor's franchise. For the avoidance of doubt, identical word for word provisions are not required in both franchises so long as the regulatory and financial burdens regarding those obligations identified in this subsection 1.4(B)(1) on each entity are materially equivalent taken as a whole.

- i. **Franchise Modification:** The modification process shall only be initiated by written notice ("Modification Notice") by the Grantee to the [City/County] regarding specified franchise obligations. Grantee's notice shall address the following: (a) identify the specific terms or conditions in the competitor's franchise which Grantee believes are materially different from Grantee's obligations under this Franchise; (b) identify the Franchise terms and conditions for which Grantee is seeking amendments; (c) provide text for any proposed Franchise amendments to the [City/County], with a written explanation of why the proposed amendments are necessary to ensure the regulatory and financial burdens regarding those obligations identified in subsection 1.4(B)(1) on each entity are materially equivalent taken as a whole. Grantee agrees to also address all relevant factors, evidence and circumstances in its Modification Notice. Within sixty (60) days of Grantee's Modification Notice, the [City/County] shall notify Grantee either: (a) that [City/County] is willing to enter into negotiations with Grantee; or (b) that [City/County] believes the regulatory and financial burdens regarding those obligations identified in subsection 1.4(B)(1) on each entity are materially equivalent taken as a whole. In the event the [City/County] notifies Grantee that subparagraph (a) applies, the parties agree that they will attempt in good faith to negotiate the form of these modifications for a period of one hundred and twenty (120) days. If the parties fail to reach agreement in informal negotiations, either party may initiate mediation in accordance with Section 19.3. or arbitration in accordance with Section 19.2. In the event mediation or arbitration is not successful, or if, in response to the Grantee's Modification Notice, the [City/County] notifies Grantee that subparagraph (b) applies, Grantee may bring an action in federal or state court for a determination as to whether the regulatory and financial burdens regarding those obligations identified in subsection 1.4(B)(1) on each entity are materially equivalent taken as a whole and as to what Franchise amendments would be necessary to remedy the disparity, if any.
- ii. **Term Reduction.** If the Grantee's thirty-six (36) month renewal window provided by 47 USC §546 has not yet commenced, Grantee may file a written notice indicating an election to shorten the term of this Franchise, and thereafter the term of Grantee's Franchise shall be shortened so that the Franchise shall be deemed to expire on a date thirty-six (36) months from the first day of the month following the date of Grantee's notice. Grantee shall immediately thereafter secure franchise renewal rights pursuant to 47 USC §546 with no further notice to the ¹⁵[City/County] required. The [City/County] and Grantee

shall then enter into proceedings consistent with §546 for renewal of this Franchise. The [City/County] and Grantee shall have all rights and obligations provided under said Section 546.

- (C) (1) Nothing in Section 1.4(B) shall be construed as limiting, restricting or preventing the [City/County] from issuing any franchise, permit, license or other form of agreement for all of Grantee's Franchise Area or any portion thereof, that provides for equal or greater requirements or for a similar or higher level of Cable Services to Residential Subscribers, than that required of Grantee under this Franchise.
- (2) Grantee agrees and acknowledges that, solely for the purposes of Section 1.4(B), the provisions of any other franchise issued or administered by the [City/County] with respect to the provision of Cable Services and in effect as of the effective date of this Franchise, are reasonably non-discriminatory and competitively neutral, and do not contain material differences with Grantee's obligations under this Franchise.
- (D) Nothing in Section 1.4(B) is intended to alter the rights or obligations of either party under applicable federal or state law, and it shall only apply to the extent permitted under applicable law and FCC orders.
- (E) Limits to Relief: The Parties agree that:
- (1) In no event will the [City/County] be required to refund or to offset against future amounts due the value of benefits already received or to be liable for any damages to Grantee for any breach of this Section.
- (2) Grantee may not on its own accord, withhold, delay or enjoin any performance or otherwise refuse to comply with its obligations whether or not it believes it is entitled to relief under this Section.
- (3) Grantee may not obtain any relief from obligations it may have under settlements or other contracts with the Grantor via this Section.
- (4) The relief is contingent on the new Cable Services or similar wireline facilities – based owner/operator multichannel video programming services provider actually commencing provision of such service in the Franchise Area to its first customer. Should the new Cable Services or similar wireline facilities – based owner/operator multichannel video programming services provider fail to continuously provide such service for a period of six (6) months, the [City/County] has the right to implement this Agreement with its original terms upon one hundred eighty (180) days' notice to Grantee.
- (F) This Section shall apply separately in the individual member units of local government who are members of the Commission. Grantee may seek to invoke the provisions of this Section only in that individual jurisdiction, not in any jurisdiction where a competitor has not secured a competitive franchise for the provision of Cable Services or similar wireline facilities-based owner/operator multichannel video programming services from the jurisdiction .

- (G) This Section does not apply to:
- (1) Open video systems
 - (2) Common carrier systems exempted from franchise requirements pursuant to 47 U.S.C. Section 571;
 - (3) Systems that serve less than five percent (5%) of the geographic area of the [City/County];
 - (4) Systems that only provide streaming services accessible by anyone via the public Internet;
 - (5) Any system where the [City/County] is ordered or required to issue a franchise on different terms and conditions, or it is legally unable to do so;
 - (6) Wireless networks that deliver multichannel video programming services, unless the state or FCC has determined that these are subject to [City/County] franchising authority.

1.5 Charter and General Ordinances. This Franchise is subject to the [City/County] Charter and Code provisions, now in effect or hereafter made effective, that affect matters of general [City/County] concern and that are not materially in conflict with existing contractual rights of Grantee. This Section shall not be construed to waive Grantee's right to challenge any code provision under applicable law. Nothing in this Franchise shall be deemed to waive the requirements of the various applicable codes and ordinances of the [City/County] regarding permits, fees to be paid or the manner of construction.

Section 2. INTERGOVERNMENTAL AGREEMENT/ CABLE REGULATORY COMMISSION

2.1 Intergovernmental Agreement. The [City/County] has provided for regulation of this Franchise through a cable regulatory commission ("Commission") created through an Intergovernmental Agreement (attached as Exhibit A). The [City/County] has agreed to be bound by the decisions and actions taken by the Commission pursuant to powers, duties, and responsibilities delegated to the Commission under the Intergovernmental Agreement. Unless specifically stated otherwise herein, the Commission shall be the representative and agent of the [City/County] in dealing with Grantee under the terms of this Franchise. In fulfilling the terms of this Franchise, Grantee is expected to rely upon, look to, communicate with, and comply with the decisions and orders of the Commission, its agents, and employees on all cable matters with respect to which the [City/County] has lawfully delegated the exercise of the [City/County]'s authority under this Franchise. Nothing in this Franchise is intended to empower the Commission to act contrary to the provisions of the Intergovernmental Agreement. The [City/County] retains all powers not expressly delegated to the Commission.

Section 3. DEFINITIONS

3.1 (A) Captions. Throughout this Franchise, captions to Sections are intended solely to facilitate reading and to reference the Sections and provisions of this Franchise. The captions shall not affect the meaning and interpretation of this Franchise.

(B) Definitions. For the purpose of this Franchise, and all Exhibits attached hereto, the following terms, phrases, and their derivations shall have the meanings given below unless the context

indicates otherwise. 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 include the plural number. The word “shall” is always mandatory and not merely directory.

3.2 “Access” means the availability for use of the Cable System in accordance with the Franchise by various agencies, institutions, organizations, groups and individuals in the community to acquire, create, and distribute Programming not intended to generate income which may be subject to federal, state, or local income taxes and not under the Grantee’s editorial control, including, but not limited to:

(A) “Public Access”, “Educational Access”, and “Government Access”. Such Access means public, educational and government use of channel capacity, facilities and equipment as defined in Sections 602 and 611 of the federal Cable Act. 47 U.S.C. §§ 522, 531 (1984).

(B) “PEG Access” means Public Access, Educational Access, and Government Access, collectively.

3.3 “Access Channel” means any Channel designated for Access purposes or otherwise made available to facilitate or transmit non-commercial PEG Access Programming. “Access Resources” means the Channels, services, facilities, equipment, technical components and/or financial support provided under this Franchise, which is used or useable by and for PEG Access.

3.5 “Activation” or “Activated” means the status of any Capacity or part of the Cable System in which any Residential Service, Institutional Service or Access Resource requiring the use of that Capacity or part is made available, in accordance with the Franchise, without further installation, adjustment, modification or testing of Cable System equipment.

3.6 “Affiliated Entity” means any entity having ownership or control in common with the Grantee, in whole or in part, including, without limitation, Grantee’s Parent Corporations and any subsidiaries or affiliates of such Parent Corporations.

3.7 “Annual” or “Annually” means the period consisting of a full calendar year, beginning January 1 and ending December 31, unless otherwise provided in this Franchise.

3.8 “Basic Service” Grantee’s lowest service tier that includes the retransmission of local television broadcast signals and all PEG Access Channels required in this Franchise .

3.9 “Broadcast Channels” means local commercial television stations, qualified low power stations and qualified local noncommercial educational television stations, as referenced under 47 USC § 534 and 535.

3.10 “Cable Regulatory Commission” means the Mt. Hood Cable Regulatory Commission, or its successor agency as designated by ordinance of the [City/County] Council.

3.11 “Cable Services” shall have the meaning provided under Federal law 47 USC Section 522 (6) and pertinent regulations.

3.12 “Cable System” shall have the meaning provided under Federal law 47 USC 522 Section (7) and pertinent regulations.

3.13 “Capacity” means the capability of the Cable System to carry Signals within a given format (e.g. at the time of the effective date of this Franchise, RF Capacity may be described in terms of portions of the total radio frequency bandwidth by specifying a number of MHz). “Capital” or “Capital Costs” means the expenditure of funds for services, products or other resources, whose useful life can be expected to exceed a period of one year or longer.

3.15 “Channel” means a time or frequency slot or technical equivalent on the Cable System, discretely identified and capable of carrying full motion color video and audio, and may include other non-video subcarriers and digital information.

3.16 “Designated Access Provider” means the entity or entities designated by the [City/County] under Section 5.1.

3.17 “Downstream” means the direction of Signals from the Headend to Subscribers or Interconnect points served by the Cable System.

3.18 “Dwelling Unit” means any building, or portion thereof, that has independent living facilities, including provisions for cooking, sanitation and sleeping, and that is lawfully occupied for residential purposes. Buildings with more than one set of facilities for cooking shall be considered multiple dwelling units unless the additional facilities are clearly accessory. “Facility” means any tangible component of the Cable System.

3.20 “FCC” means the Federal Communications Commission.

3.21 “Fiber” means a transmission medium of optical fiber cable capable of carrying Signals by means of lightwave impulses.

3.22 “Franchise Area” means the territory within the boundaries of the [City/County].

3.23 “Gross Revenues” means and shall be construed broadly to include all revenues, in whatever form, derived by Grantee or an Affiliated Entity from the operation of Grantee’s Cable System to provide Cable Services within the [City/County]. Gross revenues include, but are not limited to: fees for Cable Services, regardless of whether such Cable Services are provided to residential, commercial or other customers, including revenues derived from the provision of all video programming (including but not limited to Basic, Expanded, pay or premium channels, digital programming including all service tiers, music services, pay-per-view, pay-per-event, and video-on-demand.); fees for service and repair calls; installation, disconnection, reconnection, downgrade, upgrade or similar charges associated with changes in subscriber Cable Service levels; fees paid to Grantee for channels designated for commercial leased access use and shall be allocated on a pro rata basis using the total Cable Service subscribers within the [City/County] compared to the total number of subscribers in the Oregon/SW Washington region; converter, remote control, set-top unit (STU), digital terminal adapter (DTA) digital video recorder (DVR) and other Cable Service equipment rentals, leases, or sales; additional outlet fees; Advertising Revenues as defined herein; broadcast retransmission and regional sports programming fees; billing and collection fees, including but not limited to, NSF charges, late fees, convenience fees and administrative fees; inside wire maintenance and service plan protection fees; revenue from program guides; franchise fees; FCC Regulatory Fees; early termination fees; fees in support of Public, Education and Government Access (PEG); commissions from home shopping channels and other Cable Service revenue sharing arrangements which shall be allocated on a pro rata basis using total Cable Service subscribers within the [City/County] compared to the total number of subscribers in the Oregon/SW Washington region.¹⁹

- (A) Grantee shall report Gross Revenues to the City (County), consistent with Generally Accepted Accounting Principles (“GAAP”) Nothing in this Section shall be construed to mean that the City accepts Grantee’s interpretation of GAAP, or shall impair the City’s ability to challenge Grantee’s interpretation of GAAP.
- (B) “Gross Revenues” shall also include amounts earned during any period regardless of whether: (1) the amounts are paid in cash, in trade or by means of some other benefit to the Grantee or any Affiliated Entity; (2) the goods or services with which the revenue is associated are provided at cost or the revenue amount can be matched against an equivalent expenditure; and (3) the amounts are initially recorded by the Grantee or an Affiliated Entity.
- (C) “Gross Revenues” shall not be net of (1) any operating expense; (2) any accrual, including, without limitation, any accrual for commissions; or (3) any other expenditure, regardless of whether such expense, accrual or expenditure reflects a cash payment.
- (D) “Advertising Revenues” shall mean revenues derived from sales of advertising that are made available to Grantee’s Cable System subscribers within the [City/County] and shall be allocated on a pro rata basis using total Cable Service subscribers of Grantee and any Affiliated Entities in the relevant advertising region. Additionally, Grantee agrees that Gross Revenues subject to franchise fees shall include all commissions, rep fees, Affiliated Entity fees, or rebates paid to National Cable Communications (“NCC”) and (“Effectv”) or their successors associated with sales of advertising on the Cable System within the [City/County] allocated according to this paragraph using total Cable Service subscribers reached by the advertising.
- (E) “Gross Revenues” shall not include: actual bad debt write-offs, except any portion which is subsequently collected which shall be allocated on a pro rata basis using Cable Services revenue as a percentage of total subscriber revenues within the [City/County]; any tax of general applicability imposed upon Grantee or upon Subscribers by a city, state, federal or any other governmental entity and that Grantee is required to collect and remit to the taxing entity (including, but not limited to, sales/use tax, gross receipts tax, excise tax, utility users tax, public service tax, and communication taxes) provided that franchise fees, PEG fees and the FCC regulatory fee shall not be regarded as such a tax; launch fees and marketing co-op fees; and unaffiliated third-party advertising sales agency fees or commissions which are reflected as a deduction from revenues.
- (F) To the extent revenues are received by Grantee for the provision of a discounted bundle of services which includes Cable Services and non-Cable Services, Grantee shall 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, 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 shall be applied to every bundled service package containing Cable Service from which Grantee derives revenues in the [City/County]. The [City/County] reserves its right to review and to challenge Grantee’s calculations.

