



OFFICE OF COUNTY COUNSEL

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

July 17, 2025

BCC Agenda Date/Item: _____

Board of County Commissioners
Clackamas County

Billy J. Williams
County Counsel

Scott C. Ciecko
Amanda Keller
Shawn Lillegren
Jeffrey D. Munns
Sarah Foreman
Caleb Huegel
Angela Hajihashemi
Joseph Lucas
Ryan Hammond
Assistants

**Approval of a Resolution for Renewal of the Cable
Television Franchise with Astound Broadband.
Resolution Value is for 10 years. Funding is through
franchise fees. No County General Funds are involved.**

Previous Board Action/Review	Approval of Board Orders 2011-21 and 2012-75 to approve cable television franchise agreements with WaveDivision VII, LLC.		
Performance Clackamas	Building public trust through good government.		
Counsel Review	JM 6/18/2025	Procurement Review	N/A
Contact Person	Jeffrey D. Munns	Contact Phone	503-742-5984

EXECUTIVE SUMMARY: The County has concluded negotiations with WaveDivision VII, LLC (Astound Broadband) for the use of the County's rights-of-way to provide a cable communications system to residents in unincorporated Clackamas County. A map of the areas to be served are represented in Exhibit A to the franchise agreement. This franchise was previously covered by two separate franchise agreements with WaveDivision, one for the Canby and Molalla area and another for the Sandy area. This Franchise Agreement will pay franchise fees, the same as other cable television providers, of 5% of gross revenues.

Provisions of the Franchise Agreement include broadcast of up to three (3) Public, Educational and Government (PEG) Access channels. Astound Broadband has also agreed to support PEG with a monthly contribution of one percent (1%) of its Cable Services Gross Revenues.

RECOMMENDATION: Staff recommends the Board approve a Resolution to approve the cable television franchise agreement with WaveDivision VII, LLC doing business as Astound Broadband for a term of ten (10) years.

Respectfully submitted,

Jeffrey D. Munns
Assistant County Counsel

For Filing Use Only

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of Approving a cable
television Franchise with
WaveDivision VII, LLC (dba Astound
Broadband)



Resolution No. _____
Page 1 of 2

This matter coming before the Clackamas County Board of Commissioners at its regularly scheduled public meeting on June 26, 2025 to consider approving a renewal of the cable television franchise granted to WaveDivision VII, LLC dba Astound Broadband ("Astound").

WHEREAS, the Board of County Commissioners is entity with authority to regulate the construction, operation and maintenance of cable communications systems for the area located within the unincorporated areas of Clackamas County. The Board exercises this authority to grant by resolution, a nonexclusive cable franchise to serve unincorporated Clackamas County pursuant to County Code Sec. 10.02.020.

WHEREAS, Astound holds a cable television franchise with Clackamas County, granted under Order No. 2011-21, dated March 31, 2011, which has now expired to serve the area generally outside of Sandy, Oregon (the "Franchise"). Astound also holds a cable television franchise with Clackamas County, granted under Order No. 2012-75, dated July 26, 2012, which has now expired to serve the area generally outside of Canby and Molalla, Oregon (the "Franchise").

WHEREAS, County staff and representatives of Astound began meeting in early 2022 to evaluate and negotiate terms regarding the renewal of the Franchise Agreements. The amount of time required to conclude negotiations and allow for public review of a new franchise agreement has extended beyond the Franchise current expiration date; and

WHEREAS, Astound has requested to combine these two Franchises into one agreement and to expand the Franchise area to include all of unincorporated Clackamas County; and

WHEREAS, it is in the public interest to renew the Franchise for an additional ten (10) year period of time under the conditions pursuant to applicable law and terms contained in the Franchise Renewal Agreement attached hereto and,

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**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of Approving a cable
television Franchise with
WaveDivision VII, LLC (dba Astound
Broadband)



Resolution No. _____
Page 2 of 2

NOW, THEREFORE, THE BOARD OF COUNTY COMMISSIONERS DO HEREBY RESOLVE
THAT the attached Franchise granted to Astound shall be renewed for a term of ten (10) years from today. All rights and obligations of the parties under the Franchise shall remain in full force and effect during that period, including the rights of the parties under the Cable Communications Policy Act of 1992 and the Telecommunications Act of 1996. Neither Astound nor the County shall assert any claim, denial or defense based upon the original expiration date of the Franchise. This renewal of the Franchise is explicitly conditioned upon written acceptance thereof by the Franchisee.

DATED this 17th day of July, 2025.

CLACKAMAS COUNTY BOARD OF COMMISSIONERS

Chair

Recording Secretary

CABLE TELEVISION FRANCHISE RENEWAL AGREEMENT

between

CLACKAMAS COUNTY, OREGON

and

WAVEDIVISION VII, LLC

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1. PURPOSE AND INTENT

1.1 Clackamas County, Oregon (hereafter Grantor) is authorized to and by this franchise agreement does grant to WaveDivision VII, LLC, a Washington limited liability company doing business as Astound Broadband (hereafter Grantee) a non-exclusive ten (10) year franchise, ("Term") revocable as provided herein, to construct, operate and maintain a Cable Communications System in the Franchise Area comprised of a portion of the area within the unincorporated territory as described in Exhibit A.

1.2 The purpose of this franchise agreement is to create a binding, enforceable contract between Grantor and Grantee.

2. DEFINITIONS

For the purposes of this franchise agreement and all attachments included hereto, the following words, terms, phrases, and their derivations shall have the meanings given herein. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory. Words used in this franchise which are not defined hereunder but defined in the Cable Communications Policy Act of 1984, the Cable Communications Policy Act of 1992, and the Telecommunications Act of 1996, as may be amended from time to time, shall have the meaning specified in the Cable Act definition.

- a. "Access" or "Community Access" or "Public, Educational and Government (PEG) Access" means the availability of a Channel for use by various agencies, institutions, organizations, groups and individuals in the community, including the County and its designees, on a non-discriminatory basis, of the Cable System for non-commercial purposes, including the right to acquire, create, and distribute non-commercial Programming not under the Grantee's editorial control.
- b. "Access Channel" or "Public, Educational or Government Access (PEG) Channel" means any Channel or portion of a Channel which Grantee makes available to the Grantor for the purpose of transmitting non-commercial programming by Grantor, educational institutions, other non-profit organizations, and members of the general public through designated Public Access organizations, subject to and in accordance with 47 U.S.C. 531 and the terms herein.
 - i. "Educational Access Channel" means any Channel or portion of a Channel available for educational programming by public schools or educational institutions and required by the Franchise to be dedicated for use as a PEG Channel.

- ii. "Government Access Channel" means any Channel or portion of a Channel available for programming by government agencies, and required by the Franchise to be dedicated by the Grantee for use as a PEG Channel.
- iii. "Public Access Channel" means any Channel or portion of a Channel where any member of the general public may be a programmer on a non-discriminatory basis, subject to operating rules formulated by the Grantor or its designee. Such rules shall not be designed to control the content of public access programming.

Nothing in this Franchise shall prevent the Grantor or its designee from carrying out fundraising activities to supplement access capital or operating funds, and such fundraising activity shall not in itself constitute a commercial use of access channels, facilities and equipment.

- c. "Affiliate" when used in relation to any person, means another person who owns or controls, is owned or controlled by, or is under common ownership or control with, such person.
- d. "Availability of Service" means the ability of a Subscriber to obtain Cable Service within seven (7) days by requesting the Cable Service and paying applicable installation and/or usage charges.
- e. "Basic Service" means that tier of Cable Service which is required to access all other Cable Services and which includes a) the retransmission of local broadcast station signals, and b) public, educational and government access channels. Basic Service includes Cable Service over Grantee's Cable System.
- f. "Broadcast Channel" or "Local Broadcast Channel" means a television or radio signal that is transmitted over-the-air to a wide geographic audience and is received by the Cable System and retransmitted to Subscribers, regardless of the means used by Grantee to receive the signal (off-the-air, microwave link, fiber optically, satellite receiver, other means).
- g. "Cable Act" means collectively the federal Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992, and the Telecommunications Act of 1996, as may be amended from time to time.
- h. "Cable Operator" means any Person or group 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.

