

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

RESOLUTION NO. 2011-134

Approving Renewal of Comcast Cable Franchise for Ten Year Term, Effective January 1, 2012
Per MHCRC Res. 2011-04 (adopted October 24, 2011).

The Multnomah County Board of Commissioners Finds:

1. The Mt. Hood Cable Regulatory Commission ("MHCRC" or "Commission") was created by an Intergovernmental Agreement dated December 24, 1992 (the "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"). Among other things, the Commission acts in an advisory capacity to the Jurisdictions in connection with renewal of any cable franchise of the Jurisdictions.
2. On the MHCRC's recommendation, the Jurisdictions previously issued a cable franchise to KBL Multnomah Cablesystems, LP. The Jurisdictions approved the transfer of this franchise to a subsidiary of Comcast Corporation ("Comcast") in June 2002. The franchise was due to expire December 31, 2010 but on the MHCRC's recommendation was extended by the Jurisdictions to expire December 31, 2011.
3. Pursuant to the provisions of 47 U.S.C. §546, the MHCRC on the Jurisdictions' behalf conducted a cable franchise renewal process. The process was authorized by MHCRC Resolution No. 2008-02 (adopted April 21, 2008). Pursuant to this process, a Community Needs Ascertainment report ("Your Voice, Our Communications Technology") was prepared in April, 2010 for the Jurisdictions. Comcast and MHCRC staff subsequently negotiated a proposed franchise renewal agreement, with exhibits, side letters of agreement, and accompanying contracts (including a recommended revised contract between Comcast and the City of Portland's Bureau of Technology Services for Institutional Network Services required under the renewed franchise).
4. The MHCRC solicited public input on multiple occasions throughout the renewal process, including in connection with the Community Needs Ascertainment process. The MHCRC held a public hearing in September 2011 on the public benefit elements of the proposed renewal franchise.
5. In approving the Comcast renewal franchise, for purposes of Comcast's calculation of franchise and PEG/I-Net fees, Multnomah County relies upon the understanding that Comcast will continue under the new franchise to utilize the historic methodology used by Comcast and its predecessors to calculate and pay such fees to the MHCRC Jurisdictions prior to the effective date of the Franchise.
6. The proposed Jurisdictions-Comcast renewal franchise has been accepted by Comcast and recommended by the MHCRC for consideration, approval and final action by Multnomah County, along with applicable exhibits, side letters of agreement and accompanying documents, including the form of acceptance. MHCRC staff has also separately forwarded to the Portland City Council a recommended renewal franchise

and a revised contract between Comcast and the Portland Bureau of Technology Services for Institutional Network Services required under the renewed franchise.

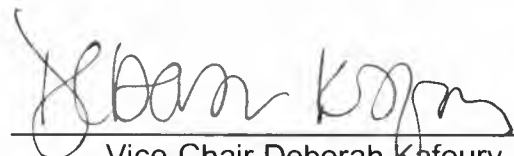
The Multnomah County Board of Commissioners Resolves:

- (a) The Board approves the grant of a renewed cable franchise with Comcast of Illinois/Ohio/Oregon, LLC in the form attached hereto, together with all specified exhibits, side letters of agreement and accompanying documents, for a ten year term beginning January 1, 2012.
- (b) On or before December 31, 2011 Comcast of Illinois/Ohio/Oregon, LLC shall file a written, executed acceptance of this Ordinance, meeting the approval of Multnomah County's County Attorney. The written acceptance shall be in the form attached hereto as Exhibit F. The executed acceptance shall be unqualified and shall be construed to be an acceptance of all the terms, conditions and restrictions contained therein.
- (c) The Chair is authorized to execute the renewal franchise between Comcast of Illinois/Ohio/Oregon, LLC together with letters of agreement and accompanying documents as necessary.
- (d) The failure, refusal or neglect by Comcast of Illinois/Ohio/Oregon to file such written acceptance by such time shall constitute an abandonment and rejection of the rights and privileges conferred hereby and this Resolution shall thereupon be null and void.

ADOPTED this 17th day of November, 2011.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Vice-Chair Deborah Kafoury

REVIEWED:
JENNY M. MORF, ACTING COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Lindsay Kandra, Assistant County Attorney

**Franchise Agreement
For
Cable Services
Between
Comcast of Illinois/Ohio/Oregon, LLC
And
The Cities of Fairview, Gresham, Troutdale,
Wood Village and Multnomah County**

Effective January 1, 2012

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EXHIBITS

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

Section 1. NATURE AND TERM OF GRANT

1.1 Grant of Franchise. The Jurisdictions of Multnomah County, Gresham, Fairview, Troutdale and Wood Village ("Jurisdictions") do hereby grant to Comcast of Illinois/Ohio/Oregon, LLC, 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.

(A)

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

1.3 Effective Date. The effective date of this Franchise shall be January 1, 2012, unless the Grantee fails to execute an unconditional written acceptance of this Franchise, in which event this Franchise shall be null and void.

1.4 Non-Exclusive Franchise; Competitive Parity.

(A) This Franchise is not exclusive. The Jurisdictions expressly reserves the right, and may be required by federal law, to grant rights or franchises to other Persons, as well as the right in its own name as a municipality, 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 Jurisdictions grant an additional cable services franchise pursuant to Section 1.4(A), and there are material differences with Grantee's obligations under this Franchise relating to PEG Access Channels, PEG/I-Net Capital support, franchise fees, customer service standards and reports, reports and records contained in Section 13, and the provision of duct under Section 15.9, the parties agree that the corresponding obligations 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 modification process shall only be initiated by written notice by the Grantee to the Jurisdictions regarding specified franchise obligations. Grantee's notice shall address the following: (a) identifying the specific terms or conditions in the competitive cable services franchise which are materially different from Grantee's obligations under this Franchise; (b) identifying the Franchise terms and conditions for which Grantee is seeking amendments; (c) providing text for any proposed Franchise amendments to the Jurisdictions, with a written explanation of why the proposed amendments are necessary and consistent. Grantee agrees to also address all relevant factors, evidence and circumstances in its written notice. The parties agree that this provision shall not require identical word for word provisions so long as the regulatory and financial burdens on each entity are materially equivalent. The parties agree that they will attempt in good faith to negotiate the form of these modifications. If the parties fail to reach agreement in informal negotiations, either party may initiate mediation in accordance with Section 20.3 or by arbitration in accordance with Section 20.2.

(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 the Grantee's thirty-six (36) month renewal window provided by 47 USC §546 to 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 required. The Jurisdictions and Grantee shall then enter into proceedings consistent with Section 546 for renewal of this Franchise. The Jurisdictions 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) Nothing in Section 1.4(B) shall be construed as limiting, restricting or preventing a Jurisdiction 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 a Jurisdiction 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.

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, now in effect or hereafter made effective, affecting matters of general Jurisdictional concern and not materially in conflict with existing contractual rights of Grantee, now in effect or hereafter made effective. Nothing in this Franchise shall be deemed to waive the requirements of the various codes, ordinances and resolutions of the Jurisdictions regarding permits, fees to be paid or the 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. 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 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 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 agreed to be bound by the decisions and actions taken by the Commission pursuant to powers, duties, and responsibilities set forth in the Intergovernmental Agreement. Unless specifically stated otherwise herein, the Commission shall be the sole representative and agent of the Jurisdictions 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. Nothing in this Franchise is intended to empower the Commission to act contrary to the provisions of the Intergovernmental Agreement. The Jurisdictions retain all powers not 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 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 has 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 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. 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” 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;

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

(D) "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 PEG Access Programming.

3.4 "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" is the level of Programming service which includes, at a minimum, all Broadcast Channels, 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 "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 or resolution of the Jurisdictions.

3.11 "Cable Services" shall have the meaning provided under Federal law and regulations.

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.

3.13 "Cable System" shall have the meaning provided under Federal law and regulations.

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).

3.15 "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.

3.16 "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.

3.18 “Designated Access Provider” means the entity or entities designated by the Jurisdictions under Section 5.1.

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

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.

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

3.23 “FCC” means the Federal Communications Commission.

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.

3.26 “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 County not included within the territory of any incorporated city.

3.27 “Gross Revenues” means all amounts, in whatever form and from all sources, derived from the operation of 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 of Grantee's Cable System within 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. Grantee shall report Gross Revenues to the Jurisdictions using the accrual method of accounting, consistent with Generally Accepted Accounting Principles (“GAAP”). Nothing in this Section shall impair a Jurisdiction’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. “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. “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.

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

3.29 "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.

3.30 "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.

3.31 "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 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.

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.

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

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.

3.41 “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.

3.42 “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.

3.43 “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.

3.44 “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 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.

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

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

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

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

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

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.

3.51 “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. FRANCHISE AREA

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. PEG ACCESS

5.1 Designated PEG Access Providers.

(A) The Jurisdictions may designate up to six (6) PEG Access providers, 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, 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 Basic Service, and in accordance with Sections 5.2(C) through (F), and be fully available and accessible to every Cable Services Subscriber.

(B) Access Channel Origination Points. The Jurisdictions may designate up to six (6) points of origination for Access Channels located within the Cable Services Area. Grantee shall provide the technical capability to transmit Signals for Access Channels from the designated origination points in place on the effective date of this Franchise to Grantee’s Headend for distribution on the Residential Network.

(C) Simulcast Analog and Digital Channels. Prior to digital transition under Section 5.2(D), Grantee shall provide not less than eight (8) Activated Downstream Channels, for PEG Access use, in Grantee’s Basic Service. Grantee shall simultaneously carry each Access Channel under this Section in both analog and digital format Basic Service, for a total of 16 Activated Downstream Channels, until

Grantee no longer offers analog format 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.

(D) Digital Channels After Digital Transition. At such time Grantee no longer offers Basic Service in an analog 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 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). 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 at the designated point of origination for the Access Channel. Grantee shall transport and distribute the Access Programming without degradation. 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. 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) Grantee shall provide and Activate up to two (2) more of the existing Access Channels in HD format Access Channels, 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 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 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 verify HD Channel Signal delivery to Subscribers with the Designated Access Provider, consistent with the requirements of Section 5.2(F).

(d) The Jurisdictions acknowledge 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.

(H) 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 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.

(J) Advances in Channel Technology. If Grantee incorporates new or emerging improvements (such as 3D display) in Channel delivery or display on Grantee Channels made available to Residential Subscribers, the Jurisdictions or a Designated Access Provider may submit a written request to meet with the Grantee. Without further obligation, following receipt of such request, Grantee will participate in discussions of these improvements or enhancements with the Jurisdictions and the Designated Access Providers. These discussions shall address potential options for improvements and enhancements on the delivery of PEG Channels to subscribers in comparable format, including possible technical means and costs of incorporating such improvements or enhancements for the PEG Channels.

5.3 Access Channel Assignments.

(A) Grantee shall provide Channel assignments for PEG Access and narrowcast such Access Channels to the specific geographic areas as follows:

- | | |
|-------------------------------------|---|
| (1) Channel 11 - public access | (Franchise Area) |
| (2) Channel 21 - public access | (Franchise Area) |
| (3) Channel 22 - public access | (Franchise Area) |
| (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: Grantee shall place the Access Channels within reasonable proximity to each other and to local Broadcast Channels in the Cable System's channel lineup. 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(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.

(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 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.

(E) If at any time during the duration of this Franchise, Grantee reassigns Access Channel numbers, Grantee shall provide at least 60 days advance notice to the Jurisdictions and the Designated Access Providers. Grantee shall ensure that Subscribers are notified of such reassignment in accordance with the notice requirements under Section 10. 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 \$5,000 compensation to a Designated Access Provider for costs associated with the change, or, alternatively at Grantee's sole discretion, \$9,000 of in-kind airtime on advertiser supported Channels (e.g. USA, TNT, TBS, Discovery, or other comparable Channel) for the purpose of airing a 30-second public service announcement produced by a Designated Access Provider. The Jurisdictions 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 Jurisdictions. 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.

(B) Upon request by the Jurisdictions, and based on a demonstrated need, Grantee shall work in good faith with the Jurisdictions 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 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, 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 from the PEG/I-Net Fee.

(C) The Jurisdictions 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) Any location on the I-Net;
- (3) Existing, hardwired live origination sites, as listed in Exhibit B;
- (4) 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 Jurisdictions may designate new live origination sites, in addition to those listed in Exhibit B. Grantee shall construct and the Jurisdictions shall fund Capital costs of new live origination sites in accordance with the procedures under Section 6.4(D)(2).

(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 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 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 Jurisdictions, shall be tested for all applicable standards and Activation status. Test results shall be documented and reviewed with the Jurisdictions and Designated Access Providers. Where test results indicate, as determined by the Jurisdictions 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.

5.7 Change in Technology. In the event Grantee makes any change in the Cable System and related equipment and Access Resources or in Grantee's 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 Section 5.

