AGREEMENT FOR LIVE ORIGINATION CAPABILITIES

This Agreement is between the Mt. Hood Cable Regulatory Commission (Commission), through the Office of Cable Communications and Franchise Management (OCCFM), and Comcast Corporation (Company).

RECITALS:

This Agreement is for the purpose of providing Access Corporation Capital funds for certain costs to implement an upgrade of live origination capabilities to 10-bit digital transport technology as detailed in the Attachments to this Agreement.

AGREEMENT:

1. Contract Amount, Use of Funds

The Commission shall pay the Company a total of $201,300 ($177,000 from MHCRC FY03-04 Access Corporation Capital Funds and $24,300 from MHCRC FY04-05 Access Corporation Capital Funds) to assist the Company in funding the equipment needed for implementation of the live origination capabilities upgrade (Upgrade). The Company shall provide all other resources necessary to successfully complete the Upgrade project. The Upgrade equipment is detailed in Attachment 1 to this Agreement. Attachment 1 is incorporated as if set forth in full. The equipment provided shall be new and shall be the make, model numbers and amounts specified in Attachment 1 or their equivalent to achieve at least comparable capacity and capabilities as the equipment specified in Attachment 1.

The Company shall implement the Upgrade project in three phases based on the project timeline detailed in Attachment 2. Attachment 2 is incorporated as if set forth in full. During Phase I, the Company shall upgrade necessary components to transport multiple 10 bit digital video optical feeds over a single fiber connection from each location specified in Attachment 1 through any pertinent hubs to the Troutdale Headend. The Company shall insure that all signals are provided to pertinent Designated Access Providers during and after the implementation of the Upgrade. During the Upgrade implementation time period, this will require the placement of modulators at the Troutdale Headend to add new feeds to existing analog transport paths.

During Phase II, the Company shall upgrade all optical transport equipment and the video links between the Troutdale Headend and Portland Cable Access, and between the Troutdale Headend and Portland Public Schools channel origination site at Jefferson High School. The Company shall be transporting 10 bit digital encoded, multiplexed, video links to and from these access providers once Phase II is completed.

In Phase III, the Company shall provide an upgraded 10 bit digital video optical path from the Troutdale headend to MCTV, as well as, a CWDM combiner at the Gateway hub so that live origination may occur from locations fed through the Gateway hub. Completion of Phase III will complete the access live origination 10 bit digital optical video transport Upgrade project.
2. Project Manager

The Commission's Project Manager shall be Julie S. Omelchuck or such other person as shall be designated in writing by the OCCFM Director.

3. Payments and Financial Records

Company shall submit invoices for Upgrade project costs in a total amount no greater than $201,300. For the period July 1, 2003-June 30, 2004 (FY 03-04), the Company may invoice the MHCRC up to at total amount of $177,000. For the period July 1, 2004-June 30, 2005 (FY 04-05), the Company may invoice the MHCRC up to at total amount of $24,300. The invoices shall be based on the Upgrade components listed in Attachment 1. Upon submission by the Company of an invoice, and upon certification by the Project Manager that the invoice is in accordance with this Agreement, the Commission shall pay to the Company the amount as specified in the invoice within thirty (30) days after receipt of the invoice.

4. Reports and Records

Company shall provide written notification to the Project Manager when Company anticipates or realizes any deviation in the Upgrade project that may result in Company’s inability to fulfill the project as originally submitted.

Company agrees to keep accurate and complete records that will enable the Commission to easily determine the use of Upgrade funds for the purposes set forth in this Agreement. Company shall make books and records, applicable to this Agreement, available for inspection by the Project Manager or other Commission representatives at all reasonable times upon advance notification.

After receiving payment from the MHCRC for the Upgrade project, the Company shall complete the Upgrade and provide written certification for completion of the Upgrade in a report format satisfactory to the Commission. The report shall include verification that 10 bit digital, optical transport is being provided end-to-end from every origination location listed in Attachment 1 to the applicable access provider and to the Troutdale Headend for further distribution on the residential subscriber cable system. Specifically, the report shall include, but is not limited to:

A. An accounting of the actual equipment purchased to complete the Upgrade in accordance with Attachment 1, and a verification that the equipment has been installed and is operating in accordance with manufacturer’s specifications.

B. Verification that there is no noticeable degradation in picture quality and audio quality from the origination site to the input to the AM modulator feeding the residential subscriber system at Troutdale.