- i. "Cable Service" means a) the one-way transmission to Subscribers of video programming or other programming service; and b) Subscriber interaction, if any, which is required for the selection or use of such video programming covered by the Cable Act. Except in the event of a change in applicable law, pursuant to which such service is explicitly deemed a Cable Service, any video programming or other programming service received by a Subscriber over Grantee's managed broadband service provided by an entity which is not the Grantee or an Affiliate and which is available to all, including non-Subscribers, solely via the public Internet will not constitute a Cable Service.
- j. "Cable Communications System" or "Cable System" or "System" shall have the meaning specified in the definition of "Cable System" in the Cable Act 47 U.S.C. §522(7). In every case of its use in this Franchise, unless otherwise specified, the term shall refer to the Cable System constructed and operated by the Grantee in the County under this Franchise.
- k. "Channel" means a portion of the electromagnetic frequency spectrum which is used in a Cable System and which is capable of delivering a Cable Service.
- l. "County" means Clackamas County, an Oregon statutory County, and all of the territory within its boundaries.
- m. "County Commission" means the governing body of the Grantor.
- n. "Commercial Subscriber" means a Subscriber receiving Cable Services in a business or other commercial enterprise, where such services are to be used primarily in conjunction with the enterprise and the rates are individually negotiated with the Subscriber.
- o. "Converter" or "Set-top Box" means a consumer electronic interface device for changing the television signal, transported by the Cable System, to a suitable Channel or format which the television receiver is able to tune.
- p. "FCC" means the Federal Communications Commission.
- q. "Franchise" or "Franchise Agreement" means the authorization granted by this document, or renewal thereof (including renewal of an authorization which has been granted subject to Section 626 of the Cable Act), issued by Grantor as the franchising authority, whether such authorization is designated as a franchise or resolution.

- r. "Franchise Area" means all territory within Clackamas County, depicted on the attached Exhibit A.
- s. "Grantee" or "Franchisee" means WaveDivision VII, LLC, and the lawful successors, transferees, or assignees thereof.
- t. "Grantor" means Clackamas County, a statutory County in the State of Oregon.
- u. "Gross Revenue" means all revenue derived by Grantee from the operation of Grantee's Cable System to provide Cable Services within the Franchise Area. Gross revenues include, by way of illustration and not limitation:
 - Fees for Cable Services, regardless of whether such Cable Services are provided to residential or Commercial Subscribers, including revenues derived from the provision of all Cable Services including but not limited to:
 - Basic Service fees and fees for all service tiers above Basic Service;
 - Fees charged for digital video tiers and for optional, per-Channel, such as Pay or Premium Channels or per-program Cable Service such as Video-on-Demand and Pay-per-View;
 - Broadcast Channel retransmission fees;
 - Regional sports programming fees;
 - Fees for any and all music services offered as a Cable Service.
 - Installation, disconnection, reconnection, downgrade, upgrade, maintenance, repair, or similar charges associated with Subscriber Cable Service;
 - Inside wiring service plans and maintenance charges;
 - Convenience fees related to Cable Service;
 - Early termination fees on Cable Services;
 - Fees paid to Grantee for Channels designated for commercial/leased access use; which shall be allocated on a pro rata basis using total Cable Service Subscribers within the Franchise Area;
 - Converter, remote control, and other Cable Service equipment rentals, leases, or sales;
 - Payments for pre-paid Cable Services and/or equipment;
 - Advertising Revenues as defined herein;
 - Fees including, but not limited to: (1) late fees, Non-sufficient funds fees, convenience fees and administrative fees which are either specifically identified as related to the provision of Cable

Service, or in the absence of such allocation, shall be allocated on a pro rata basis using Cable Services revenue as a percentage of total Grantee revenues within the Franchise Area; and (2) Franchise fees;

- Revenues from program guides; and
- Commissions from home shopping channels and other Cable Service revenue sharing arrangements which shall either be specifically attributed to a service area, or in the absence of such specific attribution, shall be allocated on a pro rata basis using total Cable Service Subscribers within the Franchise Area.

"Gross Revenues" shall not be net of: (1) any operating expense; (2) any accrual, including without limitation, any accrual for commissions to Affiliates; or (3) any other expenditure, regardless of whether such expense, accrual, or expenditure reflects a cash payment. "Gross Revenues", however, shall not be double counted. Revenues of both Grantee and an 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. Similarly, operating expenses of the Grantee which are payable from Grantee's revenue to an Affiliate and which may otherwise constitute revenue of the Affiliate, shall not constitute additional Gross Revenues for the purpose of this Franchise. "Gross Revenues" shall include amounts earned by Affiliates only to the extent that Grantee could, in concept, have earned such types of revenue in connection with the operation of Grantee's Cable System to provide Cable Services in the Franchise Area and recorded such types of revenue in its books and Records directly, but for the existence of Affiliates. "Gross Revenues" shall not include sales taxes imposed by law on Subscribers that the Grantee is obligated to collect. With the exception of recovered bad debt, "Gross Revenues" shall not include bad debt.

"Advertising Revenues" shall mean amounts derived from sales of advertising that are made available to Grantee's Cable System Subscribers within the Franchise Area and shall either be in the amount specifically attributed to the Franchise Area, or in the absence of such specific attribution, shall be allocated on a pro rata basis using total Cable Service Subscribers reached by the advertising. Whenever Grantee acts as the principal in advertising arrangements involving representation firms and/or advertising Interconnects and/or other multichannel video providers, Advertising Revenues subject to Franchise Fees shall include the total amount from advertising that is sold, and not be reduced by any operating expenses (e.g., "revenue offsets" and "contra expenses" and "administrative expenses" or similar expenses), or by fees, commissions, or other

amounts paid to or retained by affiliated advertising representation firms to Grantee or their successors involved with sales of advertising on the Cable System within the Franchise Area.

"Gross Revenues" shall **not** include:

- actual Cable Services bad debt write-offs, except any portion which is subsequently collected which shall be allocated on a *pro rata* basis using Cable Services revenue as a percentage of total Grantee revenues within the Franchise Area;
- any taxes and/or fees on services furnished by Grantee imposed on Subscribers by any municipality, state or other governmental unit, provided that the Franchise fee shall not be regarded as such a tax or fee;
- launch fees and marketing co-op fees;
- revenues associated with the provision of managed network services provided under separate business contract; and,
- unaffiliated third-party advertising sales agency fees or commissions which are reflected as a deduction from revenues, except when Grantee acts as a principal as specified in the paragraph immediately above;
- revenue not derived from operation of the Cable System to provide Cable Service.

To the extent revenues are derived by Grantee for the provision of a discounted bundle of services which includes Cable Services and non-Cable Services, Grantee shall calculate revenues to be included in Gross Revenues using a methodology that allocates revenue based on the relative undiscounted rate card amount (including all fees) of each element of service provided in the discount bundle. The Grantor reserves its right to review and to challenge Grantee's calculations.

Grantee reserves the right to change the allocation methodologies set forth above to meet standards mandated by the Financial Accounting Standards Board ("FASB"), Emerging Issues Task Force ("EITF") and/or the U.S. Securities and Exchange Commission ("SEC"). Grantee agrees to explain and document the source of any change it deems required by FASB, EITF and SEC concurrently with any Franchise-required document at the time of submittal, identifying each revised Section or line item. Grantor reserves its right to review and challenge any Grantee change in allocation methodologies.