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 new Access providers under Section 5.2(B), 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 will fund the Incremental, direct costs to construct the Cable System from the new site or location to the nearest Activated I-Net Fiber node, or fiber provisioned I-Net node site, or distribution hub.

5.9 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 semi-annually, consistent with Grantee's FCC Proof-of-Performance testing, at representative points throughout the Cable System for compliance with all applicable standards. Documentation of such tests shall be provided to the Jurisdictions and the Designated Access Providers. 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.

5.10 Recognition of Grantee for PEG Contributions. The Jurisdictions 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.

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.

(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 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.

(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.

(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 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.

Section 7. PEG ACCESS AND I-NET CAPITAL FUNDING

7.1 PEG and I-Net Capital Fee. Grantee shall pay to the Jurisdictions three percent (3%) of Grantee's Gross Revenues Annually (PEG/I-Net Fee).

(A) The PEG/I-Net Fee shall be allocated to provide support for Capital Costs related to PEG Access and the I-Net. 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) The Jurisdictions 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 7.1 are used in compliance with the terms of this Franchise. The Jurisdictions 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.

7.2 Payments. Following the effective date of this Franchise, Grantee shall make quarterly payments of PEG/I-Net Fees to the Jurisdictions, under Section 7, 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.

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 Gross Revenues and the computation of the payment amount.

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 12.3.

7.5 PEG Access Support not Franchise Fees; Applicable Federal Law. Grantee agrees that financial support for Access Capital Costs arising from or relating to the obligations set forth in Section 7 shall in no way modify or otherwise affect Grantee's obligations to pay franchise fees to the Jurisdictions. Grantee agrees that although the sum of franchise fees and the payments set forth in Section 7 may total more than five percent of Grantee's Gross Revenues in any 12-month period, the additional commitments are not to be offset or otherwise credited in any way against any franchise fee payments under this Franchise.

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 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 and the Designated Access Provider that Grantee wants to review. The time period of the review or audit shall be for PEG/I-Net Fee payments received no more than thirty-six (36) months prior to the date the Grantee notifies the Jurisdiction of its intent to perform an audit or review. The Jurisdiction 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 or the Designated Access Provider.

Grantee shall promptly provide the Jurisdiction with written notice of the audit or review's conclusions. The Jurisdiction shall have sixty (60) days to provide a written response. If the Jurisdiction 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 20.2. If the conclusions become final, determining that any PEG/I-Net Fee has not been used in accordance with this Franchise, then within 30 days, one of the following actions shall occur:

(A) If the Jurisdiction determines that the recipient has access to sufficient unrestricted funds, the Jurisdiction may require either:

(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) 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) If the Jurisdiction determines that the recipient does not have access to sufficient unrestricted funds, the Jurisdiction may decide to either:

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

(2) Allow the Grantee to reduce future PEG/I-Net 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 7.6(A) and (B), shall be at the Jurisdiction's sole discretion.

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.

Section 8. SERVICE

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 10.6.

8.2 Standard Installation. For purposes of Section 8, “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 Subscriber for installation at standard rates. Except as otherwise provided in Section 8.3, 8.4 and 8.5, Grantee shall provide Standard Installation within 60 days of a service request to any Person throughout the Cable Services 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.

8.3 Non-Standard Installations. In general, Grantee shall have no obligation to provide service necessitating a service drop extension beyond a Standard Installation unless the potential Residential Subscriber requesting service contractually agrees to pay construction costs based on the following formula:

(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.

Section 9. CABLE SYSTEM UPGRADE

9.1 Technology Assessment.

(A) The Jurisdictions may notify Grantee on or after January 1, 2017, that the Jurisdictions 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 January 1, 2012.

(B) Grantee shall cooperate with the Jurisdictions to provide necessary non-confidential and proprietary information upon the Jurisdictions' reasonable request as part of the technology assessment.

(C) At the discretion of the Jurisdictions, 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 pursuant to 47 U.S.C. §546.

Section 10. CONSUMER PROTECTION

10.1 Jurisdictions' Cable Television Consumer Protection Policy.

(A) Grantee shall comply with the Jurisdictions' Cable Television Consumer Protection Policy.

(B) With Grantee and the Jurisdictions both reserving their respective rights under applicable law, the Jurisdictions 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.

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.

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 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.

10.4 Parental Control Device. Upon request by any Subscriber, Grantee shall make available a parental control or lockout device 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 at the time of their initial subscription and periodically thereafter.

10.5 Regulation of Rates and Charges. All Grantee Residential Subscriber rates and charges related to or regarding Cable 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.

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 race, color, religion, age, sex, marital or economic status, national origin, sexual orientation, physical or mental disability, income of the residents, or geographic location within the Grantee's Franchise Area. Nothing in Section 10.6 shall be construed to prohibit:

- (A) The temporary reduction or waiving of rates and charges in conjunction with promotional campaigns;
- (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.

10.7 Filing of Rates and Charges. Grantee shall maintain on file with the Jurisdictions 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. 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.

10.8 Changes in Rates and Charges.

(A) Grantee shall provide written notice to the Jurisdictions and Subscribers at least 30 days in advance of any increase in rates and charges. Notice to the Jurisdictions of proposed increases in rates and charges shall be filed in a form satisfactory to the Jurisdictions.

(B) Unless the Jurisdictions have 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 31st day after such filing.

10.9 ADA Accessible Equipment and Services. To the extent authorized by law, the Jurisdictions reserve the right to require and regulate the installation or rental of equipment which facilitates the reception of Basic Service 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.

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.

10.11 Unauthorized Monitoring or Cable Tapping. For the purposes of Section 10.11, "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.

10.12 Privacy. The Jurisdictions 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.

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, 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.

10.14 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.

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

Section 11. RESIDENTIAL NETWORK

11.1 Channel Capacity.

(A) Prior to the Effective Date of this Franchise, Grantee upgraded its Cable System to a Fiber to the Fiber node Cable System architecture, with Fiber Optic cable deployed from Grantee's Headend 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 passband of between 50 and 860 MHz) 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, any Access facility, and any I-Net Site in the Franchise Area. This Upstream Capacity requires no additional installation of equipment for use except on users' premises.

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

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

11.3 Technical and Safety Standards.

(A) Grantee shall comply with FCC Rules and Regulations, Part 76, Subpart K (Technical Standards), 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 the applicable requirements of the National Electrical Safety Code, and in such manner that the Cable System shall not interfere with any installations of the Jurisdictions or any public utility or Institutional utility, or any franchisee, licensee or permittee of the Jurisdictions.

(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 in a manner so as to prevent injury to the wires, pipes, structures, and property belonging to the Jurisdictions or to any Person within the Jurisdictions.

(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.

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.

(C) 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) Tests may be witnessed by representatives of the Jurisdictions, and, upon request, Grantee shall inform the Jurisdictions of the time and place of each test. The Jurisdictions 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.

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) 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 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 upon request.

(B) Emergency Alert Systems. Grantee shall comply with all applicable federal and state regulations regarding emergency alert systems, including equipment standards and procedures for alerting capacities. The Jurisdictions may identify authorized emergency officials for activating the

emergency alert system. The Jurisdictions may also develop a local plan containing methods of emergency alert system message distribution, subject to applicable federal and state laws.

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.

11.7 Inspection of Construction. The Jurisdictions shall have the right to inspect any construction or installation work performed under this Franchise. The Jurisdictions shall have the right to make such tests as it deems necessary to ensure compliance with the terms of this Franchise and applicable provisions of law.

Section 12. COMPENSATION AND AUDITING

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, the Grantee shall pay as a franchise fee to the Jurisdictions, throughout the duration of this Franchise, an amount equal to five (5%) percent of Grantee's Gross Revenues.

12.2 Payments and Quarterly Reports.

(A) Payments. Grantee's franchise fee payments to the Jurisdictions 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 Jurisdictions, 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.

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.

12.4 Bundled Services. If Cable Services subject to the franchise fee required under this Section 12.4 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.

12.5 Maximum Legal Compensation. The parties acknowledge that, at present, applicable federal law limits the Jurisdictions 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 authorized to collect an amount in excess of five percent (5%) of Gross Revenues, then the Jurisdictions may request a modification of this Franchise under the provisions of Section 20.15.

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.

12.7 Acceptance of Payment and Recomputation. No acceptance of any payment pursuant to Section 7.1 (PEG/I-Net Fee-s) or Section 12.1 (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 may have for further or additional sums payable.

12.8 Audits and Reviews.

(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 7.1 or Section 12.1 of this Franchise shall be subject to audit by the Jurisdictions, provided that only payments which occurred during a period of thirty-six (36) months prior to the date the Jurisdictions notify Grantee of its intent to perform an audit shall be subject to such audit. Grantee agrees to pay the Jurisdictions for:

(1) Interest on any underpayment of an amount due under Section 7.1 or Section 12.1 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, 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, then interest shall be compounded daily from the date on which the payment was due until the date the Jurisdictions receive the payment.

(2) Five percent (5%) of the underpayment shall be due within thirty (30) days of written notice from the Jurisdictions, if the Jurisdictions' 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, then interest shall be compounded daily from the date on which the payment was due until the date on which the Jurisdictions receive 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.

(B) Authority to Audit.

(1) The Jurisdictions and its agents and representatives shall have authority to arrange for and conduct audits under Section 12.8, 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 12.8, the Jurisdictions may determine the scope of audit in each instance.

(2) The Grantee agrees to reimburse the Jurisdictions for:

(a) The reasonable costs of such audit if the audit discloses that the Grantee has paid 95% or less of the fees owing under Sections 7.1 and 12.1 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) The Grantee shall reimburse the Jurisdictions within 30 days of receipt of an invoice from the Jurisdictions showing such costs were actually incurred and were directly related to the audit. The Grantee's obligation to reimburse auditing costs under this Section 12.8 shall not exceed \$15,000.00 per audit.

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, except as may otherwise be provided in the ordinance or ordinances imposing such other license fee, tax or charge. The Jurisdiction's right to impose any such license fee, tax or charge shall be subject to any limitations on the Jurisdiction under applicable law.

Section 13. RECORDS AND REPORTS

13.1 Open Records. Grantee shall manage all of its operations in accordance with a policy of keeping its Records open and accessible to the Jurisdictions. The Jurisdictions shall have the right to inspect all Records of the Grantee and Affiliated Entities at any time during normal business hours at a Grantee business operations site within Multnomah, Clackamas or Washington counties, Oregon, and upon reasonable notice to determine compliance by Grantee with its obligations under this Franchise. Grantee shall not deny the Jurisdictions 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 19.1(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.

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

(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);

(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);

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

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

(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,

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

(B) 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 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, and at least the following, unless the Jurisdictions waive 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 to understand the statement and to verify the accuracy of payments to the Jurisdictions. The report shall include an explanation of any deductions made from Gross Revenues in the calculation of payments.

13.3 General Reports. The Jurisdictions 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 such information in a format as Grantee customarily prepares such report or information. Grantee shall fully cooperate with the Jurisdictions and shall provide such information and documents as necessary and reasonable for the Jurisdictions to evaluate compliance. Grantee reserves the right to object to any request made under this Section 13.3 as unnecessary, unreasonable or inappropriate under the circumstances.

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

13.5 Reports of Regulatory Violations. Upon written request, Grantee shall provide copies to the Jurisdictions 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 Jurisdictions. Grantee shall submit such communications to the Jurisdictions 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.

13.6 Public Records.

(A) Grantee acknowledges that information submitted by Grantee to the Jurisdictions 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) Grantee may identify information submitted to the Jurisdictions as 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, Grantee shall 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) Within five (5) working days of receiving a public records request to inspect any such request, the Jurisdictions 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 the requested confidential information. If the Jurisdictions determine that it will be necessary to reveal the information, the Jurisdictions shall promptly notify the Grantee, and do so at least five (5) working days prior to the information being released. The Jurisdictions shall retain final discretion to determine whether to release the requested information in response to any public records request, as recognized under the Oregon Public Records Law.

Section 14. GENERAL INDEMNIFICATION AND INSURANCE

14.1 Indemnification.

(A) General Indemnification. Grantee shall indemnify, defend and hold harmless the Jurisdictions, 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 out of any negligence or willful misconduct by the Jurisdictions or its officers, agents, boards or employees. The Jurisdictions 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 which approval shall not be unreasonable withheld. Grantee shall consult and cooperate with the Jurisdictions while conducting its defense of the Jurisdictions and the Jurisdictions shall fully cooperate with the Grantee.

(B) Indemnification for Relocation. Grantee shall indemnify the Jurisdictions for any damages, claims, additional costs or expenses assessed against or payable by the Jurisdictions 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 a Jurisdiction's duly authorized agent in writing, unless Grantee's failure arises directly from the a Jurisdiction's negligence or willful misconduct.

(C) Indemnification – Hazardous Substances. Grantee agrees to forever indemnify the Jurisdictions, 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.

