CLARK COUNTY
STAFF REPORT

DEPARTMENT: City/County Cable TV Office

DATE: July 6, 2021

REQUESTED ACTION:
On July 6, 2021, approve a resolution adopting the City/County Telecommunications Commission Biennial Report regarding franchise compliance by the cable television operator, Comcast of Washington V, LLC ("Comcast").

_X_ Consent ____ Hearing ____ County Manager

BACKGROUND
The City/County Telecommunications Commission ("Commission") has prepared progress reports regarding franchise compliance by the cable television operator beginning with completion of the first year of the franchise term, January 1983. This is the fourth Biennial Report since a 10-year franchise agreement with Comcast was adopted in July 2013. The reports have been forwarded to the legislative bodies (Clark County Council and Vancouver City Council).

As noted in the attached Resolution, the Cable Communications Policy Act of 1984 (the "Act"), which was amended in 1992 and currently in effect, requires that franchising authorities provide written notice of any franchise deficiencies and that the cable operators be given the opportunity to correct any violations, if such factors are to be considered during the franchise renewal process.

The Progress Reports prepared by the Commission clearly meet and exceed the requirements of the Act. Legal counsel advises staff, however, that the legislative bodies of the franchising authorities should take affirmative action in adopting the reports for the reviews to be binding on the cable operator at the time of renew.

As of the date of the Biennial Progress Report, the Commission finds Comcast in full compliance with the terms and conditions of the franchise. The number of customer complaints received by the City/County Cable TV Office regarding Comcast's service, including but not limited to the company's high-speed Internet service, increased by 30% when compared to 2017-18. The 2019-20 complaints involved a number of issues, including rates, customer service and technical services.

COUNCIL POLICY IMPLICATIONS
None.

ADMINISTRATIVE POLICY IMPLICATIONS
None.

COMMUNITY OUTREACH
The City/County Telecommunications Commission held public hearings on March 3, 2021 and June 2, 2021 regarding this issue.

BUDGET IMPLICATIONS

YES	NO	
X		Action falls within existing budget capacity.
		Action falls within existing budget capacity but requires a change of purpose within existing appropriation
		Additional budget capacity is necessary and will be requested at the next supplemental. If YES, please complete the budget impact statement. If YES, this action will be referred to the county council with a recommendation from the county manager.

BUDGET DETAILS

Local Fund Dollar Amount	
Grant Fund Dollar Amount	
Account	General fund
Company Name	

DISTRIBUTION:
Board staff will post all staff reports to The Grid. http://www.clark.wa.gov/thegrid/

Jim Demmon
City/County Cable TV Manager

APPROVED: Eileen P. O'Brien
CLARK COUNTY, WASHINGTON
CLARK COUNTY COUNCIL
DATE: July 6, 2021
SR# 112-21

APPROVED:_____
Kathleen Otto, County Manager

DATE: _____

BUDGET IMPACT ATTACHMENT

Part I: Narrative Explanation

I. A – Explanation of what the request does that has fiscal impact and the assumptions for developing revenue and costing information

Part II: Estimated Revenues

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
Total						

II. A – Describe the type of revenue (grant, fees, etc.)

Part III: Estimated Expenditures

III. A – Expenditures summed up

Fund #/Title	FTE's	Current Biennium		Next Biennium		Second Biennium	
		GF	Total	GF	Total	GF	Total
Total							

III. B – Expenditure by object category

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
Salary/Benefits						
Contractual						
Supplies						
Travel						
Other controllables						
Capital Outlays						
Inter-fund Transfers						
Debt Service						
Total						

RESOLUTION NO. 2021-07-10

A RESOLUTION adopting the City/County Telecommunications Commission ("Commission") Biennial Report regarding cable television franchise compliance by the cable operator Comcast of Washington V, LLC ("Comcast").

WHEREAS, the Commission has regularly reviewed the performance of Comcast and compliance with the terms and conditions of the cable television franchise; and

WHEREAS, the Commission has documented its review and findings regarding compliance by Comcast with the provisions of the cable television franchise by submitting a biennial report to the Clark County Council and the Vancouver City Council; and

WHEREAS, the Cable Communications Policy Act of 1984 (Public Law 98-549), 47 U.S.C Section 546(d), requires that franchise authorities, in this case Clark County and the City of Vancouver, provide cable operators with written notice and the opportunity to correct any franchise violations which may occur during the course of the franchise, if such violations are to be considered during the franchise renewal process; and

WHEREAS, court rulings indicate that the legislative bodies of the franchising authorities must formally accept and adopt written reports regarding compliance by the cable operator in order for such annual reviews, as prepared by the Commission, to be binding on the cable operator; now, therefore,

BE IT ORDERED AND RESOLVED BY THE COUNTY COUNCIL OF CLARK COUNTY, STATE OF WASHINGTON as follows:

1. That the Clark County Council adopts, ratifies, and affirms the Commission Progress Report (January 2019 – December 2020) on the performance of Comcast and compliance with the terms and conditions of the cable television franchise and attached hereto as Exhibit "A".

ADOPTED this 6th day of July, 2021.

Attest:

Clerk to the Board

Approved as to form only:
ANTHONY F. GOLIK
Prosecuting Attorney

By: // Steve Archer
Deputy Prosecuting Attorney

COUNTY COUNCIL
CLARK COUNTY, WASHINGTON

By: Eileen Quiring, Chair

By: Temple Lentz, District 1

By: Julie Olson, District 2

By: Karen Dill Bowerman, District 3

By: Gary Medvigy, District 4

CITY · COUNTY
CABLE TELEVISION OFFICE

Exhibit A

January 8, 2021

SENT VIA E-MAIL & USPS

Kirk Nord
Director of Government & Regulatory Affairs
Comcast Corporation
11308 SW 68th Parkway
Tigard, OR 97223

RE: Comcast 2019-2020 Bi-Annual Franchise Performance Review

Dear Mr. Nord:

The City of Vancouver and Clark County Telecommunications Commission is conducting its bi-annual performance review of Comcast. In preparation for the review, we are requesting the following information itemized below. All information should be as of December 31, 2020, unless otherwise indicated or appropriate.

Please provide:

1. System plant mileage for the Vancouver and Clark County cable system and the number of homes passed. Please include the number of miles of subscriber cable plant. Please attach current maps detailing constructed areas, delineating the aerial and underground plant for each. Also, please include a map suitable for duplication and distribution to the Commission and the public.

2. Current rate schedules for cable services as of January 2021.

3. Subscriber count, by programming service tier, as of January 2021.

4. Average response time to customer complaints in 2019 and 2020. Please provide the response time from when the customer initially calls to complain until the repair is made. If these times are not currently tracked, please clarify what times are reported.

5. Average response time to requests for installation and cable service in both constructed and new construction areas in 2019 and 2020.

6. Average number and duration of outages during 2019 and 2020.

7. Actions taken by Comcast to comply with the Federal Cable Policy Act of 1984 and the Cable Act of 1992 in the areas of:

a. Equal Employment Opportunity
b. Security and privacy provisions
c. Leased Access
d. Parental Lock Box Devices

8. An updated list of key Comcast personnel in the Vancouver/Portland metropolitan area, including key personnel that deal with the City/County Cable Office on franchise related issues (including those located in regional and/or the corporate Comcast offices). Please indicate their title, area(s) of responsibility and organizational relationship to Comcast, Comcast's regional office in Portland, Oregon and Comcast's regional office in Washington State.

9. The number of Comcast employees in the Vancouver/Portland metropolitan area.

10. A brief description of the emergency broadcasting capabilities of the cable system and how Comcast is linked with Vancouver/Clark County emergency service providers.

11. Please provide any other information on services or activities including community activities and sponsorships, which you may wish to communicate to the Commission.

The information provided by Comcast will serve as the basis of the Bi-Annual Performance Review, along with public testimony and Commission comments received at the March 3, 2021, Telecommunications Commission meeting. We anticipate the Commission will consider a draft of the Annual Report at the June 2, 2021, Commission meeting.

Accordingly, response to the Cable Television Office with the above requested information on or before February 12, 2021, will be greatly appreciated.

Your cooperation in this process is, as always, appreciated. Please contact Tracie Ramirez or me if you have any questions or need clarification on any issue.

Sincerely,

Jim Demmon, Video Services Manager
Vancouver/Clark County Cable Television Office

Cc: City of Vancouver/Clark County Cable Telecommunications Commission
Aaron Lande, Program and Policy Development Manager, City of Vancouver
Michael Nigrey, Assistant City Attorney, City of Vancouver
Christine Cook, Clark County Prosecutor

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Exhibit B

Report to the
Board of County Councilors
And
Vancouver City Council
From the
City/County Telecommunications Commission

PROGRESS REPORT ON THE COMCAST CORPORATION VANCOUVER/CLARK COUNTY FRANCHISE AGREEMENT

June 2021

I. INTRODUCTION - BACKGROUND

This is the Thirty-Fifth Report by the Vancouver/Clark County Telecommunications Commission ("Commission") reviewing the status of the franchise agreement with the cable television operator, Comcast of Washington V, LLC ("Comcast"). This is the fourth Biennial Report since a 10-year franchise agreement with Comcast was adopted in July 2013.

The 2019-20 Report is biennial, as agreed to in the franchise agreement. Previously performance reviews were conducted annually. However, the bulk of the report is consistent with the format for the previous evaluations of the cable operator's performance (1981-1986 Cox Cable; June 1986-1995 Columbia Cable; December 1995-1998 TCI; 1999-February 2003 AT&T Broadband; and February 2003 – Present, Comcast Corporation). The Commission's review focuses on calendar years 2019-20 although, as appropriate, more recent developments and issues are noted.

The Commission recognizes the importance of conducting reviews – not only as a franchise obligation, but also in light of changes in the marketplace, ever evolving technologies, population growth in the Vancouver and Clark County area and the requirements of the Federal Cable Act – to give an operator the opportunity to correct any franchise violations. The Commission understands that as a citizen advisory board it is responsible for the efficient and effective management and enforcement of the franchise. In addition, one of the most effective roles of the Commission through the years has been to inform various stakeholders, including the cable operator, Public, Education, and Government (PEG) access providers, elected officials, and cable subscribers, about the needs and issues of interest to the community. This report also summarizes the activities of the Commission during 2019-2020.

As noted in this report, Comcast's performance during the past two years has met all of the conditions of the City and County franchises. The number of customer complaints received by the City/County Cable TV Office regarding Comcast's service in 2019-2020, including but not limited to the company's high-speed Internet service, increased by 30%

when compared to 2017-2018. The 2019-2020 complaints regarded a number of issues, including rates, customer service and technical services. Review of the cable operator's overall performance as well as a status report regarding Commission activities are contained in this review.

II. PURPOSE/GOALS

As set forth in the current franchise agreement with Comcast, Section 4.5, the Biennial Review is intended to assess the cable operator's performance as well as compliance with the terms and conditions of the franchise and compliance with state and federal laws and regulations during the previous two years. Evaluation of past performance by the cable operator(s) is of critical importance under federal law as the franchising authorities look to the future. In addition, the Report outlines the efforts and focus of the Commission during the previous two years and priorities for the current year.

III. METHODOLOGY

Comcast's performance was evaluated by reviewing the following information pertaining to performance and related cable service information:

A. Correspondence, phone calls, electronic mail and inquiries received by the City/County Cable Television Office ("Cable TV Office");

B. Minutes and video records of Commission meetings;

C. Formal exchange of correspondence between Comcast and the Cable TV Office;

D. Press reports and the experience of other communities, especially in the Vancouver/Portland area, regarding the delivery of cable television services; and

E. Testimony received from the public during regularly-scheduled Commission meetings where public testimony on Comcast's performance was solicited, the most recent being March 3, 2021.

Information requested by the Commission from Comcast specifically for the purpose of preparing this report is on file and available for review at the Cable TV Office.

IV. FRAMEWORK FOR EVALUATION

The framework for evaluation has been governed by Section 4.5 "Performance Evaluation Sessions" of the franchise agreement. The agreement provides that evaluation "shall deal with the Grantee's [Comcast's] performance of the terms and conditions of the Franchise and compliance with state and federal laws and regulations."

In addition, findings and recommendations criteria presented to the Vancouver City Council and Clark County Council by the Commission in Resolution 2013 – 01, May 1, 2013, in recommending the franchise agreement are also part of the framework for evaluation of Comcast's performance:

A. Commitment to maintain current programmed PEG channels, with the capacity for up to two additional channels based on use by the community;

B. Comcast's commitment to simultaneously carry three (3) of the existing PEG access channels in high-definition ("HD") and include up to twenty-four (24) hours of PEG access programming on Comcast's video-on-demand ("VOD") platform;

C. Preserve PEG channel access to the lowest tier available to subscribers;

D. Washington State and local programming identified as broad programming categories to be provided by the operator;

E. Maintenance and potential increase, based on community needs and input, to capital funding support for public, education, and government access programming;

F. Responsiveness to the special and unique qualities of Vancouver and Clark County.

V. HIGHLIGHTS OF 2019-20 PERFORMANCE REVIEW

The Report chronicles the seventeenth and eighteenth full years of service by Comcast as the cable operator. The Commission notes that the company has shown a strong commitment to the community. Examples of Comcast's ongoing commitment include:

A. Providing $9.95 a month Internet service and low-cost computer to households who have at least one child receiving free or reduced price school lunches and expanding the program to serve residents receiving HUD-housing assistance;

B. Extensive involvement in the Vancouver/Clark County community including continued sponsorship through 2020 of the Historic Trust, Boys & Girls Clubs of Southwest Washington, the annual Comcast Cares Day projects and other community functions.

During the past two years, there have been changes in local and regional leadership at Comcast. David Tashjian oversees operations in Vancouver and Clark County, as the Regional Vice President. Kirk Nord, Director of Government Affairs, serves as the primary contact for the Cable TV Office and the Telecommunications Commission. Travis Thetford serves as Vice President of Technical Operations for Oregon/SW Washington. Megan Bishop serves as Vice President of Finance. Comcast reports there are 1,311 company employees in the Vancouver/Portland area.

Commission activities during 2019-20 included:

A. Re-designation of Educational and Governmental access providers;

B. Review and forwarding of recommendations regarding the Public, Educational and Governmental ("PEG") Capital Support Fund.

In 2019, the total number of actual complaint calls to the Cable TV Office ***increased*** to forty-five (45) (6 total "other calls/correspondence") compared eighteen (18) (3 total "other calls/correspondence") in 2018. In 2020, the total number of actual complaint calls to the Cable TV Office ***decreased*** to thirty-two (32) (3 total "other calls/correspondence"). When compared to a total of 58,166 subscribers Comcast reported in January 1, 2021, the 32 complaint calls represented 0.05% of total Comcast subscribers.

The Quarterly Comcast Subscriber Report details the decrease of 4,454 residential subscribers or a 6.5% decrease during 2019, from 68,566 as of December 31, 2018, to 64,112 as of December 31, 2019. The decrease continued in 2020 though with a lower pace with a drop of 1,188 residential subscribers or a 1.85% decline, from 64,112 as of December 31, 2019, to 62,924 as of December 31, 2020. Comcast reported 18.99 million U.S. cable subscribers in 2020, reflecting a loss of 3.31 million subscribers when compared to 2018.

Nationally, the media industry is in a transformative phase, as streaming media and live video on social media gain more viewers, threatening the traditional pay TV industry. Locally, this is the first signification decline in the number of cable customers. This is a concerning, though not unexpected, sign not only for maintaining a vibrant cable system but providing stable revenue streams from cable franchise fees and PEG capital support grants.

The Commission conducted a public review session regarding Comcast's performance at the March 3, 2021, regular meeting. The meeting was publicized in local newspapers and on the City of Vancouver's and Clark County's web pages. Fourteen e-mails and eight comments over Facebook were received as part of the public testimony. Written testimony and phone calls to the Cable TV Office were also accepted through May 7, 2021. The Cable TV Office and/or Comcast followed up directly with customers regarding their specific issues.

Specific testimony and comments were received regarding the following subjects:

- Three complaints regarding Comcast internet service, including reliability, cost and data caps;
- Seven complaints regarding poor customer service, including outsourcing of calls to different countries, lengthy call times; and only introductory prices listed on website;

- Eleven complaints regarding cost, including need for competition; moving popular channels to higher priced tiers; and the high cost of Broadcast and Regional Sports fees.
- Two compliments for Comcast's reliability and value.

VI. COMCAST 2019-2020 PERFORMANCE REVIEW – SUMMARY ANALYSIS

A. Construction

System mileage as of December 2020 was 894.79 miles of subscriber, cable plant in the City of Vancouver service area, an 18.75 mile increase since December 2018; and 1,481,95 in the Clark County service area, an increase of 39.67 miles since December 2018. In Vancouver a total of 101,375 homes are now passed by the cable system and 77,521 homes are passed in Clark County. Comcast reports a 33.2% penetration rate compared to 40.7% in December 2018, including commercial accounts.

A current map detailing constructed areas is on file in the Cable TV Office. A smaller conceptual map is available upon request.

System design and reliability are in compliance with franchise requirements.

B. Rates

As of September 1, 1993, cable rates became subject to regulation -- the Basic Service tier was regulated by local franchising authorities. The Cable Programming Service tier ("Expanded or Enhanced Basic") was regulated by the FCC until March 31, 1999. Expanded Basic rates became deregulated at that time. In 2007 Comcast filed a "Petition of Effective Competition" for Vancouver and Clark County with the Federal Communications Commission (FCC). On March 3, 2011, the FCC approved Comcast's petition, taking away the ability of the cities and counties to regulate basic rates and equipment.

As of January 1, 2021, the Limited Basic Service, which includes local broadcast and PEG channels, has a monthly rate of $41.89 (including 5.79% franchise fee and $19.45 Broadcast TV fee). Since January 1, 2019, the Limited Basic Rate has increased by $9.99 or a 31.33% increase. The Digital Economy tier, which includes Limited Basic Service and other selected channels, over 80 in total, costs $72.44 (including franchise fee, $19.45 Broadcast TV fee and $9.10 Regional Sports fee). Since 2019, the Digital Economy package has increased by $11.14 or a 18.17% increase. The Digital Starter package includes over 140 channels and costs $105.27 (including franchise, broadcast and regional sports fees). Since January 1, 2019, the Digital Starter package has increased by $11.13 or an 11.82% increase.

A table of Comcast rates and other charges as of **January 2021** is attached to this report. (Exhibit A)

C. Consumer Services

1. During 2019, Comcast met the telephone answering performance requirements of the franchises and of FCC customer service standards, answering 90% of calls within thirty (30) seconds. With the complications brought about by COVID-19 in 2020, Comcast was unable to meet the 90% requirement in the 1st and 3rd Quarters. Our compliance data for Comcast's reporting shows the following percentage of calls answered within thirty (30) seconds for 2019: 1st Quarter – 91.6%; 2nd Quarter – 97.4%; 3rd Quarter – 96.6%; 4th Quarter – 97.0%. 2020: 1st Quarter – 86.5%; 2nd Quarter – 91.1%; 3rd Quarter – 85.4%; 4th Quarter – 91.4%.

2. Comcast's Vancouver/Clark County office continued to handle in-home installation and repair, maintenance and field technicians and system management throughout 2019-202.

3. As reported by Comcast, the average response time to a customer complaint was within 24-hours.

4. Standard customer installations in Comcast constructed areas were usually completed within five (5) business days after the request for cable service was received. The average response time for standard installation in new construction areas, when the home is not pre-wired for cable, was thirty (30) days. The response time is also within franchise requirements.

5. Comcast provides parental lock boxes upon request, as required by the Cable Communications Policy Act of 1984, to block out any channel. There is no additional charge for the device. Extensive parental control features are included as part of the digital cable service.

6. Comcast operates a state-of-the-art customer experience store at 7809 N.E. Vancouver Plaza Drive. The showroom and back-office supply occupy nearly 5,000 square feet and includes 55-inch TV screens where customers can test Comcast products and services.

D. PEG Access Programming

Public Access

1. In July 2014, based on a recommendation from the Commission, the City Council and County Council chose to not re-designate Fort Vancouver Community Television (FVTV) as the public access provider. This decision was the result of a number of on-going management and fiscal challenges with FVTV.