- v. "Interactive Services" means Cable Services provided to Subscribers where the Subscriber either (a) both receives information consisting of either television or other Cable Services signals and transmits signals generated by the Subscriber or equipment under the Subscriber's control

for the purpose of selecting what information shall be transmitted to the Subscriber or for any other purpose; or (b) transmits signals to any other location for any purpose.

- w. "Leased Channel" means any channel or portion of a channel available for programming by persons or entities other than Grantee for a fee or charge.
- x. "Monitoring" means observing a one way communications signal, or the absence of a signal, where the observer is neither the subscriber nor the programmer, whether the signal is observed by visual or electronic means, for any purpose whatsoever.
- y. "Pay Channel" or "Premium Channel" means a Channel on which Subscribers receive Programming for a special fee or charge over and above the regular charges for Basic Service, on a per program, per Channel, or other Grantee provided subscription basis.
- z. "Person" means an individual, partnership, association, proprietorship, organization, joint stock company, trust, corporation, or governmental entity or other entity doing business in the State of Oregon, or any natural person.
- aa. "Programmer" means any person or entity who or which produces or otherwise provides program material or information for transmission by video, audio, digital or other storage methods or media, to Subscribers, by means of the Cable Communications System.
- bb. "Programming" means the process of causing television programs or other patterns of signals in video, voice or data formats to be transmitted on the Cable System, and includes all programs or patterns of signals transmitted on the Cable System.
- cc. "Record" means written or graphic materials, however produced or reproduced, or any other tangible permanent record, including, without limitation, all letters, correspondence, memoranda, minutes, notes, summaries or accounts of telephone conversations, electronic files, opinions or reports of consultants or experts, invoices, billings, statements of accounts, studies, appraisals, analyses, contracts, agreements, charts, graphs, and photographs to the extent related to the enforcement or administration of this Franchise.
- dd. "Resident" means any natural person residing within the Franchise Area.
- ee. "Residential Subscriber" means a non-Commercial Subscriber.

- ff. "School" means any public educational institution, including primary and secondary schools, community colleges, colleges, universities and extension centers, and all similarly situated private and parochial educational institutions which have received the appropriate accreditation from the State of Oregon and, where required, from other authorized accrediting agencies.
- gg. "Section" means any section, subsection, or provision of this Franchise Agreement.
- hh. "Streets and Public Ways" means the surface of and the space along, across, upon, above and below any public street, sidewalk, alley, or other public way of any type whatsoever, now or hereafter existing as such within the Franchise Area, and any easements, rights of way or other similar means of access to the extent Grantor has the right to allow Grantee to use them.
- ii. "Subscriber" means any person who subscribes to Cable Service provided by the Grantee by means of, or in connection with, the System whether or not a fee is paid for such service.
- jj. "Tapping" means observing a two-way communications signal exchange where the observer is neither of the communicating parties, whether the exchange is observed by visual or electronic means, for any purpose whatsoever.
- kk. "Year" means a full twelve-month calendar year, unless designated otherwise, such as a "fiscal year"

3. GRANT OF FRANCHISE

3.1 Grant.

Grantor hereby grants to the Grantee a non-exclusive, revocable franchise for a Term of ten (10) years from and after the effective date hereof, revocable as provided herein to construct, operate, extend, connect, repair, remove, and maintain a Cable System within the Franchise Area. This Franchise constitutes the authority, right, and privilege to provide Cable Services over the Cable System as required by the provisions of this Franchise Agreement and nothing herein shall be deemed to regulate, restrict, or prohibit Grantee from providing other lawful services.

This franchise is subject to the laws of the United States and the State of Oregon, and to the lawful general ordinances of the Grantor affecting matters of general Grantor concern and not merely existing contractual rights of Grantee, whether now existing or hereafter enacted. In particular

this Franchise supersedes any of Grantor's subsequently adopted Ordinances in any matter in which the Franchise and the Ordinance are in conflict, and Grantor shall make a good faith effort to notify the Grantee of any County proceedings which would substantially affect the Grantee's operations, and shall upon request supply the Grantee with copies of any County laws or regulations affecting Grantee's operations, provided that in the event a Cable Operator or other such provider of Cable Service makes an application for a franchise or other similar lawful authorization to utilize Streets, Public Ways and Rights-of-Way for Cable Service in the Franchise Area that is filed with Grantor, Grantor shall notify Grantee thereof, or serve or require to be served a copy of any non-confidential portions of such application upon the Grantee by registered or certified mail, or via nationally recognized overnight courier service.

Grantee promises and guarantees that as a condition of exercising the privileges granted by this Agreement, 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.

3.2 Use of Public Streets and Ways

For the purpose of constructing, extending, connecting, removing, operating, repairing and maintaining a Cable Communications System in the Franchise Area, the Grantee may erect, install, audit, construct, repair, replace, reconstruct, and retain in, on, over, under, upon, across, and along the public streets and ways within the Franchise Area such wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, pedestals, attachments, and other property and equipment as are necessary, convenient and appurtenant to the operation of the Cable Communications System. Prior to construction or alteration, however, the Grantee shall in each case file plans as required with the appropriate agencies of Grantor and in accordance with any agreements with utility providers and companies, pay applicable fees, and receive approval as necessary before proceeding. Nothing in this section shall relieve the Grantor of the obligations of Section 4.5 regarding the trimming of trees and other vegetation.

3.3 Duration and Effective Date of Franchise/Franchise Review

Except as otherwise provided herein for revocation, or early termination in accordance with Section 11.1, the Term of this Franchise and all rights, privileges, obligations, and restrictions pertaining thereto shall be ten (10) years from the effective date of this agreement, at which time the franchise shall expire and, to the extent allowed by applicable federal law, be of no

force and effect. The effective date of the Franchise shall be the date the Grantor's Board of County Commissioners Order granting the Franchise takes effect, unless the Grantee fails to file the Franchise acceptance in accordance with Section 3.9 herein, in which event this Franchise shall be null and void.

During the six-month period beginning five (5) years after the effective date of this Franchise, the Grantor and Grantee may undertake a review of Grantee's system and performance to date, in order to determine whether the Franchise should continue in effect for the full ten (10) year Term or should terminate early. The Grantor may terminate the Franchise early if the Grantee has been found to have committed a pattern of material violations of the Franchise and Grantee does not provide or refuses to make provision for resolution thereof.

Any proposal by the Grantor to terminate the Franchise early, and termination pursuant thereto, shall be subject to the same procedural requirements as for a revocation under Section 11.1 hereof. If the Grantor does not terminate the Franchise early as provided herein, the Franchise shall continue for its full ten (10) year term.

3.4 Franchise Area

The Franchise Area shall be that area designated on the attached map, Exhibit A. Except for any annexations or incorporations of the Franchise Area, any future modifications of the Franchise Area must be approved by the Board of County Commissioners, as an amendment to this Franchise.

3.5 Periodic Public Review of Franchise

The Grantor may at approximately three (3)-year intervals during the Term of the Franchise, and at such other times as the Grantor deems appropriate, conduct a public review of the Franchise. The purpose of the review shall be to ensure, with the benefit of full opportunity for public comment, that the Franchise continues to effectively serve the public in light of new developments in cable law and regulation, cable technology, cable company performance, local regulatory environment, community needs and interests, and other such factors. Both the Grantor and Grantee agree to make a full and good faith effort to participate in the review and both parties will mutually agree on the actions required to implement the findings. The Grantor shall establish a procedure for ensuring orderly review, full discussion of any proposed policy changes between the Grantor and Grantee, and full public hearing regarding all matters discussed during the review.

Matters appropriate for discussion at the public reviews in accordance with this Section include without limitation:

- a. Grantee's overall compliance with the Franchise;
- b. Policies and practices necessary to ensure continued support for public, educational and government access at substantially the same level provided for in this Franchise;
- c. System maintenance and operational requirements; and
- d. The resolution of any evident patterns of customer service problems.