14.2 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 Insurance in the amount of two million dollars (\$2,000,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System, and the conduct of Grantee's Cable Service business in the Jurisdictions.

(2) Automobile Liability Insurance in the amount of one million dollars (\$1,000,000) combined single limit for bodily injury and property damage coverage.

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

(4) Employers' Liability Insurance in the following amounts: (A) Bodily Injury by Accident: one hundred thousand dollars (\$100,000); and (B) Bodily Injury by Disease: one hundred thousand dollars (\$100,000) 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) 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.

(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 and the Commission as additional insureds, as provided under this Section 14.2, the Grantee shall notify the Jurisdictions 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 14.2 during the term of this Franchise, Grantee shall provide a replacement policy.

(D) Each of the required insurance policies shall be with insurers 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) The insurance shall be without prejudice to coverage otherwise existing and shall name the Jurisdictions, 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 a Jurisdiction's Legal Counsel as to whether the certificate and the insurance certified is consistent with the requirements of this Section 14.2. Failure to maintain adequate insurance as required under this Section 14.2 shall be cause for revocation of this Franchise by the Jurisdictions as set forth in Section 19.

(G) The Jurisdictions shall require as a condition of any separate agreement between the Jurisdictions 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).

14.3 Faithful Performance Bond.

(A) Upon the effective date of this Franchise, the Grantee shall furnish proof of the posting of a faithful performance bond running to the Jurisdictions with good and sufficient surety approved by the Jurisdictions, in the penal sum 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 by the Grantee throughout the term of this Franchise.

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

(1) The remaining term of this Franchise; or

(2) If required by the Jurisdictions, the removal of all of Grantee's system installed in the Jurisdictions' Streets.

(C) The bond shall contain a provision that it shall not be terminated or otherwise allowed to expire without 30 days written notice first being given to the Jurisdictions cable regulatory office. The bond shall be subject to the approval of the Jurisdictions' Legal Counsel as to its adequacy under the requirements of this Section 14.3. During the term of the bond, Grantee shall file with the Jurisdictions cable regulatory office a duplicate copy of the 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.

(D) Subject to the Jurisdictions' 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 substantially the same rights and guarantees provided by a faithful performance bond.

(E) In lieu of the performance bond required under Section 14.3, the Grantee may elect to provide to the Jurisdictions 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 14.3(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 15. GENERAL STREET USE AND CONSTRUCTION

15.1 Construction.

(A) Subject to applicable regulations of a Jurisdiction, Grantee may perform all construction necessary for the operation of its Cable System. All construction and maintenance of any and all Facilities 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 upon issuance of the requisite construction permits by a Jurisdiction to Grantee.

(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.

15.4 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.

15.5 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 Jurisdictions, 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 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 a Jurisdiction's property or property belonging to any Person within the Jurisdiction. 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.

15.6 Acquisition of Facilities. Upon Grantee's acquisition of Facilities in any Jurisdiction's Street, or upon the addition or annexation to a Jurisdiction of any area in which Grantee owns or operates any Facility in any Streets, the Grantee shall, at the Jurisdiction's request, submit to the Jurisdiction a statement describing all Facilities involved, whether authorized by franchise, permit, license or other prior right, 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 Facilities shall immediately be subject to the terms of this Franchise within a reasonable period of time to bring the acquired Facilities into compliance with this Franchise.

15.7 Reservation of Jurisdiction Street Rights. Nothing in this Franchise shall prevent the Jurisdictions 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 a Jurisdiction 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 written notice to Grantee, the Jurisdiction 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.

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.

15.10 Discontinuing Use of Facilities. Whenever Grantee intends to discontinue using any Facility within the Streets, Grantee shall submit for the Jurisdiction'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 permit it to remain in place. Notwithstanding the Grantee's request that any such Facility remain in place, the Jurisdiction 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 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. Until such time as Grantee removes or modifies the Facility as directed by the Jurisdiction, 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.

15.11 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 Jurisdiction 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 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.

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 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 grants an exception.

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 may require the removal or relocation of the Grantee's lines, cables, and other appurtenances from the property in question.

15.14 Construction and Use of Poles.

(A) In the event Grantee cannot obtain the necessary poles and allied facilities agreements, 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 Jurisdictional authorities, and each pole shall be set whenever practicable at an extension of a lot line. A Jurisdiction 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 the public convenience requires such change, and the expense thereof shall be paid by the Grantee.

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

15.15 Tree Trimming.

(A) Upon obtaining proper permits from a Jurisdiction, Grantee may prune or cause to be pruned, using proper arboricultural practices in accordance with such permit, any 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.

(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. The Jurisdiction shall have the discretion to cancel the permit if, at any time, the Grantee or its agents fails to use proper arboricultural practices.

Section 16. TRANSFER OF GRANTEE'S CABLE SYSTEM

16.1 Transfer Defined. For purposes of Section 16, “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.

16.2 Jurisdiction Approval of Transfers. Neither this Franchise nor all or substantially all of Grantee’s Cable System located in the Streets by authority of this Franchise shall be Transferred without the prior written consent of the Jurisdiction as expressed by ordinance or resolution, which consent shall not be unreasonably withheld, except to entities that control, are controlled by, or are under common control with the Grantee. Grantee shall give written notice to the Jurisdiction of any Transfers to entities under such common control within ten (10) days of such transfers. The Jurisdiction’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 Jurisdictions, without the Jurisdiction’s consent, but any such mortgage, pledge or assignment with respect to Grantee’s Cable System shall be subject to the Jurisdiction’s other rights contained in this Franchise.

16.3 Review.

(A) In determining whether the Jurisdiction will consent to any Transfer, the Jurisdictions may inquire into the technical, legal, and financial qualifications of the prospective party. Grantee shall assist the Jurisdiction in any such inquiry. The Jurisdiction 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 Jurisdiction’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) days after execution and delivery of any instrument so consented to by the Jurisdiction, Grantee shall file with the Jurisdiction Auditor an executed counterpart or certified copy thereof.

16.4 Leases. Grantee shall not lease any portion of its franchised Cable System without the Jurisdiction’s prior consent as expressed by ordinance or resolution. However, and notwithstanding Section 16.2, Grantee may lease any portion of its Cable System in the ordinary course of its business without otherwise obtaining the Jurisdiction’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.

16.5 Sales.

(A) Notwithstanding Section 16.2, Grantee may sell portions of its Cable System in the ordinary course of its business, without otherwise obtaining the Jurisdiction’s consent by ordinance or resolution, 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 Jurisdiction;

(2) Within fourteen (14) days of the sale being executed and becoming final, Grantee shall provide written notice to the Jurisdiction, 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 15.1(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 Jurisdiction 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. The purchaser shall not obtain any of the Grantee's rights under this Franchise.

(B) If required by federal law, the Jurisdictions shall make a final decision upon a proposed Transfer within 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 to render a final decision on the request within 120 days, then the proposed Transfer shall be deemed to be consented to by the Jurisdictions. At any time during the 120 day period, the Jurisdictions 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 and the Grantee may, at any time, agree to extend the 120 day period.

(C) Bankruptcy or Dissolution. Grantee shall immediately report to the Jurisdictions, as soon as it becomes known, the initiation of bankruptcy proceedings, or corporate or partnership dissolution.

(D) Consent. No consent by the Jurisdictions, which is required under this Section, shall be unreasonably denied or delayed.

Section 17. Jurisdiction REGULATORY AUTHORITY

17.1 Jurisdiction Regulatory Rights.

(A) The Jurisdictions 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 Jurisdictions to promptly enforce compliance with this Franchise.

17.2 Jurisdiction Regulatory Actions. Grantee shall comply with any and all lawful actions of the Jurisdictions 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 Jurisdictions orders and regulatory actions, and the terms of this Franchise, this Franchise shall prevail.

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

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

18.1 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 Jurisdictions, Grantee shall furnish the Jurisdictions 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 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, age, sex, national origin, sexual orientation 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.

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.

18.3 Minority and Female Business Enterprises. Grantee shall make determined and good faith efforts to use minority and female 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.

Section 19. FRANCHISE VIOLATIONS AND REMEDIES, EXPIRATION AND RENEWAL

19.1 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 Jurisdictions reserve 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 19.1(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 Jurisdictions reasonably determine 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 Jurisdictions to enforce prompt compliance. The Jurisdictions' 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 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 Jurisdictions 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 Jurisdictions 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 Jurisdictions and Grantee recognize that delays, expense and unique difficulties would be involved in establishing actual losses suffered by the Jurisdictions 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 19.2, the Jurisdictions may assess liquidated damages as set forth in the categories below. Instead of requiring proof of actual damages, the Jurisdictions and Grantee agree that Grantee shall pay liquidated damages in these amounts to the Jurisdictions 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 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' 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 - \$700 per day or per violation, up to a total of \$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 - \$700 per day or per violation, up to a total of \$40,000 during any rolling twelve (12) month period;
- (c) Failure to provide PEG Channels and/or PEG/I-Net capital support payments

required by this Franchise - \$700 per day or per violation, up to a total of \$40,000 during any rolling twelve (12) month period;

- (d) Failure to provide I-Net in compliance with the provisions of this Franchise - \$700 per day or per violation, up to a total of \$40,000 during any rolling twelve (12) month period;
- (e) Failure to comply with customer service standards and reports - \$700 per day or per violation, up to a total of \$40,000 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) The Commission, acting on behalf of the Jurisdictions, 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 19.1(C)(1) may be submitted to Arbitration in accordance with the provisions of Section 20.2 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.

(4) The assessment and recovery of liquidated damages will not constitute a waiver by the Jurisdictions of any other right or remedy it may have under the Franchise or applicable law as to subsequent incidents. 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.

(5) 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 shall at all times be considered material provisions. Enumeration of material Franchise provisions set forth in this Section 20.1(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, if Grantee has not cured or commenced to cure the alleged breach to the satisfaction of the Jurisdictions, the Jurisdictions 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 Jurisdictions 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 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.

(F) Except for the remedies specified in Section 20.1(A)(3), in addition to its other rights and remedies as set forth in this Franchise, the Jurisdictions 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.

(G) Except for liquidated damages as provided in Section 20.1(C), in the event that the Jurisdictions make a preliminary determination that the Grantee has violated this franchise, the Jurisdictions shall commence a contested case proceeding under the rules adopted by the Jurisdictions. The Jurisdictions' final determination, following a contested case proceeding, may be appealed to the Jurisdiction's governing body. The Jurisdiction's governing body shall consider the appeal, under rules established by the Jurisdictions, based on the record established in the contested case proceeding.

19.2 Notice and Opportunity to Cure.

(A) The Jurisdictions shall give Grantee thirty (30) days prior written notice of its intent to exercise any of its rights under Section 19.1, identifying the reasons for such action.

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

(C) If Grantee fails to remove or otherwise cure the asserted violation constituting the stated reason within the thirty (30) day notice period, or if the Grantee does not undertake and continue efforts satisfactory to the Jurisdictions to remedy the stated reason, then the Jurisdictions may exercise any or all of the remedies available under Section 19.1 or such other rights as the Jurisdictions may possess.

19.3 Minor Variances. The Jurisdictions 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.

19.4 Expiration.

(A) Upon the expiration of this Franchise, subject to 47 U.S.C. § 546 and other applicable federal, state or local laws, the Jurisdictions 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 Jurisdiction deems appropriate.

(B) Until such time as the Jurisdiction exercises its rights under Section 19.4, the Grantee's rights and responsibilities within the Jurisdiction shall be controlled by the terms of this Franchise.

19.5 Removal of Plant and Equipment. If the Jurisdiction has revoked this Franchise as provided in Section 19.1, or if this Franchise has expired without being renewed or extended, or in the event of the Jurisdiction'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 or resolution, the Grantee shall remove its Facilities from the Streets and restore the Streets to the standards provided in Section 15.4. In the event of a failure by the Grantee to properly perform such work, then the Jurisdiction 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.

Section 20. MISCELLANEOUS PROVISIONS

20.1 Compliance with Laws.

- (A) Both Grantee and the Jurisdictions shall comply with all applicable federal and state laws.
- (B) Grantee shall comply with all applicable Jurisdiction ordinances, resolutions, rules and regulations adopted or established pursuant to the Jurisdiction'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.

20.2 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) A Jurisdiction may initiate arbitration by resolution, while Grantee may choose to initiate arbitration by sending written notice to the Jurisdiction.
- (C) After arbitration has been initiated, the Jurisdiction 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 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 Jurisdiction 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 Jurisdiction initiates arbitration, the Jurisdiction shall select one arbitrator and Grantee by written notice shall select one arbitrator within 15 days after passage of the resolution. If Grantee initiates arbitration, it shall identify its selected arbitrator in its written notice, and the Jurisdiction shall select one arbitrator, within 15 days after receiving the notice.