2. The CAN Network, a consortium of public access centers from the Portland Metro area, continues to air on cable channel 11.

Educational Access

1. TV ETC is an educational consortium with members representing all public and private educational institutions in Vancouver and Clark County. The Commission recommended re-designation of TV ETC as the Education Access Provider on September 2, 2020. TV ETC is responsible for programming channels 27, 28 29 and HD 328.

   In May 2021, TV ETC submitted an annual report to the Commission. TV ETC continues to produce quality programming. A copy of the TV ETC Annual Report for 2020 is on file at the Vancouver City Manager's Office.

   TV ETC members produced 157 hours of local educational programming in 2020. TV ETC averaged 21 hours of programming per day on channel 27, 23 hours on channel 28/HD328 and 23 hours on channel 29.

Government Access

1. The Commission recommended re-designation of the City/County Cable Television Office as the Designated Access Provider for government on September 2, 2020. Through the government access channels, Clark/Vancouver Television (CVTV) Channels 21, 23 and HD 321 & 323, the City and County continue their service of providing local government and community programming.

   CVTV produced 304 programs in 2020, offering viewers over 377 hours of locally produced programming. 71% of the programming was first aired live. CVTV averaged 18.95 hours per day of locally produced programming on channel 21/HD321 and 20.14 hours per day on channels 23/HD323. A copy of the CVTV Annual Report for 2020 is on file at the Vancouver City Manager's Office.

PEG Capital Support

1. A total of $17,166,298 in PEG Capital Support payments collected by Comcast and paid to the City and County has been placed in the PEG Capital Support Fund from May 1998 through the 4th quarter of 2020. The PEG payments do not include interest accrued or adjustments for grant dollars unspent. During 2019-20, PEG funds awarded total $1,732,935: $609,134 for Government Access (CVTV) and $670,001 for Educational Access (TV ETC), and $453,800 for public Institutional Network ("I-NET") users.

PEG Capital Support provided funding for fourteen projects in 2019: including improvements to video production and playback facilities for TV ETC; camera replacements in Vancouver City Hall and the Clark County Public Service Center and an upgrade of an editing server for CVTV. In 2020, thirteen projects were funded, including video production upgrades for TV ETC, and an upgrade of a mobile production unit for CVTV.

H. Technical Performance

1. In 2019, there was an average of 37.33 unplanned outages per month, compared to 41.16 unplanned outages per month reported in 2018. In 2020, there were 39.25 unplanned outages per month. The average duration of the outage was 0.15 hours in 2019 and 0.52 hours in 2020. Outages are tracked by repair and maintenance technicians and logged in a technical performance log for each occurrence.

I. Institutional Network/Comcast Business Services

1. In July 2013, Comcast signed contracts with the City of Vancouver, Clark County, Clark County Fire District 5 and the Fort Vancouver Regional Library District for continued use of an optical fiber based Institutional Network ("I-NET") The 2013 cable franchise allowed I-NET users to utilize either the I-NET or switch to the services provided by Comcast Business Services. Comcast reports that in 2014 all I-NET sites were transition to Comcast Business Services.

2. Public users of Comcast Business Services have reported that the service functioned extremely well throughout 2020. The City of Vancouver currently connects fourteen (14) different sites to the Comcast Business Services for data transfer, including City Hall, Vancouver Police Department's West and East Precincts and multiple Vancouver Fire Department stations. Clark County connects eleven (11) sites for data transfer, including the Clark County Center for Community Health, the Clark County Sheriff's Office Central Precinct, and the Fairgrounds. The Fort Vancouver Regional Library District connects eight (8) sites. Clark County Fire District 5 connects one (1) site, the NW Regional Training Center.

3. A total of $226,900 in PEG Grant Funds was distributed in 2020 to Comcast Business Services public users for monthly transport costs ($92,000 – Clark County, $64,600 – City of Vancouver, $61,100 – Fort Vancouver Regional Library District, and $9,240 – NW Regional Training Center.)

J. Emergency Alert System

1. As required by the Federal Communications Commission, Comcast operates and regularly tests an Emergency Alert System ("EAS"). In the event of an alert a crawl message is inserted over all channels indicating that an emergency exists.

2. Comcast monitors two Vancouver/Portland EAS sources for alert information, KXL 101.1 FM radio and KOPB 91.5 FM radio, as well as FEMA's Common Alert Protocol-based network.

3. Comcast tests their EAS system a minimum of twelve times per year. The Clark Regional Emergency Services Agency verifies their locally generated emergency alerts appear on the local cable system a minimum of two times per year.

K. Community Involvement

1. As noted by Comcast, in 2019-20 the company gave $5.5 million annually in cash and in-kind contributions to over 100 local community organizations in SW Washington/Oregon. The Commission acknowledges with appreciation Comcast's local sponsorships, participation, and charitable contributions in the Vancouver/Clark County community. These include the Historic Trust and Vancouver Public Schools "Go Ready" Fair.

   Each year, Comcast awards scholarships that recognize senior high school students in local communities. Seven SW Washington area students received $1,000 scholarships in the 2018-19 school year and three received $2,500 in the 2019-20 school year.

L. Overall Performance

1. The Commission is pleased to report that Comcast was in compliance with all provisions of the franchise agreements through December 2020.

2. The reliability and customer service for Comcast's cable and high-speed Internet were consistently strong throughout 2020.

3. The cable provider continues to keep the system robust with expanded services for Vancouver and Clark County subscribers, including increases in Internet speeds, voice command remotes, and connection to Netflix and Amazon through the cable box.

4. Comcast continues offering its Internet Essential program with a $9.95 a month Internet service and low-cost computer to households who have at least one child receiving free or reduced price school lunches. The company expanded the service to residents receiving HUD-housing assistance. In response to the pandemic, the company provided new Internet Essential customers the first 60 days at no cost and made over 1.6 million Xfinity WiFi hotspots free with unlimited access to customers through June 30, 2021.

5. The company continues to support local access programming by providing channel capacity and equipment funding. Clark/Vancouver Television and TV ETC reward viewers with nationally recognized programming receiving awards during 2019-2020 from the National Association of Telecommunications Officers and Advisors, the National School Public Relations Association and the National Academy of Television Arts and Sciences.

VII. TELECOMMUNICATIONS COMMISSION ACTIVITIES

Paul Dicker served as Chair of the Commission through 2019 and Paul Hunter served as Vice Chair. Both were reelected in 2020.

The Commission held three (3) regular meetings in 2019 and two (2) regular meetings and in 2020. In addition, several subcommittee meetings were held.

The majority of the Commission's attention was focused on PEG issues, including designation of access providers and channels, and recommendations on PEG capital grants.

Major work items and accomplishments for 2019/2020 included:

A. Review and re-designation of PEG Access Providers for government and education;

B. Coordination of the PEG Capital Support Fund program;

C. Assisted citizens and cable television subscribers in resolving 77 complaints regarding cable and Internet services during 2019-20;

D. Reviewed work plan for 2021/2022.

Major work items for 2021/2022 include:

A. Administer the cable television franchise agreement for the City of Vancouver and Clark County and ensure current grantees' (Comcast) continued compliance with franchise requirements;

B. Provide assistance to citizens and cable television subscribers in cable television matters by facilitating complaint resolution and enforcing franchise compliance by the cable operator in all matters pertaining to consumer issues;

C. Review proposals for cable television franchise with alternative providers and make recommendations to the legislative bodies when they are received;

D. Provide recommendations to legislative bodies on awards of PEG Capital Support funding for designated access providers and Institutional Network subscribers;

E. Review and recommend re-designation of PEG Access Providers for public, government and education;

F. Prepare for the renewal of the Comcast franchise which will expire July 1, 2023.

G. Review work plan for 2023.

VIII. SUMMARY

The Commission is pleased to present a positive report to the legislative bodies in this report on the progress of cable television in Vancouver/Clark County. Comcast is in full compliance with the terms and conditions of the franchise.

With the current cable franchise taking us into 2023, the opportunities and challenges ahead are mirrored by the evolving technical and regulatory landscape. Ever changing and expanding technological initiatives mean that the delivery of cable services will continue to evolve and the way that customers receive these services may be very different five years from now, even though we don't know what that future will hold. The number of customers subscribing to traditional cable TV continues to drop nationally. Netflix, a streaming video company, now surpasses the usage of cable TV subscribers. There are a number of regulatory and legal proceedings in Congress, the federal courts, and before the Federal Communications Commission that could dramatically impact the franchising process in the coming three to five years. These include, but are not limited to, changes in the federal Cable Policy Acts of 1984 and 1996, FCC's Section 621 Order, and court decisions regarding requirements of cable systems in a number of arenas and how services are defined.

Until there are more definite answers or specific changes, the City and the County will continue to proceed within the legal framework provided by the current Federal laws and FCC rulings and procedures.

The only certainty is change. The Commission, the City, the County, Comcast, other possible cable providers, and the community must continue to work together in partnership to insure that whatever new technologies are made available and implemented in Vancouver/Clark County, they meet the cable needs and requirements of Vancouver and Clark County residents. Despite all the unknown changes, however, localism and responsiveness to the local community are at the heart of cable television and are its strength in meeting the "special and unique needs" of Vancouver/Clark County. We think this community, the Commission, the legislative bodies, and Comcast are prepared to embrace the future and ensure that Vancouver/Clark County continue to receive state of the art telecommunications services delivered by the cable television system.

Vancouver, WA

Exhibit A

(POR-002)

BUNDLED PACKAGES[1,2]

QUAD PLAY PACKAGES[25]

X1 Saver Pro+ Quad Play Includes Extra and HD DVR Service for primary outlet, HD Technology Fee, Extreme Pro+ Internet, Xfinity Voice Unlimited Select and Xfinity Home Security	$160.00
X1 Starter Pro+ Quad Play Includes Extra and HD DVR Service for primary outlet, HD Technology Fee, Gigabit Internet, Xfinity Voice Unlimited Select and Xfinity Home Security	$170.00
X1 Preferred Pro+ Quad Play Includes Preferred+, HBO Max, Showtime and HD DVR Service for primary outlet, HD Technology Fee, Gigabit Internet, Xfinity Voice Unlimited Select and Xfinity Home Security (Can substitute Netflix Standard (HD) Plan for HBO Max)	$200.00
X1 Premier Pro+ Quad Play Includes Preferred+, Epix, HBO Max, Hitz, Showtime, TMC, More Sports & Entertainment Package and HD DVR Service for primary outlet, HD Technology Fee, Gigabit Internet, Xfinity Voice Unlimited Select and Xfinity Home Security (Can substitute Netflix Standard (HD) Plan for HBO Max)	$220.00

TRIPLE PLAY PACKAGES[25]

X1 Saver Pro+ Triple Play Includes Extra and HD DVR Service for primary outlet, HD Technology Fee, Blast! Pro+ Internet and Xfinity Voice Unlimited Select	$120.00
X1 Starter Pro+ Triple Play Includes Extra and HD DVR Service for primary outlet, HD Technology Fee, Extreme Pro+ Internet and Xfinity Voice Unlimited Select	$130.00
X1 Preferred Pro+ Triple Play Includes Preferred+, HBO Max, Showtime and HD DVR Service for primary outlet, HD Technology Fee, Gigabit Internet and Xfinity Voice Unlimited Select (Can substitute Netflix Standard (HD) Plan for HBO Max)	$160.00
X1 Premier Pro+ Triple Play Includes Preferred+, Epix, HBO Max, Hitz, Showtime, TMC, More Sports & Entertainment Package and HD DVR Service for primary outlet, HD Technology Fee, Gigabit Internet and Xfinity Voice Unlimited Select (Can substitute Netflix Standard (HD) Plan for HBO Max)	$180.00
X1 Starter Home Pro+ Triple Play Includes Extra and HD DVR Service for primary outlet, HD Technology Fee, Extreme Pro+ Internet and Xfinity Home Security	$130.00
X1 Preferred Home Pro+ Triple Play Includes Preferred+, HBO Max, Showtime and HD DVR Service for primary outlet, HD Technology Fee, Gigabit Internet and Xfinity Home Security (Can substitute Netflix Standard (HD) Plan for HBO Max)	$160.00
X1 Premier Home Pro+ Triple Play Includes Preferred+, Epix, HBO Max, Hitz, Showtime, TMC, More Sports & Entertainment Package and HD DVR Service for primary outlet, HD Technology Fee, Gigabit Internet and Xfinity Home Security (Can substitute Netflix Standard (HD) Plan for HBO Max)	$180.00

XFINITY LATINO TRIPLE PLAY PACKAGES[25]

X1 Economy Plus Pro+ Latino Triple Play Includes Economy Plus Latino and 20 hours DVR Service for primary outlet, HD Technology Fee, Performance Select Internet and Xfinity Voice Unlimited Select with Carefree Minutes Latin America 300	$110.00
X1 Saver Pro+ Latino Triple Play Includes Starter Latino, HD DVR Service for primary outlet, HD Technology Fee, Blast! Pro+ Internet and Xfinity Voice Unlimited Select with Carefree Minutes Latin America 300	$120.00
X1 Starter Pro+ Latino Triple Play Includes Starter Latino, HD DVR Service for primary outlet, HD Technology Fee, Extreme Pro+ Internet and Xfinity Voice Unlimited Select with Carefree Minutes Latin America 300	$130.00
X1 Starter Home Pro+ Latino Triple Play Includes Starter Latino, HD DVR Service for primary outlet, HD Technology Fee, Extreme Pro+ Internet and Xfinity Home Security	$130.00

DOUBLE PLAY PACKAGES[25]

Choice TV Double Play Includes Limited Basic, Streampix and 20 hours DVR Service for primary outlet, HD Technology Fee and Performance Starter+ Internet	$60.00
Choice TV Select Double Play Includes Limited Basic, Streampix and 20 hours DVR Service for primary outlet, HD Technology Fee and Performance Select Internet	$65.00
X1 Saver Pro+ Double Play Includes Extra and 20 hours DVR Service for primary outlet, HD Technology Fee and Performance Pro+ Internet	$100.00
X1 Starter Pro+ Double Play Includes Extra and HD DVR Service for primary outlet, HD Technology Fee and Blast! Pro+ Internet	$110.00
X1 Preferred Pro+ Double Play Includes Preferred+, Showtime and HD DVR Service for primary outlet, HD Technology Fee and Extreme Pro+ Internet	$125.00
X1 Premier Pro+ Double Play Includes Preferred+, HBO Max, Hitz, Showtime and HD DVR Service for primary outlet, HD Technology Fee and Gigabit Internet (Can substitute Netflix Standard (HD) Plan for HBO Max)	$150.00

XFINITY LATINO DOUBLE PLAY PACKAGES[25]

Choice TV Latino Double Play Includes Limited Basic, Xfinity TV Latino, Streampix and 20 hours DVR Service for primary outlet, HD Technology Fee and Performance Starter+ Internet	$60.00
Choice TV Latino Select Double Play Includes Limited Basic, Xfinity TV Latino, Streampix and 20 hours DVR Service for primary outlet, HD Technology Fee and Performance Select Internet	$65.00
X1 Economy Plus Pro+ Latino Double Play Includes Economy Plus Latino and 20 hours DVR Service for primary outlet, HD Technology Fee and Performance Select Internet	$90.00
X1 Saver Pro+ Latino Double Play Includes Starter Latino and 20 hours DVR Service for primary outlet, HD Technology Fee and Performance Pro+ Internet	$100.00
X1 Starter Pro+ Latino Double Play Includes Starter Latino and HD DVR Service for primary outlet, HD Technology Fee and Blast! Pro+ Internet	$110.00

XFINITY TV[1]

BASIC SERVICES

Limited Basic	$20.15
Broadcast TV Fee[18]	$19.45

XFINITY TV SERVICES

Choice TV+ [26] Includes Limited Basic, Streampix, 20 hours DVR Service and HD Technology Fee	$10.00
Genre Packs[19]	
Kids & Family Includes kid and family-friendly channels including Disney Channel, Nickelodeon and Universal Kids	$10.00
Entertainment Includes entertainment channels including A&E, AMC, Bravo, Food Network, FX, TNT and VH1	$15.00
Sports & News Includes sports and news channels including CNBC, CNN, ESPN, Golf, MSNBC and NBC Sports	$27.00

*Refer to the last page for additional information. For information about Xfinity policies and terms of service, go to **xfinity.com/policies**.*

Deportes Includes deportes channels including ESPN Deportes, FOX Deportes and NBC Universo	$5.00
Latino Includes latino channels including Cine Latino, Discovery en Espanol, Galavision, Viendo Movies and VME Kids	$5.00
Extra Includes Limited Basic and additional digital channels for primary outlet	$70.00
Preferred+ Includes Extra and additional digital channels for primary outlet	$88.50
Digital Economy Includes Limited Basic, additional digital channels for primary outlet, access to Pay-Per-View and On Demand programming and Music Choice	$39.95
Digital Starter Includes Limited Basic, additional digital channels for primary outlet, access to Pay-Per-View and On Demand programming and Music Choice	$70.99
Basic Latino TV Includes Limited Basic and Xfinity TV Latino for primary outlet	$32.95
Economy Latino TV Includes Digital Economy and Xfinity TV Latino for primary outlet	$42.95
Economy Plus Latino TV Includes Economy Latino TV and additional digital channels for primary outlet	$52.95
Starter Latino TV Includes Economy Plus Latino TV and additional digital channels for primary outlet	$69.95
HBO[20]	$14.99
HBO Max[20]	$14.99
Showtime[20]	$12.00
Starz[20]	$8.99
Cinemax[20]	$12.00
The Movie Channel[20]	$12.00
Epix[21]	$5.99
Playboy[20]	$19.99
Xfinity TV Latino[20] Includes over 60 channels of Spanish language programming	$18.00
Xfinity TV Latino[20] With X1 Preferred Pro+ and X1 Premier Pro + Double or Triple Play Package	$10.00
More Sports & Entertainment Package[24] Includes over 12 channels including NFL RedZone, Outdoor Channel and TMC	$9.99
HD Technology Fee[29]	$9.95
HD DVR Service[30]	$10.00
AnyRoom DVR Service[31]	$10.00
Premium DVR Service[28]	$20.00
Service to Additional TV[27]	$9.95
Service to Additional TV with TV Adapter[32]	$7.50

INTERNATIONAL SELECTIONS[14]

ART: Arabic	$9.99
TV Globo: Brazilian	$19.99
Brazilian 2 Pack Includes TV Globo and SporTV	$24.99
Brazilian 4 Pack Includes TV Globo, SporTV, Band Internacional and Record TV	$34.99
Mandarin 2 Pack Includes Phoenix Info News and Phoenix North America	$6.99
Mandarin 4 Pack Includes CTI Zhong Tian, CCTV4, Phoenix Info News and Phoenix North America	$19.99
Filipino 2 Pack Includes GMA Pinoy w/ GMA Video On Demand and GMA Life	$14.99
Filipino 3 Pack Includes GMA Pinoy w/ GMA Video On Demand, GMA Life and TFC	$22.99
TV5MONDE: French With Cinema On Demand	$9.99
DW Deutsche +: German	$9.99
Antenna: Greek	$14.99
The Israeli Network	$19.99
Rai Italia: Italian	$9.99
Italian 2 Pack Includes Rai Italia and Mediaset	$14.99
TV JAPAN	$24.99
SIC: Portuguese	$9.99
Portuguese 2 Pack Includes RTPi and SIC	$14.99
Impact TV: Russian Add-on With any International package	$6.99
Russian 2 Pack Includes Channel One Russia and NTV America	$14.99
Russian 4 Pack Includes Channel One Russia, RTN, TV1000 Russian Kino and NTV America	$26.99
Russian 5 Pack Includes Channel One Russia, RTVi, NTV America, RTR-Planeta and Rossiya 24	$26.99
Russian 8 Pack Includes Channel One Russia, RTN, RTVI, TV1000 Russian Kino, NTV America, RTR-Planeta, Rossiya 24 and CTC	$34.99
Willow: Cricket Add-on With any International package	$6.99
Willow: Cricket	$14.99
Zee TV: Hindi	$14.99
SET: Hindi	$14.99
Hindi 2 Pack Includes Zee TV and SET	$24.99
Hindi Pack Includes Zee TV, SET, TV Asia and NDTV 24x7	$29.99
Hindi Plus Pack Includes Zee TV, SET, TV Asia, NDTV 24x7, Eros Now and Willow	$39.99
SBTN: Vietnamese	$14.99
TVB Jade: Cantonese	$10.99
Record TV: Brazilian	$14.99
ABP News: Hindi	$7.99
TFC: Filipino	$11.99