The periodic public reviews described in this Section may be but need not be made coincident with public reviews involved in the consideration of Grantee requests for franchise renewal, franchise extension, or approval of transfer of system ownership.

3.6 Franchise Not Exclusive

The franchise granted herein is not exclusive. This Franchise shall not be construed as any limitation upon the right of the Grantor, through its proper officers, to grant to other persons or corporations, rights, privileges, or authority the same as, similar to or different from the rights, privileges or authority herein set forth, in the same or other streets and public ways or public places by franchise, permit or otherwise subject to the provisions of Section 13.11 herein.

3.7 Franchise Non-Transferable

This Franchise shall not be sold, leased, assigned or otherwise transferred, nor shall any of the rights or privileges herein granted or authorized be leased, assigned, sold or transferred, either in whole or in part, nor shall title hereto, either legal or equitable, or any right, interest or property herein, pass to or vest in any person, except the Grantee, either by act of the Grantee or by operation of law, without the consent of the Grantor, expressed in writing. The granting of such consent in one instance shall not render unnecessary any subsequent consent in another instance.

If the Grantee wishes to transfer this Franchise, the Grantee and Grantor shall proceed pursuant to Section 617 of the Cable Act and related rulemakings of the FCC. Grantee shall give Grantor written notice of the proposed transfer, and shall request consent of the transfer by the Grantor. For the purpose of determining whether it will consent to such transfer, Grantor may inquire into the qualifications of the prospective transferee to perform the obligations of the Grantee under this Franchise Agreement.

The Grantee shall assist Grantor in any such inquiry, and shall provide all information requested in writing by the Grantor that is reasonably necessary to determine the legal, financial, and technical qualifications of the proposed transferee in order to determine whether it will consent to the proposed transfer. The Grantor may condition its consent upon such terms and conditions as it deems appropriate, related to the qualifications of the prospective transferee to perform the obligations of the Grantee under this Franchise. Consent to the transfer shall not be unreasonably delayed or withheld. Any transfer of ownership effected without the written consent of the Grantor shall render this Franchise subject to revocation, except that the Grantor shall have one hundred and twenty (120) days to act upon any request for approval of a transfer that contains or is accompanied by such information as is required in accordance with FCC regulations and by the Grantor, and if the Grantor fails to render a final decision on the request within said 120 days, the request shall be deemed granted unless the Grantee and the Grantor agree to an extension of time.

The Grantee, upon any transfer as heretofore described, shall within thirty (30) days thereafter file with the Grantor a copy of the deed, agreement, mortgage, lease, or other written instrument evidencing such sale, lease, mortgage, assignment, or transfer, certified and sworn to as correct by the Grantee.

Every such transfer as heretofore described, whether voluntary or involuntary, shall be deemed void and of no effect unless Grantee shall within thirty (30) days after the same shall have been made, file such certified copy as is required.

The requirements of this section shall not be deemed to prohibit the use of the Grantee's property as collateral for security in financing the construction or acquisition of all or part of a cable communications system of the Grantee or any Affiliate of the Grantee. However, the cable communications system franchised hereunder, including portions thereof used as collateral, shall at all times continue to be subject to the provisions of this Franchise.

The requirements of this section shall not be deemed to prohibit sale of tangible assets of the System in the ordinary conduct of the Grantee's business without the consent of the Grantor. The requirements of this section shall not be deemed to prohibit, without the consent of the Grantor, a transfer to a transferee whose primary business is cable system operation and having a majority of its beneficial ownership held by the Grantee, a parent of the Grantee, or an Affiliate a majority of whose beneficial ownership is held by a parent of the Grantee.

3.8 Change in Control

The Grantee shall promptly notify the Grantor of any proposed change in, transfer of, or acquisition by any other party of control of the Grantee or of Grantee's interest in the Cable System. There shall be no change of control of the Cable System without prior approval of the Grantor. Such change in control shall make this Franchise subject to revocation unless and until the Grantor shall have given written consent thereto.

If the Grantee wishes to operate the Franchise under a change of control, the Grantee shall give the Grantor written notice of the proposed change, and shall request approval of the change by the Grantor. The Grantor shall have one hundred and twenty (120) days to act upon the request, following the receipt of the request and of all information required in accordance with FCC regulations, as well as all information required in writing by the Grantor prior or subsequent to the request for approval, and submitted by Grantor at least thirty (30) days prior to the end of the one hundred and twenty (120) day period. If the Grantor fails to render a final decision on the request within said one hundred and twenty (120) days, the request shall be deemed granted unless the Grantee and the Grantor agree to an extension of time.

For the purpose of determining whether it will consent to such change, transfer, or acquisition of control, Grantor may inquire into the qualifications of the prospective controlling party to perform the obligations of the Grantee under this Franchise Agreement. The Grantee shall provide reasonable assistance to Grantor in any such inquiry. Consent to the change of control shall not be unreasonably delayed or withheld.

3.9 Franchise Acceptance

The Grantee, within sixty (60) days after the tender by the Grantor to the Grantee of the Franchise Agreement adopted by the Grantor, shall file in the office of the Grantor's cable franchise manager a written acceptance executed by Grantee, substantially in the form attached hereto as Exhibit B. In the event Grantee fails to file the acceptance as required herein, then this Franchise shall be null and void.

4. CONSTRUCTION AND SERVICE REQUIREMENTS

4.1 General

As of the Effective Date of this Agreement, the Cable System utilizes a Hybrid Fiber Coaxial (HFC) system architecture. All active electronics are 860 MHz capable equipment, or equipment of higher bandwidth. Grantee agrees to maintain and improve upon this architecture as demand requires.

In all its construction and service provision activities, Grantee shall meet or exceed the construction, extension and service requirements set forth in this Franchise Agreement.

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 Agreement and all applicable Grantor Ordinances and Codes. Whenever it is possible and reasonably practicable to joint trench or share bores or cuts, Grantee shall work with other providers, grantees, permittees, and franchisees so as to reduce as far as possible the number of Street cuts.

4.2 Right of Inspection of System Construction and Maintenance

Grantor shall have the right to inspect all construction or installation work performed within the Franchise Area and to make such tests as it shall find necessary to ensure compliance with the terms of this franchise agreement and applicable law. If a condition creating a serious, clear, and immediate danger to the health, welfare, or safety of the public is found to exist, the County, in addition to taking any other action permitted under applicable law, may alert Grantee, verbally or in writing, of the unsafe condition and require Grantee to make the necessary repairs and alterations to correct the unsafe condition immediately or within a reasonable time established by Grantor.

4.3 Provision of Residential Service

4.3.1 In General

It is Grantor's general policy that all potential Subscribers in the Franchise Area should have equivalent Service Availability from Grantee's Cable System under non-discriminatory rates and reasonable terms and conditions. Grantee shall not arbitrarily refuse to provide Cable Services to any Person within its Franchise Area. Except as otherwise provided in this section, Grantee shall provide Cable Service within 7 days of a request by any Person within its Franchise Area that can be connected by a standard

installation. For purposes of this Section, a request shall be deemed made on the date of signing a service agreement, receipt of funds by the Grantee, and/or receipt of a written request by the Grantee or receipt by the Grantee of a verified oral request.

Except as otherwise provided in Section 10.1(e), Grantee shall provide such service:

At non-discriminatory monthly rates for Subscribers; and

Notwithstanding the above, Grantee may establish different and nondiscriminatory rates and charges and classes of services for Commercial Subscribers.

4.3.2 Density for Normal Extension of Service

The Grantee shall provide availability of Cable Service to every potential subscriber in all areas of the Franchise Area where the average density is equal to or greater than twenty-four (24) occupied residential dwelling units per aerial strand mile or six (6) occupied residential dwelling units per aerial strand quarter (1/4) mile as measured in strand footage from the nearest technically feasible point on the existing System plant.