(2) The two selected arbitrators shall select a third arbitrator within 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) 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 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 and Grantee. The arbitrator(s) shall make a written report to the Jurisdiction and Grantee on the final determination within 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 Jurisdiction 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 20.15, Section 20.16 or Section 20.8, 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 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 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.

20.3 Mediation.

(A) The Jurisdictions 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 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 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 20.2, 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 20.15, Section 20.16 or Section 20.8, the Jurisdiction 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 and the Grantee remain substantially the same after the modification, as they were prior to the events and circumstances leading to the mediation proceeding.

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 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.

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.

20.6 No Recourse against Jurisdictions. To the extent provided by law, Grantee's recourse against the Jurisdictions 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.

20.7 Nonenforcement by the Jurisdictions. 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 to enforce prompt compliance, nor do the Jurisdictions waive or limit any of its rights under this Franchise by reason of such failure or neglect. The Jurisdiction's governing body shall be vested with the power and authority to reasonably regulate the exercise of the privileges permitted by this franchise in the public interest.

20.8 Action by Agencies or Courts. Grantee shall promptly notify the Jurisdictions 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 or the Grantee may determine if a material provision of this Franchise has been affected. Upon such determination, the Jurisdictions or the Grantee may seek to modify or amend this Franchise, pursuant to Section 20.15, as may be necessary to carry out the parties' intentions and purposes under this Franchise.

20.9 Choice of Forum. Any litigation between the Jurisdictions 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.

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.

20.11 Notice. Any notice provided for under this Franchise shall be sufficient if in writing and: (1) delivered personally to the following addressee; (2) deposited in the United States Mail, postage prepaid, certified mail, return receipt requested; (3) sent by overnight or commercial courier (such as Federal Express); or, (4) sent by facsimile transmission addressed as follows, or to such other address as the receiving party hereafter shall specify in writing:

If to the Jurisdictions: Office for Community Technology
City of Portland, Oregon
1120 SW 5th Ave., Rm 1305
Portland, OR 97204

With a copy to: MHCRC Attorney's Office
Room 430, City Hall
1221 SW 4th Avenue
Portland, Oregon 97204
FAX No. (503) 823-3089

If to the Grantee: Comcast Cable
Attention: Government Affairs
9605 SW Nimbus Ave.
Beaverton, OR 97008

With a copy to: Comcast Cable
Attention: Government Affairs
15815 25th Ave. West
Lynwood, WA 98087

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).

20.12 Reasonability of Actions. In any matter provided for in this Franchise involving discretionary acts by the Jurisdictions 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.

20.13 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, 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) 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. The acts or omissions of Affiliates are not beyond the Grantee's control, and knowledge of Affiliates shall be imputed to Grantee.

20.14 Integration and Written Modification. Except as otherwise expressly provided within this Franchise, this Franchise contains the entire agreement between the Jurisdictions and the Grantee. Any prior franchise agreements between the Jurisdictions 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 and the Grantee.

20.15 Changes in Law or Unenforceability of Franchise Provisions.

(A) The Jurisdictions and Grantee have entered into this Franchise under the federal and state laws in effect on the effective date of this Franchise. The Jurisdictions and the Grantee reserve the right to request modifications to this Franchise, under Section 20.15(B), to account for changes in the law during the term of this Franchise. The Jurisdictions and the Grantee also reserve the right to request modifications in this Franchise, under Section 20.15(B), if any provision of this Franchise becomes, or is declared, invalid or unenforceable.

(B) Upon written notice from either party, the Jurisdictions and the Grantee may voluntarily agree, under Section 20.15(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 20.15 (A) for the modification sought by the requesting party. In the mediation proceeding, the Jurisdictions 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 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 and Grantee are unable to successfully conclude the mediation within 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 20.2.

20.16 Renegotiation.

(A) If any provision of this Franchise becomes invalid or unenforceable and the Jurisdictions or the Grantee expressly finds that such provision constituted a consideration material to this Franchise, then the Jurisdictions and the Grantee shall renegotiate the terms of this Franchise, subject to the mediation procedures of Section 20.3. The party seeking renegotiation shall serve on the other party written notice of a request to mediate. The parties shall have 90 days to conduct and complete the

renegotiation. If the Jurisdictions and the Grantee cannot successfully conclude the renegotiation within 90 days from the date of the mediation request is served upon the other party, the matter may be submitted to arbitration under Section 20.2.

(B) By mutual agreement, the Jurisdictions 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 21. WRITTEN ACCEPTANCE

21.1 Written Acceptance. On or before thirty days after this Franchise becomes effective, Grantee shall file with the Jurisdiction's Clerk 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.

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 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

County Chair

Reviewed by:

County Counsel

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

GRANTEE:

**COMCAST OF ILLINOIS/OHIO/OREGON,
LLC**

STATE OF _____)
) ss.
County of _____)

By _____

Name: _____

Title: _____

Date: _____, 2011

This Agreement was acknowledged before me
on the _____ day of _____, 2011,
by _____
as _____, a
duly authorized officer of Comcast Of
Illinois/Ohio/Oregon, LLC

Notary Public for _____

My Commission Expires _____

EXHIBIT A

MT. HOOD CABLE REGULATORY COMMISSION INTERGOVERNMENTAL AGREEMENT AS AMENDED MARCH 1998

THIS AGREEMENT is between each of the cities of Fairview, Wood Village, Troutdale, Gresham and Portland, all municipal corporations duly incorporated under the laws of the State of Oregon, and Multnomah County, a home rule county formed under the laws of the State of Oregon, hereinafter referred to as the "Jurisdictions." This Agreement is made pursuant to ORS 190.003 to ORS 190.110, the general laws and constitution of the State of Oregon, and the laws and charters of the Jurisdictions.

Section 1. General Purposes. The Jurisdictions have each separately entered into various franchise agreements providing for the construction and operation of cable communications systems within their boundaries. The City of Portland created the Portland Cable Regulatory Commission, and Multnomah County, Gresham, Troutdale, Fairview and Wood Village created the Multnomah Cable Regulatory Commission, each with the general purpose to regulate and administer cable franchise agreements for the Jurisdictions. The Jurisdictions wish to form a unified cable regulatory commission. The formation of a unified regulatory commission serves the public interest in that the boundaries of the Jurisdictions do not necessarily coincide with the service areas of the Grantees, or with the needs of the citizens within each Jurisdiction or franchise, regarding cable communications. In addition, a unified commission can provide enhanced public benefits in franchising and regulation, and economies of scale in its operation.

To further this public interest and these purposes, the Jurisdictions desire to create a unified cable regulatory commission to jointly regulate and administer franchise agreements within their boundaries. The commission will further serve as an advisory body to the Jurisdictions on matters relating to cable communications and function as the Jurisdictions' representative for regional, state or national cable communications policy matters.

Section 2. Definitions.

A. "Cable Communications System" or "System" - any system of antennas, cables, amplifiers, towers, microwave links, cable casting studios, and any other conductors, receivers, home terminals, convertors, equipment or facilities, designed and constructed for the purpose of producing, receiving, amplifying, storing, processing or distributing audio, video, digital or other forms of electronic or electrical signals.

B. "Commission" means the Mt. Hood Cable Regulatory Commission as formed under this Intergovernmental Agreement.

C. "Grantee" - any person who is authorized by a franchise agreement or seeks authority to construct, operate and maintain a cable communications system operated within the territories of

the Jurisdictions.

D. "Jurisdiction" - any municipality or county which enters into this Agreement.

E. "Multnomah Community Television" means the designated provider of PEG access for the cities of Fairview, Gresham, Troutdale and Wood Village, and Multnomah County.

F. "PEG" means public, educational and governmental cable access within the meaning of franchise agreements administered by the Commission, and applicable law.

G. "Person" - any corporation, partnership, proprietorship, association, individual or organization authorized to do business in the State of Oregon, or any natural person.

Section 3. Commission Creation and Powers. A unified regulatory commission, the Commission is created to carry out the purposes set forth in this Agreement and to administer the cable communications franchises granted by the Jurisdictions. The Commission is vested with all the powers, rights and duties necessary to carry out these purposes that are vested by law in each Jurisdiction, its officers and agencies, subject only to the limitations contained in this Agreement and in the cable communications franchise agreements. "Law" includes the federal laws and Constitution, the Oregon constitution and laws as well as the charters, ordinances and other regulations of each Jurisdiction.

A. Regulatory Authority. The Commission has the authority to act on behalf of the Jurisdictions jointly and separately, and in its own right, to oversee and regulate any cable communications system operated pursuant to the cable communications franchise agreements entered into by the Jurisdictions. The Commission has full authority to take any action necessary to enforce or administer franchise agreements for operation of cable communications systems, except where the power to take a specific action is either limited or reserved to the Jurisdictions by the provisions of Section 4 of this Agreement.

B. Contracting Authority. The Commission may make such contracts, grants, and take such other action as it deems necessary and appropriate to accomplish the general purposes of this Agreement. All contracts made shall conform to the requirements of Oregon law.

Section 4. Powers Retained by Jurisdictions.

A. Discretionary Review. Commission action to; (1) find a Grantee in violation of its franchise agreement, or; (2) impose any penalty or financial remedy, or; (3) regulate, establish or approve any Grantee rate or charge, or; (4) determining PEG capital grant purposes and evaluation criteria as set forth in Section 9.E.2 of this Agreement, shall become effective 30 days after the Commission's final decision. Any such Commission final decision shall not be effective unless a copy of the final decision is filed with the Recorder of each affected Jurisdiction within 10 days of such action. Such final decisions are subject to review by the governing body of each affected

Jurisdiction. Within a 30-day period, any affected Jurisdiction may notify the Commission of its intent to exercise review authority. The Commission shall notify all affected Jurisdictions within 10 days of receiving the review notice. If a majority of the affected Jurisdictions acts within 60 days to overturn the Commission's final decision, such decision shall not become effective, and the matter shall be returned to the Commission for further proceedings as directed by the affected Jurisdictions.

1. Affected Jurisdiction means any Jurisdiction which is a party to the franchise agreement with the Grantee to which the Commission's final decision applies.

2. Recorder means a Jurisdiction's Clerk, Recorder or Auditor.

B. Full Authority. As set forth herein, the Jurisdictions reserve the authority to act on their own behalf. Each Jurisdiction agrees to make a good faith effort to weigh the impact of such actions on the overall operation of a cable system and the continuity of the Commission. Each Jurisdiction agrees to take no action in these areas until the Commission has had a prior opportunity to consider the matter.

Authority retained by the Jurisdictions includes:

1. Any decision to grant, revoke, terminate, extend, amend, renew or refuse to renew a franchise agreement.

2. Any decision concerning a change of ownership or control of a cable communications system or a Grantee.

3. Any decision to purchase or condemn a Grantee's interest, in part or in whole, whether or not pursuant to a termination, revocation or expiration of a franchise agreement.

4. Any decision regarding cable regulation which requires adoption of any ordinance or resolution by the Jurisdictions.

5. Any decision which requires the amendment of this Agreement.

6. Any authority which is reserved to or retained by the Jurisdictions by franchise agreement and which may not otherwise be delegated to the Commission.

Section 5. Commission Members.

A. The Composition. The Commission shall be composed of Commissioners appointed by the Jurisdictions. Each Jurisdiction, except Portland, shall select and appoint one representative to serve as its Commissioner. Portland shall select and appoint three representatives to serve as its Commissioners.

B. Quorum and Voting. The majority of the members of the Commission shall constitute a quorum. No Commission action shall be in effect except on a majority vote by those Commissioners present.

C. Term of Office and Succession. Commissioners shall be appointed to serve until their successors are appointed and assume their responsibilities, but shall serve under procedures authorized by the governing body of the Jurisdiction appointing them. However, a Jurisdiction's appointee shall not have any ownership interest in a Grantee. A vacancy on the Commission shall be filled by the governing body of the Jurisdiction whose position on the Commission is vacant.

Section 6. Meetings, Rules of Procedure and Officers.

A. Meetings to be Public. Meetings of the Commission shall be conducted pursuant to the Oregon Public Meetings law.

B. Rules of Procedure. At the first organizational meeting, or as soon thereafter as practicable, the Commission shall adopt rules governing its procedures including, but not limited to:

1. Times and places of regular meetings;
2. The method and manner of calling special meetings;
3. The method, term and manner of election of officers;
4. The responsibilities and duties of officers; and
5. The procedures for execution of writings and legal documents.

C. Officers. At the first organizational meeting, the Commission shall elect from among its members an interim chairperson and an interim vice-chairperson. The chairperson, and in his or her absence the vice-chairperson, shall preside at all meetings, call special meetings, and determine the order of business, until such time as rules requiring otherwise are adopted.

Section 7. Administration and Staffing Services.

The Commission shall contract with the City of Portland (the City) for administrative services as described in the attached Administrative Services Agreement (Exhibit I). The Commission is authorized to amend, extend, or terminate the Administrative Services Agreement.