- (G) Installation, disconnection, reconnection, downgrade, upgrade, early termination and similar fees, fees for service and repair calls, additional outlet fees, billing and collection fees (including NSF charges, late fees, convenience fees, and administrative fees), inside wire maintenance and service protection plan fees, and any other multiservice charges shall be allocated on a pro rata basis using Cable Services revenue as a percentage of total subscriber revenues within the [City/County]. The [City/County] reserves the right to review and challenge Grantee's calculations.
- (H) Grantee reserves the right to change the allocation methodologies set forth in this definition in order to meet the standards required by governing accounting principles as promulgated and defined by the Financial Accounting Standards Board ("FASB"), Emerging Issues Task Force ("EITF") and/or the U.S. Securities and Exchange Commission ("SEC"). Grantee will explain and document the required changes to the [City/County] within one hundred twenty (120) days of making the change, and as part of any audit or review of franchise fee payments. The [City/County] has the right to dispute such changes, and any such changes shall be subject to subsection (I) below.
- (I) Resolution of any disputes over the classification of revenue should first be attempted by agreement of the Parties, but should no resolution be reached, the Parties shall seek resolution by Mediation as provided for in Section 19.3 and/or Arbitration as provided for in Section 19.2.

3.24 "Hazardous Substances" has the meaning given by ORS 465.200(16) (2009).

3.25 "Headend" means Grantee's Facility for reception and dissemination of Signals on the Cable System, including cable, antennas, wires, satellite dishes, monitors, switchers, modulators, processors, equipment for the Interconnection of the Cable System with adjacent cable systems or other separate communications network, and all other related equipment and Facilities.

3.26 "Interconnect" or "Interconnection" means the provision by Grantee of technical, engineering, physical, financial, and all other necessary components to provide and adequately maintain a physical linking of Grantee's Cable System with any other designated cable system or any separate communications network so that services of technically adequate quality may be sent to and received from such other systems to the extent required by this Franchise.

3.27 "Parent Corporation" means Comcast Corporation and includes any other existing or future corporations with greater than fifty percent ownership or control over Grantee.

3.28 "Pay Service" means video Signals delivered to Subscribers on a per program, per Channel, or other separate subscription basis for a fee or charge over and above the regular charges for other Grantee tiers of service.

3.29 "Person" means any individual, sole proprietorship, partnership, association, corporation or other form of organization authorized to do business in the State of Oregon, and includes any natural person.

3.30 "Programmer" means any Person responsible for Programming on the Cable System, including, without limitation, any Person who produces or otherwise provides Programming for transmission on the Cable System.

3.31 “Programming” means television programs, audio, video or other patterns of Signals 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.

3.32 “Record” means written or graphic materials, however produced or reproduced, or any other tangible permanent record, including, without limitation, all letters, correspondence, memoranda, minutes, notes, summaries or accounts of telephone conversations, summaries or accounts of personal conversations or interviews, reports, notebooks, sketches, summaries or accounts of meetings or conferences, opinions or reports of consultants or experts, invoices, billings, statements of accounts, studies, appraisals, analyses, contracts, agreements, charts, graphs, photographs and any other writings or recordings of every kind and description, including magnetic media, and all sound recordings, to the extent related to the enforcement or administration of this Franchise.

3.33 “Residential Network” means the Cable System designed principally for the delivery of Cable Service to individual Dwelling Units.

3.34 “Residential Subscriber” means any Subscriber receiving Cable Services delivered to single or multiple Dwelling Units.

3.35 “Section” means a provision of this Franchise, unless specified as part of another document.

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

3.37 “Streets” means the surface of and the space above and below any public street, road, alley or highway, within the [City/County], used or intended to be used by the general public for general transportation purposes to the extent the [City/County] has the right to allow the Grantee to use them.

3.38 “Subscriber” means any Person who is lawfully receiving, for any purpose or reason, any Cable Services provided by Grantee by means of or in connection with the Cable System, whether or not a fee is paid for such service.

3.39 “Upstream” means the direction of Signals transmitted to the Headend from remote points on the Cable System or from Interconnection points on the Cable System.

Section 4. FRANCHISE AREA

4.1 Cable Services. Subject to the provisions of this Franchise, Grantee shall provide Cable Services authorized by this Franchise and applicable law within the Franchise Area.

Section 5. PEG ACCESS

5.1 Designated PEG Access Providers.

- (A) The [City/County] may designate up to six (6) PEG Access providers located within the Portland Metropolitan area, including itself for Government Access purposes, to control and manage the use of any or all Access Resources provided by Grantee under this Franchise. To the extent of such designation by the [City/County], the Designated Access Provider shall have sole and exclusive responsibility for operating and managing such Access Resources.

- (B) Grantee shall cooperate with Designated Access Providers in the use of the Cable System and Access Resources. Grantee shall enter into operating agreements as may be necessary to facilitate and coordinate the provision of PEG Access, provided that all such operating agreements shall not be inconsistent with the terms of this Franchise.

5.2 Access Channel Capacity on the Residential Network.

- (A) Access Channels Universally Available. All Access Channels, required by this Franchise, shall be included by Grantee in all levels of Cable Service, and be readily accessible and viewable to every Cable Services Subscriber regardless of subscription level.
- (B) Access Channel Primary Origination Points. The [City/County] may designate up to five (5) points of primary origination for existing and future Access Channels located within the Cable Services Franchise Area. Grantee shall continue to provide fiber optic connections and related transport equipment to transmit Signals for Access Channels without degradation from the designated origination points to Grantee's Headend for distribution on the Residential Network. To the extent specifically authorized by applicable law, Grantee shall have the right to recoup the maintenance costs associated with the EG transport as set forth in this Section. Grantee shall invoice the City for such maintenance costs in accordance with the requirements of applicable law. Grantee shall be responsible for any damage and all maintenance on the existing fiber, including replacement of damaged fiber if necessary. Any costs to be charged by the Grantee shall be no greater than that legally permitted by applicable law including the FCC 621 Order and federal litigation interpreting the FCC 621 Order.
- (C) Simulcast Standard Definition and High-Definition Access Channels. Grantee shall provide not less than six (6) Activated Downstream Channels, for PEG Access use, in all levels of Grantee's Service. Grantee shall also carry two (2) regional PEG Access Channels. The regional PEG Access Channels shall have programming that is pertinent to residents of the MHCRC service area and shall not use programming that is already provided on any of the other six (6) Activated Downstream Channels for PEG Access provided in this section. Grantee shall simultaneously carry each Access Channel under this Section in both Standard Definition (SD) and High Definition (HD) format, for a total of 16 Activated Downstream Channels, until Grantee no longer offers standard definition format, or until such time as Grantee makes High Definition Access Channels available and accessible to all Subscribers at no additional cost. Grantee shall carry all components of the Access Channel Signals provided by the Designated Access Provider including, but not limited to, closed captioning, stereo audio and other elements associated with the Programming.
- (D) High-Definition Access Channels At such time Grantee no longer offers Service in standard definition format, Grantee shall continue to provide not less than eight (8) Activated Downstream Channels for PEG Access use in a high-definition digital format in Grantee's Service. Grantee shall carry all components of the HD format Access Channel Signals provided by the Designated Access Provider including, but not limited to, closed captioning, stereo audio and other elements associated with the

Programming. The Designated Access Provider shall be responsible for providing the Access Channel Signal in an HD format to the demarcation point (input to the channel encoder) at the designated point of origination for the Access Channel. Grantee shall transport and distribute the Access Programming signal, in its entirety (including all information that may be included in the signal, without filtering or stripping) without degradation. If the signal requires modification, such as transcoding, Grantee will work with the PEG Access Provider to determine a mutually beneficial solution. Consistent with this requirement, Grantee shall provide all necessary equipment outside the demarcation point at the Designated Access Provider Channel origination point, at its Headend and throughout its distribution system to deliver the Access Channel(s) in the HD format to Subscribers. Grantee shall not discriminate against PEG Access Channels with respect to the functionality, signal quality, and features from those of the local Broadcast HD Channels carried on the Cable System. With respect to signal quality, Grantee shall not be required to carry a PEG Access Channel in a higher quality format than that of the Channel Signal delivered to Grantee, but Grantee shall distribute the Access Channel Signal without degradation. Channels may be encoded in Internet Protocol (IP) format and delivered to subscribers, so long as the other requirements of this section are met. Grantee shall verify Signal delivery to Subscribers with the Designated Access Provider, consistent with the requirements of this Section 5.2(D). Specifically, Grantee shall continue to provide the capability, without charge, for Commission representatives and PEG Access Channel providers at the current dedicated points of origination to monitor and verify the audio and visual quality of PEG Channels received by Subscribers. This will include equipment that will also allow the Commission to verify the accuracy of EPG listings for the PEG Channels. The [City/County] acknowledges that receipt of HD format Access Channels may require Subscribers to buy or lease special equipment, or pay additional HD charges applicable to all HD services.

- (E) Audio. Access Channels shall include stereo audio or other forms of audio carried within the Access Channel. For example, any PEG Access Programming provided to Grantee with SAP (Second Audio Program) or MAP (Multiple Audio Program) shall be provided to Subscribers with the SAP or MAP feeds intact, except to the extent Federal, State or Local law or regulation prescribes otherwise.
- (F) Advances in Channel Technology. As Grantee continues to incorporate new or emerging improvements in Channel delivery or display on Grantee Channels made available to Residential Subscribers, the [City/County] or a Designated Access Provider may submit a written notice to meet with the Grantee. Within thirty (30) days of receipt of such notice, Grantee will engage in discussions regarding these improvements or enhancements with the [City/County] and the Designated Access Providers. These discussions shall identify costs and benefits associated with incorporating the technology into the delivery of the PEG Access Channels to subscribers, as well as a timetable, for incorporation. Grantor may factor such discussions and information received into both the Technology Assessment described in Section 8.1 and future community needs assessments related to cable franchise renewal proceedings. At a minimum, such timetable shall be consistent with incorporation of similar improvements or enhancements in Grantee's fifteen (15) largest U.S. Cable systems in terms of homes passed, and may include carriage in more than one format for a transition period.¹²⁴

5.3 Access Channel Assignments.

(A) Grantee acknowledges that current Access Channel assignments are as follows:

(1)	Channel 11	Regional Public Access SD	(Franchise Area)
(2)	Channel 331	Regional Public Access HD	(Franchise Area)
(3)	Channel 21	Public Access SD	(Franchise Area)
(4)	Channel 321	Public Access HD	(Franchise Area)
(5)	Channel 22	Public Access SD	(Franchise Area)
(6)	Channel 322	Public Access HD	(Franchise Area)
(7)	Channel 23	Public Access SD	(Franchise Area)
(8)	Channel 323	Public Access HD	(Franchise Area)
(9)	Channel 30	Government Access SD	(Franchise Area)
(10)	Channel 330	Government Access HD	(Franchise Area)
(11)	Channel 27	Regional Educational Access SD	(Portland Community College and Mount Hood Community College service area discretely)
(12)	Channel 327	Regional Educational Access HD	
(13)	Channel 28	Educational Access SD	(Portland Public Schools' service area and other public schools' service areas within Multnomah County discretely)
(14)	Channel 328	Educational Access HD	
(15)	Channel 29	Public Access SD	(Franchise Area)
(16)	Channel 329	Public Access HD	(Franchise Area)

(B) Grantee shall continue to place the SD and HD format Access Channels within the channel blocks for the SD and HD format Channels in reasonable proximity to each other and to the local Broadcast SD and HD Channels. If this becomes infeasible, as demonstrated by Grantee based on Federal regulatory requirements or changes in nationwide channel lineups, Grantee shall work with the [City/County] to determine placement of Access Channels that is equitable to channel assignment obligations in this Section 5.3(B). The [City/County] shall consider the evolving interactive guides and navigation features available on a Subscriber's set-top unit that may make channel number assignments and placement less important in the future, as viewers may find Access Programming through a search function.

- (C) If at any time during the duration of this Franchise, Grantee reassigns Access Channel numbers, Grantee shall provide at least sixty (60) days advance notice to the [City/County] and the Designated Access Providers. Grantee shall ensure that Subscribers are notified of such reassignment in accordance with the notice requirements under Section 9.8. Grantee shall also use its customer messaging function of its set-top unit to provide customers the new channel assignments at least 30 days prior to the change and for at least 30 days after the change. In conjunction with any reassignment of any Access Channels, Grantee shall provide a minimum of seven thousand five hundred (\$7,500) compensation to any affected Designated Access Provider for costs associated with the change, or, alternatively at Grantee's sole discretion, fifteen thousand (\$15,000) of in-kind airtime on advertiser supported Channels (e.g. USA, TNT, TBS, Discovery, or other comparable Channel) for the purpose of airing a thirty (30) second public service announcement produced by a Designated Access Provider. The [City/County] shall coordinate with the Designated Access Provider and Grantee for such airing. All compensation, whether in cash or in-kind, shall be paid on a per-event basis, regardless of the number of channels affected by the change.

5.4 Access Interconnections.

- (A) Grantee shall continue and maintain all Interconnections of Access Channels in effect on the effective date of this Franchise, and as otherwise provided herein, unless otherwise authorized or modified by the [City/County]. Grantee shall provide Activated Interconnection of the Headend to Designated Access Providers for shared PEG Access Programming on Access Channels. The Interconnections shall provide the bi-directional capability to transmit PEG Access Programming among Designated Access Providers and other PEG Access Programming carried by contiguous cable systems in Washington County and Clackamas County, Oregon, and Clark County, Washington. Grantee shall provide Activated Capacity sufficient to enable Signal transmission to and from all Interconnection points on the Cable System. The [City/County] or the PEG Access channel provider shall pay reasonable charges for maintenance and repair of existing and new Access Channel Interconnections and hardwired facilities for origination of access programming not to exceed the marginal (actual, allocable) cost of maintaining, repairing or providing each interconnection or access origination connection or such other cost as may be allowed by applicable law. All such costs shall be fully documented to the satisfaction of the [City/County].
- (B) Upon request by the [City/County], and based on a demonstrated need, Grantee shall work in good faith with the [City/County] to interconnect with other cable operators at a designated meet point and not at Grantee's headend or hubs in order to hand off PEG Access Channel Signals for the purposes of sharing PEG Programming throughout the Franchise Area. Such interconnection shall preserve the technical quality of the PEG Access Channels without degradation to Grantee's demarcation at the designated meet point of the Interconnect. The [City/County] shall not require such interconnection without the prior consent of Grantee, which shall not be unreasonably withheld. Grantee shall not be obligated to interconnect with any cable system providing competitive Cable Services within the Franchise Area, except that Grantee shall use reasonable efforts to agree with a competitive Cable Services provider on reasonable terms,¹²⁶ conditions and costs of a viable interconnection of the

PEG Access Channel Signals. Any Incremental, direct Capital costs incurred by Grantee to interconnect shall be paid by the [City/County] from the PEG Fee.

- (C) The [City/County] shall designate the Access provider with the right to control and schedule the operation of all Interconnects of Access Channels with other systems.
- (D) Grantee shall take all necessary technical steps to ensure that technically acceptable signal quality and routing systems are continuously provided for all Access Interconnections. Signal quality and routing systems acceptability will be based on meeting applicable IEEE, NAB, FCC or other industry standards.