PAY-PER-VIEW AND ON DEMAND SUBSCRIPTION SERVICES

A&E Crime Central On Demand[12]	$4.99
Acorn TV On Demand[17]	$5.99
AMC + On Demand[17]	$6.99
Anime Network On Demand[17]	$6.99
Brown Sugar On Demand[12]	$3.99
CineFest On Demand[12]	$4.99
Cinemoi On Demand[12]	$2.99
Conspiracy TV On Demand[12]	$4.99
Con TV On Demand[12]	$4.99
Craftsy On Demand[17]	$7.99
CultFlix On Demand[12]	$4.99
CuriosityStream On Demand[17]	$2.99
Curious World On Demand[12]	$3.99
Daily Burn On Demand[12]	$14.99
Dekkoo On Demand[12]	$9.99
Disney Story Central On Demand[17]	$4.99
DJAZZ On Demand[12]	$6.99
Docurama On Demand[12]	$4.99
DOGTV On Demand[17]	$4.99
Dove Channel On Demand[12]	$4.99
Echoboom Sports On Demand[12]	$5.99
Eros Now On Demand[17]	$12.99
Eros Now On Demand[17] w/a South Asian international selection	$9.99
Filipino On Demand[17]	$7.99
Filipino On Demand[17] w/a Filipino international selection	$5.99
FitFusion On Demand[17]	$6.99
FlixFling On Demand[12]	$7.99
Fox Nation On Demand[17]	$5.99
Gaia On Demand[17]	$11.99
Gaiam TV Fit & Yoga On Demand[17]	$7.99
GOLFPASS On Demand[12]	$4.99
Gravitas Movies On Demand[12]	$4.99
Grokker Yoga Fitness On Demand[17]	$6.99
Hallmark Movies Now On Demand[12]	$5.99
here! TV On Demand[17]	$7.99
History Vault On Demand[17]	$4.99
Hitz[13,17]	$12.00
Hi-YAH! On Demand[12]	$2.99
Hopster On Demand[12]	$6.99

Kevin Hart's Laugh Out Loud On Demand[17]	$4.99
Kidstream On Demand[17]	$4.99
Kocowa On Demand[12]	$6.99
kweliTV On Demand[12]	$5.99
Lifetime Movie Club On Demand[17]	$3.99
Lion Mountain TV On Demand[12]	$3.99
MagellanTV History On Demand[12]	$5.99
Marquee TV On Demand[12]	$8.99
MHz Choice On Demand[12]	$7.99
Miniteve On Demand[12]	$1.99
Music Choice Karaoke On Demand[12]	$6.99
Music Choice Relax On Demand[12]	$5.99
Outside TV Features On Demand[12]	$4.99
Pantaya On Demand[17]	$5.99
Passionflix On Demand[12]	$5.99
Pay-Per-View and On Demand Movies and Events[5,17] (per title or event)	Prices Vary
PlayKids On Demand[12]	$6.99
Pro Guitar Lessons On Demand[12]	$4.99
Quark On Demand[12]	$4.99
Real Vision On Demand[12]	$14.99
Revry On Demand[12]	$6.99
Ride TV On Demand[12]	$4.99
Stephens Drum Shed On Demand[12]	$4.99
Stingray Classica On Demand[17]	$6.99
Stingray Karaoke On Demand[17]	$6.99
Stingray Qello On Demand[12]	$7.99
Streampix[6,17]	$4.99
The Great Courses Signature On Demand[12]	$7.99
The Jewish Channel On Demand[17]	$6.99
The Reading Corner On Demand[12]	$3.99
Too Much for TV On Demand[17]	$14.99
Touchfit TV On Demand[12]	$4.99
True Royalty On Demand[12]	$5.99
TumbleBooksTV On Demand[17]	$4.99
UP Faith and Family On Demand[17]	$5.99
WE tv + On Demand[17]	$5.99
Walter Presents On Demand[12]	$6.99
Wanderlust On Demand[12]	$9.99
WHAM On Demand[12]	$2.99
WildBrain On Demand[12]	$5.99
Xive TV On Demand[12]	$4.99
ZooMoo On Demand[12]	$2.99
Arouse On Demand[10,17]	$19.99
Bang On Demand[10,17]	$19.99
Brazzers On Demand[10,17]	$19.99
Evil Angel On Demand[10,17]	$19.99
Falcon On Demand[10,17]	$19.99
Girlfriends Films On Demand[10,17]	$19.99
Homegrown Amateur On Demand[10,17]	$19.99
Hustler On Demand Subscription[10,17]	$19.99
Mature Lust On Demand[10,17]	$19.99
Penthouse On Demand[10,17]	$19.99
Reality Kings On Demand[10,17]	$19.99
TEN On Demand Subscription[10,17]	$19.99
Urban Fantasy On Demand[10,17]	$19.99
Vivid On Demand Subscription[10,17]	$19.99
Wicked On Demand[10,17]	$19.99
XTSY On Demand[10,17]	$19.99

SPORTS PACKAGES[4]

MLB Extra Innings	Call 1-800-XFINITY for pricing
NHL Center Ice	Call 1-800-XFINITY for pricing
NBA League Pass	Call 1-800-XFINITY for pricing

XFINITY TV EQUIPMENT

TV Box (Includes Remote)	$5.00
TV Adaptor for Primary TV (Includes Remote)	$5.00
TV Adapter (Limited Basic — Primary TV)	$0.00
TV Adapter (Limited Basic — 1st and 2nd Additional TVs)	$0.00
TV Adapter (Limited Basic — 3rd Additional TV)	$0.50
CableCARD (first card in device)	$0.00

INSTALLATION (PER OCCURRENCE UNLESS NOTED)	Initial Installation of Service	After Initial Installation of Service
Xfinity TV[15,16]	$99.99	N/A
Change of Service (In-home service visit)	$35.00	$70.00
Relocate Additional Outlet	$35.00	$70.00
Change of Service – Upgrade (In-home visit required)		$70.00
Downgrade of Service (In-home visit required)		$70.00
Hourly Service Charge (For custom installation work)		$70.00
In-Home Service Visit (Xfinity TV)		$70.00
In-Wall Wiring		$70.00
Xfinity Home Security Installation Fee		$499.99
Xfinity Voice Standard Installation (per occurrence)		$99.99
Xfinity Internet Professional Installation (per occurrence)		$99.99
Xfinity Internet Gigabit Pro Professional Installation (per occurrence)		Up to $500.00
Wireless Networking On-Site Professional Set-Up (per occurrence)		$49.95
Wireless Networking On-Site Professional Set-Up (Separate trip, per occurrence)		$99.95
Wireless Networking On-Site Professional Set-Up (Additional Device, per occurrence)		$29.95

REACTIVATION
(NO IN-HOME VISIT REQUIRED—PER OCCURRENCE UNLESS NOTED)

Reactivation - TV	$6.00
Reactivation - Internet	$6.00
Reactivation - Voice	$6.00

MISCELLANEOUS (PER OCCURRENCE UNLESS NOTED)

Regional Sports Fee[22] (per month)	$9.10
Returned Payment Item (each)	$25.00
Late Fee	$10.00
Agent Assisted Payment For payment made by phone with a Customer Care Representative	$5.99
Unreturned or Damaged Equipment Fees[7] (per piece)	Replacement Cost
Getting Started Kit Shipping and Handling	$15.00
Getting Started Kit Shipping and Handling (Priority Shipping)	$29.95
Remote Shipping and Handling	$10.00

XFINITY HOME

Xfinity Home Security[23]	$40.00

XFINITY VOICE[1,8]

Xfinity Voice—Unlimited **With TV and Internet Service**	$44.95 $39.95
Xfinity Voice—Unlimited Saver	$20.00
Xfinity Voice – Unlimited Select **With TV, Internet or Home Security**	$30.00 $10.00

XFINITY INTERNET[1,9]

Performance Starter+	$50.00
Performance Select	$55.00
Performance Pro+	$70.00
Blast! Pro+	$80.00
Extreme Pro+	$90.00
Gigabit[3]	$100.00
Gigabit Pro[3,11]	$299.95
Internet/Voice Equipment Rental	$14.00
Gigabit Pro Cable Modem/Router	$19.95
Unreturned or Damaged Equipment Fees[7] (per piece, per occurrence)	Replacement Cost
Gigabit Pro Activation Fee (per occurrence)	Up to $500.00

1 *Certain services available separately or as a part of other levels of service. Xfinity services are subject to Comcast's standard terms and conditions of service. Unless otherwise specified, prices shown are the monthly charge for the corresponding service, equipment or package. Prices shown do not include applicable taxes, franchise fees, FCC fees, Regulatory Cost Recovery, Public Access fees, other state or local fees or other applicable charges (e.g., per-call toll or international charges). Prices, services and features are subject to change. If you are an Xfinity TV customer and you own a compatible TV Box or CableCARD device, please call 1-800-XFINITY for pricing information or visit www.xfinity.com/equipmentpolicy.* *© 2020 Comcast. All rights reserved.*

2 *Requires Internet/Voice Equipment.*

3 *Not available in all areas. May require installation and non-refundable installation charge.*

4 *Requires Limited Basic, HD Technology Fee, X1 TV Box or compatible customer owned device with Xfinity Internet. Sports packages will automatically renew at the start of each season at that seasons full-season early-bird rate, provided Comcast still carries the package. Subscription will automatically be billed in 4 total payments. Call 1-800-XFINITY to cancel subscription within 30 days of first charge to bill. Charges are non-refundable after 30 days of first charge to bill. Other restrictions may apply. Customers enrolled in the auto-renewal program moving to another Comcast serviceable address and continuing service with Comcast in or out of season, will remain enrolled in the auto-renewal program.*

5 *Price of Pay-Per-View and On Demand Movie or Event is displayed prior to the completion of the Pay-Per-View or On Demand ordering process.*

6 *Requires Limited Basic and TV Box and remote or compatible customer owned device. Requires HD Technology Fee to receive HD programming.*

7 *Contact 1-800-XFINITY for questions regarding equipment replacement charges.*

8 *Requires Internet/Voice Equipment. Unlimited Local and Long Distance package pricing applies only to direct dialed calls from home to locations included in the plan. Plans do not include other international calls. For more information regarding Xfinity Voice pricing go to https://www.xfinity.com/Corporate/About/PhoneTermsOfService/ComcastDigitalVoice/cdvresidential.*

9 *Internet/Voice Equipment required. For more information regarding Xfinity Internet go to http://www.xfinity.com/internet-service.html.*

10 *One month minimum purchase required. Not available in all areas.*

11 *Requires 2 year contract. Monthly rental of Gigabit Pro cable modem/router additional. Activation and professional installation fees additional. Gigabit Pro does not qualify for Comcast 30-day money back guarantee.*

12 *Requires Limited Basic with X1 TV Box and Xfinity Internet service.*

13 *Requires Limited Basic TV service and a compatible Xfinity TV Box or customer owned device.*

14 *Requires Limited Basic with X1 TV Box or compatible customer owned device and Xfinity Internet service.*

15 *Standard installation includes installation of service line up to 125 feet from existing Comcast plant for the primary outlet only. Comcast does not perform custom installations including installations which require in-wall wiring, wiring in extensive drop ceilings, basements, or crawl spaces.*

16 *Does not include installation charges for Extreme Pro+ Internet Service, Gigabit Internet Service, Gigabit Pro Internet Service, Xfinity Home Security, Wireless Networking or Xfinity Voice activation fees.*

17 *Requires Limited Basic, TV Box or compatible customer owned device with Xfinity Internet.*

18 *Applies to Limited Basic.*

19 *Requires Limited Basic, Choice TV or Choice TV+.*

20 *Requires Limited Basic, TV Box, CableCARD or compatible customer owned device.*

21 *Requires Limited Basic, HD Technology Fee and TV Box, CableCARD or compatible customer owned device.*

22 *Applies to Digital Starter or Extra and above, and Starter Latino TV.*

23 *Equipment required at an additional cost. For additional information go to http://www.xfinity.com/homesecurity.*

24 *Requires Digital Starter or Extra.*

25 *Requires TV Box, CableCARD or compatible customer owned device and Internet/Voice equipment.*

26 *Requires TV Box, CableCARD or compatible customer owned device.*

27 *Requires TV Box, CableCARD or compatible customer owned device. Digital service tier on additional TV corresponds to digital service tier on primary outlet. Not available to Limited Basic only customers.*

28 *Requires Choice TV Double Play, Latino Double Play, More Sports & Entertainment Package or Extra or higher, Performance Starter+ or higher, TV Box or compatible customer owned equipment.*

29 *Not available to customers with Limited Basic only. Must subscribe to HD Technology Fee to receive HD programming.*

30 *Requires HD Technology Fee. Service to Additional TV required for HD DVR Service on additional TVs.*

31 *Sold only with Service to Additional TV with TV Box for up to 3 TVs, maximum 3 clients per household. Requires HD Technology Fee and professional installation. Not available to customers with Limited Basic only.*

32 *Includes TV Adapter and remote. Digital service tier on additional TV corresponds to digital service tier on primary outlet. Does not include access to On Demand content, premium channels or programming guide. Not available to customers with Limited Basic only.*

Xfinity Home Security License Numbers:
AL: *001484, 001504;* **AR:** *12-030;* **AZ:** *ROC 280515,* **BTR** *18287-0;* **CA:** *CSLB 974291, ACO 7118;* **CT:** *ELC 0189754-C5;* **DE:** *FAL-0299, FAC-0293, SSPS 11-123;* **FL:** *EF0000921, EF20001002, EF0001095;* **GA:** *LVU406303, LVU406264, LVU406190, LVU406354;* **IL:** *PACA 127-001503;* **LA:** *F1691;* **MA:** *SS-001968;* **MD:** *107-1776;* **ME:** *LM50017039;* **MI:** *3601206217;* **MN:** *TS674412;* **NC:** *2335-CSA, 29443-SP-FA/LV;* **NJ: Burglar and Fire Alarm Business Lic. #** *34BF00047700;* **NM:** *373379;* **NY: licensed by the N.Y.S. Department of State** *12000305421;* **OH: LIC#** *53-89-1732;* **OR:** *CCB 192945;* **SC:** *BAC-13497, FAC-13440;* **TN:** *ACL 1597, ACL 1604;* **TX:** *ACR-1672104,-1818, B16922, B02571;* **UT:** *8226921-6501;* **VA:** *2705145289, DCJS 11-7361;* **VT:** *ES-02366;* **WA:** *COMCABS892DS;* **WASHINGTON, DC:** *ECS 902687, BBL 602512000005;* **WV:** *WV049211.*

MS: 15018010

Valid 1/1/19. See www.xfinity.com/home-security for current list.

87781000: 1010;1020;1030;1040;1050;1060;1070;1080;1090

CABLE TELEVISION SYSTEM

FRANCHISE AGREEMENT

Between

CLARK COUNTY, WASHINGTON

and

COMCAST OF WASHINGTON V, LLC

As approved xx/xx/2013 by Ordinance M-xxxx.

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CABLE TELEVISION SYSTEM FRANCHISE AGREEMENT

This Cable Television System Franchise Agreement ("Agreement") is entered into in Vancouver, Washington, this _____ day of _____, 2013, by and between the **CLARK COUNTY, WASHINGTON** ("Grantor" or " County"), and **COMCAST OF WASHINGTON V, LLC** ("Grantee").

WHEREAS, the Grantor is authorized to grant one or more nonexclusive Franchises to construct, operate and maintain a cable television system within the municipal boundaries of the County; and

WHEREAS, the Grantor has considered the financial condition, technical ability and legal qualifications of Grantee; and

WHEREAS, the Grantor, after such consideration, analysis and deliberation as are required by applicable law, has approved and found sufficient the financial, technical and legal qualifications of Grantee to provide cable television service within the County; and

WHEREAS, the Grantee is willing to accept this Agreement subject to such terms and conditions, and to abide by those terms and conditions; and

WHEREAS, the public has had adequate notice and opportunity to comment on Grantee's application to provide cable television service within the County;

NOW, THEREFORE, in consideration of the mutual promises made herein, and other good and valuable consideration, the receipt and the adequacy of which is hereby acknowledged, the Grantor and Grantee do hereby agree as follows:

SECTION 1. DEFINITIONS

For the purposes of this Agreement and all exhibits attached hereto, the following terms, phrases, words and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Words not defined shall be given their common and ordinary meaning. The word "shall" is always mandatory and not merely directory.

1.1 **"Access"** means the availability for noncommercial use by various agencies, institutions, organizations, groups and individuals in the community, including Grantor and its designees, of the Cable System to acquire, create, receive, and distribute video, Cable Service, and signals as permitted under applicable law, including, but not limited to:

(A) **"Public Access"** which means Access where organizations, groups or individual members of the general public, on a nondiscriminatory basis, are the primary users;

(B) **"Educational Access"** which means Access where Schools, colleges and universities are the primary users of programming and service;

(C) **"Governmental Access"** which means Access where governmental institutions or their designees are the primary users of programming and service; and

(D) **"PEG Access"** which means Public Access, Educational Access, and Governmental Access, collectively.

1.2 **"Access Center"** means a facility or facilities where Public, Educational, or Governmental use signals are managed and delivered to the Grantee for Downstream transmission to Subscribers or to other Access Centers via a dedicated connection.

1.3 **"Access Channel"** means any Channel, or portion thereof, designated for non-commercial Access purposes or otherwise made available to facilitate or transmit Access programming or service.

1.4 **"Affiliate"** when used in connection with Grantee means any corporation, Person or entity who owns or controls, is owned or controlled by, or is under common ownership or control with, Grantee.

1.5 **"Basic Service"** means any service tier which includes the retransmission of local television broadcast signals and Public, Educational and Governmental Access Channels, or as such service tier may be further defined by federal law.

1.6. **"Cable Act"** means the Cable Communications Policy Act of 1984 and the Cable Television Consumer Protection and Competition Act of 1992 and any amendments thereto, including those contained in the Telecommunications Act of 1996, and any future federal cable television legislation.

1.7 **"Cable Operator"** means any Person or groups of Persons, including Grantee, who provide Cable Service over a Cable System and directly or through one or more Affiliates own a significant interest in such Cable System or who otherwise control or are responsible for, through any arrangement, the management and operation of such a Cable System.

1.8 **"Cable Service"** means the one-way transmission of video programming or other programming service to Subscribers, and Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

1.9 **"Cable System"** shall have the meaning set forth in the Cable Act.

1.10 "Telecommunications Commission" means the Telecommunications Commission which advises the City of Vancouver/Clark County on matters pertaining to cable television.

1.11 "Channel" means a portion of the electromagnetic spectrum which is used in a Cable System and is capable of delivering a television Channel, as television Channel is defined by the FCC in other applicable regulations.

1.12 "Designated Access Provider" means the entity or entities designated by the Grantor to manage or co-manage Public, Educational or Governmental use Channels and facilities. The Grantor may be a Designated Access Provider.

1.13 "Downstream" means the transmission from the Headend to remote points on the Cable System or to Interconnection points on the Cable System.

1.14 "FCC" means the Federal Communications Commission.

1.15 "Franchise" means the non-exclusive and revocable authorization or renewal thereof for the construction or operation of a Cable System such as is granted by this Agreement, whether such authorization is designated as a Franchise, license, resolution, contract, certificate, agreement or otherwise.

1.16 "Franchise Area" means the unincorporated areas of Clark County subject to density provisions in Section 13.2 hereof.