Section 8. Transfer of Staff and Assets.

A. Transferred Employees.

1. Upon termination of the administrative services agreement between the Commission and Multnomah County (the County), the County shall transfer Julie S. Omelchuck to the City's Office of Cable Communications and Franchise Management (Cable Office), providing that the County is no longer performing any cable regulatory services. Pursuant to ORS 236.630, Julie S. Omelchuck shall be placed in a position found by the City to be comparable to the position she enjoyed under the County's employment. The City shall consider Julie S. Omelchuck's education and physical qualifications, experience, and the salary, duties and responsibilities of her prior employment. The County shall furnish all of Julie S. Omelchuck's employment records to the City at the time of transfer. No affected employee shall be deprived of their employment by the County solely because of the transfer of administrative cable regulatory services to the City. The County shall find positions of employment within the County for all other affected employees.

2. The County shall pay each transferred employee all holiday and compensatory time, and any vacation leave time in excess of eighty hours, accumulated by such employee up to the date of the transfer. In addition, funds shall be transferred to the City from within the existing County cable office budget to cover accumulated sick leave, up to the date of transfer, for each transferred employee. The final amount of the payment for accumulated sick leave shall be determined by mutual agreement between the City and the Commission. The County shall reimburse the City for insurance premium costs, if any, resulting from health insurance coverage of preexisting conditions for any transferred employees. If at any time in the future Julie S. Omelchuck transfers back to the County by operation of the terms of Section 8A, the obligations for holiday, compensatory time and vacation leave time under this subsection shall apply equally to the City.

3. Any employees transferred by the County to the Cable Office shall be returned to the County if the transferred employee remains in a comparable employment position within the Cable Office and any one of the following events occurs: 1. The administrative services agreement between the City and the Commission is terminated; 2. The City withdraws from this Agreement; 3. The County withdraws from this Agreement; or 4. The Commission is dissolved under the terms of this Agreement.

4. This consolidation has presented unique circumstances resulting in the employee transfer provisions set forth in this Section. Due to these unique circumstances, the agreements contained in this Section shall not serve as precedent for any future employee transfer discussions between the City and the County.

B. Equipment assets, as listed in Exhibit 2, and general office supplies of the Multnomah Cable Regulatory Commission shall physically transfer to the City and shall become assets of the Commission.

C. The Jurisdictions shall share in the start up costs of the Commission proportionate to the FY 1993-94 budget contribution percentage of the respective Jurisdictions.

Section 9. Receiving and Distributing Funds.

A. The Commission shall comply with applicable state and local laws as to budget preparation and for audit of its books and records. The Jurisdictions may inspect all Commission books and records.

B. The annual budget adopted by the Commission shall be transmitted to the Jurisdictions by April 1. Each Jurisdiction shall review the Commission adopted budget prior to June 1 of each year. Upon approval by all Jurisdictions, the Commission-adopted budget shall become effective. If one or more Jurisdictions does not approve, the budget shall be returned to the Commission for modification and resubmitted to the Jurisdictions for approval. If all Jurisdictions do not approve a Commission budget by July 1, the previous fiscal year budget, less 10 percent, shall continue in effect until all Jurisdictions approve a Commission budget.

The Commission shall have the authority, subject to its approved annual budget, to expend funds for any lawful purpose up to the total amount of the approved budget. The Commission must seek approval by the Jurisdictions of budget amendments over the total amount of the approved budget. All Jurisdictions must approve such budget amendments for them to become effective. No Jurisdiction may amend, reduce or increase the approved Commission budget.

C. The cost allocation of each Jurisdiction in support of the Commission's approved budget shall be determined by the Commission during the annual budget process. The annual approved budget shall establish the specific cost allocation of each Jurisdiction and a schedule for all payments.

D. 1. The Commission is authorized to receive and collect cable franchise fees for all the Jurisdictions except Portland. The Commission shall distribute such franchise fees according to the terms of the franchise agreements with the Grantees, and the Commission budgets approved by the Jurisdictions. However, the Commission shall allocate, on an annual basis, sixty percent (60%) of cable franchise fees received from the cities of Fairview, Gresham, Troutdale, and Wood Village, and Multnomah County, to Multnomah Community Television for the provision of PEG access services within those Jurisdictions as the designated PEG provider. Fees collected in excess of budgeted amounts shall be returned to the Jurisdictions from which such fees are attributable.

2. The Commission shall not collect the City of Portland cable franchise fees. The City of Portland agrees to transfer quarterly its share of the cost allocation in accordance with the approved Commission budget.

3. All other funds arising out of cable franchise agreements shall be collected by the Commission. The Commission shall allocate such funds in accordance with the franchise agreements and the Commission budgets approved by the Jurisdictions.

E. 1. The Commission shall serve as the Grantmaking Board for decisions on

distributing PEG capital funds as grants, as provided in the cable franchise agreements administered by the Commission under this Agreement. The Commission shall establish procedures and timelines for decisions on distributing such grant funds.

2. The Commission shall establish the purposes for PEG capital grants, and evaluation criteria for grant applications, compatible with the terms and conditions of the cable franchise agreements. The Commission shall review such purposes and evaluation criteria at least biennially. Commission determinations of such purposes and evaluation criteria under this Section 9.E.2 shall be subject to review by the Jurisdictions under Section 4 of this Agreement.

3. The Commission shall distribute grants of PEG capital funds based upon such purposes and evaluation criteria as have been developed under Section 9.E.2.

4. The total amount of PEG capital funds, including the total amount of grant funds to be distributed by the Commission under this Section 9.E., shall be included in the Commission's annual budget as transmitted to the Jurisdictions under Section 9.B.

Section 10. Effective Date. This Agreement shall become effective upon its adoption by all Jurisdictions. Any Jurisdiction entering into this shall adopt an authorizing ordinance and shall forward a certified copy to the City of Portland. Within 30 days of the effective date of this Agreement, the City of Portland shall forward copies of the authorizing ordinances to the Secretary of State.

Section 11. Duration and Termination.

A. Duration. The duration of this Agreement is perpetual and the Commission shall continue from year to year, subject to subsection 11.B. The Commission shall forward this Agreement to the Jurisdictions every three years for their review.

B. Termination. In order for any Jurisdiction to withdraw from this Agreement and to prevent obligations for its financial contribution to the Commission for the ensuing year, a Jurisdiction may only withdraw from the Commission by filing a written notice of withdrawal with the Commission by November 1 of any year, effective at the end of that fiscal year. Membership shall continue until the effective date of the withdrawal. However, the withdrawing Jurisdiction shall not take action on the Commission's annual budget. Prior to the effective date, the member Jurisdiction may rescind its withdrawal notice at any time.

Section 12. Assets. If a Jurisdiction withdraws before dissolution of the Commission, the Jurisdiction shall have no claim against the assets of the Commission. In the event of dissolution, all remaining assets of the Commission, after payment of obligations, shall be distributed among the then existing Jurisdictions in proportion to the most recent budget cost allocation percentage of the respective Jurisdictions. Jurisdictions may agree to buy out each others portion of assets.

Section 13. Dissolution. The Jurisdictions may dissolve the Commission and terminate this Agreement at any time by mutual agreement of all Jurisdictions. The Commission shall continue to exist after the dissolution for such period, no longer than three months, as is necessary to wind up its affairs but for no other purposes.

Section 14. General Terms.

A. Severability. The terms of this Agreement are severable and a determination by any Court or agency having jurisdiction over the subject matter of this Agreement that results in the invalidity of any part, shall not affect the remainder of this Agreement.

B. Interpretation. The terms and provisions of this Agreement shall be liberally construed in accordance with its general purposes.

C. Increasing Member Units of Government. The Commission may develop a method for allowing other units of local government to enter into this Agreement, subject to the full authority provision of subsection 4.B. A fee or cost for such entrance may be imposed.

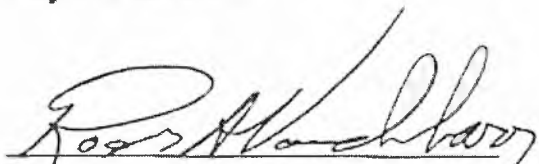
D. Amendments. The terms of this Agreement shall not be amended without the written authorization of the governing bodies of all Jurisdictions.

E. 1. General Indemnification. Each Jurisdiction shall be responsible for the negligent acts or omissions of the Jurisdiction, or its officers, agents or employees, in carrying out the terms of this Agreement, subject to the limitations and conditions of the Oregon Tort Claims Act, ORS 30.260, et seq., and the Oregon Constitution, Article XI, Section 9.


2. By entering into this Agreement, the Jurisdictions are creating a public body under ORS Chapter 190 which is separately responsible for providing coverage for its officers, agents and employees, subject to the limitations and conditions of the Oregon Tort Claims Act, ORS 30.260, et seq.

APPROVED AND EXECUTED by the appropriate officer(s) who are duly authorized to execute this Agreement on behalf of the governing body of each Jurisdiction.

City of Fairview


Mayor

Attest:


City Recorder

City of Gresham

Jessie M. Robert
Mayor

[Signature]
City Manager

Multnomah County

Beverly Steice
County Chair

REVIEWED BY:
Thomas Spensler
County Counsel

City of Portland

[Signature]
Commissioner

APPROVED AS TO FORM:
Benjamin Walters, Deputy
City Attorney

City of Troutdale

Paul M. Hofer
Mayor

Attest:
George Martin
City Recorder

City of Wood Village

Donald H. Ruckman
Mayor

Attest:
James B. Abbey
City Recorder

EXHIBIT 1

12/23/92

AGREEMENT BETWEEN
THE CONSOLIDATED CABLE COMMUNICATIONS COMMISSION
AND THE CITY OF PORTLAND
FOR ADMINISTRATIVE SUPPORT SERVICES

WHEREAS, the City of Portland is a home rule city, incorporated under the laws of the State of Oregon, and

WHEREAS, the Consolidated Cable Communications Commission has been created by an Intergovernmental Agreement between the Cities of Fairview, Gresham, Portland, Troutdale and Wood Village and Multnomah County, pursuant to ORS Chapter 190, the general laws and constitution of the State of Oregon and the laws and charters of the participating jurisdictions, and

WHEREAS, the Consolidated Cable Communications Commission has a need for administrative and support services, and

WHEREAS, the City of Portland has the ability to furnish such services and is willing to do so,

NOW THEREFORE, the City of Portland (City) and the Consolidated Cable Communications Commission (Commission) agree as follows:

Section 1. General Purpose. The general purpose of this Agreement is for the City to provide administrative support services to the Commission. It is the intention of the City and the Commission that the Commission shall retain full independent authority to act on all matters related to the purposes for which the Commission was created and to retain all powers granted to it under the Intergovernmental Agreement, as it was written and as it may be amended from time to time. By this Agreement, the City and the Commission do not intend to confer any liability upon the City for any action of the

Commission, independent of any liability that may now exist, or may arise in the future, because of the City's participation in the Intergovernmental Agreement which created the Commission.

Section 2. General Administrative Services.

A. The City agrees to provide the Commission with administrative and staffing support services in the areas of purchasing, fiscal administration, routine cable regulatory legal services, personnel and general support services, as set forth in this Agreement. The Commission shall follow City procedural requirements for purchasing, fiscal administration, personnel and general support services. The Commission shall retain full authority to act on all matters related to the powers granted to it by this Agreement.

B. The City shall defend, hold harmless and indemnify the Commission, its members or its agents from any and all claims, demands, settlements or judgments, including all costs and attorney fees, which arise from any City activity the City has agreed to provide pursuant to this Agreement. The Commission agrees to promptly notify the City Attorney of any claims or demands made against the Commission as a result of any activity of the Commission. The City shall not have any additional liability as a result of this Agreement for any action of the Commission apart from any liability which may result from the City's participation as a Jurisdiction in this Agreement.

Section 3. Purchasing. The City agrees to act as the purchasing agency of the Commission and will furnish purchasing agent services to the Commission upon its request provided that in any matter or purchase where the final determination of the successful bidder may be determined under Oregon law by

some criteria other than price, the Commission shall retain final authority to determine a successful bidder or proposal. The City of Portland City Council shall act as the local Public Contract Review Board for the Commission and have jurisdiction over any public contract matter properly brought before a local Public Contract Review Board pursuant to the terms of ORS Chapter 279.

Section 4. Fiscal Administrative Services. The City shall furnish to the Commission the full range of financial administration services requested by the Commission from time to time. These services shall include, but are not limited to, maintenance of Commission accounts, provision of accounts payable, accounting of all Commission revenues and expenditures, assistance in preparing an annual budget and when necessary, budget amendments, preparation of budget monitoring reports on the same frequency as utilized by the City, inclusion of the Commission's approved annual budget within the City's annual budget for transmission to and approval by the Multnomah County Tax Supervision and Conservation Commission, and financial review and external audit services.