5.5 Live Programming Origination Capabilities.

- (A) Grantee shall provide, at a minimum, the transmission capability for Designated Access Providers to originate discrete, live Programming from:
 - (1) Designated Access Providers,
 - (2) Existing, hardwired live origination sites, as listed in Exhibit B;
 - (3) New live origination sites, as constructed under Section 5.5(B); and,
 - (4) Any available Programming origination points on any cable system with which the PEG Access Channels are Interconnected, provided other cable operators permit.
- (B) The [City/County] may designate new live origination sites, in addition to those listed in Exhibit B. Grantee shall construct and the [City/County] shall fund Capital costs of new live origination sites in accordance with the following procedures:
 - (1) The [City/County] shall request a cost estimate to connect a new live origination site. Grantee shall provide to the [City/County], within thirty (30) days of the request, a detailed cost estimate for incremental, direct Capital costs necessary to complete the proposed new live origination site connection. Reimbursable costs to construct the site may include only Grantee's external labor, materials, equipment and internal labor Capital costs directly related to completion of the new live origination site connection. Grantee may also include a burdened cost charge of fifteen percent (15%) of the total cost for internal labor.
 - (2) The [City/County] shall notify Grantee if the proposed new live origination site connection should be completed based on the cost estimate provided for the site. The Grantee shall complete the new live origination site connection within ninety (90) days of the [City/County]'s notification. If the actions or inactions of a third party prevent Grantee from completing the site connection within the ninety (90) days, Grantee shall notify the [City/County] of the specific reason for the delay and shall work in good faith to promptly complete the connection.

- (3) Upon completion of the new live origination site connection, Grantee shall submit an invoice, including accounting and documentation, for the actual costs directly related to completing the new live origination site connection for an approved site. The invoice shall be no more than the new live origination site's cost estimate approved by the [City/County], plus additional cost amounts equaling ten percent (10%) or less of the approved cost estimate for the site. Upon submission by the Grantee of an invoice, and upon certification by the [City/County] that the invoice is in accordance with this Section 5.5(B), the [City/County] shall promptly reimburse Grantee the amount as specified in the invoice.
- (C) The Cable System shall provide functional ability to transmit digital Programming Upstream from each location and return the Programming on Downstream Channels and on all Access Channel Interconnects. Such transmission capability shall be at a minimum, digital, optical, transport capable of transporting the Designated Access Provider's Programming in the format specified by the Designated Access Provider without degradation from at least eight locations simultaneously. The transmission equipment utilized to provide the live origination capability shall be chosen in consultation with the Designated Access Provider. Grantee shall install, test and verify proper Activation with the Designated Access Provider no later than one hundred twenty days one hundred twenty (120) days after the date of a written request to the Grantee concerning live origination from a new location or using a new digital format, and no later than sixty (60) days for live origination using an existing format and from an existing location. Such testing shall, at a minimum, include transmission of color bars, video and audio meeting all required technical quality standards, as documented by Grantee with the Designated Access Provider before the site is considered Activated.
- (D) Additionally, all hardwired live origination sites, including the sites in Exhibit B and those added by Grantee following the Franchise effective date, upon written request of [City/County], shall be tested for all applicable standards and Activation status. Test results shall be documented and reviewed with the [City/County] and Designated Access Providers. Where test results indicate, as determined by the [City/County] or a Designated Access Provider, that a live origination site does not meet applicable standards, corrective action shall be implemented by the Grantee with continuous efforts made until all problems have been corrected and the site meets applicable standards.

5.6 Change in Technology. In the event Grantee makes any change in the Cable System and related equipment and Access Resources or in Grantee's Access Channel Signal delivery technology, which directly or indirectly substantially affect the Signal quality or transmission of Access Programming, Grantee shall at its own expense take necessary technical steps or provide necessary technical assistance, including the acquisition of all necessary equipment, to ensure that the capabilities of Designated Access Providers or Access Programmers are not diminished or adversely affected by such change. In no case shall the Signal quality or transmission of Access Programming diminish compared to the quality being achieved prior to the change in technology, provided that this requirement shall not prohibit Grantee from implementing new technologies also utilized for commercial channels carried on its Cable System. Technical quality shall continue to meet all applicable standards contained in this Section 5.

5.7 Change in Designated Access Provider Location. Grantee shall provide all obligations in Section 5 to the Designated Access Provider locations in place on the effective date of this Franchise. If the [City/County] designates new Access providers under Section 5.1, or if a current Designated Access Provider moves its site or location at its own instigation after the effective date of this Franchise, the Designated Access Provider and/or the [City/County] will fund the actual direct costs to construct the fiber optic connection from the new site or location to the nearest Activated Fiber node, or distribution hub. Alternatively, new sites or locations may be served by a portable cable-modem solution for transport of PEG programming at a charge to be paid by the [City/County].

5.8 Technical Quality.

- (A) Grantee shall maintain all Access Channels and Interconnections of Access Channels at the same level of technical quality and reliability required by this Franchise and all other applicable laws, rules and regulations for Residential Subscriber Channels. Grantee shall not discriminate against PEG Access Channels with respect to the functionality, signal quality, and features from those of the local Broadcast Channels that Grantee carries. Access Channels and Interconnections shall be tested at representative points throughout the Cable System as needed to demonstrate compliance with all applicable standards. Documentation of such tests shall be provided to the [City/County] and the Designated Access Providers upon request. Grantee shall promptly resolve any non-compliance issues.
- (B) Grantee shall respond promptly, but no later than 24 hours, to resolve technical quality problems after notification by a Designated Access Provider.
- (C) Grantee shall have no responsibility for the technical quality of the Access Programming distributed on the Access Channels.
- (D) Use of the Cable System by Designated Access Providers shall not interfere with the technical quality or reliability of the Cable System.

5.9 Recognition of Grantee for PEG Contributions. The [City/County] shall work with the Grantee and the Designated Access Providers to ensure that the contributions of the Grantee relating to Access Resources under this Franchise are appropriately acknowledged.

5.10 Video on Demand.

- (A) Grantee shall include Access Programming on its video-on demand (“VOD”) platform. Grantee shall provide the Designated Access Providers with the VOD capacity on Grantee’s server to include a minimum of thirty (30) hours of Access Programming on Grantee’s VOD at any given time. The [City/County] shall coordinate use of such VOD capacity among the Designated Access Providers. The [City/County] shall pay all costs associated with the provision of Access programming on the VOD platform.
- (B) Grantee agrees to work in good faith with the designated Access Providers to continue to provide and adjust as needed, a process agreeable to the Designated Access Providers for placing Access Programming on Grantee’s VOD, utilizing a system that enables online content uploading to an FTP site or equivalent technology. Such process will also include, but not be limited to, addressing programming technical

formatting, submitting program descriptions to the EPG, and identifying potentially offensive programming for disclaimers. Designated Access Providers are responsible for selecting the Access Programming and providing it to Grantee in an MPEG2 or other appropriate format compatible with Grantee's equipment and system.

- (C) Any Access Programming placed on VOD shall be accessible by Subscribers free of charge, provided that they subscribe to the appropriate level of cable service in which access to Grantee's VOD platform is included.
- (D) The Parties recognize that VOD platforms for distribution of programming may change over time. Future development may allow for the Designated Access Providers and Grantee to agree on a mutually acceptable alternative to include Access Programming on Comcast's VOD platform and, as a result, increasing the amount of Access Programming available to Subscribers. To that end, Grantee agrees to engage in good faith efforts discuss alternatives to including Access Programming on any Grantee VOD platform.

5.11 Detailed Access Program Listings on the Digital Guide.

- (A) For purposes of this section, "Electronic Program Guide" or "EPG" means the program guide, navigation system and search functions accessible on Grantee's digital Cable Services through the Subscriber set-top unit and remote control, or their successor technology.
- (B) Grantee, at Grantor's cost shall include the Access Channels and Programming information in all EPG menus and online program guides available to Subscribers. Access Channels and Programming shall be listed in a substantially similar manner and placement as the Broadcast Channels, including individual program descriptions where provided by the programmer, in a non-discriminatory manner.
- (C) The Designated Access Providers shall be responsible for providing the Access Channel and Programming information through an RSS feed or equivalent format and within the appropriate timeframe for insertion into program guides.
- (D) Grantee shall continue to facilitate an efficient and effective direct working relationship between Designated Access Providers and pertinent third-party guide providers.

Section 6. PEG ACCESS CAPITAL FUNDING

6.1 PEG Capital Fee. Grantee shall pay to the [City/County] two and one-half percent (2.5%) of Grantee's Gross Revenues Annually (PEG Fee).

- (A) The PEG Fee shall be allocated to provide support for Capital Costs related to PEG Access and support consistent with applicable law. The PEG Fee shall not be paid to another cable operator in the Franchise Area for equipment to be owned by that cable operator or an affiliate.
- (B) The [City/County] shall provide Grantee with a report Annually describing the allocation of the PEG Fee, containing sufficient detail to demonstrate that the funds

under Section 6.1 are used in compliance with the terms of this Franchise. The [City/County] shall Annually submit the report to Grantee no later than December 31.

6.2 Payments. Following the effective date of this Franchise, Grantee shall make quarterly payments of PEG Fees to the [City/County], under Section 6, for the preceding quarter-year period ending September 30, December 31, March 31, and June 30. Each quarterly payment shall be due and payable no later than forty-five (45) days after the quarter ending date.

6.3 Quarterly Reports. Each payment shall be accompanied by a written report, verified by an authorized representative of Grantee, containing an accurate statement in summarized form, as well as in detail, of Grantee's Gross Revenues and the computation of the payment amount.

6.4 Interest on Late Payments. Payments not received within forty-five (45) days from the quarter ending date shall be assessed in accordance with Section 11.3.

6.5 PEG Access Support not Franchise Fees. Grantee agrees that PEG Access Capital Costs arising from or relating to the obligations set forth in this Section 6 shall in no way modify or otherwise affect Grantee's obligations to pay franchise fees to the [City/County]. Grantee agrees that although the sum of franchise fees and the payments set forth in this Section 6 may total more than five percent of Grantee's Gross Revenues in any 12-month period, financial support required by this Franchise for PEG Capital costs, properly expended for PEG Capital purposes, are not to be offset or otherwise credited in any way against any franchise fee payments under this Franchise.

6.6 Review of Records. Grantee may conduct a financial review or audit for the purpose of verifying whether use of the PEG Fee is in accordance with this Franchise. The Grantee shall notify the [City/County] in writing at least thirty (30) days prior to the date of an audit or review and identify the relevant financial records of [City/County] and the Designated Access Provider that Grantee wants to review. The time period of the review or audit shall be for PEG Fee payments received no more than thirty-six (36) months prior to the date the Grantee notifies the [City/County] of its intent to perform an audit or review. The [City/County] and recipients of the PEG Fee shall make such documents available for inspection and copying. Documents shall be reviewed during normal business hours at a time and place made available by the [City/County] or the Designated Access Provider. Grantee shall promptly provide the [City/County] with written notice of the audit or review's conclusions. The [City/County] shall have sixty (60) days to provide a written response. If the [City/County] disputes Grantee's conclusions, the parties shall attempt in good faith to reach a mutually acceptable resolution. If the parties are unable to agree, either party may submit the issue to arbitration under Section 19.2. If the conclusions become final, determining that any PEG Fee has not been used in accordance with this Franchise, then within thirty (30) days, one of the following actions shall occur:

- (A) If the [City/County] determines that the recipient has access to sufficient unrestricted funds, the [City/County] may require either:
 - (1) That the recipient expend its unrestricted funds to achieve the stated purposes of the original PEG funding not spent in accordance with this Franchise; or,
 - (2) Upon demand, the recipient shall return the full amount of the PEG funding amount not spent in accordance with this Franchise to the PEG funding account.

- (B) If the [City/County] determines that the recipient does not have access to sufficient unrestricted funds, the [City/County] may decide to either:
- (1) Directly reimburse the PEG funding account for the amount not spent in accordance with this Franchise; or,
 - (2) Allow the Grantee to reduce future PEG Fee payments by the amount not spent in accordance with this Franchise.
- (C) The decision as to which of these options to exercise, under Sections 6.6(A) and (B), shall be at the [City/County]'s sole discretion.
- (D) If [City/County] fails to act on any of the options under Sections 6.6 (A) and (B) within such thirty (30) days, then after a further sixty (60) days' notice (which includes the Grantee's proposed schedule of future PEG fee payment reductions), if [City/County] has still not acted on any option, Grantee may reduce future PEG Fee payments by the amount not used in accordance with this franchise as previously determined by agreement of the parties or by arbitration, as the case may be.

Section 7. SERVICE

7.1 Non-Discriminatory Rates and Charges. Grantee shall provide Cable Services to all Subscribers in the Franchise Area under non-discriminatory rates and reasonable terms and conditions. Grantee shall not arbitrarily refuse to provide Cable Services to any Person within the Franchise Area, in accordance with Section 9.6.

7.2 Standard Installation. For purposes of Section 7, "Standard Installation" means an installation of a drop no more than 125 feet between the Dwelling Unit and the nearest point of access from which the Cable System is designed to serve the site, which qualifies a Residential Subscriber for installation at standard rates. Except as otherwise provided in Section 7.3, Grantee shall provide Standard Installation within seven (7) days of a service request to any potential Residential Subscriber throughout the Franchise Area at Grantee's published rates and charges. For purposes of this Section, a request shall be deemed made on the date of signing a service agreement, receipt of funds by the Grantee, receipt of a written request by the Grantee or receipt by the Grantee of a verified oral request.

7.3 Non-Standard Installations.

- (A) Density. Subject to the density requirements herein, Grantee shall make Cable Service available to residential dwelling unit occupied by a person requesting Cable Service provided that Grantee is able to obtain from the property owners any necessary easements and/or permits in accordance with Section 621(a)(2) of the Cable Act. Upon request or by ascertainment by Grantee, Grantee shall extend the Cable System into all areas within the Grantor where there is a minimum of twenty-five (25) occupied residential dwelling units per linear plant mile for aerial plant, and forty (40) occupied dwelling units per linear plant mile for underground plant, measured in strand footage from the nearest technically feasible point on the active Cable System trunk or feeder line from which a usable cable signal can be obtained. The term "nearest technically feasible point" means the point of the nearest cable distribution line, not including drop lines from the public right of way to residential dwellings. Grantee shall complete any extensions within six (6) months after verification by

Grantee that an area has met the minimum density standard set forth herein (weather permitting).

- (B) Definitions. For purposes of this Section 7, a home shall only be counted as a “dwelling unit” if such home is within three hundred (300) feet of the public right of way. Grantee’s obligation hereunder shall be subject to the timely performance of walk-out, make ready and location of all underground utilities.
- (C) Service Drop Setback. Any dwelling unit that (i) either meets the density requirement in Section 7.3(A) or becomes eligible for service via payment of a capital contribution pursuant to Section 7.3(D); and (ii) is a Standard Installation as defined in Section 7.2 shall be entitled to a standard installation rate. For any dwelling unit that is further than the distance for a Standard Installation, Grantee shall be allowed to recover, from a Subscriber that requests such connection, half of the actual costs incurred its residential dwelling unit connection for the portion that over one hundred twenty-five (125) feet but less than three hundred (300) feet.
- (D) Line Extension Aid to Construction. For any dwelling unit that does not meet the density requirement in Section 7.3(A), Grantee shall have no obligation to provide Cable Service absent a Subscriber commitment to pay a portion of the actual construction costs incurred consistent with the formula below. For the purpose of determining the amount of capital contribution in aid of construction to be borne by the Grantee and Subscribers in the area in which service may be expanded, the Grantee will contribute an amount equal to the construction and other costs per mile, multiplied by a fraction whose numerator equals the actual number of residences per 5,280 cable-bearing strand feet of its trunk or distribution cable and whose denominator equals twenty five (25) or forty (40), as applicable. Subscribers who request service hereunder will bear the remainder of the actual construction and other costs on a pro rata basis. The Grantee may require that the payment of the capital contribution in aid of construction borne by such potential Subscribers be paid in advance.