1.17 "Gross Revenues" means all amounts earned by the Grantee and derived from the operation of Grantee's Cable System to provide Cable Services within the Franchise Area in accordance with Generally Accepted Accounting Principles. "Gross Revenues" shall include, without limitation, amounts for all Cable Services, premium services, advertising, revenues on sales of goods or services by third parties such as home shopping networks, installations, revenue received from programmers as payment for programming content cablecast on the cable system, and all other revenues derived from the operation of Grantee's Cable System to provide Cable Services within the Franchise Area, regardless of whether initially recorded to an Affiliate.

"Gross Revenues" shall also include any amounts received or earned by any Affiliate of the Grantee in whatever form and from all sources, derived from the operation of the Grantee's Cable System to provide cable services within the Franchise Area. However, "Gross Revenues" shall not be double counted. Revenues of both Grantee and an Affiliate that represent a transfer of funds between the Grantee and the Affiliate, and that would otherwise constitute "Gross Revenues" of both the Grantee and the Affiliate, shall be counted only once for purposes of determining "Gross Revenues."

The definition of "Gross Revenues" includes those revenues collected as franchise fees and paid to the Grantor unless otherwise instructed by the Grantor. "Gross Revenues" shall exclude revenues from high speed cable modem service unless it is determined to be a Cable Service

under federal law or regulation, any amounts received for managed I-Net from the Grantor or Institutional Subscriber, programming launch fees, reimbursements by programmers of marketing costs incurred by Grantee for introduction of new programming pursuant to written marketing agreements, 3rd party ad sales commissions, bad debt written off by Grantee in the normal course of business, provided, however, that bad debt recoveries shall be included in Gross Revenue during the period collected, and any taxes of general applicability collected from subscribers and paid to a governmental entity.

1.18 **"Headend"** means a facility for signal reception and dissemination on a Cable System, including cables, antennas, wires, satellite dishes, monitors, switches, modulators, processors and all other related equipment and facilities.

1.19 **"Institutional Network"** or **"I-NET"** means the institutional network connecting Grantor's public facilities and Institutional Subscribers within the Franchise Area all as described in greater detail in this Agreement.

1.20 **"Interconnect"** means the provision by Grantee of technical, engineering, physical, and all other necessary components to provide and adequately maintain a physical linking of Grantee's Cable System for PEG Access programming under Section 9.7 of this Franchise 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 cable systems to the extent required by this Franchise.

1.21 **"Leased Access Channel"** means any Channel commercially available for programming for a fee or charge by Grantee to members of the general public.

1.22 **"Origination Point"** means a location other than an Access Center, where Public, Educational or Governmental use programming is delivered to the Grantee for Upstream transmission.

1.23 **"Person"** means any individual, natural Person, sole proprietorship, partnership, association, or corporation, or any other form of entity or organization.

1.24 **"School"** means any accredited educational institution public or private primary and secondary schools.

1.25 **"Street"** means each of the following which have been dedicated to the public or are hereafter dedicated to the public and maintained under public authority or by others and located within the Franchise Area: Streets, roadways, highways, avenues, lanes, alleys, sidewalks, planter areas not including moveable planter boxes, easements, rights-of-way and similar public property and areas.

1.26 **"Subscriber"** means any Person who elects to subscribe to, for any purpose, Cable Service provided by Grantee by means of, or in connection with, the Cable System, and whose

premises are physically wired and lawfully activated to receive Cable Service from Grantee's Cable System.

(A) "**Residential Subscriber**" which means any Subscriber who receives Cable Service delivered to single or multiple dwelling units, excluding such multiple dwelling units billed on a bulk-billing basis. For the purpose of this definition, "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.

1.27 "**Upstream**" means the carrying of a transmission to the Headend from remote points on the Cable System or from Interconnection points on the Cable System.

SECTION 2. GRANT OF FRANCHISE

2.1 Grant

(A) Grantor hereby grants to Grantee a nonexclusive and revocable authorization to make reasonable and lawful use of the Streets within the Franchise Area to construct, operate, maintain, reconstruct, and repair a Cable System for the purpose of providing only Cable Services and to provide related I-NET for data, subject to the terms and conditions set forth in this Agreement.

(B) This Agreement is intended to convey limited rights and interests only as to those Streets in which the Grantor has an actual interest. It is not a warranty of title or interest in any right-of-way; it does not provide the Grantee any interest in any particular location within the right-of-way; and it does not confer rights other than as expressly provided in the grant hereof. This Agreement does not deprive the Grantor of any powers, rights or privileges it now has, or may later acquire in the future, to use, perform work on or to regulate the use of and to control the Grantor's Streets covered by this Agreement, including without limitation the right to perform work on its roadways, right-of-way or appurtenant drainage facilities, including constructing, altering, paving, widening, grading, or excavating thereof.

(C) This Agreement is subject to the general lawful police power of Grantor affecting matters of municipal concern and not merely existing contractual rights of Grantee. Nothing in this Agreement shall be deemed to waive the requirements of the other codes and ordinances of general applicability enacted, or hereafter enacted, by Grantor.

(D) This Agreement authorizes Grantee to engage in providing Cable Service, as that term is defined in 47 U.S.C. Sec. 522(6), as amended and to provide related I-NET for data as described in Section 11.2. This Agreement shall not be interpreted to prevent the Grantor from imposing lawful additional conditions, including additional compensation conditions for use of the rights-of-way should Grantee provide service other than Cable Service and the I-NET as described herein. However, this Agreement shall not be read as a concession by Grantee that it

needs authorization to provide service other than Cable Service and the I-NET described herein.

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

2.2 Use of Public Streets and Ways

Subject to Grantor's supervision and control, Grantee may erect, install, construct, repair, replace, reconstruct, and retain in, on, over, under, upon, across, and along the public Streets, including rights-of-way and public easements within the Franchise Area such wires, cables, conductors, ducts, conduits, vaults, amplifiers, pedestals, attachments and other property and equipment as are necessary and appurtenant to the operation of a Cable System for the provision of Cable Service within the Franchise Area. Grantee shall comply with all applicable construction codes, laws, ordinances, regulations and procedures, now in effect or enacted hereafter, and must obtain any and all necessary permits from the Public Works Department prior to commencing any construction activities. Grantee, through this Agreement, is granted extensive and valuable rights to operate its Cable System for profit using Grantor's public rights-of-way and public utility easements within the Franchise Area in compliance with all applicable Grantor construction codes and procedures. As trustee for the public, Grantor is entitled to fair compensation to be paid for these valuable rights throughout the term of this Agreement.

2.3 Duration

(A) The term of this Agreement shall be for ten (10) years and all rights, privileges, obligations and restrictions pertaining thereto shall be from the effective date of this Agreement through July 1, 2023, unless extended or terminated sooner as hereinafter provided.

2.4 Effective Date

The effective date of this Agreement shall be July 1, 2013, unless Grantee fails to file an unconditional written acceptance of this Agreement and post the security required hereunder by the date specified by Grantor's approving ordinance, in which event this Agreement shall be null and void, and any and all rights of Grantee to own or operate a Cable System within the Franchise Area under this Agreement are hereby terminated.

2.5 Franchise Nonexclusive

This Agreement shall be nonexclusive, and is subject to all prior rights, interests, agreements, permits, easements or licenses granted by Grantor to any Person to use any Street, right-of-way, easement, or property for any purpose whatsoever, including the right of Grantor to use same for any purpose it deems fit, including the same or similar purposes allowed Grantee hereunder. Grantor may at any time grant authorization to use the public rights-of-way for any purpose not incompatible with Grantee's authority under this Agreement and for such additional

Franchises for Cable Systems as Grantor deems appropriate, upon such terms and conditions as Grantor deems appropriate.

2.6 Grant of Other Franchises – Competitive Equity

(A) The Grantee acknowledges and agrees that the Grantor may be required by federal law, and reserves the right, to grant one or more additional franchises to provide Cable Service within the Franchise Area. If any additional competitive franchise is granted by the Grantor to provide Cable Service in the Grantee's Franchise Area pursuant to the Cable Act, which franchise is for an area where services have been extended by the Grantee and which contains material terms and conditions that are more favorable or less burdensome than the terms or conditions of this Franchise Agreement, then, the Grantor agrees that it shall amend this Franchise to ensure that, the material provisions of such other franchises and this Franchise are, taken together, materially equivalent or to the extent as may be required by law. "Material terms and conditions" include, but are not limited to: franchise fees; system build-out requirements; performance bonds or similar instruments; public, education and government access channels and PEG capital support; I-Net requirements; customer service standards; required reports and related record keeping; and notice and opportunity to cure breaches. The parties agree that this provision shall not require a word for word identical franchise or authorization for a competitive entity. The parties agree that, notwithstanding any provision of this subsection, the Grantor shall not be obligated to comply with the provisions of this subsection to the extent doing so would cause the Grantor to violate applicable laws or FCC rules. Video Programming services delivered over wireless broadband networks are specifically exempted from the requirements of this Section so long as Grantor does not have lawful authority to regulate such wireless broadband networks within the Franchise Area.

(B) In the event that a competitive franchise is granted by Grantor as described in Section 2.6(A) above which contains material terms and conditions that are more favorable or less burdensome than the terms of this Franchise, and notice thereof is duly provided to Grantee, the Grantee shall submit to Grantor in writing (1) the basis for Grantee's belief that certain provisions of its Franchise place Grantee at a competitive disadvantage; (2) the provisions of this Franchise to be amended; and (3) specific language modifying any such Franchise provisions. Grantor and Grantee shall negotiate in good faith such amendments to the Franchise within ninety (90) days, unless otherwise agreed to by the parties. If the parties fail to reach agreement in informal negotiations, either party may initiate mediation and the other agrees to participate in mediation in good faith. Each party shall bear its own cost for mediation. In the event the parties are not able to reach agreement in informal negotiations or mediation, Grantee may exercise its rights under Subsection (C) below.

(C) Grantee's notice to Grantor under this Subsection (C) shall be deemed to be Grantee's renewal notification pursuant to Section 626 of the Cable Act. 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 Section 626 of the Cable Act with no further notice to the Grantor required. The Grantor and Grantee shall then enter into proceedings consistent with Section 626 for renewal of this Franchise. The Grantor and Grantee shall have all rights and obligations provided under said Section 626 (47 U.S.C. Section 546).

2.7 Police Powers

Grantee's rights hereunder are subject to the lawful police powers of Grantor to adopt and enforce ordinances necessary to the safety, health, and welfare of the public, and Grantee agrees to comply with all applicable laws and ordinances enacted, or hereafter enacted, by Grantor or any other legally-constituted governmental unit having lawful jurisdiction over the subject matter hereof.

2.8 Relations to Other Provisions of Law

This Franchise Agreement and all rights and privileges granted under the Franchise are subject to, and the Grantee must exercise all rights in accordance with, applicable law, including the Cable Ordinance, as amended over the Franchise term. However, this Franchise is a contract, subject only to the Grantor's exercise of its police and other powers and applicable law. This Franchise does not confer rights or immunities upon the Grantee other than as expressly provided herein. In the case of any conflict between the express terms of this Franchise Agreement and the express terms of the Cable Ordinance and other ordinances, this Franchise Agreement shall govern. Grantee does not waive its right to challenge the lawfulness of a particular enactment, including on the grounds that a particular action is an unconstitutional impairment of contractual rights. The Franchise issued and the Franchise fee paid hereunder are not in lieu of any other required permit, authorization, fee, charge or tax, unless expressly stated herein.

2.9 Effect of Acceptance

By accepting the Agreement, the Grantee: (1) acknowledges and accepts the Grantor's legal right to issue and enforce the Agreement; (2) agrees that it will not oppose the Grantor's intervening in any proceeding affecting the Cable System; (3) accepts and agrees to comply with each and every provision of this Agreement; and (4) agrees that the Agreement was granted pursuant to processes and procedures consistent with applicable law, and that it will not raise any claim to the contrary. Notwithstanding the provisions of Section 5.3, the Grantee shall not be obligated to indemnify Grantor in a proceeding affecting the Cable System in which the Grantor chooses to intervene.

SECTION 3. FRANCHISE FEE AND FINANCIAL CONTROLS

3.1 Franchise Fee

As compensation for the benefits and privileges granted under this Agreement and in consideration of permission to use Grantor's Streets, Grantee shall pay as a Franchise fee to Grantor, throughout the duration of this Agreement, an amount equal to five percent (5%) of Grantee's Gross Revenues derived from the operation of the Cable System to provide Cable Service in the Franchise Area. Accrual of such Franchise fees shall commence as of the effective date of this Agreement. The Franchise fees are in addition to all other fees, assessments, taxes or payments of general applicability that the Grantee may be required to pay under any federal, state or local law. This Agreement and the Franchise fees paid hereunder are not in lieu of any other generally applicable required permit, authorization, fee, charge or tax.

3.2 Payments

Grantee's Franchise fee payments to Grantor shall be computed quarterly. Each quarterly payment shall be due and payable no later than forty-five (45) days after the last day of the preceding quarter.

3.3 Acceptance of Payment and Recomputation

No acceptance of any payment shall be construed as an accord by Grantor that the amount paid is, in fact, the correct amount, nor shall any acceptance of payments be construed as a release of any claim Grantor may have for further or additional sums payable or for the performance of any other obligation of Grantee.

3.4 Quarterly Franchise Fee Reports

Each payment shall be accompanied by a written report to Grantor, containing an accurate statement in summarized form, as well as in detail, of Grantee's Gross Revenues and the computation of the payment amount.

3.5 Annual Franchise Fee Reports

Grantee shall, no later than one-hundred twenty (120) days after the end of each calendar year, furnish to Grantor a certified statement by an officer of the company stating the total amount of Gross Revenues and all payments, deductions and computations for the period covered by the payments.

3.6 Audits

On an annual basis, upon thirty (30) days' prior written notice, Grantor shall have the right to conduct an independent audit of Grantee's records reasonably related to the administration or enforcement of this Agreement, in accordance with generally accepted

accounting principles. The Telecommunications Commission may hire for both the Grantor and City of Vancouver an independent certified public accountant to audit the Grantee's financial records, in which case the Grantee shall provide all necessary records to the certified public accountant. If the audit shows that Franchisee fees have been underpaid by four percent (4%) or more, Grantee shall pay the reasonable cost of the combined audit up to $15,000.

3.7 Interest on Late Payments

In the event that a franchise fee payment or other sum is not received by the Grantor on or before the due date, or is underpaid, the Grantee shall pay in addition to the payment, or sum due, interest from the due date at a rate equal to the interest rate specified for judgments entered in the Superior Court of the State of Washington.

3.8 Alternative Remedies

If any Section, subsection, paragraph, term or provision of this Franchise Agreement or any ordinance, law, or document incorporated herein by reference is held by a court of competent jurisdiction to be invalid, unconstitutional or unenforceable, such holding shall be confined in its operation to the Section, subsection, paragraph, term or provision directly involved in the controversy in which such holding shall have been rendered and shall not in any way affect the validity of any other Section, subsection, paragraph, term or provision hereof. Under such a circumstance, the Grantee shall, upon the Grantor's request, meet and confer with the Grantor to consider amendments to the Franchise Agreement. The purpose of the amendments shall be to place the parties, as nearly as possible, in the position that they were in prior to such determination, consistent with applicable law. In the event the parties are unable to agree to a modification of this Agreement within sixty (60) days, either party may either (1) resort to litigation to amend the Agreement; or (2) shorten the Agreement to 36 months, at which point either party may invoke the renewal procedures under 47 U.S.C. subsection 546. Each party agrees to participate in up to sixteen (16) hours of negotiation during the sixty (60) day period.

3.9 Additional Commitments Not Franchise Fees

No term or condition in this Agreement shall in any way modify or affect Grantee's obligation to pay Franchise fees to Grantor. Although the total sum of Franchise fee payments and additional commitments set forth elsewhere in this Agreement 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 any federal law, nor are they to be offset or credited against any Franchise fee payments due to Grantor.

3.10 Costs of Publication

Grantee shall pay the reasonable cost of newspaper notices and publication pertaining to the renewal of this Agreement and any amendments thereto, as such notice or publication is reasonably required by applicable law.

3.11 Tax Liability

Payment of the Franchise fees under this Agreement shall not exempt Grantee from the payment of any generally applicable license, permit fee or other generally applicable fee, tax or charge on the business, occupation, property or income of Grantee that may be lawfully imposed by Grantor.

3.12 Payment on Termination

If this Agreement terminates for any reason, the Grantee shall file with the Grantor within ninety (90) calendar days of the date of the termination, a financial statement, showing the Gross Revenues received by the Grantee since the end of the previous fiscal year. The Grantor reserves the right to satisfy any remaining financial obligations of the Grantee to the Grantor by utilizing the funds available in a performance bond or other security provided by the Grantee.

SECTION 4. ADMINISTRATION AND REGULATION

4.1 Authority

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

4.2 Rates and Charges

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

4.3 Filing of Rates and Charges

(A) Throughout the term of this Agreement, Grantee shall maintain on file with Grantor a complete schedule of applicable rates and charges for Cable Service provided under this Agreement. Nothing in this subsection shall be construed to require Grantee to file rates and charges under temporary reductions or waivers of rates and charges in conjunction with promotional campaigns provided that Grantee shall make reasonable efforts to notify Grantor in writing in advance of such promotions.

(B) Grantee shall provide upon request from Grantor a complete schedule of current rates and charges for any and all Leased Access Channels, or portions of such Channels, provided by Grantee. The schedule shall include a description of the price, terms and conditions established by Grantee for Leased Access Channels.

4.4 Time Limits Strictly Construed

Whenever this Agreement sets forth a time for any act to be performed by Grantee, such time shall be deemed to be of the essence, and any failure of Grantee to perform within the allotted time may be considered a material violation of this Agreement and sufficient grounds for Grantor to invoke any relevant provision of this Agreement. However, in the event that Grantee is prevented or delayed in the performance of any of its obligations under this Agreement by reason beyond the reasonable control of Grantee, such as acts of God (for example, floods, tornadoes, earthquakes or unusually severe weather conditions), Grantee's performance shall be excused during the force majeure occurrence and Grantee thereafter shall, under the circumstances, promptly perform the affected obligations under this Agreement or procure a substitute for such obligation which is satisfactory to Grantor. Grantee shall not be excused by mere economic hardship nor by misfeasance or malfeasance of its directors, officers or employees.

4.5 Performance Evaluation Sessions

(A) Grantor may hold performance evaluation sessions every two (2) years on the anniversary date of the effective date of this Agreement. All such evaluation sessions shall be conducted by Grantor.

(B) Special evaluation sessions related to potential franchise violations may be held at any time by Grantor during the term of this Agreement.

(C) All performance evaluation sessions shall be open to the public and announced at least one week in advance in the Franchise Area.

(D) Evaluation sessions shall deal with the Grantee's performance of the terms and conditions of the Franchise and compliance with state and federal laws and regulations.

(E) As part of the performance evaluation session, Grantee shall submit to the Grantor a plant survey report, or map, acceptable to the Grantor which includes a description of the portions of the Franchise Area that are cabled and have all Cable Services available. Such report shall also include the number of miles and location of overhead and underground cable plant, and the number of miles (overhead and underground) and location of the I-NET as described in Section 11. If the Grantor has reason to believe that a portion or all of the Cable System does not meet the applicable FCC technical standards, the Grantor, at its expense, retains the right to appoint a qualified independent engineer to evaluate and verify the technical performance of the Cable System.

(F) During evaluations under this Section, Grantee shall fully cooperate with Grantor and shall provide such information and documents as necessary and reasonable for Grantor to perform the evaluation.

SECTION 5. FINANCIAL AND INSURANCE REQUIREMENTS

5.1 Insurance Requirements

(A) General Requirement. Grantee must have adequate insurance during the entire term of this Agreement to protect against claims for injuries to Persons or damages to property which in any way relate to, arise from, or are connected with this Agreement or involve Grantee, its agents, representatives, contractors, subcontractors and their employees.