The City shall be authorized to receive and expend funds on behalf of the Commission as adopted by the Jurisdictions in the annual budget and at the direction of the Commission. The City will account for such funds in a segregated, dedicated account.

No later than November 1 of each year, the City shall return to the Commission any compensation paid by the Commission to the City for the preceding fiscal year pursuant to Section 8, which was not expended or obligated by June 30 of that fiscal year.

Section 5. General Staff Support. The City agrees to provide sufficient staff to perform the administrative and support services provided in the Commission's approved annual budget. The Commission will set a work plan for each fiscal year and establish regulatory policies for the staff to implement on an ongoing basis. The City agrees to work through its Cable Commissioners to request changes in the Commission's work plan or policies. All decisions regarding creation, filling or reclassification of staff positions, or hiring, disciplining or terminating staff, shall be made by the City, after consultation with the Commission.

Section 6. General Support Services. The City agrees to provide to the Commission the full range of support services generally available to City bureaus and agencies on the same basis, terms, and conditions as such services are generally made available. These services include, but are not limited to, mail pick up and delivery services, access to City vehicles, printing and duplication, telecommunications services, data processing, and management and insurance of physical assets.

Section 7. Cable Regulatory Legal Services. The City agrees to provide routine cable regulatory legal services to the Commission as needed. The Commission may separately contract with third parties or with the City for extraordinary legal services such as rate review, renewal negotiations, litigation or administrative hearings regarding possible cable franchise violations.

Section 8. Compensation. The Commission agrees to pay the City

compensation for the administrative and support services to be provided under this Agreement. The payment shall be made out of the Commission's annual approved budget. By December 31 of each year, the City and the Commission shall agree on the amount to be paid for services for the following fiscal year. The amount shall be based on an estimate of the City's anticipated actual costs of providing such services to the Commission. The City shall keep records of such costs, and such records shall be available for inspection by the Commission upon request.

Section 9. Evaluation. The Commission shall conduct an annual evaluation of the City's administrative services to ensure that the Commission's needs are being met.

Section 10. Term. The term of this Agreement shall be perpetual, unless terminated by the parties pursuant to the terms herein.

Section 11. Termination. This Agreement may be terminated by either party effective July 1st of any year by giving written notice of the intent to terminate on or before the December 31st prior to the July 1st termination date. In addition, this Agreement may be terminated by written agreement of both the City and the Commission effective ninety (90) days after the effective date of the termination agreement.

Section 12. Notices. Notices to the Commission shall be sent to the location of its principal office, to the attention of the Chairperson of the Commission. Notices sent to the City shall be sent to the Office of Cable

Communications and Franchise Management. All notices required under this Agreement shall be sent by certified mail, return receipt requested.

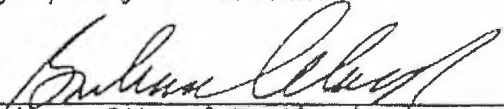
Section 13. Transition. The Commission and the City recognize that on the effective date of this Agreement there continues in existence a similar administrative services agreement between the Commission and Multnomah County (County). These two agreements authorize both the City and the County to provide similar services for the Commission. In order to facilitate the orderly transfer from the County to the City of the administrative services provided to the Commission, the agreement between the Commission and the County may remain in force to a date no later than April 15, 1993. The Commission shall withdraw from the County and transfer to the City, at the Commission's election, the services covered by the County/Commission agreement and this Agreement. The transfer of all services provided by the County to the Commission under the existing County/Commission agreement shall be completed by no later than April 15, 1993.

Section 14. Effective Date. This Agreement will be effective upon its adoption by the Commission.

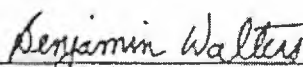
Chair,
Consolidated Cable
Communications Commission



Mayor, City of Portland



Auditor, City of Portland



City Attorney
Approved as to Form

MULTNOMAH CABLE REGULATORY COMMISSION
EQUIPMENT ASSETS INVENTORY

November 30, 1992

<u>ITEM</u>	<u>ASSET ID</u>	<u>MAKE/MODEL</u>	<u>SERIALS #</u>	<u>INSTALLED PRODUCTS</u>
Computers (1 only)	29474	Zenith laptop Supersport SX	004DE002864	42MB HD, 3.25" 1.44MB Floppy, 640KB RAM < 2 serial & Parallel & 1 Parallel Ports; Dos 3.3, WORDPERFECT.
Computer (1 only)	28435	WANG 381	Z033Z2	40MB HD, 5.25" 1.2MB & 3.5" 1.44MB Floppy, 650KB RAM, Hercules Video Card, 2 serial & 1 Parallel Ports, WANG;DOS 5.0, WANG System Services, WORDPERFECT, PRIDE, PCLIS, LOTUS
Monitor	-0-	Zenith	019ND0726NOB	
Printer (1 only)	-0-	Kodak Lazer Jet		
File Cabinets (2 each)	-0-	Steel, two drawer, metal		
Supply Cabinet (1 only)	02557	Steel 8' x 4'		
Desk	-0-	Metal with formica top		
Chair Brown Desk Chair	23786			

GENERAL INVESTIGATORY OFFICE
FURNITURE INVENTORY

Page 2 of 2

November 30, 1992

<u>ITEM</u>	<u>ASSET ID</u>	<u>MAKE/MODEL</u>	<u>SERIALS #</u>	<u>INSTALLED PRODUCTS</u>
Chair Brown Guest Chair	23785			
Chair Red Desk Chair	-0-			
Typewriter (1 only)	02564	IBM Selectric II	6890552	
Dictaphone (1 only)	05094	Sony BM-25A	622065	
Electric Stapler (1 only)	-0-	FC-90 Isaberg AB Sweden A908	111445	
Tape Recorder (1 only)	-0-	Realistic CAT NO. 14-1052A		
Adding Machines (2 each)	23784	Texas Instruments	135963	
Pencil Sharpener (1 only)	-0-	Boston	68000	
Coffee Pot (1 only)	-0-	Norelco 12 cup HB5193		

EXHIBIT B

Hardwired Live Origination Sites

RECORD	SITENAME	ADDRESS	CITYSTATE	CATEGORY	Connection Status
14	Portland Community Media	2766 NE MLK Blvd.	Portland, OR	Ch. Origination	Complete
15	Metro Administration Building	600 NE Grand	Portland, OR	Access Site	Complete
17	Multnomah County Courthouse	1021 SW 4th Ave.	Portland, OR	Access Site	Complete
1160	Fairview City Hall	1300 Village St.	Fairview, OR	Access Site	Complete
20002	Cathedral Park	N. Edison and Pittsburgh	Portland, OR	Access Site	Complete
20003	Portland City Hall	1220 SW 5th Ave	Portland, OR	Access Site	Complete
20004	Civic Auditorium	1500 SW Third Ave	Portland, OR	Access Site	Complete
20005	Civic Stadium	1844 SW Morrison	Portland, OR	Access Site	Complete
20007	Gresham City Hall	1331 NW Eastman Parkway	Gresham, OR	Access Site	Complete
20008	Hilton Hotel	921 SW Sixth Ave	Portland, OR	Access Site	Complete
20009	Newmark Theater	1111 SW Broadway	Portland, OR	Access Site	Complete
20010	Jefferson High School (PPS)	5210 N Kerby	Portland, OR	Access Site	Complete
20011	Justice Center	1120 SW 3rd Ave	Portland, OR	Access Site	Complete
20012	KATU	2153 NE Sandy Blvd.	Portland, OR	Access Site	Complete
20013	Marshall High School	3905 SE 91st	Portland, OR	Access Site	Complete
20015	N. Lombard and Philadelphia	7340 N. Philadelphia	Portland, OR	Access Site	Complete
20016	NE Hassalo and MLK	NE Hassalo and MLK	Portland, OR	Access Site	Complete
20017	Northwest Film and Video Center	1219 SW Park Ave	Portland, OR	Access Site	Complete
20019	PCC - Sylvania	12000 SW 49th	Portland, OR	Ch. Origination	Complete
20020	Pioneer Courthouse Square	701 SW 6th Ave	Portland, OR	Access Site	Complete
20021	Portland Building	1120 SW 5th Ave	Portland, OR	Access Site	Complete
20022	Keller Auditorium	222 SW Clay	Portland, OR	Access site	Complete
20023	Portland State University	1825 SW Broadway	Portland, OR	Access Site	Complete
20024	Schnitzer Hall	1037 SW Broadway	Portland, OR	Access Site	Complete
20025	Troutdale City Hall	104 SE Kibling Ave.	Troutdale, OR	Access Site	Complete
20026	Winningstad Theater	1111 SW Broadway	Portland, OR	Access site	Complete
20027	World Forestry Center	4033 SW Canyon Rd.	Portland, OR	Access Site	Complete
20028	World Trade Center	121 SW Salmon	Portland, OR	Access Site	Complete
20029	Multnomah Athletic Club	1849 SW Salmon St	Portland, OR	Access Site	Complete
20031	Multnomah Co. Hawthorne Bldg	501 SE Hawthorne Blvd.	Portland, OR	Access Site	Complete
20032	Oregon Public Broadcasting	7140 SW Macadam	Portland, OR	Access Site	Complete
20033	Dishman Community Center	77 NE Knott	Portland, OR	Access Site	Complete
20034	Portland School District	501 N Dixon	Portland, OR	Ch. Origination	Complete
20059	Kenton Historical Fire House	8105 N Brandon	Portland, OR	Access site	Complete
20067	Hollywood Theatre	4122 NE Sandy Blvd	Portland, OR	Access Site	Complete
20072	Interstate Firehouse Cultural Center	5430 N Interstate Ave	Portland, OR	Access Site	Complete
20073	East Metro County Building	604 NE 8th	Gresham, OR	Access site	Complete
20081	MetroEast Community Media	849 NE 8th St	Gresham, OR	Ch. Origination	Complete
20087	Ethos	10 N Killingsworth Street	Portland, OR	Access Site	Complete
20110	Highland Christian Church	7600 NE Glisan St	Portland, OR	Access Site	Complete
20118	MetroEast 3rd Central studio	128 NW 3rd in Gresham	Gresham, OR	Access Site	Complete

EXHIBIT C

I-Net Assets

The following are the I-Net assets, as owned and maintained by Grantee, on the effective date of this Franchise. These assets may be expanded, upgraded and/or replaced over time in accordance with Franchise Section 6.4.

(A) Fiber Assets:

- (1) Backbone Fiber is single mode Fiber among Transport Hubs and Grantee's Headend located in Troutdale, OR. There are a total of eight Hub-to-Hub backbone Fiber links within the Franchise Area:
 - (a) Hollywood to Gateway, six strands
 - (b) St Johns to Hollywood #1, six strands
 - (c) St Johns to Hollywood #2, six strands
 - (d) Gateway to Troutdale, six strands
 - (e) Troutdale to Hollywood, 12 strands
 - (f) Hollywood to Foster, 12 strands
 - (g) Foster to Gateway, 12 strands
 - (h) Hollywood to West Portland, 12 strands, except the segment across the Ross Island Bridge is two strands
- (2) One pair of Fiber between West Portland Transport Hub and Washington County, OR, institutional network (referred to as the PCN) core location; and one pair of Fiber between the PCN core location and the St. Johns Transport Hub. These Fiber connections are used for the PCN and I-Net Interconnect.
- (3) For distribution Fiber between every existing residential Fiber node, and the corresponding Transport Hub, there is sufficient I-Net Fiber Capacity to provide I-Net Services for any I-Net Sites.
- (4) Distribution Fiber, comprised of six strands of Fiber between each I-Net Site and the corresponding residential Fiber Node, establishing a continuous Fiber Optic pathway from the I-Net Site to the associated Transport Hub.
- (5) Twelve Fiber strands from the Transport Hub to each Fiber Node serving three City locations, the Portland Building, Fire Training Center and Bureau of Emergency Communications, with 10 Fiber strands continuing into each of these three sites.

(B) Electronic Assets:

- (1) Headend electronics include gigabit Ethernet backbone switch (Foundry Netiron 1500 series),
- (2) Transport Hub (6) electronics include gigabit Ethernet backbone switch (Foundry Netiron 1500 series), DWDM multiplexers, optical receivers, and optical transmitters: One spare gigabit Ethernet backbone switch ((Foundry Netiron 1500 series).

(C) Other Physical Assets:

- (1) All other assets necessary to operate and support the I-Net, including, but not limited to space, power, HVAC, support hardware, outside plant resources, and building entrance facilities.