For underground plant, the requirements of this Subsection shall apply where the average density is equal to or greater than thirty-six (36) occupied residential dwelling units per linear mile or nine (9) occupied residential dwelling units per quarter (1/4) mile as measured in linear footage from the nearest technically feasible point on the existing System plant. Should, through new construction, an area within the Franchise Area meet the density requirements after the effective date of this Franchise, Grantee shall use commercially reasonable efforts to provide Cable Service to such area within ninety (90) days of the date that Grantee is notified of a request from a potential Subscriber of an occupied residential dwelling unit or the County and Grantee verify that the density requirement is satisfied.

No charge in addition to the standard installation charge shall be made by the Grantee to Subscribers for: the extension of the System under this subsection; nor the provision of a cable drop to the premises of any Subscriber requesting service, so long as the drop does not exceed one hundred and twenty-five (125) feet in length.

4.3.3 Isolated Areas

Potential subscribers requesting Cable Service but not entitled to availability of Cable Service under Section 4.3.2 shall be provided Cable Service under the following circumstances, through contractual agreement between the Grantee and the person requesting Cable Service for payment of line extension construction costs:

- a. Grantee shall provide Cable Service at its normal, published installation charge for the initial one hundred and twenty-five (125) feet of extension.
- b. Grantee and the Subscriber shall share equally the actual cost of the extension for the distance over one hundred and twenty-five (125) feet but less than five hundred (500) feet.
- c. The Subscriber shall pay all costs for the extension for the distance greater than five hundred (500) feet.
- d. Basis for the cost sharing will be computed as follows:

The starting point shall be a point at the nearest reasonably usable existing cable plant using public right-of-way, exclusive of a street crossing; provided that the Grantee shall make a commercially reasonable effort to secure and use private rights of way if the use of such rights of way reduces the cost of the line extension to the Subscriber. The actual length of cable needed from the starting point to the Subscriber's home shall be the total number of feet. The cost of the project from the starting point to the home shall be divided by the total number of feet. The resultant cost per foot shall be used to compute each party's share. Street bores or crossings needed to bring the existing cable plant to the requesting Subscriber's side of the street shall be included as part of any line extension greater than one hundred twenty-five (125) feet, otherwise these costs shall not be charged to the Subscriber.

- e. If more than one person becomes a Subscriber along a cable line constructed in accordance with this subsection, during a period of three years following the completion of the construction, upon written request, the Grantee shall fairly divide the Subscriber charges for such construction among all the Subscribers along the line, by means of proration and rebates, as necessary (rebates to be provided only to those

eligible who remain Subscribers at the time of such rebate). Following the three (3)-year period, any additional Subscribers may be charged normal published installation rates.

4.3.4 New Subdivisions

- a. Subject to Sections 4.3.2 and 4.3.3, and Grantee's ability to access such subdivision on commercially reasonable terms and conditions, Grantee will build, activate, proof and offer Cable Service in new subdivisions no more than sixty (60) days from the time when 50% of the subdivision's potential dwelling units have been issued building permits, or 25% of the subdivision's potential dwelling units have contracted for Grantee's Cable Service.
- b. Grantee shall be responsible for ascertaining building permit activity in new subdivisions.
- c. Where jurisdictional approval of a subdivision includes provision for the construction of separate phases of the subdivision, each phase will be considered a separate subdivision for the purpose of this section.

4.3.5 Transferred Franchising Jurisdiction

In the event that cable franchising jurisdiction over any portion of the Franchise Area is transferred to Grantor from another jurisdiction, then the terms of this Franchise shall apply within the area, so long as the application of this Franchise in that area is acknowledged in the governmental actions which implement the transfer of franchising authority. Whenever any of the Streets and other Public Rights-of-Way fall within a city or town limits by reason of incorporation or annexation, or become annexed or otherwise fall under the jurisdiction of the State of Oregon, then all the rights and privileges herein granted shall terminate in respect to said Streets or other Public Rights-of-Way so incorporated or annexed, regardless of whether the area in question is covered by a franchise agreement with the new jurisdiction, and this Franchise shall no longer apply to such area, but shall continue to apply to the Franchise Area outside of such jurisdiction.

4.4 Erection of Poles

Grantee shall not erect, for any reason, any pole on or along any street or public way in an existing aerial utility system unless approved by the Grantor. Where so required by the existing pole owner, Grantee shall negotiate the lease of pole space and facilities from the existing pole owners for all aerial construction, under mutually acceptable terms and conditions, and shall comply with all applicable ordinances, resolutions, rules and regulations of the Grantor. If not successful, or in the absence of existing poles sufficient for Grantee's purposes, Grantee may pursue installation of its own poles.

4.5 Trimming of Trees or other Vegetation

In the conduct of its business, it may be necessary for Grantee to trim trees or other vegetation in order to provide space for its facilities. Tree or vegetation trimming shall be done only in accordance with the applicable codes and other rules and regulations of Grantor, and if the tree or vegetation is located on private property, with the permission of the owner of the property on which the tree or vegetation stands. Nothing contained in this Franchise agreement shall be deemed to empower or authorize Grantee to cut, trim or otherwise disturb any trees or other vegetation, whether ornamental or otherwise.

4.6 Repair & Restoration of Streets and Public Ways

Whenever the Grantee shall disturb the surface or otherwise damage any public street, alley, highway, other public way or ground in the Franchise Area for any purpose mentioned herein, it shall repair and restore the same to the condition in which it was prior to the opening or other damage thereof. And when any opening is made by the Grantee in any hard surface pavement, in any street, alley, public highway or other way, the Grantee shall promptly refill the opening and restore the pavement to its original condition. The Grantor may refill and/or repave in case of neglect of the Grantee, provided that Grantor first notifies and provides Grantee five (5) business days to cure. The cost thereof, including the cost of inspection, supervision and administration shall be paid by the Grantee. All excavations made by the Grantee in the streets, alleys, public highways, or other ways shall be properly safeguarded for the prevention of accidents. The work hereby required shall be done in strict compliance with the rules, regulations, and codes of Grantor as now or hereafter in effect.

4.7 Construction Codes

The Grantee shall strictly adhere to all applicable building, zoning or other laws and codes currently or hereafter in force in Grantor's jurisdiction. The Grantee shall arrange its lines, cables and other appurtenances, on both public and private property, in such a manner as to cause no unreasonable interference, as reasonably determined by the Grantor, with the use of said public or private property by any person. In the event of such interference, Grantor may require the rearrangement, or removal if rearrangement would not resolve such interference, of Grantee's lines, cables and appurtenances from the property in question following no less than thirty (30) days' prior notification to the Grantee.

4.8 Reservation of Street Rights

Nothing in this franchise agreement shall be construed to prevent any public work of the Grantor, including without limitation constructing sewers, grading, paving, repairing and/or altering any street, alley, or public highway, or laying down, repairing or removing water mains or maintaining, repairing, constructing or establishing any other public property. If any property of the Grantee shall interfere with the construction or repair of any street or public improvement, whether it be construction, repair or removal of a sewer or water main, the improvement of a street or any other public improvement, then on no less than one hundred and twenty (120) days prior written notice from the Grantor in the event of a planned project, or ten (10) days prior written notice in the event of unplanned work except in cases of emergency, all such property including poles, wires, conduits or other appliances and facilities shall be removed, replaced or relocated in a timely manner as shall be directed by the Grantor, so that the same shall not interfere with the said public work of the Grantor, and such removal, replacement or relocation shall be at the expense of the Grantee. In the event of failure, neglect or refusal of the Grantee, to relocate its facilities or to repair, restore, or reconstruct such street, the Grantor may do such work or cause it to be done, and except to the extent due to the negligent acts, omissions, or willful misconduct of Grantor, the cost thereof to the Grantor shall be paid by the Grantee.