(B) Initial Insurance Limits. Grantee must keep insurance in effect in accordance with the minimum insurance limits herein set forth by the Grantor from time to time. The Grantee shall obtain policies for the following initial minimum insurance limits:

(1) Commercial General Liability: Two-million dollars ($2,000,000) combined single limit per occurrence for bodily injury, personal injury, and property damage, and for those policies with aggregate limits, a two-and-one-half million dollars ($2,500,000) aggregate limit;

(2) Automobile Liability: Two-million dollars ($2,000,000) combined single limit per accident for bodily injury and property damage; and

(3) Employer's Liability: Two-million dollars ($2,000,000).

5.2 Deductibles and Self-Insured Retentions

If Grantee changes its policy to include a self-insured retention, the Grantee shall give notice of such change to the Grantor. Grantor's approval will be given if the self-insured retention is consistent with standard industry practices. Any deductible or self-insured retention of the policies shall not in any way limit Grantee's liability to the Grantor.

(A) Endorsements.

(1) All policies shall contain, or shall be endorsed so that:

(a) The Grantor, its officers, officials, employees, and agents are to be covered as, and have the rights of, additional insureds with respect to liability arising out of activities performed by, or on behalf of, Grantee under this Agreement or applicable law, or in the construction, operation or repair, or ownership of its Cable System;

(b) The Grantee's insurance coverage shall be primary insurance with respect to the Grantor, its officers, officials, employees, and agents. Any insurance or self-insurance maintained by the Grantor, its officers, officials, employees, and agents shall be in excess of the Grantee's insurance and shall not contribute to it; and

(c) Grantee's insurance shall apply separately to each insured against

whom a claim is made or lawsuit is brought, except with respect to the limits of the insurer's liability.

(2) All policies shall contain, or shall be endorsed so that:

(a) The policy shall not be suspended, voided, canceled, or reduced in coverage or in limits, nor shall the intention not to renew be stated by the insurance company except after forty-five (45) days prior written notice, return receipt requested, has been provided to Grantor's representative pursuant to Section 19.2.

(B) Acceptability of Insurers. The insurance obtained by Grantee shall be placed with insurers with a Best's rating of no less than "A."

(C) Verification of Coverage. The Grantee shall furnish the Grantor with certificates of insurance and endorsements or a copy of the page of the policy reflecting blanket additional insured status. The certificates and endorsements for each insurance policy are to be signed by a Person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for each insurance policy are to be on standard forms or such forms as are consistent with standard industry practices, and are to be received and approved by the Grantor prior to the commencement of activities associated with this Agreement. The Grantee hereby warrants that its insurance policies satisfy the requirements of this Agreement.

5.3 Indemnification

(A) Scope of Indemnity. Grantee shall, at its sole cost and expense, indemnify, hold harmless, and defend the Grantor and its officers, boards, commissions, agents, and employees against any and all claims, including, but not limited to, third party claims, suits, causes of action, proceedings, and judgments for damages or equitable relief arising out of the design, construction, operation, maintenance or repair of its Cable System regardless of whether the act or omission complained of is authorized, allowed, or prohibited by this Agreement provided, however, the Grantee will not be obligated to indemnify Grantor for damage or injury resulting from the negligence or willful negligence of Grantor. Without limiting in any way the Grantee's obligation to indemnify the Grantor and its officers, boards, commissions, agents, and employees, as set forth above, this indemnity provision also includes damages and liabilities such as:

(1) To Persons or property, in any way arising out of or through the acts or omissions of the Grantee, its contractors, subcontractors and their officers, employees, or agents, or to which the Grantee's negligence shall in any way contribute;

(2) Arising out of any claim for invasion of the right of privacy; for defamation of any Person, firm or corporation; for the violation or infringement of any copyright, trademark, trade name, service mark, or patent; for a failure by the Grantee to secure consents from the owners or authorized distributors of programs to be delivered by the Cable System; or for violation of any other right of any Person, provided, however, that Grantee will not be

required to indemnify Grantor for any claims arising out of use of PEG Access Channels by Grantor and/or Designated Access Providers;

(3) Arising out of Grantee's failure to comply with the provisions of any federal, state or local statute, ordinance, rule or regulation applicable to the Grantee with respect to any aspect of its business to which this Agreement applies; and

(4) Arising from any third party suit, action or litigation, whether brought by a competitor to Grantee or by any other Person or entity, whether such Person or entity does or does not have standing to bring such suit, action or litigation if such action (1) challenges the authority of the Grantor to issue this Agreement to Grantee; or (2) alleges that, in issuing this Agreement to Grantee, the Grantor has acted in a disparate or discriminatory manner.

(B) Duty to Give Notice and Tender Defense. The Grantor shall give the Grantee timely written notice of any claim or of the commencement of any action, suit or other proceeding covered by the indemnity in this Section. In the event any such claim arises, the Grantor or any other indemnified party shall tender the defense thereof to the Grantee and the Grantee shall have the obligation and duty to defend, settle or compromise any claims arising thereunder, and the Grantor shall cooperate fully therein. Grantee shall accept or decline the tender within thirty (30) days. Grantee shall reimburse reasonable attorneys' fees and costs incurred by the Grantor during the thirty (30) day period in which the Grantee accepts or declines tender. In the event that the Grantee declines defense of the claim in violation of Section 5.3, the Grantor may defend such claim and seek recovery from Grantee its expenses for reasonable attorneys' fees and disbursements, including expert witness fees, incurred by Grantor for defense and in seeking such recovery.

5.4 Faithful Performance Bond

(A) The Grantee shall furnish proof of the posting of a faithful performance bond running to the Grantor, in a form approved by the Grantor, with good and sufficient surety approved by the Grantor in the total sum of one hundred fifty thousand dollars ($150,000.00), conditioned that the Grantee shall well and truly observe, fulfill, and perform each term and condition of this Franchise. Such bond shall be posted as provided in Section 2.4 and by the Grantee throughout the term of this Franchise.

(B) Grantee shall pay all premiums charged for any bond required under Section 5.4 (A), and unless the Grantor specifically directs 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 Grantor, the removal of all of Grantee's system installed in Grantor's Streets and Public Ways.

(C) The bond shall contain a provision that it shall not be terminated or otherwise allowed to expire without thirty (30) days written notice first given to the Grantor. During the term of the bond, Grantee shall file with the Grantor a duplicate copy of the bond along with written evidence of payment of the required premiums unless the bond otherwise provides that the bond shall not expire or be terminated without thirty (30) days prior written notice to the Grantor. Notice shall be given in conformity with section 19.2 of this Franchise Agreement.

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

SECTION 6. CUSTOMER SERVICE

6.1 Customer Service Standards

The Grantee shall meet or exceed any customer service standards adopted by the FCC and, to the extent the same are stricter or address different matters, those lawfully adopted by ordinance in the future by the Grantor.

6.2 Subscriber Privacy

Grantee will comply with privacy rights of Subscribers in accordance with federal, state and local law.

6.3 Local Office

Throughout the Agreement term, the Grantee must maintain, at a minimum, one (1) customer service center conveniently located in the City of Vancouver/Clark County Franchise Area which will be open during normal business hours, as defined by the FCC, to provide Subscribers the opportunity for the receipt and pickup of Subscriber equipment and for bill payments and complaints. Grantee shall install telephones and other equipment so that customer complaints and service requests can be received by Grantee on a 24-hour basis at a toll-free telephone number. Grantee shall have the option to substitute the service center requirement by providing for pick up or drop off of equipment free of charge in any one of the following manners: (a) by having Grantee representative going to the customer's residence, or (b) by using a prepaid mailer. Grantee also has the option to provide payment drop off locations within the Franchise Area. Grantee shall provide Grantor and Subscribers with at least sixty (60) days notice of election to discontinue the service center.

6.4 Emergency Broadcast

Grantee will activate the Emergency Alert System (EAS) in compliance with the provisions and amendments of FCC Regulations Part 11, the Washington State EAS plan, and the local area EAS plan that applies to Clark County.

SECTION 7. REPORTS AND RECORDS

7.1 Open Records

(A) Grantee shall manage all of its operations in accordance with a policy of keeping its documents and records open and accessible to Grantor. Grantor shall have access to, and the right to inspect, any books and records of Grantee, its parent corporations and Affiliated entities which are reasonably related and necessary to the administration or enforcement of the terms of this Agreement. Grantee shall not deny Grantor access to any of Grantee's records on the basis that Grantee's records are under the control of any parent corporation, affiliated entity or a third party. Grantor may, in writing, request copies of any such records or books and Grantee shall provide such copies within thirty (30) days of the transmittal of such request. One copy of all reports and records required under this or any other Section shall be furnished to Grantor at the sole expense of Grantee. If the requested books and records are too voluminous, or for security reasons cannot be copied or removed, then Grantee may request, in writing within ten (10) days, that Grantor inspect them at one of Grantee's local area offices. If any books or records of Grantee are not kept in a local area office and not made available in copies to Grantor upon written request as set forth above, and if Grantor determines that an examination of such records is necessary or appropriate to the performance of any of Grantor's duties, administration or enforcement of this Agreement, then all reasonable travel expenses incurred in making such examination shall be paid by Grantee. If any books or records of Grantee are not kept in a local office, Grantee will provide or otherwise make such documents available for inspection and review at the local office within ten (10) working days.

(B) Grantee shall at all times maintain and allow Grantor access and the right to review a full and complete set of plans, records and "as built" maps showing the exact location of all Cable System equipment installed or in use in the Franchise Area, exclusive of electronics, Subscriber drops and equipment provided in Subscribers' homes. These maps shall be maintained in a standard format and medium agreed upon by the Grantor and the Grantee.

7.2 Confidentiality

Grantor agrees to treat as confidential any books and records that constitute proprietary or confidential information under federal or state law, to the extent Grantee makes Grantor aware of such confidentiality. Grantee shall be responsible for clearly and conspicuously marking or identifying as "Confidential" on each page that contains confidential or proprietary information. If Grantor believes it must release any such books and records marked or identified as "Confidential" in the course of enforcing this Agreement, in response to a public record request, subpoena or other court order, or for any other reason, it shall advise Grantee in advance so that Grantee may take appropriate steps to protect its interests. If Grantor receives a demand from any Person for disclosure of any information designated by Grantee as confidential, Grantor shall, so far as consistent with applicable law, advise Grantee and provide Grantee with a copy of any written request by the party demanding access to such information within a reasonable time so Grantee may take appropriate steps to protect the information from disclosure.

7.3 Copies of Federal and State Documents

Upon request, Grantee shall submit to Grantor a list, or copies of actual documents, of all pleadings, applications, notifications, communications and documents of any kind, submitted by Grantee or its parent corporations or Affiliates to any federal, state or local courts; regulatory agencies or other government bodies if such documents specifically relate to the operations of Grantee's Cable System within the Franchise Area. Grantee may claim such information and documents are confidential, privileged or proprietary consistent with applicable public records law.

7.4 Complaint File and Reports

(A) Grantee shall keep an accurate and comprehensive file of any and all complaints regarding the Cable System, in a manner consistent with the privacy rights of Subscribers, and Grantee's actions in response to those complaints. Those files shall remain open to Grantor during normal business hours. Upon written request, Grantee shall provide an executive summary report quarterly (within 45 days of the end of the preceding quarter) to Grantor, which shall include the following information:

(1) Nature and type of customer complaints;

(2) Number, duration, general location and customer impact of unplanned service interruptions;

(3) Any significant construction activities which affect the quality or otherwise enhance the service of the Cable System;

(4) Average response time for service calls;

(5) Phone activity report that includes use of automated response unit or voice response unit in answering and distributing calls from Subscribers at all call centers whether the calls are answered by a live representative, by an automated attendant or abandoned after 30 seconds of call waiting;

(6) New areas constructed and available for Cable Service, including multiple dwelling units;

(7) Video programming changes (additions/deletions);

(8) Subscriber reports indicating the total number of Subscribers by service categories in such format as Grantee customarily prepares such reports; and

(9) Such other information about special problems, activities, or achievements as Grantee may want to provide Grantor.

(B) Grantor shall also have the right to request such information as appropriate and reasonable to determine whether or not Grantee is in compliance with applicable Customer Service Standards, as referenced in Section 6.1. Grantee shall fully cooperate with Grantor and shall provide such information and documents as necessary and reasonable for Grantor to evaluate compliance. Grantee reserves the right to object to any request made under this Section as unnecessary, unreasonable or inappropriate under the circumstances.

7.5 Inspection of Facilities

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

7.6 False Statements

Any intentional false or misleading statement or representation in any report required by this Agreement may be deemed a material violation of this Agreement and may subject Grantee to all remedies, legal or equitable, which are available to Grantor under this Agreement or otherwise.

SECTION 8. PROGRAMMING

8.1 Broad Programming Categories

Grantee's cable television system shall provide the widest diversity of programming possible. Grantee shall provide at least the following broad categories of programming to the extent such categories are reasonably available:

(1) Educational programming;

(2) Washington State news and information;

(3) Sports;

(4) General entertainment (including movies);

(5) Children/family-oriented;

(6) Arts, culture and performing arts;

(7) Foreign language;

(8) Science/documentary;

(9) Weather information

(10) Programming addressed to diverse ethnic and minority interests in the Franchise Area;

(11) National, state, and local government affairs; and

(12) Local programming regarding the City/Clark County, as well as regional issues, events and affairs.

8.2 Parental Control Device

Upon request by any Subscriber, Grantee shall make available a parental control or lockout device, traps or filters 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.

8.3 Leased Access Channels

Grantee shall meet the requirements for Leased Access Channels imposed by federal law.

8.4 Continuity of Service

(A) It shall be the right of all Subscribers to continue to receive Cable Service from Grantee insofar as their financial and other obligations to Grantee are satisfied. Subject to the *force majeure* provisions of this Agreement, Grantee shall use its best efforts to ensure that all Subscribers receive continuous, uninterrupted Cable Service regardless of the circumstances.

(B) In the event of a change in ownership, or in the event a new Cable Operator acquires the Cable System in accordance with this Agreement, Grantee shall cooperate with Grantor and such new Cable Operator in maintaining continuity of service to all Subscribers.

8.5 Service for the Disabled

Grantee shall comply with the Americans with Disabilities Act, any amendments thereto and any other applicable federal, state or local laws or regulations.

SECTION 9: PUBLIC, EDUCATIONAL AND GOVERNMENTAL ACCESS

9.1 General Definitions

With respect to purposes of this section, the following definitions will apply with respect to Public, Educational and Governmental use of the Cable Channels as provided herein.

(A) The term "channel", as used in this Section, referencing access channels, refers to the channels designated for Public, Educational and Governmental (PEG) access use. The channels can be used to transmit signals in any format, and can be used to transmit audio

only, video, or other information (including, by way of example and not limitation, secondary audio, text, digital information, high definition signals and compressed signals). A non-standard NTSC use shall be subject to the Grantee's prompt prior review and approval to ensure that the use will not cause unreasonable technical interference with other channels. Such uses must be in furtherance of PEG uses. Additionally, there shall not be any lease of such PEG capacity without the express written permission of the Grantee.

(B) The term "Access Center" refers to a facility or facilities listed in Exhibit A where Public, Educational or Governmental use signals are managed and delivered to the Grantee for Downstream transmission to Subscribers, or to other Access Centers via a dedicated connection.

(C) "Designated Access Providers" refers to the entity or entities designated by the Grantor to manage or co-manage Public, Educational and Governmental use channels. The Grantor can be a Designated Access Provider.

(D) The term "Origination Point" refers to a location listed in Exhibit A, other than an Access Center, where Public, Educational and Governmental use programming is delivered to the Grantee for Upstream transmission.

(E) The term "PEG" refers to "Public, Educational and Governmental."

9.2 Management and Control of Access Channels

(A) Grantor may authorize Designated Access Providers to control and manage the use of any and all Access facilities provided by Grantee under this Agreement, including, without limitation, the operation of Access channels. To the extent of such designation by Grantor, as between the Designated Access Provider and Grantee, the Designated Access Provider shall have sole and exclusive responsibility for operating and managing such Access facilities. The Grantor or its designee may formulate rules for the operation of the Public Access channel, consistent with this Franchise; such rules shall not be designed to control the content of Public Access programming. Nothing herein shall prohibit the Grantor from authorizing itself to be a Designated Access Provider.

(B) Grantee shall cooperate with Grantor and Designated Access Providers in the use of the Cable System and Access facilities for the provision of PEG Access.

(C) Except as provided in this Franchise, the Grantor shall allocate Access resources to Designated Access Providers only. Grantee shall cooperate with the Grantor in such allocations, in such manner as the Grantor shall direct.

(D) If the Grantor designates new Access providers, or if a current Designated Access Provider moves its site or location at its own instigation after the effective date of this Franchise, the direct costs to construct the Cable System from the new site or location to the nearest distribution point of the Cable System shall not be the responsibility of Grantee and may be funded from the Capital Contribution under Section 9.9 of this Franchise.

9.3 Channel Capacity and Use

(A) Upon effective date of this Agreement, all Access channels provided for herein are administered by the Grantor or designee.

(B) Downstream channels. Grantee shall provide six (6) Downstream channels for distribution of Public, Educational, and Governmental Access programming. Grantee shall also provide one (1) closed discrete channel for use by Grantor; provided, however, use of the discrete channel shall terminate upon the activation of two (2) additional PEG access channels under Section 9.8 of this Franchise, or implementation of a mutually agreed upon alternative means to transport or transmit such discrete channel.

(C) Initially and throughout the term of this Franchise, Grantee shall provide operating Upstream channels sufficient to enable character generated, pre-recorded and live cablecasts from Origination Points and Access Centers listed in Exhibit A to enable the distribution of PEG Access programming to Residential Subscribers on Access channels and to all Interconnection points on the Cable System.

9.4 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 six (6) 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. PEG channels shall be made available on Grantee's channel lineup in the same manner as regular commercial channels. 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.

9.5 HD Channels

By October 1, 2013 or a later date mutually agreed upon by Grantee and Grantor, when Grantee no longer offers Basic Service in an analog format, Grantee shall simultaneously carry three (3) of the existing Access Channels in high definition (HD) format Channels for PEG Access use, in addition to simultaneously carrying the standard digital Access Channels provided under Section 9.4. 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. At the cost of the Designated Access Provider or Grantor, Grantee shall provide all necessary equipment including HD encoders or its equivalent outside or inside the demarcation point at the Designated Access Provider Channel origination point, at its Headend and hubs or similar distribution facilities necessary to deliver the Access Channel(s) in the HD format to Subscribers. PEG channels shall be made available on Grantee's channel lineup in the same manner as regular commercial channels. 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, 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.

(A) Additional HD Access Channels.

(1) Grantee shall provide and Activate up to one (1) 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 9.5 (A) (4), 12 months after the date set forth in Section 9.5.

(2) Grantee shall provide and Activate up to one (1) more of the existing Access Channels in HD format Access Channels, for a total of five (5) HD format Access Channels, subject to the conditions in Section 9.5 (A) (4), 24 months after the date set forth in Section 9.5.

(3) Grantee shall provide and Activate up to one (1) 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 9.5 (A) (4), 36 months after the date set forth in Section 9.5.

(4) Activation of HD format Access Channels under this Section 9.5 (A) shall occur under the following conditions:

(a) The Grantor shall notify Grantee in writing of its need to activate the HD format Access Channels under this Section and shall provide notice to Grantee that the following criteria have been met:

(i) At least 80% (eighty percent) of the basic service tier channels excluding PEG Access Channels are provided in HD format;

(ii) At least 80% (eighty percent) of the Access Programming carried on the SD format Channel, which the Grantor has identified as the Channel to be carried in a HD format Channel, has been produced in an HD format for any three-month time period prior to the notice provided under this Section;

(iii) Not more than 50% (fifty percent) of the Access Programming carried on the SD format Channel, which the Grantor has identified as the Channel to be carried in a HD format Channel, is character-generated only Programming for any three-month time period prior to the notice provided under this Section; and

(iv) At least twenty –five percent (25%) of Grantee's cable subscribers within the Franchise Area regularly views programming carried on the SD format Channel, which the Grantor has identified as the Channel to be carried in a HD format. For the purpose of this subsection, "regularly views" means viewing programs on the channel at least twice per month. A survey of Grantee's cable subscribers within the Franchise Area mutually agreed upon by Grantee and Grantor may be conducted, and the cost of the survey shall be shared equally between Grantor and Grantee. In lieu of the survey, the parties may mutually agree to utilize viewership data as may become available to Grantee on its Cable System.