(D) The following diagram provides a high level representation of the I-Net physical assets:

EXHIBIT C

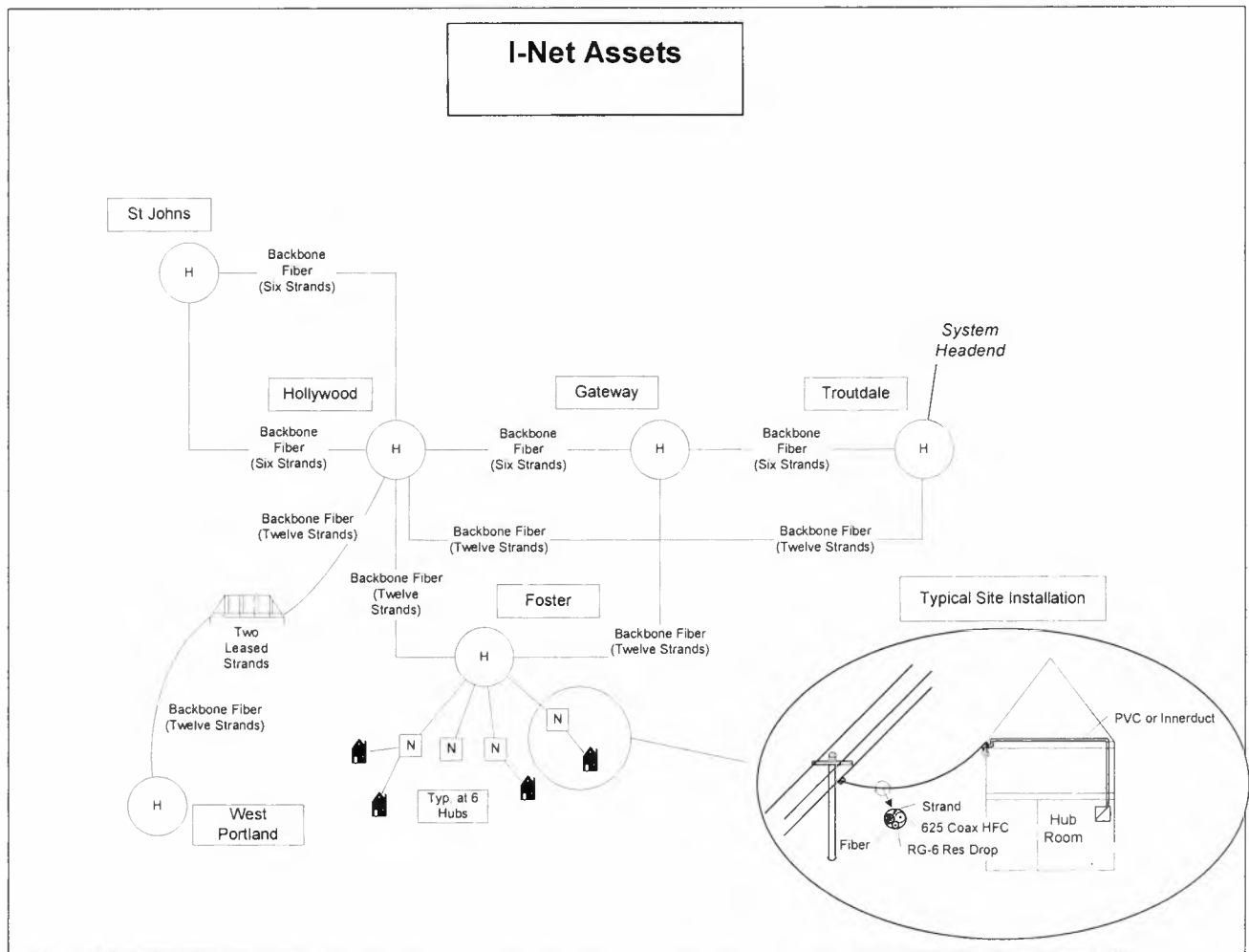


EXHIBIT D

Interpretation of certain provisions of Cable Television Consumer Protection Policy Franchise Section 10.1 (B)

With Grantee and the Jurisdictions both reserving their respective rights under applicable law, Grantee and the Jurisdictions agree 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:

Local Office and Office Hours

During the term of the Franchise, if Grantee chooses to no longer maintain a physical customer service center and bill payment office in the Franchise Area at locations that are convenient to subscribers and the public, the Jurisdictions and Grantee agree that “convenient” shall be interpreted to require Grantee, at a minimum, to:

- (a) provide for the pick up or drop off of equipment free of charge by means of Grantee picking up equipment from a Subscriber’s residence,
- (b) provide Subscriber with a pre-paid mailer; and
- (c) provide for Subscriber bill payments over the phone free of charge through a live, qualified Grantee customer service representative.

Telephone Answering Standard

During the term of the Franchise, the Jurisdictions and Grantee agree that “Telephone Answering Time” shall be interpreted to require Grantee, under Normal Operating Conditions, to meet the specified standard for all calls received to be answered within thirty (30) seconds and, if the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. Grantee shall meet this standard for ninety percent (90%) of the calls Grantee receives at all call centers receiving calls from Subscribers, as measured on a cumulative quarterly calendar basis. Measurement of this standard shall include all calls received by Grantee at all call centers receiving calls from Subscribers, whether answered by a live representative, an automated attendant, or abandoned after 30 seconds of call waiting.

Notice Requirements

During the term of the Franchise, the Jurisdictions and Grantee agree that Notice Requirements requiring 30-days advance written notice to Subscribers shall not be interpreted to require Grantee to provide such notice in the following limited situations:

- (a) changes to Pay-Per-View or on-demand programming rates, so long as all applicable rates and charges are fully, clearly and accurately disclosed to Subscribers when services are ordered;
- (b) the addition of programming, channels or services to an existing programming package or service tier; and
- (c) relocation of channels within an existing service tier or programming package so long as no overall reduction in channels or programming results.

EXHIBIT E

GUARANTEE IN LIEU OF BOND

THIS GUARANTEE is made this ____ day of _____, 201__, between the Jurisdictions, the Grantee, and Comcast Communications, Inc., the Guarantor.

WITNESSETH

WHEREAS, the Jurisdictions of Multnomah County, Gresham, Fairview, Troutdale and Wood Village (the "Jurisdictions"), have negotiated a cable renewal franchise with Comcast of Illinois/Ohio/Oregon, LLC, (the "Grantee"), to operate and maintain a cable television system (the "Cable System"); and,

WHEREAS, Comcast Communications, Inc. ("Guarantor") is a parent company of the Grantee and has a substantial interest in the Cable System and the conduct of the Grantee in complying with the Franchise Document (as defined below), which Franchise Document is hereby incorporated by reference to this Guarantee; and

WHEREAS, Section 14.3 of the Franchise Document requires the Grantee to furnish a faithful performance bond to cover the faithful performance of the Grantee's obligations under the Franchise Document; and,

WHEREAS, the Guarantor is willing and has agreed to provide a guarantee in lieu of the performance bond as provided in Section 14.3(E) of the Franchise Document;

NOW, THEREFORE, in consideration of the foregoing, the Guarantor agrees:

1. The Guarantor hereby unconditionally guarantees the punctual performance of any and all obligations of Grantee as set forth in Section 14.3 of the Franchise Document. In the event Grantee for any reason fails to perform the obligations of the Grantee as set forth in Section 14.3, the Guarantor agree to perform or cause to be performed those obligations on Grantee's behalf. The Guarantor's liability under this Guarantee shall mature immediately, without notice or demand by the Jurisdictions, and become due upon the occurrence of any failure of performance by the Grantee of its obligations as set forth in Section 14.3.

2. This guarantee is an absolute, continuing, and unlimited guarantee of performance of the obligations of the Grantee as set forth in Section 14.3 of the Franchise Document, except this guarantee is limited to the amount set forth in Section 14.3. The Jurisdictions shall not be obliged to proceed first against the Grantee or any other person, firm or corporation.

3. The Guarantor consents that, without notice to the Guarantor, and without the necessity for any additional endorsement, consent, or guarantee by the Guarantor, the obligations of the Grantee may, from time to time, be amended, modified, compromised or released by the Jurisdictions, all without impairing or affecting in any way the liability of the Guarantor hereunder.

4. The Guarantor waives notice of acceptance of this guarantee, and further waives protest, presentment, demand for performance or notice of default to the Guarantor. The Guarantor agrees that it is the Guarantor's responsibility to be informed of the condition of the Grantee and the status of the Grantee's performance of its obligations, and the Jurisdictions have no duty to advise the Guarantor of any information known to it in that regard. This waiver, however, shall not be deemed a waiver of any requirements of the Franchise Document as to notice to the Grantee.

5. The Jurisdictions' failure to require strict performance of the Franchise Document shall not release the Guarantor from liability under this Guarantee.

6. Any litigation between the Jurisdictions and the Guarantor arising under or regarding this Guarantee 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. The terms and provisions of this Guarantee 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.

7. This Guarantee, unless terminated, substituted or cancelled, as provided herein, shall remain in full force and effect for the duration of the term of the Franchise Document, or as expressly provided otherwise in the Franchise Document.

8. The Guarantor may propose substitution of another Guarantor to perform the obligations of this Guarantee. If the Jurisdictions find the proposed substitute Guarantor reasonably satisfactory, another Guarantee may be substituted upon mutual agreement of the Jurisdictions and the Guarantor. Such substitution shall not affect liability incurred or accrued under this Guarantee prior to the effective date of such substitution. No claim, suit or action under this Guarantee by reason of any default of the Grantee shall be brought against the original Guarantor unless asserted or commenced within one year after the effective date of such substitution of the Guarantee.

9. Any notices given pursuant to this Guarantee shall be in writing and delivered personally to the following addressees or deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the Guarantor and the Grantee at P.O. Box 5630, Denver, Colorado 80217, and to the Jurisdictions at: _____ and a copy to: Office for Community Technology, Room 1305, 1120 SW 5th Avenue, Portland, Oregon 97204.

IN WITNESS WHEREOF, the Grantee, the Jurisdictions, and Guarantor have entered into this Guarantee on the ____ day of _____, 201__.

DEFINITIONS

(For purposes of this Guarantee, the following terms are defined as indicated below.)

Grantee: Comcast of Illinois/Ohio/Oregon, LLC.

Franchise Document: Franchise Agreement for Cable Services entered into between Comcast of Illinois/Ohio/Oregon, LLC and the Cities of Fairview, Gresham, Troutdale, Wood Village and Multnomah County, effective January 1, 2012.

GUARANTOR:
COMCAST COMMUNICATIONS, INC.

STATE OF _____)
) ss.
County of _____)

By _____

Name: _____

Title: _____

This Guarantee was acknowledged before me on the ____ day of _____, 201__, by _____ as _____, a duly authorized officer of Comcast Communications, Inc.

Notary Public for _____
My Commission Expires _____

GRANTEE:
COMCAST OF ILLINOIS/OHIO/OREGON, LLC

STATE OF _____)
) ss.
County of _____)

By _____

Name: _____

Title: _____

This Guarantee was acknowledged before me on
the _____ day of _____, 201____,
by _____
as _____,
a duly authorized officer of Comcast Of
Illinois/Ohio/Oregon, LLC

Notary Public for _____

My Commission Expires _____

SIGNATURE LINES FOR THE JURISDICTIONS TO FOLLOW:

JURISDICTIONS:

MULTNOMAH COUNTY, OREGON

By _____

Name: _____

Title: _____

STATE OF _____)
) ss.
County of _____)

This Guarantee was acknowledged before me on
the _____ day of _____, 201____,
by _____
as _____
of _____.

Notary Public for _____

My Commission Expires _____

CITY OF GRESHAM

By _____

Name: _____

Title: _____

STATE OF _____)
) ss.
County of _____)

This Guarantee was acknowledged before me on
the _____ day of _____, 201____,
by _____
as _____
of _____.

Notary Public for _____

My Commission Expires _____

CITY OF FAIRVIEW

By _____

Name: _____

Title: _____

STATE OF _____)
) ss.
County of _____)

This Guarantee was acknowledged before me on
the _____ day of _____, 201____,
by _____
as _____
of _____.

Notary Public for _____

My Commission Expires _____

CITY OF TROUTDALE

By _____

Name: _____

Title: _____

STATE OF _____)
) ss.
County of _____)

This Guarantee was acknowledged before me on
the _____ day of _____, 201____,
by _____
as _____
of _____.

Notary Public for _____

My Commission Expires _____

CITY OF WOOD VILLAGE

By _____

Name: _____

Title: _____

STATE OF _____)
) ss.
County of _____)

This Guarantee was acknowledged before me on
the _____ day of _____, 201____,
by _____
as _____
of _____.