4.9 Street Vacation and Abandonment

In the event any street, alley, public highway or portion thereof used by the Grantee shall be vacated by the Grantor, or the use thereof discontinued by the Grantee, during the Term of this Franchise, the Grantee shall forthwith remove its facilities therefrom unless specifically permitted in writing to continue the same by the new controlling jurisdiction or property owner, as appropriate. At the time of removal thereof the Grantee shall restore, repair or reconstruct the street area where such removal has occurred, and place the street area where such removal

has occurred in such condition as may be reasonably required by Grantor. In the event of failure, neglect or refusal of the Grantee, to remove its facilities or to repair, restore, or reconstruct such street damage, following five (5) business days notification to the Grantee to cure, the Grantor may do such work or cause it to be done, and the cost thereof to the Grantor shall be paid by the Grantee.

4.10 Movement of Facilities

In the event it is necessary temporarily to move or remove any of the Grantee's wires, cables, poles or other facilities placed pursuant to this Franchise, in order to lawfully move a large object, vehicle, building or other structure over the streets, alleys or highways of the Grantor, Grantee, upon reasonable notice, shall move at the expense, paid in advance, of the person requesting the temporary removal such of its facilities as may be required to facilitate such movements; provided that, if the Grantor is the party requesting the removal, for movement of buildings or structures or other public purposes of the Grantor, then the removal shall be done at the expense of the 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.

If public funds, other than the funds of the Grantor, including pass through funds, are available to any Person using such street or public right-of-way for the purpose of defraying the cost of any of the relocation of facilities as provided under Sections 4.8, 4.9 and 4.10, hereof, Grantee shall be afforded equal treatment subject to applicable law and regulations and Grantor shall, upon written request of the Grantee, use commercially reasonable efforts to support Grantee's application for such funds; provided, however, that (1) Grantor may decline if such application would compete with Grantor or a component unit thereof for such monies, and (2) such efforts will be at Grantee's sole cost and expense, including Grantor's staff time.

4.11 Undergrounding

- a. Cable must be installed underground where:
 - i. all existing utilities are placed underground,
 - ii. required by statute or an ordinance, or other regulation lawfully imposed by Grantor on a non-discriminatory basis on all similar entities under Grantor's regulatory jurisdiction with facilities in the same Street and other Public Rights-of-Way,
 - iii. all aerial utility lines are moved underground (Grantee shall bear the cost of such movement of its facilities unless specific exemption is given by Grantor in any individual case or unless preemptive state or federal law or regulation provides otherwise),
 - iv. Grantee is unable to get or maintain proper clearances on poles,
 - v. underground easements are obtained from developers of new residential areas and all utilities will initially be placed underground, or
 - vi. utilities are aerial but residents prefer underground (undergrounding is to be paid by the residents, which shall be provided by the Grantee to the residents at cost); provided, however, that such undergrounding obligation shall only exist where Grantee is able to timely procure all necessary permits and authorizations.
- b. Grantee shall use conduit or its functional equivalent on 100% of undergrounding, except for drops from pedestals to Subscribers' homes and for cable on other private property where the owner requests that conduit not be used. Cable and conduit shall be utilized which meets the industry standards for electronic performance and resistance to interference or damage from environmental factors. Grantee shall use, in conjunction with other utility companies or providers, common trenches for underground construction wherever available.

4.12 As Builts

Grantee shall maintain strand map drawings or the functional equivalent of the Cable System, and make them available to the Grantor for inspection upon request. Said drawings or their functional equivalent shall be updated as changes occur in the Cable System. The Grantee shall provide the Grantor, on request, a copy of as-builts or GIS map layers showing the location and nature of Grantee's facilities in the streets and public ways.

4.13 Emergency

In the event of a situation or circumstance which creates or is contributing to an imminent danger to health, safety or property, the Grantor may remove or relocate Grantee's System without prior notice. Subject to the limits of the Oregon Torts Claims Act and the Oregon Constitution, Grantor will defend, indemnify and hold Grantee harmless for any negligent actions or gross negligence by Grantor's employees or agents pursuant to this Section 4.13.

5. SYSTEM DESIGN AND PERFORMANCE REQUIREMENTS

5.1 Equal and Uniform Service

In all its construction and service provision activities, Grantee shall meet or exceed the construction, technical performance, extension and service requirements set forth in this Franchise Agreement. Reasonable efforts shall be made to provide equal and uniform access and rates to customers within the Franchise Area unless otherwise permitted by State or federal law. Exceptions to this requirement may be made for any promotional offers that are not made available either on a uniform basis or throughout the entire Franchise Area such as those designed for select qualifying groups (for example, new Subscribers or senior discounts) and qualifying portions of the Franchise Area (for example, households in new subdivisions).

5.2 System Configuration

- a. Grantee has designed, constructed and shall maintain a Cable System that has been built for digital television standards. Grantee's Cable System shall remain at least equivalent to the existing HFC 860 MHz two-way activated capability for all programming services throughout all parts of the System. The Cable System shall be capable of supporting video and audio, including HD and SD video, throughout the Term of this Franchise Agreement. The Cable System shall be two-way activated and able to support two-way interactive services such as Video On Demand (VOD). Grantee's Cable System shall provide consistent, high-quality reception to Subscribers in the System in accordance with the FCC technical standards and other technical standards contained in this Agreement.
- b. The Cable Service provided by the Cable System shall be delivered in accordance with applicable FCC standards, as amended. The Cable System shall meet or exceed any and all technical performance standards of the FCC and shall comply with all current applicable

codes including the National Electrical Safety Code, the National Electrical Code and any other applicable federal laws and regulations and the laws, ordinances and construction standards of the State of Oregon and the generally applicable laws, ordinances and construction standards of the Grantor.

5.3 Return Capacity.

The System shall throughout the Franchise Term carry reverse signals in the upstream direction. As of the effective date the reverse spectrum of the System shall have the capability of permitting return signals within the total 5-40 MHz bandwidth, from any Subscriber tap to the head end facility serving that Subscriber. Customers ordering tiers of Cable Service that require other than the minimum reverse bandwidth shall be provided with access to those upstream signals required by such service.

5.4 Satellite Earth Stations

Grantee shall provide a sufficient number of earth stations to receive signals from enough operational communications satellites, or equivalent transport such as fiber optic systems, that carry cable television services accessible to the Grantee throughout the life of the franchise to enable Grantee to carry out its obligations under this Franchise.

5.5 Interconnection

- a. Upon the effective date, and continuously thereafter, Grantee shall carry on its system via interconnections with another Cable Operator or network operator or service provider, those PEG Access channels provided by the Designated PEG Access providers listed in Exhibit C, in High Definition or in the highest format provided by the PEG providers to the interconnection provider. During the term of this Franchise, if for any reason Grantee can no longer provide via interconnections with another Cable Operator or network operator or service provider the PEG Access channels required by this Franchise, then Grantee shall at its own expense implement direct connections from the Access signal origination locations listed in Exhibit C, or such other location as identified by Grantor, to ensure continuous provision to Subscribers of the PEG Access channels required by this Franchise.
- b. Grantee shall continue to, or upon Grantor's request and as needed to distribute PEG programming, shall move to, interconnect the Cable System with all other major, contiguous cable systems in Clackamas County, specifically including but not limited to the Cities of Sandy, Canby and Molalla and unincorporated Clackamas County. The Grantor shall not direct interconnection in these cases except under

circumstances where it can be accomplished without undue burden or excessive cost to the Subscribers. Grantee shall not be required to interconnect with the other cable system unless the cable operator of that system is willing to do so and pay for its own costs of constructing and maintaining the interconnect to the demarcation point, which shall be at a meet point located at or near the border of the neighboring jurisdictions, except as may otherwise be agreed by the parties. Grantee shall use reasonable efforts to agree with the other cable operator upon mutually convenient, cost effective and technically viable interconnections of the PEG Access Channel signals. Grantee agrees to not object to or impede any connection established by a Grantor designated access provider, whether on the property of the Grantor, a designated access provider, or another cable operator, by means of which another cable operator obtains access to the PEG Access Channels, and not to object or impede the transmission of such signals by any other cable operator. The Grantee shall not charge the other party a fee for PEG programming or in connection with transporting PEG signals or programming if Grantee is not required to pay a fee to obtain or transport such programming.