7.4 Connection of Public Facilities

- (A) If the [City/County] requests cable service be provided to Public Facilities not currently served, Grantee will connect such locations within ninety (90) days of written request (subject to necessary permitting and other access permissions) at Grantee’s Marginal Cost.. If Grantee desires to charge for cable services to these Public Facilities an amount consistent with then-applicable law, currently “Marginal Cost,” Grantee must notify [City/County] in advance and provide supporting information in sufficient detail for [City/County] to evaluate the how the charges were calculated. Grantor reserves the right to challenge the calculation of Marginal Cost. Grantor may elect to take the charges as an offset against Franchise Fees. .
- (B) For those Public Facilities that Grantee currently serves at no cost (see Exhibit C), should Grantee begin to charge for the cable services provided pursuant to this section, it will give [City/County] one hundred twenty (120) days’ prior written notice of its intent to commence such charges; provided however that (1) Grantee will disclose in such written notice, the proposed amount of the charges and supporting

information in sufficient detail for the [City/County] to evaluate the how the charges were calculated; (2) The proposed charges shall be consistent with then-applicable law, currently “Marginal Cost.” Grantor may elect to take the charges as an offset against Franchise Fees. Nothing in this Section requires the Grantor to accept Grantee’s calculation of Marginal Cost.

- (C) In the event that after the Grantee commences charging for cable services pursuant to this section there is a change in applicable law eliminating the ability for Grantee to charge for franchise-mandated cable services to Public Facilities, then for the remainder of the term of the Franchise, Grantee shall provide cable services to the locations then served on a complimentary basis consistent with such change in applicable law.

Section 8. CABLE SYSTEM UPGRADE(S)

8.1 Technology Assessment.

- (A) The [City/County] may notify Grantee on or after the fourth (4th) anniversary of the effective date of this Franchise that the [City/County] will conduct a technology assessment of Grantee’s Cable System. The technology assessment may include, but is not be limited to, determining whether Grantee’s Cable System technology and performance are consistent with current technical practices and range and level of services existing in the fifteen (15) largest U.S. cable systems owned and operated by Grantee’s Parent Corporation pursuant to franchises that have been renewed or extended since the effective date of this Franchise.
- (B) Grantee shall cooperate with the [City/County] to provide necessary non-confidential and proprietary information upon the [City/County]’s reasonable request as part of the technology assessment.
- (C) At the discretion of the [City/County], findings from the technology assessment may be included in any proceeding commenced for the purpose of identifying future cable-related community needs and interests undertaken by the [City/County] pursuant to 47 U.S.C. §546.

Section 9. CONSUMER PROTECTION

9.1 City/County’s Cable Television Consumer Protection Policy.

- (A) Grantee shall comply with the [City/County]’s Cable Television Consumer Protection Policy set forth in Portland City Code Chapter 3.115 The [City/County] will provide Grantee with advance notice of proposed substantive changes to Chapter 3.115 with the intent to obtain input from the Grantee prior to consideration by the City Council. Nothing in this section waives the Grantee’s right to challenge any proposed changes to Chapter 3.115.
- (B) With Grantee and the [City/County] both reserving their respective rights under applicable law, the [City/County] and Grantee agree that certain requirements of the Cable Television Consumer Protection Policy shall be interpreted in the manner set forth in Exhibit D hereof, and that the interpretations set forth in this Exhibit shall

control on the related requirements set forth in the Cable Television Consumer Protection policy as adopted by the [City/County] Council.

9.2 Subscriber Contracts. Grantee shall not enter into contracts with Subscribers which are inconsistent in any material sense with the requirements of this Franchise.

9.3 Obscenity. Grantee shall not transmit, or permit to be transmitted, over any Channel subject to its editorial control any Programming which is obscene under applicable law. Grantee shall be deemed to have transmitted or permitted a transmission of obscene Programming only if a court of competent jurisdiction has found that Grantee's officers or employees, acting in their authorized capacity, have knowingly permitted Programming which is obscene under applicable law to be transmitted over any Channel that is subject to Grantee's editorial control.

9.4 Parental Control Device. Upon request by any Subscriber, Grantee shall make available a parental control or lockout capability to enable a Subscriber to control access to both the audio and video portions of any or all Channels. Grantee shall inform its Subscribers of the availability of the lockout device capability at the time of their initial subscription and periodically thereafter.

9.5 Regulation of Rates and Charges-Reservation of Rights. The [City/County] reserves its rights to regulate all Grantee Residential Subscriber rates and charges related to or regarding Cable Services to the full extent authorized by applicable law.

9.6 Rate Discrimination. Grantee shall establish rates and charges for all Residential Subscribers receiving similar services without regard to race, color, religion, age, sex, marital or economic status, national origin, sexual orientation, or physical or mental disability, income of the residents, or geographic location within the Grantee's Franchise Area, except when such geographic location may fall under the provisions of Sections 7.3 and 7.4. Nothing in this Section 9.6 shall be construed to prohibit:

- (A) The temporary reduction or waiving of rates and charges in conjunction with promotional campaigns and to compete against other multichannel video service providers in all or portions of the franchise area;
- (B) Grantee from offering reasonable discounts to senior citizens or discounts to economically disadvantaged citizens;
- (C) Grantee establishing different and nondiscriminatory rates and charges and classes of services for commercial subscribers, as well as different, nondiscriminatory monthly rates for classes of commercial subscribers; or
- (D) Grantee from establishing reduced bulk rates for Residential Subscribers residing in multiple dwelling units.

9.7 Filing of Rates and Charges. Grantee shall maintain on file with the [City/County] a complete and current schedule of applicable Residential Subscriber rates and charges for Cable Services provided under this Franchise, in a form satisfactory to the [City/County]. Nothing in this Section 9.7 shall be construed to require the Grantee to file rates and charges under temporary reductions or waivers of rates and charges in conjunction with promotional campaigns. As used solely in this Section 9.7, no rate or charge shall be considered temporary if Residential Subscribers have the ability over a period greater than six (6) consecutive months to purchase Cable Services at such rate or charge.

9.8 Changes in Rates and Charges.

- (A) Grantee shall provide written notice to the [City/County] and Subscribers at least thirty (30) days in advance of any increase in rates and charges. Notice to the [City/County] of proposed increases in rates and charges shall be filed in a form consistent with federal requirements.
- (B) Unless the [City/County] has lawfully required prior review of Grantee's rate increase in accordance with the requirements and conditions of applicable law, Grantee's rate increase shall become effective on the date identified in the form filed by the Grantee, provided that the effective date shall not be earlier than the thirty-first (31st) day after such filing.

9.9 ADA Accessible Equipment and Services. To the extent authorized by law, the [City/County] reserves the right to require and regulate the installation or rental of equipment which facilitates the reception of Cable Services by hearing impaired individuals. Grantee shall notify Subscribers of the availability of ADA equipment and services and shall provide such equipment and services in accordance with federal and state laws.

9.10 Discriminatory Practices. Grantee shall not deny Cable Service, or otherwise discriminate against Subscribers, Programmers or any other Persons on the basis of race, color, religion, age, sex, national origin, sexual orientation or physical or mental disability. Grantee shall comply at all times with all other applicable federal, state or local laws, rules and regulations relating to non-discrimination.

9.11 Unauthorized Monitoring or Cable Tapping. For the purposes of this Section 9.11, "Tap" means to observe or monitor video, audio, digital or other non-video Signals, or any combination of such Signals carried on the Cable System, where the observer is neither of the communicating parties, whether the exchange is observed by visual or electronic means, for any purpose whatsoever.

- (A) Neither the Grantee, nor any of its agents, employees, officials or permittees, or any other Person, agency or entity, shall Tap any cable, line, Signal input device or subscriber outlet or receiver in any manner inconsistent with applicable law.
- (B) 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.

9.12 Privacy. The [City/County] and Grantee shall maintain constant vigilance with regard to possible abuses of the right of privacy or other human rights of any Residential Subscriber, Programmer or any other Person lawfully receiving Cable Services resulting from any device or Signal associated with the Cable System. Grantee shall not use the two-way communications capability of the Cable System for unauthorized or illegal Subscriber surveillance of any kind.

9.13 Permission of Property Owner or Tenant. Grantee shall not install or attach any of its Facilities to any residence or other property without first securing the permission of the owner or tenant of any property involved, except where there is an existing utility easement reserved by plat or other conveyance or unless such installation or attachment is otherwise authorized by law. Nothing herein, however, shall excuse the Grantee from obtaining permission from anyone who has the right to approve or

disapprove the attachment. If such permission or easement is later revoked, unless Grantee is otherwise lawfully entitled to maintain its Facilities, whether by the original or a subsequent owner or by operation of law, the Grantee, on the owner's request, shall promptly remove any of its Facilities and promptly restore the property to a condition similar to its prior condition. Grantee shall perform all such installations and removals in a workmanlike manner and shall be responsible for any damage to residences or other property caused by the installation or the removal.

9.14 Sale of Subscriber Lists and Personalized Data. Grantee shall be subject to the provisions of federal law regarding limitations on Grantee's collection and use of personalized data, and other issues involving the protection of Subscriber privacy.

9.15 Contact Information on Subscribers' Bills. Grantee shall include on Subscribers' bills the contact information for the [City/County]. Grantee shall also provide to Subscribers the [City/County]'s contact information at the time of Cable Service installation and at least Annually thereafter.

Section 10. RESIDENTIAL NETWORK

10.1 Channel Capacity.

- (A) As of the effective date of this Franchise, Grantee's Cable System uses a Fiber to the Fiber node Cable System architecture, with Fiber Optic cable deployed from Grantee's Headend and hubs to Grantee's Fiber nodes, tying into Grantee's coaxial Cable System already serving Subscribers. Active and passive devices currently are passing a minimum of 860 MHz (with a minimum forward passband of between 50 and 860 MHz) capable of providing to Residential Subscribers at least 200 or more activated minimum Downstream video Channels and minimum Activated Upstream digital Channel Capacity of 35 MHz accessible from any node, any Residential Subscriber, and any points of Access Channel primary origination in the Franchise Area. This Upstream Capacity requires no additional installation of equipment for use except on users' premises.
- (B) The Cable Service provided by the Cable System shall be delivered in accordance with applicable FCC standards, as amended. The Cable System shall meet or exceed FCC technical quality standards at 47.C.F.R. § 76 Subpart K, regardless of the particular format in which a Signal is transmitted.
- (C) Grantee agrees to maintain the Cable System in a manner throughout the term of the Franchise that maintains and advances system specifications, capability and technical quality to enable the implementation and performance of all the requirements of this Franchise, including the Exhibits hereto.

10.2 Leased Access Channels. Grantee shall meet the leased access channel requirements under 47 USC § 532.

10.3 Technical and Safety Standards.

- (A) Grantee shall comply with FCC Rules and Regulations, including, but not limited to, 47 C.F.R. §76.640, now in effect or as may be amended from time to time.

- (B) Grantee shall at all times employ the standard of care attendant to the risks involved and shall 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 Grantee.
- (C) Grantee shall install and maintain its Cable System in accordance with all current applicable codes including the National Electrical Safety Code, the National Electrical Code and any other applicable federal laws and regulations and the laws, ordinances and construction standards of the State of Oregon and the generally applicable laws, ordinances and construction standards of the [City/County]. Furthermore, the system shall be kept in such manner that the Cable System shall not interfere with any installations of the [City/County] or any public utility or Institutional utility, or any franchisee, licensee or permittee of the [City/County].
- (D) Grantee shall provide and put in use such equipment and appliances and provide all Grantee's services in a manner so as to prevent injury to the wires, pipes, structures, and property belonging to the [City/County] or to any Person within the [City/County].
- (E) Grantee, at its own expense, shall repair, renew, change, and improve its Cable System from time to time as may be necessary to accomplish these purposes.

10.4 Performance Testing.

- (A) Grantee shall be responsible for ensuring that its Cable System is designed, installed, and operated in a manner that fully complies with 47 C.F.R. §76.640 and/or such other applicable FCC standards as amended. Pursuant to this Section 10.4, Grantee shall conduct and document complete performance tests of its Cable System to show the level of compliance with applicable FCC standards. Upon a showing of a pattern of Subscriber complaints regarding signal quality or as part of a Commission or [City/County] Compliance review or based on a determination of non-compliance related to signal quality through a Compliance Review, Grantee, upon written request by the City, shall perform tests to show compliance with FCC Standards as needed. Grantee shall provide a report to the City within thirty (30) days of completion of a test that describes the results of the test. The performance tests shall be directed at determining the extent to which the Cable System complies with applicable FCC technical standards regarding the transmission and reception capabilities of digital Cable Systems.
- (B) Testing required in this Section 10.4 may be observed by representatives of the [City/County]. Upon written request, Grantee shall provide notice to the [City/County] in advance of the scheduled testing date(s), time and place of each test and the [City/County] shall then notify Comcast before such testing is scheduled to occur if it desires to observe such test(s).
- (C) If any test under this Section 10.4 indicates that the Cable System fails to meet applicable FCC requirements, Grantee shall take such corrective measures as are necessary to correct any failure and to prevent their recurrence as far as is possible. Grantee's failure to correct any deficiencies identified through this testing process

within thirty (30) days of identification shall be a material violation of this Agreement. Sites shall be re-tested following correction.

- (D) Grantee shall maintain written Records of all results of its Cable System tests as required by this Franchise, performed by or for the Grantee. Such test results shall be available for inspection by the [City/County] upon written request.
- (E) The [City/County] may conduct independent tests of the system for which the Grantee shall give its fullest cooperation.

10.5 Specific Technical Facilities or Capabilities. The following specific technical facilities or capabilities shall be provided on the Cable System by the Grantee:

- (A) 100% Emergency Standby Power. Grantee shall maintain standby power generating capacity at the Cable System Headend and throughout the trunk and distribution networks as is in place on the effective date of this Franchise. All standby power systems shall be rated to provide at least four
 - (1) Hours duration. In addition, Grantee shall have a plan in place, along with all resources necessary for implementing such plan, for dealing with outages of more than four hours. This outage plan and evidence of requisite implementation resources shall be presented to the [City/County] upon request.
- (B) Emergency Alert Systems. Grantee shall comply with all applicable federal, state and local regulations regarding emergency alert systems, including equipment standards and procedures for alerting capacities. The [City/County] may identify authorized emergency officials for activating the emergency alert system. The [City/County] may also develop a local plan containing methods of emergency alert system message distribution, subject to applicable federal and state laws.

10.6 Quality and Workmanship. The Cable System constructed or erected by Grantee shall be of good quality and workmanship and shall be maintained in good repair and efficiency.

10.7 Inspection of Construction. The [City/County] shall have the right to inspect all infrastructure in the Rights-of-Way including any construction, maintenance and installation work performed under this Franchise. The [City/County] shall have the right to perform such inspections as it deems necessary to ensure compliance with the terms of this Franchise and applicable provisions of law.

Section 11. COMPENSATION AND AUDITING

11.1 Amount of Compensation. As compensation for the benefits and privileges under this Franchise and in consideration of permission to use the Streets of the [City/County], the Grantee shall pay as a franchise fee to the [City/County], throughout the duration of this Franchise, an amount equal to five percent (5%) of Grantee's Gross Revenues.