(B) The HD format Access Channels provided under this Section are in addition to the SD format of those Access Channels provided for in Section 9.3. The provision of HD signals for PEG access programming shall not increase the total number of Channels for Access Programming. The total number of PEG Access Channels provided in this Franchise represents the total number of PEG Access channels available for combined use by City and Clark County and their respective Designated Access Providers and not separately or individually.

(C) Grantee shall have no more than 120 days from the date of the written notice under Section 9.5 (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.

(D) The Grantor acknowledges that receipt of HD format Access Channels may require Subscribers to buy or lease special equipment, or pay additional HD charges applicable to HD services. Grantee shall not be obligated to provide complimentary HD receiving equipment to institutional or courtesy accounts as a result of the obligations set forth in this Section 9.5.

9.6 Relocation of Access Channels

Grantee shall provide Grantor with a minimum of sixty (60) days' notice, and use its best efforts to provide one-hundred-twenty (120) days notice, prior to the time Public, Educational, and Governmental Access channel designations are changed. Grantee shall consult with Grantor prior to making a final determination regarding any changes in PEG Access channel designations/assignments. Any new channel designations for the Public, Educational and Governmental Access channels provided pursuant to this Agreement shall be in full compliance with FCC signal quality and proof of performance standards.

9.7 Access Interconnections

(A) Upon request by the Grantor, and based on a demonstrated need, Grantee shall work in good faith with the Grantor 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 Grantor 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 may be paid by the Grantor from the PEG capital fee or other arrangement.

(B) Grantee shall take all necessary technical steps to ensure that technically adequate signal quality and routing/switching systems are initially and continuously provided for all Access Interconnections. The cost for any equipment dedicated to Access Interconnection shall be shared on a pro rata basis or as mutually agreed upon among all participating jurisdictions and paid to Grantee.

9.8 Triggers for Expansion of Access Channels

(A) The Grantor may require Grantee to provide no more than two (2) additional activated Downstream channel for a particular type of PEG Access under this Section. When a channel for a particular type of PEG Access programming meets the criteria set forth below, Grantor may require Grantee to provide additional activated Downstream channel for that type of PEG Access under this Section. Upon Grantee's request a public hearing will be conducted regarding the need for an additional channel, to a total of eight (8) Access channels, as established by the criteria set forth below:

(1) Public Access channels: During any eight (8) consecutive weeks, the Public Access channel is in use for Locally Produced, Locally Scheduled Original Programming 80% of the time, seven (7) days per week, for any consecutive five (5) hour block during the hours from noon to midnight; or,

(2) Educational Access channels: During any eight (8) consecutive weeks, the Educational Access channel is in use for Locally Scheduled Original Programming 80% of the time, five (5) days per week, Monday through Friday, for any consecutive five (5) hour block during the hours from 6:00 a.m. to 11:00 p.m.; or,

(3) Governmental Access channels: During any eight (8) consecutive weeks, the Governmental Access channel is in use for Locally Scheduled Original Programming 80% of the time, five (5) days per week, Monday through Friday, for any consecutive five (5) hour block during the hours from 6:00 a.m. to 11:00 p.m.; and,

(4) The applicable PEG Access channel criteria as set forth in Subsections (1), (2) or (3) has been met, or exceeded, by the Grantor or its Designated Access Provider with responsibility for programming the PEG Access channel.

(C) For the purpose of Section 9.8:

(1) **"Locally Produced"** means programming produced in the Portland Vancouver/Clark County metropolitan area; and,

(2) **"Original Programming"** means Programming in its initial cablecast on the System or in its first or second repeat; and,

(3) **"Locally Scheduled"** means that the scheduling, selection and or playback of Original Programming on a per-program basis is determined in consultation with, or pursuant to the operating procedures of, the Designated Access Provider or, with respect to programming received from an Interconnection, the provider transmitting the programming over the Interconnection. However, carriage on any Access channel of all or a substantial portion of any non-local programming which duplicates programming otherwise carried by Grantee as a part of its basic or expanded basic Cable Services shall not be considered "Locally Scheduled."

9.9 Support for Access Capital Costs

(A) Except as otherwise provided herein, during the term of this Agreement, Grantee shall provide a maximum of one dollar ($1.00) per month, per Residential Subscriber (the "Capital Contribution") for Public, Educational and Governmental Access capital specifically for PEG Access facilities and equipment (and repair of such equipment), or such lesser amount if authorized by Grantor. The Capital Contribution shall be payable by Grantee to Grantor after (1) the approval of Grantor, if required, to the inclusion of the Capital Contribution on the bills of Residential Subscribers, including any requirements for approval pursuant to 47 C.F.R. Section 76.922, (2) notice to Grantee's Residential Subscribers of such inclusion, and (3) the collection of the Capital Contribution from such Residential Subscribers. Grantee shall make payments quarterly, following the effective date of this Agreement for the preceding quarter ending March 31, June 30, September 30, and December 31. Each payment shall be due and payable no later than forty-five (45) days following the end of the quarter. Grantor shall have discretion to allocate such payments for Access costs in accordance with applicable law.

At any time prior to the expiration of this Franchise but not sooner than January 1, 2015, the Grantor may submit to Grantee a business plan for the expansion or improvement of PEG access facilities and equipment with information such as costs and timetable for implementation.

Grantee shall review the business plan in good faith and shall consult with Grantor within 60 days of receipt of the plan. Grantor agrees to provide Grantee additional information and documentation reasonably requested by Grantee. At the request of Grantee, Grantor shall conduct a public hearing for the purpose of receiving public comment on the expansion or improvement of PEG access facilities and associated costs. Should Grantee and Grantor agree to terms and conditions through good faith negotiations regarding the expansion or improvement of PEG access facilities, the Capital Contribution for PEG access capital shall be adjusted to an amount up to a maximum of one and one-half percent (1.50%) of Gross Revenues from Cable Services provided to Residential Subscribers. Grantee shall implement the new Capital Contribution for PEG access capital no later than ninety (90) days after the effective date of the written agreement between Grantor and Grantee.

(B) The Grantor shall provide a report annually to the Grantee on the use of the funds provided to the Grantor under Section 9.9 (A). The first such report under this Franchise shall be submitted to the Grantee no later than January 1, 2014. Subsequent reports shall be submitted to the Grantee within one-hundred-twenty (120) days of the close of the Grantor's fiscal year. Grantee may review records of the Grantor and Designated Access Providers regarding the use of funds described in such report. Grantor agrees that the report shall document that, for each dollar ($1.00) spent on PEG Capital support for Access, an equivalent amount will be spent, in aggregate, by Grantor and Designated Access Providers on operating support for PEG Access.

(C) Grantee may conduct a financial review or audit for the purpose of verifying whether use of the PEG fee is in accordance with this Franchise. The Grantee shall notify the Grantor in writing at least thirty (30) days prior to the date of an audit or review and identify the relevant financial records of Grantor and the Designated Access Provider that Grantee wants to review. The time period of the review or audit shall be for PEG fee payments received no more than thirty-six (36) months prior to the date the Grantee notifies the Grantor of its intent to perform an audit or review. The Grantor and recipients of the PEG fee shall make such documents available for inspection and copying. Documents shall be reviewed during normal business hours at a time and place made available by the Grantor or the Designated Access Provider.

Grantee shall promptly provide the Grantor with written notice of the audit or review's conclusions and reasons therefor. The Grantor shall have sixty (60) days to provide a written response. If the Grantor 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 non-binding mediation or pursue any legal remedies. If it is determined that any PEG fee has not been used in accordance with this Franchise, then within 30 days, one of the following actions shall occur:

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

(a) That the recipient expend its unrestricted funds to achieve the stated purposes of the original PEG funding not spent in accordance with this Franchise; or,

(b) Upon demand, the recipient shall return the full amount of the PEG funding amount not spent in accordance with this Franchise to the PEG funding account.

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

(a) Directly reimburse the PEG funding account for the amount not spent in accordance with this Franchise; or,

(b) Allow the Grantee to reduce future PEG payments by the amount not spent in accordance with this Franchise.

(3) The decision as to which of these options to exercise, under this Section shall be at the Grantor's sole discretion.

9.10 Access Support Not Franchise Fees

(A) Grantee agrees that financial support for Access Capital Costs arising from or relating to the obligations set forth in this Section shall in no way modify or otherwise affect Grantee's obligations to pay franchise fees to Grantor. Grantee agrees that although the sum of Franchise Fees and the payments set forth in this Section may total more than five percent (5%) of Grantee's Gross Revenues in any 12-month period, the additional commitments shall not be offset or otherwise credited in any way against any franchise fee payments under this Agreement.

(B) Grantor recognizes franchise fees and certain additional commitments are external costs as defined under the Federal Communications Commission rate regulations in force at the time of adoption of this Franchise and Grantee has the right and ability to include franchise fees and certain other commitments on the bills of cable customers.

9.11 Access Channels On Lowest Tier

All Access channels provided to Subscribers under this Agreement shall be included by Grantee on its lowest tier available to Subscribers.

9.12 Change In Technology

Except as otherwise provided in Section 9.5 of this Agreement, in the event Grantee makes any change in the Cable System and related equipment and Facilities or in Grantee's signal delivery technology, which directly or indirectly substantially affects the signal quality or transmission of Access services or programming, Grantee shall, at its own expense, take necessary technical steps or provide necessary technical assistance, including the acquisition of all necessary equipment, and full training of Grantor's Access Personnel to ensure that the capabilities of Access services are not diminished or adversely affected by such change.

9.13 Technical Quality

Grantee shall maintain all Upstream and Downstream Access services, channels and Interconnections at the same level of technical quality and reliability required by this Agreement and all other applicable laws, rules and regulations for Residential Subscriber channels. Grantee shall provide routine maintenance and shall repair and replace all transmission equipment, including modulators, associated cable and equipment in use upon the effective date of this Franchise, necessary to carry a quality signal to and from Grantor's facilities.

SECTION 10. GENERAL STREET USE AND CONSTRUCTION

10.1 Construction

(A) Subject to applicable laws, regulations and ordinances of Grantor and the provisions of this Franchise, Grantee may perform all construction necessary for the operation of its Cable System. All construction and maintenance of any and all Grantee's facilities within Streets incidental to Grantee's Cable System shall, regardless of who performs the construction, be and remain 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, prior to issuance, all applicable fees of the requisite construction permits.

(B) Prior to beginning any construction, Grantee shall provide Grantor with a construction schedule for work in the Streets. All construction shall be performed in compliance with this Franchise and all applicable Grantor Ordinances and Codes. When obtaining a permit, Grantee shall inquire in writing about other construction currently in progress, planned or proposed, in order to investigate thoroughly all opportunities for joint trenching or boring. Whenever it is possible and reasonably practicable to joint trench or share bores or cuts, Grantee shall work with other providers, licensees, permittees and franchisees so as to reduce as far as possible the number of Street cuts.

(C) If the Grantee proposes street excavations or borings in order to install maintain, or alter its facilities, then Grantee shall apply for utility-street/right-of-way permit. If Grantee damages Grantor's underground facilities, then Grantee, at Grantee's cost, shall immediately repair the damaged facilities to as good as prior condition.

10.2 Location of Facilities

In doing work in the Street, Grantee shall comply with all applicable statutes, including but not limited to contacting the Utility Notification Center established pursuant to Chapter 19.122 RCW. Grantee shall further comply with applicable ordinances, standards, rules, regulations and ordinances of Grantor when excavating in the Street.

10.3 Relocation

(A) **Relocation Within Streets.** Grantor shall have the right to require Grantee to change the location of any part of Grantee's Cable System within the Streets when the public convenience requires such change, and the expense thereof shall be paid by Grantee. Should Grantee fail to remove or relocate any such facilities by the date established by Grantor, Grantor may effect such removal or relocation, and the expense thereof shall be paid by Grantee, including all costs and expenses incurred by Grantor due to Grantee's delay. If Grantor requires Grantee to relocate its facilities located within the Streets, Grantor shall make a reasonable effort to provide Grantee with an alternate location within the Streets.

If public funds, which Grantor received, are available to any other user of the Streets (except for Grantor) for the purpose of defraying the cost of relocating or removing facilities and Grantee relocates or removes its facilities as required by Grantor under this Franchise, the Grantor shall notify Grantee of such funding and will reimburse Grantee for such costs to the extent permitted or allowed by the funding source or applicable state law.

(B) **Movement of Cable System For and By Grantor**. The Grantor may remove, replace, modify or disconnect Grantee's facilities and equipment located in the public right-of-way or on any other property of the Grantor in the case of fire, disaster, or other emergency, or when a project of the Grantor's makes the removal, replacement, modification or disconnection necessary. Except during an emergency, the Grantor shall attempt to provide reasonable notice to Grantee prior to taking such action and shall, when feasible, provide Grantee with the opportunity to perform such action. Following notice by the Grantor, Grantee shall remove, replace, modify or disconnect any of its facilities or equipment within any Street, or on any other property of the Grantor, except that the Grantor shall provide at least sixty (60) days' written notice of any major capital improvement project which would require the removal, replacement, modification or disconnection of Grantee's facilities or equipment. If the Grantee fails to complete this work within the time prescribed and to the Grantor's satisfaction, the Grantor may cause such work to be done and bill the reasonable cost of the work to the Grantee. Within thirty (30) days of receipt of an itemized list of those costs, the Grantee shall pay the Grantor. If in response to a request by the Grantor the Grantee removes or replaces any portion of its Cable System at its own expense in order to accommodate the installation or repair of a communications system used by the Grantor to provide commercial services in competition with Grantee, then Grantor shall reimburse Grantee for the reasonable expense of the removal or replacement.

(C) **Movement for Other Franchise Holders**. If any removal, replacement, modification or disconnection is requested by another franchise holder to accommodate the construction, operation or repair of the facilities or equipment of such other franchise holder, Grantee shall, after at least thirty (30) days' advance written notice, take action to effect the necessary changes requested by the responsible entity. Grantee and such other franchise holder shall determine how costs associated with the removal or relocation shall be allocated.

(D) **Movement for Other Permittees**. At the request of any Person holding a valid overlegal load or structure move permit issued by Grantor, and upon reasonable advance notice, Grantee shall temporarily raise, lower or remove its wires as necessary to permit the moving of a building, vehicle, equipment or other item. The expense of such temporary changes must be paid by the permit holder, and Grantee may require a reasonable deposit of the estimated payment or payment of the full amount in advance.

10.4 Restoration of Streets and Property

(A) **Disturbance of Street Surface**. Whenever Grantee disturbs the surface of any Street for any purpose, Grantee shall promptly restore the Street in accordance with applicable ordinances, standards, rules, and regulations of Grantor. When any opening is made by Grantee in a hard surface pavement in any Street, Grantee shall refill within twenty-four (24) hours the opening and restore the surface to a condition satisfactory to Grantor.

(B) **Street Excavations.** If Grantee excavates the surface of any Street, Grantee shall be responsible for restoration in accordance with applicable ordinances, standards, rules, and regulations of Grantor within the area affected by the excavation. Grantor may, after providing notice to Grantee, refill or repave any opening made by Grantee in the Street, and the expense thereof shall be paid by Grantee. Grantor may, after providing notice to Grantee, perform any required work, or remove or repair any work done by Grantee which, in the determination of Grantor, is inadequate. The cost thereof, including the costs of inspection and supervision, shall be paid by Grantee. All excavations made by Grantee in the Streets shall be properly safeguarded for the prevention of accidents. All of Grantee's work under this Agreement, and this Section in particular, shall be done in compliance with applicable rules, regulations and ordinances of Grantor. Prior to making any Street or right-of-way cuts or openings, Grantee shall obtain the required construction permit from Grantor.

(C) **Protection, Repair and Restoration of Property**.

(1) The Grantee shall protect public and private property from damage in connection with construction, maintenance and repair of its Cable System. If damage occurs the Grantee shall promptly notify the property owner within twenty-four (24) hours in writing.

(2) If public or private property is disturbed or damaged, the Grantee shall restore the property to as good as the former condition, normal wear and tear excepted. Streets or other Grantor property shall be restored, in a manner consistent with applicable ordinances, standards, rules and regulations of Grantor. If restoration of Street or other property of the Grantor is not satisfactorily performed within a reasonable time, the Director of Public Works may, after prior notice to the Grantee, or without notice where the disturbance or damage may create an immediate risk to public health or safety, or cause delay or added expense to a public project, cause the repairs to be made at the Grantee's expense and recover the cost of those repairs from the Grantee. Within thirty (30) days of receipt of an itemized list of those costs, including the costs of labor, materials and equipment, the Grantee shall pay the Grantor. If suit is

brought upon Grantee's failure to pay for repair or restoration, and if judgment in such a suit is entered in favor of the Grantor, then the Grantee shall pay all of the Grantor's actual costs and expenses resulting from the non-payment, including damages, interest from the date the bill was presented, disbursements, attorneys' fees and litigation-related costs. Private property must be restored promptly, considering the nature of the work that must be performed and in no event later than seventy-two (72) hours except for circumstances beyond Grantee's control.

(D) **Notice – Private Property.** Prior to entering onto private property to construct, operate or repair its Cable System, Grantee shall give the Person residing on or using the property adequate written notice (such as a door hanger which clearly identifies the anticipated construction) that it intends to work on the property, a description of the work it intends to perform and a name and phone number the Person can call to protest or seek modification of the work. Work shall be done in a manner that causes the least interference with the rights and reasonable convenience of property owners, residents and users.

10.5 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 Grantor, or with any other pipes, wires, conduits, pedestals, structures, equipment or other facilities that may have been laid in the Streets by, or under, Grantor's authority.

(B) Grantee shall provide and use any equipment necessary to control and carry Grantee's cable television signals so as to prevent injury to Grantor's property or property belonging to any Person. Grantee, at its own expense, shall repair, change and improve its facilities to keep them in good repair, and safe and presentable condition.

10.6 Reservation of Grantor Street Rights

(A) Nothing in this Agreement shall prevent Grantor or utilities owned, maintained or operated by public entities other than Grantor, from constructing or repairing sewers; grading, paving, repairing or altering any Street; constructing, repairing or removing water mains, sewers, surface water or storm sewers; or constructing, repairing, 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.

(B) However, if any of Grantee's Cable System interferes with the construction or repair of any Street or public improvement, including, but not limited to construction, repair or removal of a water mains, sewers, surface water or storm sewers, Grantee shall remove or replace Grantee's Cable System in the manner Grantor shall direct. Should Grantee fail to remove, adjust or relocate its facilities within a reasonable period of time established by Grantor in its written notice to Grantee, Grantor may effect such removal, adjustment or relocation, and the expense thereof shall be paid by Grantee, including all reasonable costs and expenses incurred by Grantor due to Grantee's delay. Grantor shall in no event be liable for any damage to any portion of

Grantee's Cable System on account of the removal, adjustment or relocation of Grantee's facilities pursuant to this subsection.

10.7 Use of Conduits by Grantor

Grantor may install or affix and maintain wires and equipment owned by Grantor for municipal purposes in or upon any and all of Grantee's ducts, or conduits in the Streets and other public places without charge to Grantor, only to the extent space therein or thereon is reasonably available and feasible without compromising the integrity of the Cable System or facility, and pursuant to all applicable ordinances, standards, rules and regulations of Grantor, provided that use of such additional duct or conduit shall not be used by Grantor to provide commercial services in competition with Grantee or its affiliates. Grantor may contract with Grantee for a fee prior to when Grantee is constructing, relocating, or replacing ducts or conduits in the Streets, in order to provide Grantor with additional and separate duct or conduit and related structures necessary to access the duct or conduit, provided that use of such additional duct or conduit shall not be used by Grantor to provide commercial services in competition with Grantee or its affiliates.