C. Verification that the video and audio signals meet industry standards for specifications such as signal to noise, chroma gain, chroma delay, differential gain, differential phase, etc., as measured at the origination, intermediary and termination points for each link using NTC-7 or FCC composite video test signals.
D. Other information, applicable to this Agreement, as required by the Commission in order to certify completion of the Upgrade project.

5. **Site Visits**

The Commission and/or its contracted consultant and the Project Manager shall be entitled to conduct periodic site visits, and to discuss the grant project with Company personnel.

6. **No Other Obligations/Complete Agreement**

This Agreement contains the complete agreement of the parties and supercedes any prior communications or understandings of the parties, written or oral. This Agreement may not be assigned, nor may any of the Commission's rights be waived, except in writing signed by a duly authorized representative of the Commission. The Commission may specifically enforce, or enjoin a breach of, the provisions of this Agreement, and the Commission may transfer such rights to another governmental entity.

7. **Representations**

Company represents that it has full power and authority, and has obtained all necessary approvals, to fully carry out the terms of the Upgrade and this Agreement, and to conduct the Upgrade without violation of law.

8. **Compliance with Laws**

The Commission and Company agree to comply with all applicable local, state and federal rules, ordinances, statutes and laws that apply to the subject matter of this Agreement.

9. **Amendment**

At any time during the term of this Agreement, the parties may mutually agree to amendments. Amendments to the Agreement shall only be effective if they are in writing, approved according to all legal requirements, and signed by duly authorized representatives of both parties.

10. **Term of the Agreement**

This Agreement becomes effective upon the date of the last signature by a party. The term of this Agreement is through, and including, September 30, 2004.

11. **Early Termination of Agreement**

This Agreement may be suspended or terminated prior to the expiration of its term by:

(a) Written notice provided to Company from the Commission before any obligations are incurred;
(b) Written notice by the Commission resulting from a material failure by Company to comply with any term of this Agreement, or;

(c) Mutual written agreement of the parties.

12. Notice and Opportunity to Cure

The Commission shall give Company thirty (30) days written notice of its intent to exercise its rights under §11, identifying the reasons for such action.

If the Company cures the material failure within the thirty (30) day notice period, or if such cure is not reasonably possible within the thirty (30) day period and the Company initiates good faith efforts satisfactory to the Commission within the thirty (30) day period, the Commission shall not exercise its rights under §11.

If the Company fails to remove or otherwise cure the material failure within the thirty (30) day notice period, or if the Company does not undertake and continue efforts satisfactory to the Commission to remedy the failure, then the Commission may exercise the remedy available under §11 or such other rights as the Commission may possess.

13. Severability

If any court of competent jurisdiction invalidates any part of this Agreement, any and all remaining parts of this Agreement shall be severed from the invalid parts and shall remain in full force and effect.

14. Force Majeure

(a) For purposes of this Agreement, the term "Force Majeure" shall mean acts of God, landslides, earthquakes, lightning, fires, hurricanes, volcanic activity, storms, floods, washouts, droughts, civil disturbances, acts of terrorism or of the public enemy, partial or entire failure of utilities, strikes, explosions, lockouts or other industrial disturbances, insurrections, public riots or other similar events which are not reasonably within the control of the parties hereto. In no event shall "force majeure" include economic conditions such as the business operations of Company or conditions in the local or regional economy.

(b) If Company is wholly or partially unable to carry out its obligations under this Agreement as a result of Force Majeure, Company shall give the Commission prompt notice of such Force Majeure, describing the same in reasonable detail and how the Force Majeure has effected Company’s ability to perform. Company’s obligations under this Agreement, other than for the payment of monies due, shall not be deemed in violation or default for so long as the Force Majeure continues to effect Company’s ability to perform the obligations. Company agrees to use reasonable efforts to remedy as soon as possible, under the circumstances, its inability, by reason of Force Majeure, to carry out its responsibilities and duties under this Agreement.

15. Forum Selection
Any litigation brought regarding this Agreement shall be in Multnomah County, if filed in state court, and in the District of Oregon, Portland Division, if in federal court. Agreement will be construed according to the laws of the State of Oregon, regardless of what the choice of law principles of that state may provide.

Mt. Hood Cable Regulatory Commission:

By:________________________
Sue Diciple, Chair

Date:________________________

Approved as to Form:

________________________________
Benjamin Walters, Legal Counsel
Mt. Hood Cable Regulatory Commission

Comcast:

By:________________________

Title:________________________

Date:________________________