11.2 Payments and Quarterly Reports.

- (A) Payments. Grantee's franchise fee payments to the [City/County] shall be computed quarterly following the effective date of this Franchise for the preceding quarter year period ending September 30, ~~December~~ 31, March 31, and June 30. Each quarterly

payment shall be due and payable no later than forty-five (45) days after the quarter ending date.

- (B) Quarterly Reports. Each payment shall be accompanied by a written report to the [City/County], in a form approved by the [City/County] and the Commission, verified by an authorized representative of Grantee, containing an accurate statement in summarized form, as well as in detail, of Grantee's Gross Revenues and the computation of the payment amount.

11.3 Interest on Late Payments. Payments not received within forty-five (45) days from the quarter ending date shall be assessed interest compounded at the rate of one percent (1%) per month from the due date.

11.4 Bundled Services. If Cable Services subject to the franchise fee required under this Section 11.4 are provided to Subscribers in conjunction with non-cable services, Grantee shall not allocate revenue between Cable Services and non-cable services for the purpose of evading or substantially reducing Grantee's franchise fee obligations to the [City/County].

11.5 Cost of Publication. Grantee shall pay the cost of publication of this Franchise and any amendments thereto, if such publication is required by the City Charter.

11.6 Maximum Legal Compensation. The parties acknowledge that, at present, applicable federal law limits the [City/County] to collection of a maximum permissible franchise fee of five percent (5%) of Gross Revenues. In the event that at any time during the duration of this Franchise, the [City/County] is authorized to collect an amount in excess of five percent (5%) of Gross Revenues, then the [City/County] may request a modification of this Franchise under the provisions of Section 19.14.

11.7 Acceptance of Payment and Recomputation. No acceptance of any payment pursuant to Section 6.1 (PEG/Fee) or Section 11.1 (Franchise fees) shall be construed as an accord that the amount paid is, in fact, the correct amount, nor shall any acceptance of payments be construed as a release of any claim the [City/County] may have for further or additional sums payable.

11.8 Audits and Reviews.

- (A) All amounts paid under Section 6.1 or Section 11.1 of this Franchise shall be subject to audit by the [City/County], provided such audit is initiated within thirty-six (36) months from the date payment was due. Grantee agrees to pay the [City/County] for:
- (1) Interest on any underpayment of an amount due under Section 6.1 or Section 11.1 of this Franchise that is disclosed as the result of an audit, such interest to be calculated at one percent (1%) over the existing prime rate as set by the Wells Fargo Bank, National Association, or its successor and assigns as designated by the [City/County], compounded quarterly from the date on which the payment was due. If such payment is not received within thirty (30) days of notice from the [City/County], then interest shall be compounded daily from the date on which the payment was due until the date the [City/County] receives the payment.
 - (2) Five percent (5%) of the underpayment shall be due within thirty (30) days of written notice¹⁴⁰ from the [City/County], if the [City/County]'s audit

discloses that the Grantee has paid ninety-five percent (95%) or less of the principal amount owing for the period under audit. If such payment is not received within thirty (30) days of written notice from the [City/County], then interest shall be compounded daily from the date on which the payment was due until the date on which the [City/County] receives the payment, such interest to be calculated at one percent (1%) over the existing prime rate as set by the Wells Fargo Bank, National Association, or its successors and assigns as designated by the [City/County].

(B) Authority to Audit.

(1) The [City/County] and its agents and representatives shall have authority to arrange for and conduct audits under Section 11.8, within the Portland metropolitan region, upon no less than thirty (30) days prior written notice, and during normal business hours. Within the limitations established by Section 11.8, the [City/County] may determine the scope of audit in each instance.

(2) The Grantee agrees to reimburse the [City/County] for:

(a) The reasonable costs of such audit if the audit discloses that the Grantee has paid ninety-five percent (95%) or less of the fees owing under Sections 6.1 and 11.1 for the period at issue; or

(3) The Grantee shall reimburse the [City/County] within thirty (30) days of receipt of an invoice from the [City/County] showing such costs were actually incurred and were directly related to the audit. The Grantee's obligation to reimburse auditing costs under this Section 11.8 shall not exceed twenty thousand dollars (\$20,000.00) per audit.

11.9 Liability for Licenses and Taxes. Payment of the franchise fee and other financial obligations under this Franchise shall not exempt Grantee from the payment of any license fee, tax or charge on the business, occupation, property or income of Grantee that may be imposed by the [City/County], except as may otherwise be provided in the ordinance or ordinances imposing such other license fee, tax or charge. The [City/County]'s right to impose any such license fee, tax or charge shall be subject to any limitations on the [City/County] under applicable law.

Section 12. RECORDS AND REPORTS

12.1 Open Records. Grantee shall manage all of its operations in accordance with a policy of keeping its Records current, open and accessible to the [City/County]. The [City/County] shall have the right to inspect all Records of the Grantee and Affiliated Entities related to the enforcement of and compliance with this Franchise at any time during normal business hours at a Grantee business operations site within Multnomah, Clackamas or Washington counties, Oregon or other pertinent location, and upon reasonable notice to determine compliance by Grantee with its obligations under this Franchise. Grantee shall not deny the [City/County] access to Grantee's Records on the basis that Grantee's Records are under the control of an Affiliated Entity or a third party, rather than the Grantee. In the case of Affiliated Entities not under common control with Grantee, Grantee shall not be subject to the remedies set forth in Section 18.1(A) if such Affiliated Entity does not permit inspection of its Records, and Grantee has;

- (A) Made available for inspection all of its Records relevant to the determination of compliance; and
- (B) Exercised all reasonable efforts to persuade such Affiliated Entity to make such Records available for inspection.

12.2 Information and Reports. Grantee shall provide a current copy of the following information at the intervals indicated:

- (A) Cable System information:
 - (1) Schedule of all Cable Services and Programming services, tiers and/or packages, and Channel assignments, provided on the Cable System (Annually and upon change);
 - (2) A schedule of all Grantee's rates and charges (Annually and upon change);
 - (3) A monthly Cable Services sample customer bill within the Franchise Area, including copies of all communications of a general nature related to Cable Services sent to Subscribers with the bill (monthly);
 - (4) Copies of other communications of a general nature sent to Subscribers related to Cable Services, excluding communications sent to individual Subscribers which name that Subscriber (at the same time communications are sent to Subscribers); and,
 - (5) A copy of Subscriber privacy policies and the Subscribers service agreements, including terms and conditions (Annually and upon change).
 - (6) A quarterly report on ADA and accessibility services provided, including, but not limited to, TTY and call line statistics, text to speech services and other customer services for persons living with disabilities (quarterly).
- (B) Upon thirty (30) day's advance written notice the following information shall be provided at least once annually to [City/County] representatives, and for the purposes of any audit provided for in this Agreement:
 - (1) Total Cable System mileage and overall homes passed (Annually); The [City/County] shall treat the information provided in this Section 12.2 (B) as Confidential Information, present to the terms of section 12.5.
 - (2) The number of Basic Service Subscribers, other programming service tier subscribers, Pay Service Subscribers and pay-to-basic percentages (Annually).
- (C) The [City/County] shall treat the information provided in this Section 12.2 (B) as Confidential Information, pursuant to the terms of Section 12.5.

- (D) Grantee shall provide an audited statement or, in lieu of such audited statement, a statement certified by an officer of the company of Gross Revenues for the Franchise Area from the previous year, no later than one hundred twenty (120) days after the end of its fiscal year. The statement shall contain such information as may be required from time to time by the [City/County], and at least the following, unless the [City/County] waives the requirement: a listing of all categories of Gross Revenues, and the revenue associated with such categories, in sufficient detail and with sufficient explanation to enable the [City/County] to understand the statement and to verify the accuracy of payments to the [City/County]. The report shall include an explanation of any deductions made from Gross Revenues in the calculation of payments.

12.3 General Reports. The [City/County] shall have the right to request, in writing, information as is appropriate and reasonable to determine whether Grantee is in compliance with this Franchise. Grantee shall provide the [City/County] such information in a format as Grantee customarily prepares such report or information. Grantee shall fully cooperate with the [City/County] and shall provide such information and documents as necessary and reasonable for the [City/County] to evaluate compliance. Grantee reserves the right to object to any request made under this Section 12.3 as unnecessary, unreasonable or inappropriate under the circumstances. This Section shall not require the creation of new data, but may include new reports based on the existing data in the forms and formats needed to evaluate compliance. Format. The [City/County], after consultation with Grantee, may specify the form and details of all Grantee's reports required under this Franchise.

12.4 Reports of Regulatory Violations. Upon written request, Grantee shall provide copies to the [City/County] of any communications to and from federal, state or local courts, regulatory agencies or other governmental bodies addressed to Grantee regarding any alleged, apparent or acknowledged violation by Grantee of any applicable federal or state law specifically related to the operation of Grantee's Cable System or Grantee's provision of Cable Services within the Franchise Area. Grantee shall submit such communications to the [City/County] no later than thirty (30) days after such request. Grantee shall not claim confidential, privileged or proprietary rights to such documents unless under applicable federal, state, or local law such documents have been determined to be confidential by a court of competent jurisdiction, or a federal or state agency or a request for confidential treatment is pending.

12.5 Public Records.

- (A) Grantee acknowledges that information submitted by Grantee to the [City/County] may be open to public inspection under the Oregon Public Records Law. Grantee is responsible for becoming familiar with and understanding the provisions of the Oregon Public Records Law.
- (B) Confidential Information. Grantee may identify information submitted to the [City/County] and clearly marked as "Confidential," if Grantee reasonably believes such information is qualified for an exemption recognized under the Oregon Public Records Law. When submitting such information to the [City/County], Grantee shall also submit documentation to the Commission that specifically identifies the applicable exemption under the Oregon Public Records Law, and stating the reason(s) Grantee believes the information is exempt.
- (C) The [City/County] shall take reasonable steps to keep the identified information confidential, acting consistently with the Public Records Law.

- (D) Notice to Grantee. Within five (5) business days of receiving a public records request for information identified by Grantee as “Confidential”, the [City/County] shall provide the Grantee with written notice of the request, including a copy of the request. Within the limits and discretion allowed by Oregon laws, the [City/County] will maintain the confidentiality of information. The [City/County] shall retain discretion to determine whether to release the requested information consistent with the Oregon Public Records Law. Nothing in this Section affects Grantee’s right to seek legal relief to prevent the [City/County]’s release of Grantee’s Confidential Information.

Section 13. GENERAL INDEMNIFICATION AND INSURANCE

13.1 Indemnification.

- (A) General Indemnification. Grantee shall indemnify, defend and hold harmless the [City/County], its officers, agents, boards and employees, from any liability for claims, damages, costs or expenses, including court and appeal costs and reasonable attorney fees or expenses, arising from any casualty or accident to person or property, including, without limitation: copyright infringement; defamation; damages arising out of or by reason of any construction, excavation, operation, maintenance, reconstruction or any other act done under this Franchise, by or for Grantee, its agents, or its employees; or by reason of any neglect or omission of Grantee to keep its system in a safe condition. Grantee’s indemnification obligation shall not extend to liability directly arising solely out of the [City/County]’s gross negligence or willful misconduct. The [City/County] shall provide Grantee prompt notice of any such claim which Grantee shall defend with counsel of its own choosing and no settlement or compromise of any such claim will be done without the prior written approval of the [City/County] which approval shall not be unreasonable withheld. Grantee shall consult and cooperate with the [City/County] while conducting its defense of the [City/County] and the [City/County] shall fully cooperate with the Grantee.
- (B) Indemnification for Relocation. Grantee shall indemnify the [City/County] for any damages, claims, additional costs or expenses assessed against or payable by the [City/County] arising out of or resulting, directly or indirectly, from Grantee’s failure to remove, adjust or relocate any of its Facilities in the Streets in a timely manner in accordance with a relocation schedule furnished Grantee by the [City/County]’s duly authorized agent in writing, unless Grantee’s failure arises directly from the [City/County]’s negligence or willful misconduct.
- (C) Indemnification – Hazardous Substances. Grantee agrees to forever indemnify the [City/County], its officers, agents and employees, from and against any claims, costs and expenses of any kind, whether direct or indirect, or pursuant to any state or federal law, statute, regulation or order, for the removal or remediation of any leaks, spills, contamination or residues of Hazardous Substances, directly attributable to Grantee’s structures or other Facilities in the Streets.

13.2 Insurance.

- (A) Grantee shall maintain in full force and effect, at its own cost and expense, continuously during the Franchise Term, the following insurance coverage:

- (1) Commercial General Liability. Grantee shall provide and maintain commercial general liability and property damage insurance in the amount of two million U.S. dollars (\$2,000,000) per occurrence, and aggregate limit of four million U.S. dollars (\$4,000,000) that protects Grantee and [City/County] and its officers, agents and employees from any and all claims, demands, actions and suits for damage to property or personal injury arising from Grantee's work under this franchise.
- (2) Automobile Liability. Grantee shall carry automobile liability insurance with a combined single limit of one million U.S. dollars (\$1,000,000) each occurrence, and an umbrella or excess liability coverage of two million U.S. dollars (\$2,000,000), for bodily injury and property damage. The insurance shall include coverage for any damages or injuries arising out of the use of automobiles or other motor vehicles by Grantee.
- (3) Workers' Compensation. Grantee shall comply with the workers' compensation law, ORS Chapter 656, as it may be amended. If required, Grantee shall maintain coverage for all subject workers as defined by ORS Chapter 656 and shall maintain a current, valid certificate of workers' compensation insurance on file with the [City/County] Auditor for the entire period during which work is performed under this franchise. Contractors who are non-subject workers meeting one of the exceptions in ORS 656.027 may not be required to carry workers' compensation insurance. Any Contractor requesting an exemption from the workers' compensation coverage listed above must make that request in writing to the [City/County] Attorney, stating its Contractor's qualification for exemption under ORS 656.027.
- (4) Employers' Liability Insurance in the following amounts: (A) Bodily Injury by Accident: five hundred thousand dollars (\$500,000); and (B) Bodily Injury by Disease: five hundred thousand dollars (\$500,000) employee limit; five hundred thousand dollars (\$500,000) policy limit.
- (5) The limits of the insurance as provided herein shall be subject to any changes as to the maximum limits imposed on municipalities of the State of Oregon during the term of this Franchise.
- (B) Additional Insureds. The coverage shall apply as to claims between insureds on the policy. The insurance shall be without prejudice to other coverage. For liability coverage, the insurance certificate shall list [City/County] and the Commission as a Certificate Holder and include as additional insureds "the [City/County] and the Commission, and their officers, agents and employees" and an endorsement to the liability policy shall confirm the listing of [City/County] and the Commission as an additional insured. Notwithstanding the listing of additional insureds, the insurance shall protect each additional insured in the same manner as though a separate policy had been issued to each, but nothing herein shall 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.