The system shall provide the capability to transmit Upstream Channels and Downstream Channels, in a capacity, format and quality to ensure no degradation across the Interconnect, in each direction, together with data, telemetry, audio, and other non-video signals. The interconnection shall be capable of receiving and delivering, among other things: selected Local Origination Programming produced by Grantor and other major, contiguous cable systems in Clackamas County; and selected Access Programming carried on those cable systems.

- c. Grantee shall ensure that all interconnections on its own property are securely housed and maintained, and shall establish and continue in effect a routing system satisfactory to the Grantor that meets FCC technical requirements for carriage of signals for PEG access signals.

With respect to installing the capacity required under this Section, the Grantor understands that interconnection may require cooperation from other cable system operators as to engineering, design, and technical operation issues. In addition, Grantee's interconnection obligation, with respect to equipment and construction, shall be limited to providing only such equipment needed, and performing such construction work required, within Grantee's Franchise Area in order to enable the required interconnections to occur. In order to actually establish the interconnections, it may be necessary for the operators of cable systems interconnecting with the Grantee's System to provide equipment needed, and perform construction work

required, within their respective Franchise Areas; and the provision of such equipment and performance of such construction work shall be the obligation of Grantee only within its own Franchise Area. Therefore Grantor shall make every reasonable effort to assist Grantee in achieving the cooperation of interconnecting cable system operators necessary to establish the interconnections, and Grantee's interconnection obligations hereunder shall be subject to such cooperation being obtained.

All interconnections shall be accomplished in a manner that permits the transmission of signals meeting the technical standards of this Franchise on all interconnected Channels.

- d. Any capital equipment and construction costs borne by Grantee in connection with the obligation to provide for PEG Access Channel interconnection may be passed through to Subscribers, to the extent and in a manner provided for in federal regulations governing the same. The cost of interconnection shall be in addition to any PEG capital contribution made by Grantee pursuant to Section 6.6.3 hereof and shall not be deducted from the amount of such contribution.
- e. Notwithstanding the foregoing, interconnection may be waived by the Grantor if not technically feasible. Grantee may, after consultation with Grantor, terminate an interconnection for any period where an interconnecting system is delivering signals in a manner that endangers the technical operation of Grantee's Cable System.

5.6 Emergency Alert Capability

- a. In accordance with the provisions of FCC Regulations Part 11, Emergency Alert System (EAS), and as such provisions may from time to time be amended, the Grantee shall install, if it has not already done so, and maintain an Emergency Alert System (EAS) for use in transmitting Emergency Act Notification (EAN) and Emergency Act Terminations (EAT) in local and state-wide situations as may be designated to be an emergency by the local primary, state primary, and/or the state Emergency Operations Center, as those authorities are identified and defined within FCC Reg. Section 11.51 and other applicable state and local laws.
- b. The Grantor shall permit only appropriately trained and authorized persons to operate the EAS equipment and shall to the extent permitted by law indemnify and hold harmless the Grantee, its employees, officers and assigns from any claims arising from use of the System or the EAS equipment by the Grantor, its employees, authorized representatives, or designees, including, but not limited to, reasonable

attorneys' fees. Additionally, the Grantor shall to the extent permitted by law indemnify, save and hold harmless the Grantee against damage, loss or inappropriate use of the equipment and shall agree to use due care and to take reasonable precautions against such damage, loss or inappropriate use of the EAS equipment or other cable System equipment which may be used during a declared emergency.

5.7 Standby Power

Grantee shall provide continuous standby power generating capacity at the Cable System control center or headend, capable of powering all headend equipment for at least twenty-four (24) hours and indefinitely with a continuous or replenished fuel supply. Grantee shall maintain standby power system supplies, rated at least at four (4) hours duration at each node. In addition, Grantee shall have in place, throughout the Franchise Term, a plan and all resources necessary for implementation of the plan, for dealing with outages of more than four (4) hours.

5.8 Status Monitoring

Grantee shall continue to employ status Monitoring of the System which will continually monitor the System for signal quality on the forward and return spectrums of the System. In addition, the Grantee shall continue to employ status Monitoring for all power in its headend(s) and hub(s) as well as the distribution system.

Status Monitoring shall be capable of notifying the Grantee, 24/7 of any electrical utility outages impacting the System, including but not limited to notifications related to backup power availability.

5.9 Parental Control Lock

Grantee shall provide Subscribers (by sale or lease or otherwise), upon request, with a manual or electronic parental control locking device or digital code that permits inhibiting the viewing of any Channel.

5.10 Technical Standards

The Grantee shall install all aerial and underground cables and wires in a manner consistent with County requirements and in compliance with all applicable laws, ordinances, and safety requirements including but not limited to the Federal Communications Commission, Federal Aviation Administration, National Electrical Code (NEC), National Electrical Safety Code (NESC), and National Cable Television Association and Society of Cable Telecommunications Engineers Standards of Good Engineering Practices. The Cable System shall meet or exceed all

applicable technical and performance standards, of the Federal Communications Commission or its successor agency, and any and all other applicable technical and performance.

5.11 Performance Testing

- a. Quadrature Amplitude Modulation, (QAM) - As of the Effective Date of this Franchise, Grantee is providing Cable Services in a QAM format and will potentially migrate to an all-IPTV format over time. The following sections (5.11.a. i-.iv) will be in place until QAM is no longer utilized on the system.
 - i. Grantee shall be responsible for ensuring that its Cable System is designed, installed, and operated in a manner that fully complies with 47 C.F.R. §76.640 and other applicable FCC standards as amended. Pursuant to this Section 5.11, Grantee shall conduct and document complete performance tests of its Cable System, to show the level of compliance with applicable FCC standards, upon request by the Grantor as needed to resolve consumer complaints or issues, or issues raised by County Commissioners or staff. The performance tests shall be directed at determining the extent to which the Cable System complies with applicable FCC technical standards regarding the transmission and reception capabilities of digital Cable Systems.
 - ii. All testing required in this Section 5.11 may be observed by representatives of the Grantor. Grantee shall provide reasonable notice to the Grantor in advance of the scheduled testing date(s), and the Grantor shall then notify Grantee before such testing is scheduled to occur if it desires to observe such test(s).
 - iii. Copies of system performance tests shall be maintained by the Grantee for a period of two (2) years and made available to the Grantor upon request within ten (10) days. In addition, the Grantee shall retain written reports of the results of any tests required to demonstrate compliance with FCC standards, and such reports shall be submitted to the Grantor upon the Grantor's request.
 - iv. If any test required hereunder indicates that any part or component of the System fails to meet applicable requirements, the Grantee, without requirement of additional notice or request from the Grantor, shall take corrective action, retest the locations and advise the Grantor of the action taken and results achieved.
- b. Internet Protocol TV (IPTV) Testing. Upon implementation of an IPTV system that serves Subscribers without the use of the QAM system in place as of the Effective Date of the Franchise, Grantee shall implement a quality assurance monitoring process which measures

dropped streams, viewer counts, error rates and other parameters as are measured on the cable modem system. Grantee shall provide Grantor with necessary facility access for review of monitoring results and picture quality, provided such access shall be limited to once per calendar year, upon reasonable advance written notice. Notwithstanding the foregoing, if Subscribers place complaints to the Grantor regarding picture quality and availability on Grantee's IPTV system, Grantor shall be granted additional ability to view the monitoring system to measure performance of these Subscribers' Cable Service.