10.8 Street Vacation

If any Street or portion thereof used by Grantee is vacated by Grantor during the term of this Agreement, unless Grantor specifically reserves to Grantee the right to continue its installation in the vacated Street, Grantee shall, without delay or expense to Grantor, 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 Grantor. In the event of failure, neglect or refusal of Grantee, after thirty (30) days' notice by Grantor, to restore, repair or reconstruct such Street, Grantor may do such work or cause it to be done, and the reasonable cost thereof shall be paid by Grantee within thirty (30) days of receipt of an invoice and documentation, and failure to make such payment shall be considered a material violation of this Agreement.

10.9 Discontinuing Use of Facilities

Whenever Grantee intends to discontinue using any facility within the Streets, Grantee shall submit for Grantor's approval a complete description of the facility and the date on which Grantee intends to discontinue using the facility. Grantee may remove the facility or request that Grantor allow it to remain in place. Notwithstanding Grantee's request that any such facility remain in place, Grantor may require Grantee to remove the facility from the Street or modify the facility to protect the public health, welfare, safety, and convenience, or otherwise serve the public interest. Grantor may require 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 Grantor. Until such time as Grantee removes or modifies the facility as directed by Grantor, 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. If Grantee abandons its facilities, Grantor may choose to use such facilities for any purpose whatsoever including, but not limited to, public, governmental, or educational purposes.

10.10 Hazardous Substances

(A) Grantee shall comply with all applicable local, state and federal laws, statutes, regulations and orders concerning hazardous substances relating to Grantee's Cable System in the Streets.

(B) Grantee shall maintain and inspect its Cable System located in the Streets. Upon reasonable notice to Grantee, Grantor may inspect Grantee's facilities in the Streets to determine if any release of hazardous substances has occurred, or may occur, from or related to Grantee's Cable System. In removing or modifying Grantee's facilities as provided in this Agreement, Grantee shall also remove all residue of hazardous substances related thereto.

10.11 Undergrounding of Cable

(A) Wiring.

Where all electric and telephone utility wiring is installed underground at the time of Cable System construction, or when all such wiring is subsequently placed underground, Grantee's Cable System lines or wiring and equipment shall also be placed underground on a nondiscriminatory basis with other wire line service at no additional expense to the Grantor. Related Cable System equipment such as pedestals must be placed in accordance with applicable ordinances, standards, rules, and regulations of Grantor. However, nothing in this Franchise shall be construed to require Grantee to place underground its pedestals, appurtenances and equipment. In areas where electric or telephone utility wiring is aerial, the Grantee may install aerial cable, except when a property owner or resident requests underground installation and agrees to bear the additional cost in excess of aerial installation.

(B) Poles, Conduit and Equipment.

(1) The Grantee shall utilize existing poles and conduit wherever possible.

(2) This Agreement does not grant, give or convey to the Grantee the right or privilege to install its facilities in any manner on specific utility poles or equipment of the County or any other Person without their permission. Grantor may request copies of agreements for use of poles, conduits or other utility facilities upon demonstrated need and subject to protecting Grantee's proprietary information from disclosure to third parties.

10.12 Codes

Grantee shall adhere to all applicable 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 not cause unreasonable interference with the use of said public or private property by any Person. In the event of such interference, Grantor may require the removal or relocation of Grantee's lines, cables and other appurtenances from the property in question.

10.13 Standards

(A) All work authorized and required hereunder shall be done in a safe, thorough and workmanlike manner. The Grantee must comply with all safety requirements, rules and practices and employ all necessary devices as required by applicable law during construction, operation and repair of its Cable System. By way of illustration and not limitation, the Grantee must comply with applicable National Electric Code, National Electrical Safety Code and Occupational Safety and Health Administration (OSHA) Standards.

(B) Grantee shall ensure that the drops are properly bonded to the electrical power ground at the home, consistent with the applicable requirements of the National Electric Code and the National Electrical Safety Code. All non-conforming or non-performing drops shall be replaced by Grantee as necessary.

10.14 Tree Trimming. Subject to acquiring prior written permission of the Grantor, the Grantee shall have the authority to trim trees that overhang a Street of Grantor so as to prevent the branches of such trees from coming in contact with its Cable System, in accordance with applicable codes and regulations and current, accepted professional tree trimming practices.

SECTION 11. SYSTEM DESIGN

11.1 Subscriber Network

As of the effective date of this Franchise, the Cable System utilizes a fiber to the node architecture. All active electronics will be 750 MHz capable equipment, or equipment of higher bandwidth.

The Cable System is two-way capable and able to support two-way high speed cable modem service via the Cable System. Passive devices will pass a minimum bandwidth of 750MHz.

As of the effective date of this Franchise, the Cable System is capable of delivering as many as 200 channels or more including but not limited to digital music and video on demand to Subscribers.

11.2 Institutional Network

(A) As part of the completion of an upgrade of the Cable System by Grantee's predecessor under the franchise granted in 1997, an Institutional Network (I-NET) was constructed by Grantee's predecessor according to the terms and conditions of the 1997 franchise. Grantee shall continue to offer a managed I-NET service according to the terms and conditions set forth herein.

(1) Grantee shall operate an Institutional Network (I-NET), independent of, or in conjunction with, the residential Subscriber network for the purpose of providing institutional services to local publicly funded institutional subscribers (Institutional Subscribers) within the Franchise Area. The network will be an optical fiber based I-NET that is managed by the Grantee. Grantee shall not be prohibited from serving commercial subscribers on the I-NET. Grantee shall have no obligation to construct or operate an I-NET to provide institutional services, beyond installation of fiber capacity to the service node, unless and until Institutional Subscribers contract with Grantee to provide services, providing the Grantee with a reasonable return on investment. Grantee shall charge Institutional Subscribers the lowest competitive prices for hardware and substantially same services delivered as compared to other telecommunications providers. Notwithstanding anything to the contrary, Institutional Subscribers may contract with Grantee or its affiliate for the provision of I-NET or similar services on a separate fiber network than that provided under this Franchise at any time during the term of this Franchise.

(2) The parties agree that:

(a) Grantee shall initially continue to provide an Institutional Network capable of providing a minimum of one (1) Gigabit per second (Gbps) connections per Site, with an aggregate backbone transport rate of a minimum of two (2) Gbps. The parties agree that:

(b) The Grantor, on behalf of Institutional Subscribers, or Institutional Subscribers themselves, may provide Grantee with additional sites interested in being Institutional Subscribers, relocation of existing sites, or deletion of existing sites. The information provided will include the Institutional Subscriber's name, address, a Site coordinator and phone number for each Site coordinator. Each Site shall have a designated interior point of demarcation for the I-NET within the building (interior hub site).

(c) Grantee will consult with each site's coordinator and the sponsoring Institutional Subscriber. Grantee will assess the I-NET requirements for hardware and signal transport capacity for each additional Site, based on the Institutional Subscriber's determination of the minimum and maximum bandwidth requirements for each Site.

(d) Grantee will provide a cost estimate for each additional or relocated Site to the Grantor or Institutional Subscriber, as applicable, within ninety (90) days of receipt of notification from the Grantor or Institutional Subscriber. The estimates will provide the following:

(i) A construction portion of the estimate which will detail the cost for construction from the Site to the nearest I-NET hub or its equivalent. Costs associated with the construction shall be the responsibility of the Institutional Subscriber.

(ii) An installation portion of the estimate which will detail the costs for Site hardware installation (not including the transport edge, switch or distribution network hardware which is included in the signal transport described below) and interior Site wiring, taking into consideration existing interior Site wiring and equipment already owned by the Site that the Site wants to incorporate into its use of the I-NET. Grantee will make a good faith effort to incorporate such wiring and equipment provided that Grantee will not warranty performance and use of such existing equipment or wiring. Costs associated with the installation will be the responsibility of the Institutional Subscriber.

(iii) The Signal Transport estimate will provide monthly costs for the Site, providing for bandwidth use on the distribution network, distribution network hardware, ongoing network maintenance and construction. The estimates provided under this Section shall be in the form of contract options for each Institutional Subscriber based on three (3) year term agreements for signal transport services. The monthly fee within the contract proposal will cover costs associated with the distribution network, distribution network hardware, network management and maintenance of the I-NET for the term of the contract. Costs associated with this Subsection will be the responsibility of the Institutional Subscriber.

(e) The Grantor or Institutional Subscriber will notify Grantee in writing of its acceptance of the estimates within 30 days of receipt. Within one hundred twenty (120) days of receipt of the acceptance and execution of the contract for service by Grantor or Institutional Subscriber, Grantee will make the Site available for use by Grantor or Institutional Subscriber subject to circumstances beyond Grantee's control as provided in Section 19.8.

(f) As part of the discussions regarding contract options as provided in Section 11.2(2)(e) above, Grantee and Institutional Subscriber will discuss the rate and rate structure for the level of service and associated installation and equipment.

(g) Grantee agrees that PEG capital support provided for under this Franchise can be used for the construction and installation, purchase of hardware, and use of the I-NET or for similar services on separate fiber network as provided in Section 11.2(A) (1).

(h) Ownership of the I-NET distribution system facilities will remain with Grantee. Pursuant to the terms and conditions of this Franchise, so long as it is economically feasible, Grantee agrees to provide a managed I-NET for as long as Grantee is a provider of franchised cable television services or similar services in the Franchise Service area. Except for

trouble calls and malfunctions determined to have been caused by the Grantor or Institutional Subscribers, including but not limited to trouble calls related to equipment incompatibility, Grantee will be responsible for maintenance, repair and management of the I-NET in accordance with the terms and conditions of the agreement between Grantee and Institutional Subscriber. If the Grantor so directs, the I-NET facilities may be augmented, rearranged or upgraded by Grantee after installation, in which case the Grantor or Institutional Subscribers shall compensate Grantee at its then prevailing rate.

(i) The I-NET is a private communications network governed by this Franchise and the Cable Act. The Grantor and Institutional Subscribers shall use the I-NET solely for non-commercial applications and purposes. Institutional Subscribers shall not attach any equipment or otherwise use the I-NET in any way that will interfere with the signal quality and the normal operation of Grantee's Cable System in conformity with this Franchise or FCC regulations. . The Grantor and Institutional Subscribers shall not resell access to the I-NET or sell services utilizing the I-NET to third parties in competition with Grantee.

B. In the event that the Grantor provides commercial Cable Services or I-Net Services to Residential Subscribers or business customers in competition with Grantee, on a wholesale or retail basis, during the term of this Franchise, then Grantee shall have the rights provided to Grantee in this Section. Should Grantee determine that Grantor is providing or offering to provide such services during the term of this Franchise, Grantee will provide Grantor with written notice of such determination. Such notice period shall be for the purposes of determining whether such services are, in fact, being provided, and, if so, to negotiate within a reasonable period of time 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. In the case of Grantor activating or providing such services during the term of this Franchise prior to Grantee discovering the same, the reasonable period of time to discuss whether such services are being offered or provided by Grantor and for transition of existing I-Net Subscribers to alternative service arrangements shall be no longer than nine (9) months.

Following the expiration of the transition period addressed above, Grantee shall have the right to discontinue I-Net Services under this Section and Grantor shall discontinue use of PEG Capital funds in support of I-Net Capital Costs under Section 11.2 (A) (2) (g) of this Franchise. Grantee will provide Grantor written notice of discontinuance of I-Net services and Grantor's use of PEG Capital funds in support of I-Net Capital Costs.

An "offering" of services under this Section 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 (1) the provision of Internet or telephone services by Grantor to its tenants in conjunction with the occupancy of any facility owned or leased by Grantor where such services are exclusively provided by Grantor pursuant to a lease agreement; (2) the Grantor's provision of data or communication services for public emergency services, law enforcement and transportation management to state or federal offices within the Franchise area; (3) data or communication services to local governmental entities that are geographically adjacent to Grantor and where

such services are unique and available from Grantor such as GIS mapping, 911 communications, Assessor and Treasurer information, and traffic management offered to support the other local governmental entity's functions and communications; (4) data or communication services for certain local non-profit agencies listed in Exhibit B that provide services specifically supporting Grantor's programs and are designated as such by Grantor; or (5) the provision of non-commercial data or communication services provided by the Grantor to itself. At anytime during the term of this Franchise, the Grantor may request that certain data or communication services provided to additional entities including local non-profits not specified herein be deemed not in competition with Grantee, and Grantee will discuss in good faith with Grantor to determine whether such service to that entity is or is not in competition with Grantee.

Grantee agrees and acknowledges that the Grantor's existing communication networks and the provision of communication services in effect as of the effective date of this Franchise are not in competition with Grantee within the meaning of this Section.

(C) I-Net Not Common Carrier. Nothing in this Franchise or Section 11.2 hereof shall be deemed by the Grantor 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.

Notwithstanding any provision to the contrary, if at any time it is determined by a court or agency or legislature of competent and controlling jurisdiction that the use or provision of the I-Net constitutes a Telecommunications Service, or that the provision of the I-Net by Grantee in accordance with this Franchise is unlawful, such use or provision of the I-Net shall be terminated, amended, or otherwise transitioned to another provider as may be agreed upon by the parties. For the purpose of this Section, "Telecommunications Service" means the offering of telecommunications for a fee directly to the public or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

SECTION 12. Test and Compliance Procedures

Upon request, Grantee shall advise Grantor of schedules and methods for testing the Cable System on a regular basis to determine compliance with the provisions of applicable FCC technical standards. Tests may be witnessed by representatives of Grantor, and written test reports may be made available to Grantor upon request.

As required by FCC Rules, Grantee shall conduct proof of performance tests and cumulative leakage index tests designed to demonstrate compliance with FCC requirements. Grantee shall provide Grantor summary written reports of the results of such tests.

SECTION 13. SERVICE EXTENSION, CONSTRUCTION, AND INTERCONNECTION

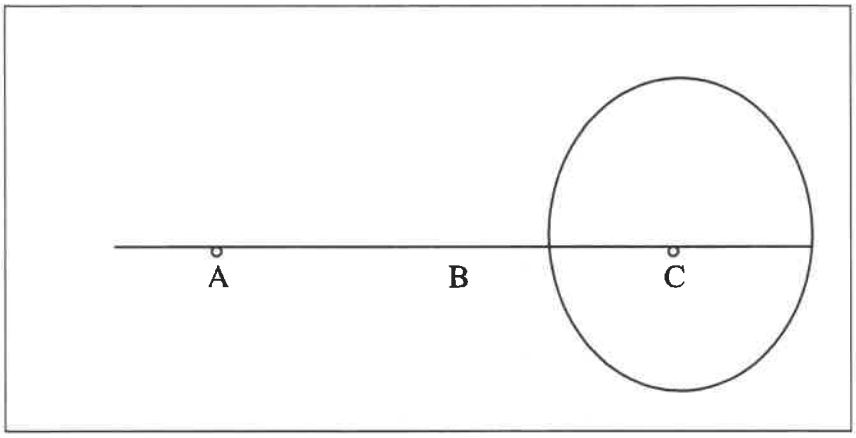
13.1 Equivalent Service

It is Grantee's general policy that all residential dwelling units in the Franchise Area have equivalent availability to Cable Service from Grantee's Cable System under nondiscriminatory rates and reasonable terms and conditions. Grantee shall not arbitrarily refuse to provide Cable Service to any Person within its Franchise Area, provided that Grantee is authorized to activate the upgraded system node by node.

13.2 Service Availability

(A) New Construction. Except for circumstances beyond Grantee's control and subject to Section 13.2 (B) and (C), Grantee shall provide Cable Service within sixty (60) days in newly constructed areas. For purposes of this Section, a request shall be deemed made on the date of signing a service agreement, receipt of funds by Grantee, receipt of a written request by Grantee or receipt by Grantee of a verified verbal request.

(B) Required Extensions of Service. The Cable System, as constructed as of the date of the passage and final adoption of this Franchise, substantially complies with the material provisions hereof. Whenever the Grantee shall receive a request for service from a potential customer where there are at least thirty (30) residences within one (1) cable mile located at least one-half (1/2) mile from Grantee's trunk or distribution cable (as illustrated below), it shall extend its Cable System to such customers at no cost to said customers for Cable System extension, other than the usual connection fees for all customers within ninety (90) days except for circumstances beyond Grantee's control, provided that such extension is technically feasible, and if it will not adversely affect the operation, financial condition, or market development of the Cable System, or as provided under Section 2.6 of this Franchise.



A: end of Grantee's trunk or distribution cable:
B: one-half mile
C: one cable mile diameter area

(C) Customer Charges for Extensions of Service. No customer shall be refused service arbitrarily. However, for a cable drop that extends for more than 125 feet from Grantee's distribution cable for connection of service to a customer or customer requests to locate his cable drop underground, the customer shall be responsible for the cost of such extension of cable drop or undergrounding of cable drop. In circumstances where there exists a density of less than thirty (30) residences per one (1) cable mile located at least one-half (1/2) mile from Grantee's trunk or distribution cable, cable service may be made available on the basis of a capital contribution in aid of construction, including cost of material, labor, and easements. For the purpose of determining the amount of capital contribution in aid of construction to be borne by the Grantee and customers in the area in which service may be expanded, the Grantee will contribute an amount equal to the construction and other costs per mile, multiplied by a fraction whose numerator equals the actual number of residences per one (1) cable mile located at least one-half (1/2) mile from Grantee's trunk or distribution cable and whose denominator equals thirty (30) residences. Customers who request service hereunder will bear the remainder of the construction and other costs on a *pro rata* basis. The Grantee may require that the payment of the capital contribution in aid of construction borne by such potential customers be paid in advance.

13.3 Connection of Public Facilities

As voluntary initiative, Grantee shall, at no cost to Grantor, provide at least one (1) outlet of Basic and expanded basic programming or its equivalent to all Grantor's buildings, as designated by the Grantor, and all libraries and Schools passed by the Cable System within the Franchise Area, except for home schools and buildings or facilities housing jail populations. In addition, Grantee shall provide, at no cost to the Grantor or other agency, one (1) outlet of Basic and expanded basic programming or its equivalent to all future public buildings passed by the Cable System within the Franchise Area if the drop line to such building does not exceed one-hundred twenty-five (125) cable feet or if Grantor or other agency agrees to pay the incremental cost of such drop line in excess of one-hundred twenty-five (125) cable feet, including the cost of such excess labor and materials. Outlets of Basic and expanded basic programming provided in accordance with this subsection may be used to distribute Cable Service throughout such buildings at the cost of Grantor or agency, provided such distribution can be accomplished without causing Cable System disruption and general technical standards are maintained. The Cable Service provided in this Section shall not be used for commercial purposes, and such outlets shall not be located in areas open to the public. The Grantor shall take reasonable precautions to prevent any use of the Grantee's Cable System in any manner that results in the inappropriate use thereof or any loss or damage to the Cable System. The Grantor shall hold the Grantee harmless from any and all liability or claims arising out of the provision and use of Cable Service required by this Section. If additional outlets of Basic Cable and expanded basic service and other services are provided to such buildings, the building owner/occupant shall pay Grantee's usual installation and service fees.

SECTION 14. STANDBY POWER

Grantee shall provide standby power generating capacity at the Cable System Headend capable of providing at least twelve (12) hours of emergency operation. Grantee shall maintain standby power system supplies, rated for at least two (2) hours duration, throughout the trunk and distribution networks. In addition, throughout the term of this Agreement, Grantee shall have a plan in place, along with all resources necessary for implementing such plan, for dealing with outages of more than two (2) hours.

SECTION 15. FRANCHISE VIOLATIONS; REVOCATION OF FRANCHISE

15.1 Procedure for Remedying Franchise Violations

(A) If Grantor believes that Grantee has failed to perform any obligation under this Agreement or has failed to perform in a timely manner, Grantor shall notify Grantee in writing, stating with reasonable specificity the nature of the alleged violation. Grantee shall have thirty (30) days from the date of receipt of such notice to:

(1) Respond to Grantor, contesting Grantor's assertion that a violation has occurred, and request a hearing in accordance with subsection C below; or

(2) Cure the violation; or

(3) Notify Grantor that Grantee cannot cure the violation within the thirty (30) days, because of the nature of the violation and notify the Grantor in writing of what steps the Grantee shall take to cure the violation including the Grantee's projected completion date for such cure. In such case, Grantor shall set a hearing date within thirty (30) days of receipt of such response in accordance with subsection (B) below.