- (C) Grantee shall not cancel any required insurance policy, nor shall Grantee allow the required insurance to lapse, without obtaining alternative insurance in conformance with this Agreement. For any of the insurance policies identifying the [City/County] and the Commission as additional insureds, as provided under this Section 13.2, the Grantee shall notify the [City/County] and the Commission within five (5) business days of any notice of non-renewal, any cancellation, or any material adverse change in coverage. If the insurance is canceled or materially altered so as to be out of compliance with the requirements of this Section 13.2 during the term of this Franchise, Grantee shall provide a replacement policy.
- (D) All required insurance must be issued by companies or financial institutions with an AM Best rating of A- or better and duly authorized to do business in the State of Oregon.
- (E) The insurance shall be without prejudice to coverage otherwise existing and shall name the Commission, [City/County], and its officers, agents, and employees as additional insureds as their interest may appear, except the Workers' Compensation and Employer's Liability Insurance.
- (F) Grantee shall provide the Commission, within fifteen (15) days of the effective date of this Franchise, a certificate of insurance certifying the coverage required above, which certificate shall be subject to the approval of the [City/County]'s Legal Counsel as to whether the certificate and the insurance certified is consistent with the requirements of this Section 13.2. Failure to maintain adequate insurance as required under this Section 13.2 shall be cause for revocation of this Franchise by the [City/County] as set forth in Section 18.
- (G) The [City/County] shall require as a condition of any separate agreement between the [City/County] and a Designated Access Provider, that the Designated Access Provider shall include the Grantee as a named insured in the Designated Access Provider's liability insurance policy with respect to any claim for injury, damage, loss, liability, cost or expense arising from Programming or other transmission placed by the Designated Access Provider on PEG Access Channels or the Institutional Network (but not if arising out of or by reason of any act done by the Grantee or its officers, agents or employees).

13.3 Faithful Performance Bond.

- (A) Upon the effective date of this Franchise, the Grantee shall furnish proof of the posting, and maintain in full force and effect at its own cost and expense a faithful performance bond running to the [City/County] with good and sufficient surety approved by the [City/County], in an amount of five hundred thousand dollars (\$500,000), Grantee shall immediately replace or replenish to the full amount any draw down of the security by [City/County].
- (B) Grantee shall pay all premiums charged for any bond required under this Section. The bond shall be in effect until the later of: (i) termination of this franchise; or (ii) removal of all of Grantee's system installed in the [City/County]'s Streets.

- (C) The performance bond shall contain a provision that it shall not be terminated or otherwise allowed to expire without thirty (30) calendar days prior written notice first being given to the [City/County]. The performance bond is subject review and approval by the [City/County] Attorney. Grantee shall file with the [City/County] a duplicate copy of the performance bond along with written evidence of payment of the required premium
- (D) Subject to the [City/County]'s prior approval, Grantee may provide an irrevocable letter of credit or other form of financial assurance in lieu of a faithful performance bond. The alternative form of financial assurance shall give the [City/County] substantially the same rights and guarantees provided by a faithful performance bond.
- (E) In lieu of the performance bond required under this Section 13.3, the Grantee may elect to provide to the [City/County] a fully executed Guarantee in Lieu of Bond of Comcast Communications, Inc., in the form provided in Exhibit E to this Franchise. In the event of such election, the duly executed Guarantee in Lieu of Bond shall be filed by the Grantee within thirty (30) days. Any performance bond required under Section 13.3(A) shall remain in effect until replaced by such Guarantee in Lieu of Bond.

Section 14. GENERAL STREET USE AND CONSTRUCTION

14.1 Construction.

- (A) Subject to applicable regulations of the [City/County], Grantee may perform all construction necessary for the operation, maintenance, extension, upgrade and rebuild of its Cable System. All work within Streets incident to Grantee's Cable System shall, regardless of who performs the construction, be and remain the Grantee's responsibility. Grantee shall apply for and obtain all permits necessary for construction or installation of any Facilities, and for excavating and laying any Facilities, within the Streets. Grantee shall pay all applicable fees based on the type of construction it performs or plans to perform upon issuance of the requisite construction permits by the [City/County] to Grantee.

(B) Maps.

- (1) As of the effective date of this Franchise, and annually thereafter in the event of any alterations, Grantee shall provide a map to the [City/County] Engineer and the [City/County]'s Office of Cable Communications and Franchise Management, or its successor, showing the location of Grantee's Facilities in the Streets on a scale of three thousand five hundred feet (3,500') per inch or whatever scale the [City/County] and Grantee agree upon. Grantee shall also provide such maps in an electronic format acceptable to the [City/County] and the Grantee. The level of detail in maps provided by Grantee shall be limited to that which is needed for the [City/County]'s administration of the Streets in order to protect Grantee's confidential business information and the security of Grantee's Cable System.

14.2 Relocation. Grantee shall relocate its Cable System within the Streets in compliance with the requirements of applicable [City/County] Code and administrative regulations

14.3 Restoration of Streets. Grantee's responsibility for maintaining repairs to any Street surface areas disturbed by Grantee's work shall end upon the occurrence of either a reconstruction of the Street in an approved manner by the [City/County] (curb to curb) or upon subsequent work at the same location by any other Person franchised, permitted, licensed or otherwise granted authority by the [City/County], whichever occurs first.

14.4 Maintenance and Workmanship.

- (A) Grantee's Cable System shall be constructed and maintained in such manner as not to interfere with sewers, water pipes, or any other property of the [City/County], or with any other pipes, wires, conduits, structures or other facilities that may have been laid in the Streets by or under the [City/County]'s authority.
- (B) Grantee shall provide and use any equipment and appliances necessary to control and carry Grantee's Signals so as to prevent injury to the [City/County]'s property or property belonging to any Person within the [City/County]. Grantee, at its own expense, shall repair, renew, change and improve its Facilities from time to time as may be necessary to accomplish this purpose.
- (C) Grantee shall not construct its Cable System in any manner that requires any Subscriber to install any cable, wire, conduits or other facilities, under or over a Street.

14.5 Acquisition of Facilities. Upon Grantee's acquisition of Facilities in any [City/County] Streets, or upon any addition or annexation to the [City/County] of any area in which Grantee owns or operates any Facility in the Streets, the Grantee shall submit to the [City/County] a statement describing all Facilities involved, whether authorized by franchise, license, permit, or any other similar form of right granted by the [City/County], and specifying the location of all such acquired Facilities. Such Facilities shall immediately be subject to the terms of this Franchise, with a reasonable period of time to bring the acquired Facilities into compliance with this Franchise. The [City/County] expressly reserves the right to install, affix, maintain, remove or relocate [City/County] streetlights and other [City/County]-owned infrastructure, including traffic signals, beacons, signs and transportation control equipment, in the Streets without charge, for use by the [City/County] or other government entities and for emergency services.

- (A) Reservation of [City/County] Street Rights. Nothing in this Franchise shall prevent the [City/County] from constructing sewers; grading, paving, repairing and/or altering any Street; laying down, repairing or removing water mains; or constructing or establishing any other public work or improvement. All such work shall be done, insofar as practicable, so as not to obstruct, injure or prevent the use and operation of Grantee's Cable System. However, if any of the Grantee's Cable System interferes with the construction or repair of any Street or public improvement, including construction, repair or removal of a sewer or water main, the Grantee's Cable System shall be removed or replaced in the manner the [City/County] shall direct. Any and all such removal or replacement shall be at the expense of the Grantee. Should Grantee fail to remove, adjust or relocate its Facilities by the date established by the [City/County] Engineer's written notice to Grantee, the [City/County] may effect such removal, adjustment or relocation, and the expense thereof shall be paid by Grantee, including all costs and expenses incurred by the [City/County] due to Grantee's delay. However, should the City make available funds for the cost of relocating, removing or replacing facilities, Grantee shall be allowed to participate in such funding. If non-

City funds, such as funds from residents or state or federal grant funding, are made available to place electric or telephone lines underground, Grantee shall participate in such funding to the extent allowed.

14.6 New Construction.

- (A) Grantee shall provide twenty-one (21) days prior written notice to the [City/County] of any planned Duct construction. Such notice shall include a description of any planned duct construction and a map showing the planned route in a form acceptable to the [City/County] Engineer. Within ten (10) business days of receiving the written notice, the [City/County] shall provide a written request to Grantee if it desires any Ducts along the planned route, and Grantee shall provide such Ducts to the [City/County] pursuant to the process set forth in this Section 14.6.
- (B) For Grantee's new Duct installation, Grantee will provide additional Duct(s) as needed by the [City/County]
- (1) Grantee will confer with [City/County] prior to finalizing plans and specifications for any proposed new build, to establish and define [City/County] requirements for Duct and access vaults;
 - (2) If the [City/County] determines a need for Duct and access vaults under Section 14.6(A), [City/County] will pay Grantee the marginal costs for this work, consisting of material, labor, and design and engineering costs associated with modifications to the plans and specifications for the segments defined and necessary facilities;
 - (3) Grantee will provide suitable documentation of ownership and include location in map submitted per Section 14.1(B). [City/County] will then maintain ownership of and maintenance responsibilities for the additional Duct(s).
- (C) Grantee will provide separate access vaults for the [City/County] at [City/County]'s cost, at locations to be determined by the [City/County] during the conference noted in Section 14.6(B)(1).

14.7 Discontinuing Use of Facilities. Whenever Grantee intends to discontinue using any Facility within the Streets, Grantee shall submit for the [City/County] Engineer's approval a complete description of the Facility and the date on which the Grantee intends to discontinue using the Facility. Grantee may remove the Facility or request that the [City/County] permit it to remain in place. Notwithstanding the Grantee's request that any such Facility remain in place, the [City/County] Engineer may require the Grantee to remove the Facility from the Street or modify the Facility to protect the public health and safety or otherwise serve the public interest. The [City/County] Engineer may require the Grantee to perform a combination of modification and removal of the Facility. Grantee shall complete such removal or modification in accordance with a schedule set by the [City/County] Engineer. Until such time as Grantee removes or modifies the Facility as directed by the [City/County] Engineer, or until the rights to and responsibility for the Facility are accepted by another Person having authority to construct and maintain such Facility, Grantee shall be responsible for all necessary repairs and relocations of the Facility, as well as maintenance of the Street, in the same manner and degree as if the Facility were in active use, and Grantee shall retain all liability for such Facility.

14.8 Hazardous Substances.

- (A) Compliance with Applicable Law. Grantee shall comply with all applicable state and federal laws, statutes, regulations and orders concerning Hazardous Substances relating to its Cable System and Facilities in the Streets.
- (B) Maintenance, Inspection and Remediation. Grantee shall maintain and inspect its Cable System located in the Streets. If Grantee discovers any Hazardous Substances in the course of Grantee's work on its Facilities in the Streets, Grantee shall provide a written report of the discovery to the [City/County] within two (2) business days. Grantee shall immediately proceed to remove and remediate, in accordance with, and only to the extent required by, all applicable local, state and federal laws, any Hazardous Substances in the Streets directly attributable to or caused by Grantee's Facilities or the acts or omissions of Grantee. Nothing in this Franchise transfers or is intended to transfer any liability to the [City/County] for removal or remediation of any such Hazardous Substances in the Streets.
- (C) Construction, Modification or Removal of Facilities. In the course of construction, modification or removal of any of its Facilities in the Streets, to the extent necessary to safely proceed with such work, Grantee shall remove and remediate Hazardous Substances encountered in the course of its activities in accordance with, and only to the extent required by, all applicable state and federal laws, statutes, regulations and orders. Grantee may use reasonable business efforts to recover its costs for such removal and disposal from all legally responsible third parties.

14.9 Undergrounding of Cable. Grantee is strongly encouraged to locate and construct its present and future cables underground. Grantee shall install its cables or other Facilities underground wherever all existing utilities already are underground, where all utilities are placed underground, or where statute or ordinance requires utilities to be placed underground. Previously installed aerial cable shall be undergrounded in concert, and on a reasonable cost-sharing basis, with other utilities pursuant to the general ordinances of the [City/County] or applicable State law, or in the event that an institutional utility or a public utility decides to underground its facilities on a voluntary basis, unless the [City/County] grants an exception.

14.10 Construction Codes. Grantee shall strictly adhere to all building and zoning codes currently or hereafter in effect. Grantee shall arrange its lines, cables, and other appurtenances, on both public and private property, in such a manner as to cause no unreasonable interference with the use of said public or private property by any Person. In the event of such interference, the [City/County] may require the removal or relocation of the Grantee's lines, cables, and other appurtenances from the property in question.

14.11 Construction and Use of Poles.

- (A) Whenever feasible, the construction, maintenance, and use of Grantee's Cable System shall comply with the standards of materials in engineering and all other provisions of a pole user agreement for use of poles, entered into by and between the pole owners and the Grantee, or separate agreements between each of said companies and the Grantee. The [City/County] may request a copy of any pole attachment agreement affecting poles placed in the Streets, and Grantee shall not unreasonably refuse such request. In the event Grantee cannot obtain the necessary poles and allied facilities pursuant to the provisions of such an agreement, and only in such event, then it shall

be lawful for the Grantee to make all needed excavations in the Streets for the purpose of placing, erecting, laying, maintaining, repairing, and removing poles, conduits, supports for wires and conductors, and any other Facility needed for the maintenance or extension of Grantee's Cable System. All poles of the Grantee shall be erected between the curb and the sidewalk unless otherwise designated by the proper [City/County] authorities, and each pole shall be set whenever practicable at an extension of a lot line. The [City/County] shall have the right to require the Grantee to change the location of any pole, conduit, structure or other Facility within the Streets when in the opinion of the [City/County] the public convenience requires such change, and the expense thereof shall be paid by the Grantee.

- (B) The terms of this Section 14.11 shall not exempt the Grantee from compliance with all Charter and ordinance provisions relating to such excavations or construction or from any provision requiring payment of permit or license fees pertaining thereto.

14.12 Tree Trimming.

- (A) Blanket Permit Grantee has received a programmatic permit from Urban Forestry for routine tree maintenance. The City Forester shall have discretion to cancel the blanket permit, if, at any time, the Grantee or its agents fail to either use proper utility arboricultural practices or to properly notify the public as specified in such blanket permit.
- (B) Emergencies. Notwithstanding the permit and notice requirements of the above-noted blanket permit, in the event of an emergency, Grantee may prune a tree or trees as necessary to abate the emergency. For purposes of this Section 14.12, emergencies exist when it is necessary to prune a tree or trees in order to restore electrical services, or to protect the public from imminent danger, or to prevent the imminent destruction of property.

Section 15. TRANSFER OF GRANTEE'S CABLE SYSTEM

15.1 Transfer Defined. For purposes of this Section 15, "Transfer" shall mean any form of sale, change in control, conveyance, mortgage, assignment, merger, pledge, encumbrance, deed or grant, in whole or in part, and whether voluntary or involuntary.

15.2 Council Consent. Except as otherwise provided below, neither this Franchise, nor all or substantially all of Grantee's Facilities, shall be sold, leased, assigned, merged or otherwise transferred without the prior written consent of the [City/County] as expressed by ordinance, which consent shall not be unreasonably withheld or delayed, except to entities that control, are controlled by, or are under common control with the Grantee. Grantee shall give written notice to the [City/County] of any Transfers to entities under such common control within ten (10) days of such transfers. The [City/County]'s granting of consent in one instance shall not render unnecessary any subsequent consent in any other instance. Nothing contained in this Franchise shall be deemed to prohibit the mortgage, pledge, or assignment of tangible assets of Grantee's Cable System for the purpose of financing the acquisition of equipment for or the construction and operation of Grantee's cable system, within or outside the City, without the City's consent, but any such mortgage, pledge or assignment with respect to Grantee's Cable System shall be subject to the City's other rights contained in this Franchise.