Notary Public for _____

My Commission Expires _____

EXHIBIT F

ACCEPTANCE

Multnomah County
501 SE Hawthorne Blvd.
Portland, OR 97214

cc to: Mt. Hood Cable Regulatory Commission
1120 SW Fifth Ave, Room 1305
Portland, OR 97204

This is to advise Multnomah County that Comcast of Illinois/Ohio/Oregon, LLC (The "Grantee") hereby unqualifiedly accepts the terms and provisions of the Franchise Agreement for Cable Services entered into between Comcast of Illinois/Ohio/Oregon, LLC and the Cities of Fairview, Gresham, Troutdale, Wood Village and Multnomah County, effective January 1, 2012 (the "Franchise"), adopted by County Resolution No. 2011-134 on November 17, 2011, granting a franchise to the Grantee to operate a Cable System within specified areas of the County and in consideration of the benefits received thereunder, Comcast of Illinois/Ohio/Oregon, LLC agrees to abide by and perform each and all of the terms and provisions thereof.

Dated as of the _____ day of _____, 2011..

**COMCAST OF ILLINOIS/OHIO/OREGON,
LLC**

STATE OF _____)
) ss.
County of _____)

By _____

Name: _____

Title: _____

Date: _____, 2011

This Acceptance was acknowledged before me
on the _____ day of _____, 2011,
by _____
as _____, a
duly authorized officer of Comcast Of
Illinois/Ohio/Oregon, LLC

Notary Public for _____

My Commission Expires _____

APPROVED AS TO FORM:
JENNY M. MORF, ACTING COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
Lindsay Kandra, Assistant County Attorney



Comcast Cable
9605 SW Nimbus Avenue
Beverlyton, OR 97008

Multnomah County and Cities of Fairview, Gresham, Troutdale and Wood Village
c/o Office for Community Technology
City of Portland
1120 SW 5th Ave, Room 1305
Portland, OR 97204

Re: PEG Access Letter Agreement

Dear Multnomah County, Cities of Fairview, Gresham, Troutdale and Wood Village:

The purpose of this letter agreement is to set forth commitments between Comcast of Illinois/Ohio/Oregon, LLC, who is qualified to do business in Oregon, (hereinafter, "Comcast") and Multnomah County and the cities of Fairview, Gresham, Troutdale and Wood Village (hereinafter collectively called "Jurisdictions") that are in addition to the Franchise Agreement to be adopted by Ordinance or Resolution (hereinafter, "the Franchise"). These items have been negotiated in good faith and agreed to as part of the informal franchise renewal process pursuant to 47 U.S.C. 546(h), and specifically relate to unique community needs that exist in the Jurisdictions. This letter agreement shall become effective upon approval of the Franchise by the Jurisdictions' City Council or County Board. Unless otherwise indicated, terms, phrases and their derivations in this letter agreement shall have the same meanings as in the Franchise.

A. Access Program Listings in Subscriber Guides.

- (1) For purposes of this letter, "Electronic Program Guide" or "EPG" means the program guide, navigation system and search functions accessible on Comcast's digital Cable Services through the Subscriber set-top unit and remote control, or their successor technology.
- (2) Comcast shall include the Access Channels and Programming information in all EPG menus and analog program guides 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, in a non-discriminatory manner.
- (3) Comcast shall include Access Channel listings in any printed programming guide provided to Subscribers, which includes channel listings of the Broadcast channels.
- (4) 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.

(5) Comcast shall bear all Capital, implementation and operating costs to include the Access Channels and Programming information into all program guides available to Subscribers.

(6) The parties agree to continue discussions toward a goal of permitting Designated Access Providers to engage with and pay third party guide providers directly.

B. Video on Demand.

(1) Comcast shall include Access Programming on its video-on-demand ("VOD") platform. Comcast shall provide the Designated Access Providers with the VOD capacity on Comcast's server to include a minimum of thirty (31) hours of Access Programming on Comcast's VOD at any given time. The Jurisdictions shall coordinate use of such VOD capacity among the Designated Access Providers.

(2) Comcast agrees to work in good faith with the Designated Access Providers to establish a process agreeable to the Designated Access Providers for placing Access Programming on Comcast'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 description to the EPG, and identifying potentially offensive programming for disclaimers. Designated Access Providers are responsible for selecting the Access Programming and providing it to Comcast in an MPEG2 or other appropriate format compatible with Comcast's equipment and system.

(3) 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 Comcast's VOD platform is included.

(4) The Parties recognize that VOD platforms for distribution of programming may change over time. Future development may allow for the Designated Access Providers and Comcast 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, Comcast agrees to engage in good faith efforts to discuss alternatives to including Access Programming on any Comcast VOD platform.

C. PEG Channel Placement.

(1) For purposes of Sections 5.3(C) and (D) of the Franchise, Access Channels under each of these Franchise sections shall be considered within "reasonable proximity" of one another if all the Access Channels are contained within a span of activated channels no greater than twenty (20) in Comcast's channel lineup for Basic Service.

(2) Access Channel assignments shall be deemed within reasonable proximity of any Broadcast Channel if no Access Channel assignment is more than thirty (30) activated

channels from any Broadcast Channel, subject however to retransmission agreements with broadcasters or must carry obligations. Subject to this Section C, this section does not otherwise limit Grantee's placement of PEG Channels.

The terms and conditions of this letter agreement are binding upon the Jurisdictions and Comcast and their successors and assigns under the Franchise. A violation of these terms of this agreement by Comcast may be considered by the Jurisdictions as if it were a violation of the Franchise, and subject to the remedies and enforcement provisions under Section 19 of the renewed Franchise. The parties agree that fulfillment of the obligations set forth in this letter is also necessary and part of the consideration to secure the renewed Franchise.

Acknowledged and agreed to this ____ day of _____, 2011.

Comcast of Illinois/Ohio/Oregon, LLC

By: [Signature]
Its: [Signature]
Date: 11/12/11

Multnomah County

By: [Signature]
Its: Chair
Date: 12/2/11

City of Fairview

By: _____
Its: _____
Date: _____

City of Gresham

By: _____
Its: _____
Date: _____

City of Troutdale

By: _____

Its: _____

Date: _____

City of Wood Village

By: _____

Its: _____

Date: _____



Comcast Cable
9605 SW Nimbus Avenue
Beaverton, OR 97008

Multnomah County and Cities of Fairview, Gresham, Troutdale and Wood Village
c/o Office for Community Technology
City of Portland
1120 SW 5th Ave, Room 1305
Portland, OR 97204

Re: I-Net Letter Agreement

Dear Multnomah County, Cities of Fairview, Gresham, Troutdale and Wood Village:

The purpose of this letter agreement is to set forth commitments between Comcast of Illinois/Ohio/Oregon, LLC, who is qualified to do business in Oregon, (hereinafter, "Comcast") and Multnomah County and the cities of Fairview, Gresham, Troutdale and Wood Village (hereinafter collectively called "Jurisdictions") that are in addition to the Franchise Agreement to be adopted by Ordinance or Resolution (hereinafter, "the Franchise"). These items have been negotiated in good faith and agreed to as part of the informal franchise renewal process pursuant to 47 U.S.C. 546(h), and specifically relate to unique community needs that exist in the Jurisdictions. This letter agreement shall become effective upon approval of the Franchise by the Jurisdictions' City Council or County Board. Unless otherwise indicated, terms, phrases and their derivations in this letter agreement shall have the same meanings as in the Franchise.

A. Funding of Currently Planned I-Net Upgrade.

(1) The parties acknowledge that Grantee and the Commission have planned and authorized funding for an upgrade of the I-Net in place as of the effective date of the Franchise. The parties agree that funding of such I-Net upgrade shall be provided by Grantee from funds remaining at the conclusion of the prior cable franchise term (December 31, 2011) and which were otherwise retained by Comcast in an I-Net Fund ("I-Net End Fund"). The manner, timing and completion of the I-Net upgrade under the renewed Franchise shall be subject to ongoing oversight and approval by the Commission.

(2) Following completion of the I-Net upgrade, Grantee shall provide to the Commission a report detailing the actual expenditures from the I-Net End Fund for the approved I-Net upgrade. If the Commission has not required changes to the report or disallowed expenditures in accordance with the Franchise within 90 days of the Commission's actual receipt of the report, then the expenditures shall be deemed accepted and authorized by the Commission for deduction from Grantee's I-Net End Fund.

B. Funding of Currently Planned I-Net Connections.

(1) The parties acknowledge that the Commission has requested, and will continue to request, cost estimates for certain new I-Net connections that will not be complete on the effective date of the renewed Franchise. The parties agree that the funding for these new I-Net connections shall be provided by Grantee from the I-Net End Fund, so long as the Commission's request for a cost estimate is received by Grantee no later than December 31, 2011.

(2) Following completion of the connection by Grantee in accordance with the Franchise Section 6.4(D)(1), Grantee shall provide to the Commission a report detailing the actual expenditures from the I-Net End Fund in accordance with Franchise Section 6.4(D)(1). If the Commission has not required changes to the report or

disallowed expenditures within 90 days of the Commission's actual receipt of the report, then the expenditures shall be deemed accepted and authorized by the Commission for deduction from Grantee's I-Net End Fund.

C. Additional I-Net End Fund Expenditures.

(1) In partial consideration of the parties agreeing upon the I-Net charges, Grantee shall be entitled to reduce the I-Net End Fund a total amount not to exceed four hundred thousand dollars (\$400,000) over a period not to exceed thirty six (36) months from the effective date of the Franchise.

(2) Effective August 31, 2013, capital funds remaining in Grantee's I-Net End Fund may be used to offset construction costs of line extensions that exceed Grantee's capital contribution provided under Section 8.6, for the purpose of distributing services, including PEG Programming, within the Franchise Area. Grantee shall not have access to the I-Net End Fund for such purpose under this Section prior to September 1, 2013. All determinations regarding the use of the I-Net End Fund for line extensions shall be at Grantee's sole discretion. Grantee shall report on the use of the I-Net End Fund for line extensions within ninety (90) days of completion of the line extension. In addition, Grantee shall consider requests by the Jurisdictions authorized representatives for funding to specific line extensions consistent with the parameters of this Section C from the I-Net End Fund.

All expenditures from the I-Net End Fund under the prior franchise remain subject to ongoing oversight and approval by the Commission. Upon request by the Jurisdictions, Grantee shall provide an I-Net End Fund report, including beginning and current balances and authorized deductions.

The terms and conditions of this letter agreement are binding upon the Jurisdictions and Comcast and their successors and assigns under the Franchise. A violation of these terms of this agreement by Comcast may be considered by the Jurisdictions as if it were a violation of the Franchise, and subject to the remedies and enforcement provisions under Section 19 of the renewed Franchise. The parties agree that fulfillment of the obligations set forth in this letter is also necessary and part of the consideration to secure the renewed Franchise.

Acknowledged and agreed to this ____ day of _____, 2011.

Comcast of Illinois/Ohio/Oregon, LLC

By: _____
Its: _____
Date: 11/2/11

Multnomah County

By: _____
Its: chair
Date: 12/2/11

City of Fairview

By: _____
Its: _____
Date: _____

City of Gresham

By: _____
Its: _____
Date: _____

City of Troutdale

By: _____
Its: _____
Date: _____

City of Wood Village

By: _____
Its: _____
Date: _____

ACCEPTANCE

Multnomah County
501 SE Hawthorne Blvd.
Portland, OR 97214

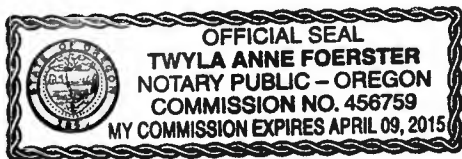
cc to: Mt. Hood Cable Regulatory Commission
1120 SW Fifth Ave, Room 1305
Portland, OR 97204

This is to advise Multnomah County that Comcast of Illinois/Ohio/Oregon, LLC (The "Grantee") hereby unqualifiedly accepts the terms and provisions of the Franchise Agreement for Cable Services entered into between Comcast of Illinois/Ohio/Oregon, LLC and the Cities of Fairview, Gresham, Troutdale, Wood Village and Multnomah County, effective January 1, 2012 (the "Franchise"), adopted by County Resolution No. 2011-134 on November 17, 2011, granting a franchise to the Grantee to operate a Cable System within specified areas of the County and in consideration of the benefits received thereunder, Comcast of Illinois/Ohio/Oregon, LLC agrees to abide by and perform each and all of the terms and provisions thereof.

Dated as of the 9 day of December, 2011..

COMCAST OF ILLINOIS/OHIO/OREGON,
LLC

By Henry R Fore
Name: Henry R Fore
Title: R.S.V.
Date: 12/9, 2011



STATE OF Oregon)
County of Washington) ss.

This Acceptance was acknowledged before me
on the 9 day of December, 2011,
by Henry R Fore
as R.S.V. P of Comcast, a
duly authorized officer of Comcast Of
Illinois/Ohio/Oregon, LLC

Twyla Foerster
Notary Public for Oregon
My Commission Expires 4-9-2015

APPROVED AS TO FORM:
JENNY M. MORF, ACTING COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By Lindsay Kandra
Lindsay Kandra, Assistant County Attorney