(B) In the event that the Grantee notifies the Grantor that it cannot cure the violation within the thirty (30) day cure period, Grantor or its designee may set a public hearing within thirty (30) days of Grantor's receipt of such notice to review and determine whether the Grantee has taken reasonable steps to cure the violation and whether the Grantee's proposed plan and completion date for cure are reasonable. In the event such plan and completion date are found to be reasonable, the same shall be approved by the Grantor, who may waive all or part of the liquidated damages for such extended cure period in accordance with the criteria set forth in subsection (E) of this section.

(C) In the event that the Grantee fails to cure the violation within the thirty (30) day basic cure period, or within an extended cure period approved by the Grantor or designee pursuant to subsection (B), the Grantor or designee shall set a public hearing to determine what sanctions shall be applied. In the event that the Grantee contests the Grantor's assertion that a violation has occurred, and requests a hearing in accordance with subsection (A)(1) above, the Grantor or designee shall set a public hearing within sixty (60) days of the Grantor's receipt of the hearing request to determine whether the violation has occurred, and if a violation is found, what sanctions shall be applied.

(D) In the case of any hearing pursuant to this Section, Grantor shall notify Grantee of the hearing in writing and at the hearing, Grantee shall be provided an opportunity to be heard and to present evidence in its defense. The Grantor shall also hear any other Person interested therein.

(E) The liquidated damages set forth in Section 15.3 of this Agreement may be reduced at the discretion of the Grantor or designee, taking into consideration the nature, circumstances, extent and gravity of the violation as reflected by one or more of the following factors:

(1) Whether the violation was unintentional;

(2) Whether substantial harm resulted;

(3) Whether there is a history of prior violations of the same or other requirements;

(4) Whether there is a history of overall compliance; and/or

(5) Whether the violation was voluntarily disclosed, admitted or cured.

(F) If, after the public hearing, Grantor or designee determines that a violation exists, Grantor or designee may utilize one or more of the following remedies:

(1) Order Grantee to correct or remedy the violation within a reasonable timeframe as Grantor or designee shall determine;

(2) Establish the amount of liquidated damages set forth in Section 15.3, taking into consideration the criteria provided for in subsection (E) of this Section; provided that amounts in excess of fifty thousand dollars ($50,000) shall be subject to Subsection (G) of this Section;

(3) Revoke this Agreement, subject to subsection (G) of this Section; and/or

(4) Pursue any other legal or equitable remedy available under this Franchise or any applicable law.

(G) This Agreement shall not be revoked nor shall liquidated damages in an amount in excess of fifty thousand dollars ($50,000) be imposed except by County Board of Commissioners after notice and hearing as set forth in this Section.

(H) The determination as to whether a violation of this Agreement has occurred shall be within the sole discretion of the Grantor or its designee, provided that any such final determination shall be subject to review by a court of competent jurisdiction under applicable law.

15.2 Revocation

(A) In addition to all other rights and powers retained by the Grantor under this Franchise or otherwise, the Grantor reserves the right to revoke this Franchise and all rights and privileges of the Grantee hereunder, in whole or in part, in the event of a material violation of its terms and conditions. A material violation by the Grantee shall include, but shall not be limited to, the following:

(1) Violation of any material provision of this Franchise, or any material rule, order, regulation or determination of the Grantor or authorized agent made pursuant to this Franchise;

(2) Attempt to evade any material provision of this Franchise or to practice any fraud or deceit upon the Grantor or its Subscribers;

(3) Failure to restore service after forty-eight (48) consecutive hours of interrupted service system-wide, except when approval of such interruption is obtained from the Grantor or designee or;

(4) Material misrepresentation of fact in the application for or negotiation of this Franchise.

15.3 Liquidated Damages

(A) Amounts. Because the Grantee's failure to comply with provisions of the Agreement will result in injury to the Grantor, and because it will be difficult to estimate the extent of such injury in certain instances, the Grantor and the Grantee agree to the following liquidated damages for the following violations. These damages represent both parties' best estimate of the damages resulting from the specified injury.

(1) For failure to extend Cable Service within the Franchise Area as required in this Franchise: two-hundred fifty dollars ($250) per incident per day.

(2) For failure to provide for Public, Educational, and Governmental Access Channels required in this Franchise: five-hundred dollars ($500) per incident per day.

(3) For violation of applicable customer service standards: two hundred fifty dollars ($250) per incident per day.

(4) For all other material violations of this Franchise, other than those specified in this section, for which actual damages may not be ascertainable: one-hundred fifty dollars ($150) per incident per day for such material provision of this Franchise that is violated.

For the purposes of this Section, the term "per incident" means a single occurrence of a material violation without regard to number of customers.

(B) Date of Violation, Notice and Opportunity to Cure. The date of violation will be the date of the event and not the date the Grantee receives notice of the violation, provided, if Grantor has actual knowledge of the violation and fails to give the Grantee the notice called for herein, then the date of the violation shall be no earlier than ten (10) business days before the Grantor gives Grantee the notice of the violation. The Grantor must provide written notice of a violation. Upon receipt of notice, the Grantee will have a period of thirty (30) days to cure the violation or thirty (30) days to present to the Grantor a reasonable remedial plan. The Grantor shall decide whether to accept or reject the remedial plan presented by the Grantee. Liquidated damages occur only in the event that either a cure has not occurred within thirty (30) days or the Grantor rejects the remedial plan. The procedures provided in Section 15, shall be utilized to impose any liquidated damages.

(C) Collection of Liquidated Damages. The collection of liquidated damages by the Grantor shall in no respect affect:

(1) Compensation owed to Subscribers; or

(2) The Grantee's obligation to comply with all of the provisions of this Agreement or applicable law; or

(3) Equitable remedies available to the Grantor, provided that collection of liquidated damages shall be the exclusive monetary remedy for the particular incident for which it is imposed other than reasonable attorney fees and costs if applicable.

15.4 Removal

(A) In the event of revocation of this Franchise, pursuant to Section 15.2 of this Franchise, or expiration, following the renewal process pursuant to Section 17.1 of this Franchise, Grantor may order the removal of the above-ground Cable System facilities and such underground facilities as required by Grantor in order to achieve reasonable engineering or Street-use purposes, from the Franchise Area at Grantee's sole expense within a reasonable period of time as determined by Grantor. In removing its plant, structures and equipment, Grantee shall refill, at its own expense, any excavation that is made by it and shall leave all Streets, public places and private property in as good a condition as that prevailing prior to Grantee's removal of its equipment.

(B) If Grantee fails to complete any required removal to the satisfaction of Grantor, Grantor may cause the work to be done and Grantee shall reimburse Grantor for the reasonable

costs incurred within thirty (30) days after receipt of an itemized list of the costs or Grantor may recover the costs through the Performance Bond provided by Grantee.

15.5 Receivership and Foreclosure

(A) At the option of Grantor, subject to applicable law, this Agreement may be revoked one-hundred twenty (120) days after the appointment of a receiver or trustee to take over and conduct the business of Grantee whether in a receivership, reorganization, bankruptcy or other action or proceeding unless:

(1) The receivership or trusteeship is vacated within one-hundred twenty (120) days of appointment; or

(2) The receiver(s) or trustee(s) have, within one-hundred twenty (120) days after their election or appointment, fully complied with all the terms and provisions of this Agreement, and have remedied all violations under the Agreement. Additionally, the receiver(s) or trustee(s) shall have executed an agreement duly approved by the court having jurisdiction, by which the receiver(s) or trustee(s) assume and agree to be bound by each and every term and provision of this Agreement.

(B) If there is a foreclosure or other involuntary sale of the whole or any part of the plant, property and equipment of Grantee, Grantor may serve notice of revocation on Grantee and to the purchaser at the sale, and the rights and privileges of Grantee under this Agreement shall be revoked sixty (60) days after service of such notice, unless:

(1) Grantor has approved the transfer of the Agreement, in accordance with the procedures set forth in this Agreement and as provided by law; and

(2) The purchaser has agreed with Grantor to assume and be bound by all of the terms and conditions of this Agreement.

15.6 No Recourse Against Grantor

Grantee shall not have any monetary recourse against Grantor or its officials, boards, commissions, agents or employees for any loss, costs, expenses or damages arising out of any provision or requirement of this Agreement or the enforcement thereof, as provided by applicable federal, state and local law. The rights of the Grantor under this Agreement are in addition to, and shall not be read to limit, any immunities the Grantor may enjoy under federal, state or local law.

15.7 Nonenforcement by Grantor

Grantee is not relieved of its obligation to comply with any of the provisions of this Agreement by reason of any failure of Grantor to enforce prompt compliance. Grantor's forbearance or failure to enforce any provision of this Agreement shall not serve as a basis to

stop any subsequent enforcement. The failure of the Grantor on one or more occasions to exercise a right or to require compliance or performance under this Agreement or any applicable law shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance, unless such right has been specifically waived in writing. Any waiver of a violation is not a waiver of any other violation, whether similar or different from that waived.

15.8 Relationship of Remedies

The remedies provided for in this Agreement are cumulative and not exclusive except as provided in Section 15.3 hereof; the exercise of one remedy shall not prevent the exercise of another, or any rights of the Grantor at law or equity.

SECTION 16. ABANDONMENT

16.1 Effect of Abandonment

If the Grantee abandons its System during the Agreement term, or fails to operate its Cable System in accordance with its duty to provide continuous service, the Grantor, at its option, may operate the Cable System; designate another entity to operate the Cable System temporarily until the Grantee restores service under conditions acceptable to the Grantor or until the Agreement is revoked and a new Franchisee is selected by the Grantor; or obtain an injunction requiring the Grantee to continue operations. If the Grantor is required to operate or designate another entity to operate the Cable System, the Grantee shall reimburse the Grantor or its designee for all reasonable costs, expenses and damages incurred.

16.2 What Constitutes Abandonment

The Grantor shall be entitled to exercise its options and obtain any required injunctive relief if:

(A) The Grantee fails to provide Cable Service in accordance with this Agreement over a substantial portion of the Franchise Area for forty-eight (48) consecutive hours, unless the Grantor authorizes a longer interruption of service; or

(B) The Grantee, for any period, willfully and without cause refuses to provide Cable Service in accordance with this Agreement.

SECTION 17. FRANCHISE RENEWAL AND TRANSFER

17.1 Renewal

(A) The Grantor and Grantee agree that any proceedings undertaken by the Grantor that relate to the renewal of Grantee's Agreement shall be governed by and comply with the provisions of Section 626 of the Cable Acts, unless the procedures and substantive protections

set forth therein shall be deemed to be preempted and superseded by the provisions of any subsequent provision of federal or state law.

(B) In addition to the procedures set forth in said Section 626(a), the Grantor agrees to notify Grantee of the completion of its assessments regarding the identification of future cable-related community needs and interests, as well as the past performance of Grantee under the then current Franchise term. Notwithstanding anything to the contrary set forth herein, Grantee and Grantor agree that at any time during the term of the then current Franchise, while affording the public adequate notice and opportunity for comment, the Grantor and Grantee may agree to undertake and finalize negotiations regarding renewal of the then current Agreement and the Grantor may grant a renewal thereof. Grantee and Grantor consider the terms set forth in this Section to be consistent with the express provisions of Section 626 of the Cable Acts.

17.2 Transfer of Ownership or Control

(A) The Cable System and this Agreement shall not be sold, assigned, transferred, leased, or disposed of, either in whole or in part, either by involuntary sale or by voluntary sale, merger, consolidation, nor shall title thereto, either legal or equitable, or any right, interest, or property therein pass to or vest in any Person or entity, without the prior written consent of the Grantor, which consent shall not be unreasonably withheld.

(B) The Grantee shall promptly notify the Grantor of any actual or proposed change in, or transfer of, or acquisition by any other party of control of the Grantee. The word "control" as used herein is not limited to majority stockholders but includes actual working control in whatever manner exercised. A rebuttable presumption that a transfer of control has occurred shall arise on the acquisition or accumulation by any Person or group of Persons of ten percent (10%) of the shares or the general partnership interest in the Grantee, except that this sentence shall not apply in the case of a transfer to any Person or group already owning at least a ten percent (10%) interest of the shares or the general partnership interest in the Grantee. Every change, transfer or acquisition of control of the Grantee shall make this Franchise subject to cancellation unless and until the Grantor shall have consented thereto.

(C) The parties to the sale or transfer shall make a written request to the Grantor for its approval of a sale or transfer and furnish all information required by law and the Grantor.

(D) The Grantor shall render a final written decision on the request within one-hundred twenty (120) days of the request, provided it has received all requested information. Subject to the foregoing, if the Grantor fails to render a final decision on the request within one-hundred twenty (120) days, such request shall be deemed granted unless the requesting party and the Grantor agree to an extension of time.

(E) Within thirty (30) days of any transfer or sale, if approved or deemed granted by the Grantor, Grantee shall file with the Grantor a copy of the deed, Agreement, lease or other written instrument evidencing such sale or transfer of ownership or control, certified and sworn to as correct by Grantee and the transferee.

(F) In reviewing a request for sale or transfer, the Grantor may inquire into the legal, technical and financial qualifications of the prospective controlling party or transferee, and Grantee shall assist the Grantor in so inquiring. The Grantor may condition said sale or transfer upon such terms and conditions as it deems reasonably appropriate, provided, however, any such terms and conditions so attached shall be related to the legal, technical, and financial qualifications of the prospective controlling party or transferee and to the resolution of outstanding and unresolved issues of noncompliance with the terms and conditions of this Agreement by Grantee.

(G) The consent or approval of the Grantor to any transfer by the Grantee shall not constitute a waiver or release of any rights of the Grantor, and any transfer shall, by its terms, be expressly subordinate to the terms and conditions of this Franchise.

(H) Notwithstanding anything to the contrary in this Section, the prior approval of the Grantor shall not be required for any sale, assignment or transfer of the Agreement or Cable System for cable television system usage to an entity controlling, controlled by or under the same common control as Grantee provided that the proposed assignee or transferee must show financial responsibility as may be determined necessary by the Grantor and must agree in writing to comply with all provisions of the Agreement. No consent shall be required for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, interest of Grantee in the Franchise or Cable System in order to secure indebtedness.

SECTION 18. SEVERABILITY

If any Section, subsection, paragraph, term or provision of this Agreement is determined to be illegal, invalid or unconstitutional by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other Section, subsection, paragraph, term or provision of this Agreement, all of which will remain in full force and effect for the term of the Agreement.

SECTION 19. MISCELLANEOUS PROVISIONS

19.1 Preferential or Discriminatory Practices Prohibited

Grantee shall not discriminate in hiring, employment or promotion on the basis of race, color, creed, ethnic or national origin, religion, age, sex, sexual orientation, marital status, or physical or mental disability. Throughout the term of this Agreement, Grantee shall fully comply with all equal employment or nondiscrimination provisions and requirements of federal, state and local law and, in particular, FCC rules and regulations relating thereto.

19.2 Notices

Throughout the term of the Agreement, Grantee shall maintain and file with Grantor a designated legal or local address for the service of notices by mail. A copy of all notices from Grantor to Grantee shall be sent, postage prepaid, to such address and such notices shall be effective upon the date of mailing. At the effective date of this Agreement, such addresses shall be:

(1) Comcast Cable
_Attn :Government Affairs
9605 SW Nimbus Ave
Beaverton, OR 97008

With copy to: Comcast Cable
Attn: West Division/Government Affairs
15815 25th Ave West
Lynnwood, WA 98087

All notices to be sent by Grantee to Grantor under this Agreement shall be sent, postage prepaid, and such notices shall be effective upon the date of mailing. At the effective date of this Agreement, such address shall be:

City of Vancouver
Cable TV Office
P.O. Box 1995
Vancouver, WA 98668-1995

With copy to:
Clark County Prosecuting Attorney's Office
Civil Division, PO 5000
Vancouver, WA 98668-5000

19.3 Binding Effect

This Agreement shall be binding upon the parties hereto, their permitted successors and assigns.

19.4 Authority to Amend

This Agreement may be amended at any time by written agreement between the parties.

19.5 Governing Law

This Agreement shall be governed in all respects by the laws of the State of Washington.

19.6 Captions

The captions and headings of this Agreement are for convenience and reference purposes only and shall not affect in any way the meaning or interpretation of any provisions of this Agreement.

19.7 Construction of Agreement

The provisions of this Agreement shall be liberally construed to promote the public interest.

19.8 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.

19.9 Attorneys' Fees

In the event of litigation between the parties, the prevailing party in such action shall be entitled to recover, in addition to damages, injunctive relief, reasonable costs and expenses, including, but not limited to, reasonable attorney fees, court costs and expert witness fees subject to court approval. Such costs such shall include reasonable attorney fees, costs and expenses incurred at trial and appeal.

19.10 Survival

The provisions of Sections 3.12 - Payment on Termination, 5.3 – Indemnification, 7.2 – Confidentiality, 10.3 – Relocation, 10.9 - Discontinuing Use of Facilities, 15.3 Liquidated Damages, Section 15.4 Removal, and 16 - Abandonment and of any other indemnity provisions

elsewhere contained in this Agreement shall survive the expiration or earlier revocation of this Agreement.

AGREED TO THIS _____DAY OF _____ 2013.

CLARK COUNTY, WA

By: _____

Title: _____

Approved as to form:

_____

County Attorney

COMCAST OF WASHINGTON V, LLC

By: _____

Title: _____

City/County Telecommunications Commission

RESOLUTION 2021 – 01

Regarding Adoption of the Biennial Progress Report on the Comcast Corporation Vancouver/Clark County Franchise Agreement

Section 1. Findings

1.1 Pursuant to Section 4.5 "Performance Evaluation Sessions" of the current cable television franchise agreement between The City of Vancouver ("City"), Clark County ("County") and Comcast Corporation ("Comcast"), the City/County Telecommunications Commission ("Commission") may conduct performance reviews of the cable operator to insure franchise compliance every two years.

1.2 Court rulings indicate that legislative bodies of the franchising authorities must formally accept and adopt written reports regarding franchise compliance by the cable operator in order for such reviews as prepared by the Commission to be binding on the cable operator.

1.3 As part of the review process, the Commission requested specific information from Comcast, via a letter dated January 8, 2021 (attached as EXHIBIT A), to reach the Commission no later than February 12, 2021.

1.4 Comcast provided the Commission with the requested information on February 8, 2021.

1.5 The Commission conducted a Public Review of Comcast's performance during the regular March 3, 2021, meeting.

1.6 The Commission has reviewed and documented its findings of the information provided by Comcast in relation to their performance and franchise compliance and prepared a Biennial Progress Report for the years 2019-2021 (attached as EXHIBIT B).

1.7 Included in the Biennial Progress Report is a review of Commission activity during 2019-2020 and major work items for 2021.

1.8 As of the date of the Biennial Progress Report, the Commission finds Comcast in full compliance with the terms and conditions of the franchise.

1.9 The number of customer complaints fielded by the City/County Cable Television Office in 2019-2020, detailed in this report, regarding Comcast's service, including but not limited to the company's high-speed Internet service, increased by 30% when compared to 2017-2018.

NOW, THEREFORE BE IT RESOLVED:

Section 2.

2.1 The Commission, through this Resolution, adopts the 2019-2020 Biennial Progress Report on the Comcast Corporation Vancouver/Clark County Franchise Agreement.

2.2 The Commission directs staff to forward finalized copies of the 2019-2020 Biennial Progress Report to the Vancouver City Council and the Clark County Council.

2.3 The Commission recommends that the Vancouver City Council and the Clark County Council adopt, ratify, and affirm the 2019-2020 Biennial Progress Report.

Approved (Date): June 2, 2021

Chair, Paul Dicker, City/County Telecommunications Commission

Exhibits:

Exhibit A – Formal notification from the City/County Cable Television Office to Comcast regarding the biennial review process, dated January 8, 2021

Exhibit B – Biennial Progress Report on the Comcast Corporation Vancouver/Clark County Franchise Agreement, submitted June 2, 2021

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