15.3 Review.

- (A) In determining whether the [City/County] will consent to any Transfer, the [City/County] may inquire into the technical, legal, and financial qualifications of the prospective party. Grantee shall assist the [City/County] in any such inquiry. The [City/County] may condition any Transfer upon such conditions related to the technical, legal, and financial qualifications of the prospective party to perform according to the terms of this Franchise, as it deems reasonably appropriate or to the resolution of outstanding and unresolved issues of Grantee's noncompliance with the terms and conditions of this Franchise.
- (B) No Transfer for which the [City/County]'s consent by ordinance is required may occur until the successor, assignee, lessee or transferee has complied with the requirements of this Franchise, including, but not limited to, providing certificates of insurance. Within ten (10) business days after execution and delivery of any instrument so consented to by the [City/County], Grantee shall file with the [City/County] Auditor an executed counterpart or certified copy thereof.

15.4 Leases. Grantee shall not lease any portion of its franchised Cable System without the [City/County]'s prior consent as expressed by ordinance. However, and notwithstanding Section 15.2, Grantee may lease any portion of its Cable System in the ordinary course of its business without otherwise obtaining the [City/County]'s consent by ordinance, so long as Grantee remains solely responsible for locating, servicing, repairing, relocating or removing such portion of its Cable System. A lessee of any portion of Grantee's Cable System shall not obtain any rights under this Franchise.

15.5 Sales.

- (A) Notwithstanding Section 15.2, Grantee may sell portions of its Cable System in the ordinary course of its business, without otherwise obtaining the [City/County]'s consent by ordinance, so long as Grantee complies with the following conditions:
- (1) The sale is to the holder of a current existing, cable system franchise, license, permit, or other similar right granted by the [City/County];
 - (2) Within fourteen (14) days of the sale being executed and becoming final, Grantee shall provide written notice to the [City/County], describing the portions of the Cable System sold by the Grantee, identifying the purchaser of the Facilities, the location of the Facilities (in accordance with the mapping requirements of Section 14.1(B) and providing an executed counterpart or certified copy of the sales documents;
 - (3) Grantee remains solely responsible for locating, servicing, repairing, relocating or removing its remaining Cable System; and,
 - (4) Within fourteen (14) days of the sale being executed and becoming final, the purchaser of such Facilities shall file written notice to the [City/County] that it has assumed sole responsibility for locating, servicing, repairing, relocating or removing the purchased Facilities under the purchaser's current, existing valid cable system franchise, license, permit or other similar right granted by the [City/County]. The purchaser shall not obtain any of the Grantee's rights under this Franchise.

- (B) If required by federal law, the [City/County] shall make a final decision upon a proposed Transfer within one hundred twenty (120) days of receiving a written request for approval of a Transfer containing or accompanied by such information as is required by federal law and this Franchise. If the [City/County] fails to render a final decision on the request within one hundred twenty (120) days, then the proposed Transfer shall be deemed to be consented to by the [City/County]. At any time during the one hundred twenty (120) day period, the [City/County] may request in writing that the Grantee provide or cause to provide any information reasonably necessary to rendering a final decision on the request. The [City/County] and the Grantee may, at any time, agree to extend the one hundred twenty (120) day period.
- (C) Bankruptcy or Dissolution. Grantee shall immediately report to the [City/County], as soon as it becomes known, the initiation of bankruptcy proceedings, or corporate or partnership dissolution.
- (D) Consent. No consent by the [City/County], which is required under this Section, shall be unreasonably denied or delayed.

Section 16. CITY/COUNTY REGULATORY AUTHORITY

16.1 City/County Regulatory Rights.

- (A) The [City/County] Council shall be vested with the power and right to reasonably regulate the exercise of the privileges permitted by this Franchise in the public interest.
- (B) Grantee shall not be relieved of its obligations to comply, promptly and completely, with any provision of this Franchise by any failure of the [City/County] to promptly enforce compliance with this Franchise.

16.2 City/County Regulatory Actions. Grantee shall comply with any and all lawful actions of the [City/County] affecting Grantee's operations under this Franchise, including, without limitation, all orders, contracts, and regulatory actions taken pursuant thereto, in all respects and without exception, so long as such actions do not materially affect the rights of Grantee hereunder. In the event of any direct conflict between [City/County] orders and regulatory actions, and the terms of this Franchise, this Franchise shall prevail.

16.3 Right of Intervention. The [City/County] shall have the right to intervene in any suit or proceeding to which the Grantee is a party, in the event the [City/County]'s rights under this Franchise may be affected thereby.

Section 17. EQUAL EMPLOYMENT OPPORTUNITY/ AFFIRMATIVE ACTION/ MINORITY BUSINESS ENTERPRISES

17.1 Equal Employment Opportunity.

- (A) Throughout the term of this Franchise, Grantee shall fully comply with the equal employment opportunity requirements of federal, state, and local law, and in particular, FCC rules and regulations relating thereto. Upon request by the [City/County], Grantee shall furnish the [City/County] a copy of the Grantee's Annual

statistical report filed with the FCC, along with proof of Grantee's Annual certification of compliance. Grantee shall immediately notify the [City/County] in the event Grantee is at any time determined not to be in compliance with FCC rules or regulations.

- (B) Throughout the term of this Franchise, the Grantee shall maintain a policy that all employment decisions, practices, and procedures are based on merit and ability without discrimination on the basis of an individual's race, color, religion or non-religion, age, sex, gender identity, national origin, sexual orientation, limited English proficiency, marital status, family status or physical or mental disability. Grantee's policy shall apply to all employment actions including advertising, recruiting, hiring, promotion, transfer, remuneration, selection for training, company benefits, disciplinary action, lay-off, and termination.

17.2 Affirmative Action. Grantee shall carry out its equal employment opportunity policy by making a determined and good-faith effort at affirmative action to employ and advance in employment women, minorities, and the physically and mentally disabled.

17.3 Minority-Owned, Woman-Owned and Emerging Small Business Enterprises. Grantee shall make determined and good faith efforts to use minority-owned, woman-owned and emerging small business enterprises in its contracted expenditures, including, without limitation, contracts for the acquisition of goods, services, materials, supplies, and equipment used in the construction, maintenance, and operation of its Cable System. If directed by the [City/County], the Grantee shall participate in the [City/County]'s Minority-Owned, Woman-Owned and Emerging Small Business Enterprise Certification Program.

Section 18. FRANCHISE VIOLATIONS AND REMEDIES, EXPIRATION AND RENEWAL

18.1 Remedies for Franchise Violations.

- (A) In addition to any rights set out elsewhere in this Franchise, or such other rights as it may possess, the [City/County] reserves the right at its discretion to apply any of the following remedies, alone or in combination, in the event Grantee violates any material provision of this Franchise.
- (1) Recover liquidated damages as provided in Section 18.1(C);
 - (2) Recover specific damages from all or any part of the security provided pursuant to this Franchise, including without limitation any performance bond, letter of credit or other security, provided, however, the assessment shall be for such amount as the [City/County] reasonably determines is necessary to remedy the violation;
 - (3) Commence litigation seeking recovery of monetary damages or specific performance of this Franchise, as such remedy may be available;
 - (4) Reduce the duration of the term of this Franchise on such basis as is reasonable provided that in no event shall the amount of the term remaining after the reduction be less than three (3) years; or
 - (5) Revoke this Franchise.

- (B) (1) Grantee shall not be relieved of its obligations to comply promptly with this Franchise by reason of any failure of the [City/County] to enforce prompt compliance. The [City/County]'s failure to enforce shall not constitute a waiver of any term, condition, or obligation imposed upon the Grantee under this Franchise; nor a waiver of rights by the [City/County] or acquiescence in Grantee's conduct. A specific waiver of a particular term, condition, or obligation imposed upon Grantee under this Franchise shall not be a waiver of any other or subsequent or future breach of the same or of any other term, condition or obligation. The acts or omissions of Affiliates are not beyond the Grantee's control, and the knowledge of Affiliates shall be imputed to Grantee.
- (2) Subject to applicable law, the remedies provided for in this Franchise are cumulative and not exclusive; the exercise of one remedy shall not prevent the exercise of another remedy, or the exercise of any available rights of the [City/County] at law or equity.
- (3) No cost or liability to Grantee arising from a breach or violation of this Franchise shall be recovered from Subscribers or be offset against any other sums due to the [City/County] as a tax, Franchise Fee or otherwise regardless of whether the combination of Franchise Fees and said costs exceeds five percent (5%) of Grantee's Gross Revenues in any twelve (12) month period.
- (C) Liquidated Damages.

(1) The [City/County] and Grantee recognize that delays, expense and unique difficulties would be involved in establishing actual losses suffered by the [City/County] and the public as a result of the Grantee's violation of certain aspects of this Franchise. To that end and subject to Grantee's right to notice and the opportunity to cure as provided in Section 18.2, the [City/County] may assess liquidated damages as set forth in the categories below. Instead of requiring proof of actual damages, the [City/County] and Grantee agree that Grantee shall pay liquidated damages in these amounts to the [City/County] for any violation of the categories listed below. The parties agree that such amounts are a reasonable estimate of the actual damages (including increased costs of administration and other damages difficult to measure) the [City/County] and the public would suffer in the event of Grantee's breach such provisions of this Franchise. The election of liquidated damages for an incident shall be the [City/County]'s sole and complete remedy as to that incident. The parties agree that such liquidated damages shall be considered as a reasonable estimation of the actual and potential damages suffered for violations of these categories:

- (a) For any failure to provide data, documents, reports or information as provided in the Franchise – five hundred dollars (\$500) per day or per violation, up to a total of twenty thousand dollars (\$20,000) during any rolling twelve (12) month period;
- (b) For any failure to comply with FCC technical standards, any emergency alert standards or any back-up power requirements – one

thousand dollars (\$1,000) per day or per violation, up to a total of forty thousand dollars (\$40,000) during any rolling twelve (12) month period;

(c) Failure to provide PEG Channels and/or PEG capital support payments required by this Franchise – one thousand dollars (\$1,000) per day or per violation, up to a total of forty thousand (\$40,000) during any rolling twelve (12) month period;

(d) Failure to comply with customer service standards and reports – one thousand dollars (\$1,000) per day or per violation, up to a total of forty thousand dollars (\$40,000) during any rolling twelve (12) month period.

(e) Violation of any other provision of the Franchise – one thousand dollars (\$1,000) per day or per violation, up to a total of twenty thousand dollars (\$20,000) during any rolling twelve (12) month period.

(2) The Commission, acting on behalf of the [City/County], may determine that the actual and potential harm to the public is greater than the amounts agreed to by the parties as liquidated damages, taking into account the nature and extent of the violation, whether there has been a pattern or practice of repeated violations of the same nature resulting in increased costs of administrative oversight by staff and the Commission, and the harm to the public or individual subscribers. Any liquidated damages exceeding the amounts set forth in Section 18.1(C)(1) may be submitted to Arbitration in accordance with the provisions of Section 19.2 of this Franchise

(3) The assessment and recovery of liquidated damages will not constitute a waiver by the [City/County] of any other right or remedy it may have under the Franchise or applicable law as to subsequent incidents. However, should the [City/County] elect to pursue liquidated damages, that remedy shall be the sole remedy available until the [City/County] has recovered the maximum amount available in any rolling twelve (12) month period. If after the maximum amount has been reached and Grantee has not cured or commenced to cure the alleged breach to the satisfaction of the City, the City may pursue all other remedies. The assessment and recovery of liquidated damages for a particular violation will substitute for the recovery of actual damages for the period of the assessment.

(4) The amounts specified herein shall be charged and collected by the Commission only as a common fund and not an individual or per member basis.

(5) Liquidated damages pursuant to this Section shall not be collected prior to the expiration of Grantee's 30-day period to correct the violation as specified in Section 18.2. Should the violation not be cured or corrected, the

[City/County] may, at its discretion, assess liquidated damages from the point at which the pertinent violation commenced.

- (6) Each violation of any material provision of this Franchise shall be considered a separate violation for which separate liquidated damages may be imposed. Grantee's obligations under this Franchise relating to PEG Access Channels, PEG/ Capital support, franchise fees, customer service standards and reports, and reports and records contained in Section 12 shall at all times be considered material provisions. Enumeration of material Franchise provisions set forth in this Section 18.1(C)(5) is not exhaustive and shall not be invoked under any guideline for contract interpretation to narrow the scope of other material terms, violation of which would be a material breach of this Franchise. Subject to subsections (4) and (6) herein, if Grantee has not cured or commenced to cure the alleged breach to the satisfaction of the [City/County], the [City/County] may pursue any other remedies available under this Franchise or applicable law.
- (D) In determining which of the remedies available under this Franchise is appropriate, the [City/County] may consider, among other things: (1) the nature and extent of the violation; (2) whether Grantee has had a history of similar violations; (3) the damage suffered by the public and the cost of remedying the violation; and (4) such other factors as the [City/County] may deem appropriate.
- (E) Except for the remedies specified in Section 18.1(A)(3), in addition to its other rights and remedies as set forth in this Franchise, the [City/County] shall have the right to revoke this Franchise after the appointment of a receiver or trustee to take over and conduct the Grantee's business, or the initiation of receivership, reorganization, insolvency or other similar action or proceeding, unless Grantee, its receiver or trustee timely and fully perform all obligations, until such time as this Franchise is either rejected or assumed by Grantee, its receiver or trustee.
- (F) Except for liquidated damages as provided in Section 18.1(C), in the event that the [City/County] makes a preliminary determination that the Grantee has violated this franchise, the [City/County] shall commence a contested case proceeding under the rules adopted by the [City/County]. The [City/County]'s final determination, following a contested case proceeding, may be appealed to the [City/County] Council. The [City/County] Council shall consider the appeal, under rules established by the [City/County] Council, based on the record established in the contested case proceeding.

18.2 Notice and Opportunity to Cure.

- (A) The [City/County] shall give Grantee thirty (30) calendar days prior written notice of its intent to exercise any of its rights under Section 18.1, identifying the reasons for such action.
- (B) If Grantee removes or otherwise cures the asserted violation constituting the stated reason within the thirty (30) calendar day notice period, or if cure is not reasonably possible within the thirty (30) calendar day period and the Grantee initiates good faith efforts satisfactory to the [City/County] within the thirty (30) calendar day period to

cure the asserted violation constituting the stated reason and the efforts continue in good faith, the [City/County] shall not exercise its rights under this Section 18.

- (C) If Grantee fails to remove or otherwise cure the asserted violation constituting the stated reason within the thirty (30) calendar day notice period, or if the Grantee does not undertake and continue efforts satisfactory to the [City/County] to remedy the stated reason, then the [City/County] may exercise any or all of the remedies available under Section 18.1 or such other rights as the [City/County] may possess.

18.3 Minor Variances. The [City/County] may, upon request of the Grantee or its own motion, permit the Grantee to vary its manner of performance under this Franchise so long as the variance does not result in a substantial change in the terms of this Franchise or a substantial reduction in the services to be provided.

18.4 Expiration.

- (A) Upon the expiration of this Franchise, subject to 47 U.S.C. § 546 and other applicable federal, state or local laws, the [City/County] shall have the right, at its election, to:

- (1) Renew or extend Grantee's Franchise;
- (2) Invite additional proposals and award a Franchise to another Person;
- (3) Decline to grant a renewed franchise; or
- (4) Take such further action as the [City/County] deems appropriate.

(B) Until such time as the [City/County] exercises its rights under this Section 18.4, the Grantee's rights and responsibilities within the [City/County] shall be controlled by the terms of this Franchise.

18.5 Removal of Plant and Equipment. If the [City/County] has revoked this Franchise as provided in Section 18.1, or if this Franchise has expired without being renewed or extended, or in the event of the [City/County]'s purchase, lease-purchase, condemnation, acquisition, taking over or holding of plant and equipment, all of Grantee's rights under this Franchise shall immediately cease and be divested. Thereafter, except as provided in this Section, or as otherwise provided by ordinance, the Grantee shall remove its Facilities from the Streets and restore the Streets to the standards provided in Section 14.3. In the event of a failure by the Grantee to properly perform such work, then the [City/County] may perform the work and collect the cost thereof from the Grantee. The cost thereof shall be a lien upon the system of the Grantee and a set-off against any sums owed Grantee by [City/County]. Grantee shall have no obligation to remove portions of the Cable System where it utilizes those portions of the system to provide other non-Cable Services and has specific authority under Applicable Law to maintain facilities in the public rights-of-way. Grantee may also maintain pertinent facilities in the rights of way if Grantee is able to find a purchaser of the Cable System who holds a lawful authorization to provide services, subject to the [City/County]'s rights under Section 16 and 47 USC Section 547.

Section 19. MISCELLANEOUS PROVISIONS

19.1 Compliance with Laws.

- (A) Both Grantee and the [City/County] shall comply with all applicable federal and state laws.
- (B) Grantee shall comply with all applicable [City/County] ordinances, resolutions, rules and regulations adopted or established pursuant to the [City/County]'s lawful authority.
- (C) Nothing in this Franchise is intended to authorize the Grantee to engage in any activity constituting a violation of federal or state antitrust laws, including, but not limited to, the Sherman Act, the Clayton Act, the Robinson-Patman Act or any related amendments or regulatory provisions.
- (D) To the extent that any Order of the FCC materially impacts any provision of this Franchise, the parties hereto agree to meet and address any necessary modifications to such Franchise provision.

19.2 Arbitration.

- (A) Any dispute between the parties hereto, including but not limited to disputes or controversies arising from or related to interpretation of this Franchise, may be arbitrated provided that both parties consent in writing to the arbitration. Such arbitration will be final and binding, and the parties shall have no right to appeal from the arbitrator's decision.
- (B) The [City/County] may initiate arbitration by resolution of its [City/County] Council, while Grantee may choose to initiate arbitration by sending written notice to the [City/County].
- (C) After arbitration has been initiated, the [City/County] and Grantee may agree that one arbitrator may conduct the arbitration. If the parties are unable to agree upon the identity of the arbitrator within twenty (20) days after the arbitration has been initiated, the arbitrator shall be selected by the presiding civil judge of the Multnomah County Circuit Court.
- (D) If either the [City/County] or Grantee does not consent to having one arbitrator conduct the arbitration, the arbitration shall be conducted by three arbitrators, who shall be selected as follows:
 - (1) If the [City/County] initiates arbitration, the [City/County] shall select one arbitrator and Grantee by written notice shall select one arbitrator within fifteen (15) days after passage of the resolution. If Grantee initiates arbitration, it shall identify its selected arbitrator in its written notice, and the [City/County] shall select one arbitrator, within fifteen (15) days after receiving the notice.
 - (2) The two selected arbitrators shall select a third arbitrator within fifteen (15) days after the appointment of the second arbitrator. If the two arbitrators are unable to agree upon a third arbitrator within the time limit, the third arbitrator shall be appointed by the presiding civil judge of the Multnomah County Circuit Court.¹⁵⁹

- (E) After selection of the arbitrator(s), the arbitrator(s) shall take an oath to serve neutrally and impartially. The arbitrator(s) shall then schedule a date, time and place for the arbitration hearing. The hearing shall occur not less than one hundred twenty (120) days after the appointment of the arbitrator (or the third arbitrator, if three arbitrators are used), unless extended by mutual agreement of the [City/County] and Grantee. The arbitrator(s) shall make a written report to the [City/County] and Grantee on the final determination within sixty (60) days after completion of the hearing. If the arbitration is conducted by three arbitrators, the determination of a majority of the arbitrators shall constitute a final, binding arbitration determination.
- (F) Once initiated by the parties, the arbitration shall be conducted according to the Uniform Arbitration Act, ORS 36.600 to ORS 36.470 (2009).
- (G) The [City/County] and Grantee shall share equally the fees and costs of the arbitrator(s).
- (H) In any arbitration proceeding regarding a modification of this Franchise, initiated under Section 19.15, Section 19.16 or Section 19.8, the arbitrator(s) may order a modification of the Franchise in response to the events and circumstances initiating the arbitration proceeding. The arbitrator(s) shall attempt to modify the Franchise so that the net rights and obligations of the [City/County] and the Grantee remain substantially the same after the modification as they were prior to the events and circumstances leading to the arbitration proceeding. The party seeking the modification shall have the burden of establishing how the net rights and obligations remain substantially the same. If the arbitrator(s) determine that it is not possible to so modify the franchise, then they shall make a finding so stating in their final determination and instead shall modify the franchise to provide as fair a balancing of the rights and obligations of the [City/County] and the Grantee as they are reasonably able to achieve in relation to the balancing of rights and obligations under the franchise prior to modification.

19.3 Mediation.

- (A) The [City/County] and Grantee agree that should any dispute arise between the parties concerning any aspect of this Franchise which is not resolved by mutual agreement of the parties, and unless either party believes in good faith that injunctive relief is warranted, the dispute may be submitted to mediated negotiation prior to any party commencing litigation. In such event, the [City/County] and Grantee may agree to participate in good faith in a non-binding mediation process. The mediator shall be selected by mutual agreement of the parties. In the absence of such mutual agreement, each party shall select a temporary mediator, and those mediators shall jointly select a permanent mediator. If the [City/County] and Grantee are unable to successfully conclude the mediation within 45 days from the date of the selection of the mediator, either party may terminate further mediation by sending written notice. After written termination notice has been received by the other party, either party may request arbitration, as set forth in Section 19.2, or may pursue any other available legal remedies. All costs associated with mediation shall be borne, equally and separately, by the parties.

- (B) In any mediation regarding a modification of this Franchise, regarding disputes between the parties under Section 19.15, Section 19.16 or Section 19.8, the [City/County] and the Grantee agree that they shall attempt, in good faith, to agree to modifications to the Franchise so that the net rights and obligations of the [City/County] and the Grantee remain substantially the same after the modification, as they were prior to the events and circumstances leading to the mediation proceeding.

19.4 Continuity of Service. Grantee agrees that all Residential Subscribers shall receive all available Cable Services insofar as their financial and other obligations to the Grantee are honored. In the event that the Grantee elects to modify or sell its Cable System, the Grantee shall make a good faith effort to ensure that all Residential Subscribers receive continuous, uninterrupted service regardless of the circumstances during the term of this Franchise. In the event of purchase, lease-purchase, condemnation, acquisition, taking over or holding of plant and equipment, including subsequent assignment, sale, lease or other transfer to any other Person, the Grantee shall operate the Cable System for such reasonable periods as are necessary to maintain continuity of Cable Service to all Residential Subscribers.

19.5 Severability and Survivability. If any Section, provision or clause of this Franchise is held by a court of competent jurisdiction to be invalid or unenforceable, or is preempted by federal or state laws or regulations, the remainder of this Franchise shall not be affected. All provisions concerning indemnity shall survive the termination of this Agreement for any cause. Expiration or termination of this Franchise shall not extinguish, prejudice or limit either party's right to enforce this Franchise with respect to any default or defect in performance that has not been corrected.

19.6 No Recourse against [City/County]. To the extent provided by law, Grantee's recourse against the [City/County] or its officials, boards, commissions, agents or employees for any claim arising from any provision or requirement of this Franchise shall be limited to injunctive relief and declaratory relief.

19.7 Nonenforcement by the [City/County]. Grantee shall not be relieved of its obligations to comply with any of the provisions of this Franchise by reason of any failure of the [City/County] to enforce prompt compliance, nor does the [City/County] waive or limit any of its rights under this Franchise by reason of such failure or neglect. The [City/County] Council shall be vested with the power and authority to reasonably regulate the exercise of the privileges permitted by this franchise in the public interest.

19.8 Action by Agencies or Courts. Grantee shall promptly notify the [City/County] in the event that any agency of the federal government or the State of Oregon or any court with competent jurisdiction requires the Grantee to act inconsistently with any provisions of this Franchise. Upon receipt of such notification, the [City/County] or the Grantee may determine if a material provision of this Franchise has been affected. Upon such determination, the [City/County] or the Grantee may seek to modify or amend this Franchise, pursuant to Section 19.15, as may be necessary to carry out the parties' intentions and purposes under this Franchise.

19.9 Choice of Forum. Any litigation between the [City/County] and the Grantee arising under or regarding this Franchise shall occur, if in the state courts, in the Multnomah County Court having jurisdiction thereof, and if in the federal courts, in the United States District Court for the District of Oregon, Portland Division.

19.10 Choice of Law. This Franchise shall be governed by and construed in accordance with the laws of the State of Oregon, even if Oregon's choice of law rules would otherwise require application of the law of a different state.

19.11 Notice. General day-to-day communications between the parties, can be sent by electronic mail. Sample customer billings, notices regarding service and price changes and other similar communications required under this Franchise must be provided in writing but may be preceded by an electronic communication if necessary to meet Franchise deadlines. All notices to, and other written communication between, the parties under this Franchise shall be deemed to be received five (5) business days after being sent by pre-paid first-class certified mail return receipt requested; or the same business day if transmitted during regular business hours by electronic communication (or the first business day after being sent if transmitted outside of regular business hours or on a weekend or legal holiday); or upon receipt when sent by reliable expedited courier services which provide written evidence of delivery. Except as otherwise provided in this Section 19.11, all notices and written communication shall be sent to the parties as set forth below, or to such other places as they may designate by like notice from time to time.

If to the [City/County]: Office for Community Technology
 City of Portland, Oregon
 1120 SW 5th Ave.,
 Suite 405
 Portland, OR 97204

With a copy to: City Attorney's Office
 Room 430, City Hall
 1221 SW 4th Avenue
 Room 430
 Portland, Oregon 97204
 FAX No. (503) 823-3089

If to the Grantee: Comcast Cable
 Attention: Government Affairs
 11308 SW 68th Parkway
 Tigard, OR 97223

19.12 Reasonability of Actions. In any matter provided for in this Franchise involving discretionary acts by the [City/County] or the Grantee, including but not limited to the giving of consent, approval or instructions, the parties agree that they will each act in a manner that is reasonable under the circumstances.

19.13 Force Majeure.

- (A) For purposes of this Franchise, the term "Force Majeure" shall mean acts of God, landslides, earthquakes, lightning, fires, hurricanes, volcanic activity, storms, floods, washouts, droughts, civil disturbances, pandemics, acts of terrorism or of the public enemy, strikes, explosions, lockouts or other industrial disturbances, insurrections, public riots, 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 other similar events which are not reasonably within the control of the distressed party.
- (B) If either party is wholly or partially unable to carry out or perform its obligations under this Franchise as a result of Force Majeure, the distressed party shall not be deemed in violation or default during the duration of the Force Majeure. The distressed party shall take immediate and diligent steps to comply as soon as possible

under the circumstances, and shall take all necessary corrective steps to remedy as expeditiously as possible the non-compliant responsibilities and duties affected by the Force Majeure. The distressed party shall give prompt notice of such Force Majeure, describing the same in reasonable detail. The distressed party's obligations under this Franchise shall not be deemed in violation or default for the duration of the Force Majeure. In the event that delay in performance or failure to perform affects only part of the distressed party's capacity to perform, the distressed party shall perform to the extent that it is reasonably able to do so. Force Majeure shall not apply to any obligations under this Franchise for the payment of franchise fees, PEG fees and other pertinent fees. The acts or omissions of Affiliates are not beyond the Grantee's control, and knowledge of Affiliates shall be imputed to Grantee.

19.14 Integration and Written Modification. Except as otherwise expressly provided within this Franchise, this Franchise contains the entire agreement between the [City/County] and the Grantee. Any prior franchise agreements between the [City/County] and the Grantee shall be superseded upon the effective date of this Franchise. This Franchise may not be altered or modified orally but only by an instrument in writing executed by duly authorized representatives of the [City/County] and the Grantee.

19.15 Changes in Law or Unenforceability of Franchise Provisions.

- (A) The [City/County] and Grantee have entered into this Franchise under the federal and state laws in effect on the effective date of this Franchise. The [City/County] and the Grantee reserve the right to request modifications to this Franchise, under Section 19.15(B), to account for changes in the law during the term of this Franchise. The [City/County] and the Grantee also reserve the right to request modifications in this Franchise, under Section 19.15(B), if any provision of this Franchise becomes, or is declared, invalid or unenforceable.
- (B) Upon written notice from either party, the [City/County] and the Grantee may voluntarily agree, under Section 19.15(A), to participate in a non-binding mediation proceeding under Section 20.3 to mediate, in good faith, modifications to the terms and conditions of this Franchise. The written request shall specifically identify the particular reasons under Section 19.15 (A) for the modification sought by the requesting party. In the mediation proceeding, the [City/County] and the Grantee shall attempt, in good faith, to agree to modifications to the Franchise so that the net rights and obligations of the [City/County] and the Grantee remain substantially the same after the modification, as they were prior to the events and circumstances leading to the mediation proceeding. If the [City/County] and Grantee are unable to successfully conclude the mediation within ninety (90) days from the date of the written notice requesting the mediation proceeding, the parties may agree to submit the matter to arbitration as set forth in Section 19.2.

19.16 Renegotiation.

- (A) If any provision of this Franchise becomes invalid or unenforceable and the [City/County] Council or the Grantee expressly finds that such provision constituted a consideration material to this Franchise, then the [City/County] and the Grantee shall renegotiate the terms of this Franchise, subject to the mediation procedures of Section 19.3. The party seeking renegotiation shall serve on the other party written notice of a

request to mediate. The parties shall have ninety (90) days to conduct and complete the renegotiation. If the [City/County] and the Grantee cannot successfully conclude the renegotiation within ninety (90) days from the date of the mediation request is served upon the other party, the matter may be submitted to arbitration under Section 19.2.

- (B) By mutual agreement, the [City/County] and the Grantee may meet at any time during the term of this Franchise to review and renegotiate matters of concern or interest to either of them. The topics of such renegotiation shall be stated in writing by each party prior to such meeting, but each party may include any topic or concern arising under this Franchise or otherwise.

Section 20. WRITTEN ACCEPTANCE

20.1 Written Acceptance. On or before thirty (30) days after this Franchise becomes effective, Grantee shall file with the [City/County] Auditor's Office a written acceptance of this Franchise duly executed by the Grantee, in the form provided in Exhibit F to this Franchise. Such acceptance shall be unqualified and shall be an acceptance of all the terms, conditions and restrictions contained in this Franchise.

20.2 Failure to File Acceptance. Any failure on the part of the Grantee to file such written acceptance within such time shall be deemed an abandonment and rejection of the rights and privileges conferred by this Franchise, and this ordinance shall thereupon be null and void.