6. SERVICES AND PROGRAMMING

6.1 Programming Categories

The Grantee shall use commercially reasonable efforts to continue to provide broad categories of video programming in at least the number and of the type offered as of the effective date of this franchise. To the extent demonstrated by community needs, Grantor may require Grantee to add another broad category of programming not otherwise carried by Grantee, in order to meet the demonstrated need, and provided that such programming can be added on commercially reasonable rates, terms and conditions.

6.2 Changes in Video Programming Services

In the event any applicable law or regulation materially alters the terms and conditions under which Grantee carries programming, then the Grantee shall be obligated to carry such programming only upon commercially reasonable terms and conditions.

Grantee shall provide written notice to the County and to Subscribers for any proposed deletions, additions, or rearrangements of individual programming service at least thirty (30) days in advance. The County reserves the right to regulate to the fullest extent permitted by law to ensure maintenance of the mix, level and quality of service.

6.3 Interactive Residential Services

The Grantee shall make Interactive Cable Services available to Subscribers consistent with its other cable systems in the Portland Metropolitan area.

6.4 Leased Channel Service

The Grantee shall offer leased channel service to the extent required by 47 U.S.C. Section 532 (Section 612 of the Cable Act), or regulations adopted thereunder.

6.5 Obscenity

Grantee shall not transmit over the Cable System programming which is obscene or otherwise unprotected by the Constitution of the United States, or the State of Oregon, provided, however, Grantee shall in no way be responsible for programming over which it has no editorial control, including public, educational and governmental access programming.

6.6 Public, Educational and Government Use of System

6.6.1 Public and Government Access Channels

a. Designated PEG Access Providers.

- i. The Grantor may designate Public, Educational and Government “PEG” Access Providers, including itself for Government Access purposes, to control and manage the use of any or all Access Facilities provided by the Grantee under this Franchise, including, without limitation, the operation of Interconnected Access Channels. To the extent of such designation by the Grantor, as between the Designated Access Provider and the 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 and applicable law; such rules shall not be designed to control the content of public access programming, and County shall require that any Public Access provider indemnify, defend, and hold harmless Grantee from and against any and all claims or damages associated with same.
- ii. Grantee shall cooperate with Designated PEG Access providers in the use of the Cable System and Access Facilities for the provision of PEG Access. Grantee shall work with designated PEG Access providers as may be necessary to facilitate and coordinate the provision of PEG Access, provided that all such operating agreements shall not be inconsistent with the terms of this Franchise.

iii. Except as provided in this Franchise, the Grantor shall allocate Access Resources to Designated Access Providers only. Grantee shall cooperate with the County in such allocations, in such manner as the County shall direct.

iv. For the purpose of Section 6.6:

1. "Access Facilities" means the Channel capacity (and portions thereof), services, facilities, equipment, and/or technical components used or useable by PEG Access; and
2. "Access Resources" means all operating support and other financial means by which PEG Access is exercised, including, but not limited to, Access Cost support under Section 6.6.3.

v. The requirements of this Section 6.6 shall be subject to the Franchise Review provided for in Section 3.3.

b. Channel Capacity.

Downstream Channels. Grantee shall provide a minimum of one (1) Downstream Video Channel as determined by the Grantor, for distribution of PEG Access programming to Subscribers on its QAM channel lineup.

Grantee shall provide a minimum of three (3) Downstream Video Channels, as determined by the Grantor, for distribution of PEG Access programming to Subscribers on its IPTV channel lineup.

Grantee, on its IPTV Channel lineup, shall carry each Access Channel in the highest provided format, e.g. high definition (HD) format or standard definition (SD) digital format, for up to a total of three (3) Activated PEG Access Channels.

Grantor acknowledges that receipt of HD format Access Channels may require Subscribers to pay additional HD charges applicable to receiving other comparable HD programming services.

c. Access Programming Information in Programming Guides.

- i Grantee shall provide to the PEG Access Channel operator its third-party guide provider contact information so as to permit the PEG Access Channels and programming

information to be included in any program guides, navigation systems and search functions accessible through Grantee's Cable Services set-top box and remote controls, or their successor technologies, provided to its Subscribers, including, but not limited to on-screen, print and on-line program guides which include Channel and Programming listings of any local broadcast Channels. Grantee shall assist with facilitating the connection of the PEG Access Channel operators to its third-party guide provider to implement the requirements of this Section.

- ii. Inclusion of PEG channels on the programming menu, and subsequent provision of program information by the entity(s) responsible for providing the information, shall afford the ability to record PEG programming via any Digital Video Recording (DVR) system in place, and all auto tuning abilities, to the same extent provided for other Channels on the System.
- iii. The Designated Access Providers shall provide to the Grantee's designee, the Access Channel programming information in an appropriate format and within the appropriate timeframe for insertion into the programming guides.

d. No Editorial Control.

The Grantor acknowledges that pursuant to Section 611 of the Cable Act that Grantee has no editorial control over the Access Channels except as provided in the Cable Act.

6.6.2 Access Interconnections and Alternate Direct Connections

The Grantee shall continue to provide, maintain and install new as needed all access interconnections of PEG Access Channels in accord with the requirements of Section 5.5. In addition to the interconnection requirement in Section 5.5, Grantee shall make a reasonable effort to install and maintain all access interconnections needed for future Access Channels required under this Franchise.

Alternatively, if Grantee cannot for any reason continue to provide the PEG Access Channels required by this Franchise via the Access interconnections described in Section 5.5, or such similar interconnection, then Grantee shall at its own cost and expense implement direct connections from the Access signal origination locations listed in Exhibit C, or such other locations as identified by Grantor provided that connection to such other locations is

commercially feasible. In the case of such direct connections, Grantee shall construct and install as necessary, fiber optic connections from the designated Access signal origination locations to a location on its Cable System capable of incorporating the Access Channel signals into its Cable System delivery to Subscribers. Grantee shall continuously maintain such fiber optic direct connections and provide and maintain all equipment necessary to transport the Access signals to Grantee from a demarcation point at the Access signal origination location listed in Exhibit C, or as otherwise mutually agreed.

Such fiber optic direct connections shall be implemented within an appropriate timeframe, such that any interruption in the delivery of the PEG Access Channels to Subscribers is minimized, and in no event beyond one hundred eighty (180) days from the date of cessation of delivery as set forth as of the effective date.

6.6.3 Support for Access Costs

Grantee shall provide one percent (1%) of its Cable Services Gross Revenues, or such lesser amount if authorized by Grantor, for Public, Educational, and Governmental Access costs, capital facilities and equipment so long as any such facilities or equipment are not owned by another cable operator. The contribution shall continue throughout the Term of this Franchise Agreement. If the Grantee elects to include the contribution on the bills of Subscribers, the Grantee shall provide notice to the Subscribers of such inclusion at least thirty (30) days prior to including the contribution on any bills. The Grantee shall coordinate with the Grantor on the content of the notice. The Grantee shall make such 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.

The Grantor shall provide a report annually to the Grantee on the use of the funds provided to the Grantor under this Section 6.6.3. The annual report shall be submitted to Grantee within 120 days of the close of the Grantor's fiscal year, which fiscal year runs for twelve consecutive months from July 1 to and including June 30. Grantee may review records of Grantor regarding the use of funds described in such report. The Grantor agrees that the report shall document the amounts spent or encumbered for operating support for PEG access.

If Grantor enters into a franchise agreement or amends an existing franchise agreement with another cable operator after the effective

date of this Franchise to provide Cable Service in all or a portion of the Grantee's Franchise Area that includes PEG financial support calculated based on a Gross Revenues basis that is less than one percent (1%), then Grantee shall be entitled to reduce the PEG contribution to match that of the other cable operator or operators.

6.6.4 Access Support Not Franchise Fees

- a. The Grantor recognizes that the financial support for Access set forth in subsection 6.6.3 is to be used for costs consistent with Federal law and FCC Rules and Regulations. The Grantee agrees that neither such financial support nor other costs arising from or relating to the obligations set forth in this Section shall in any way modify or otherwise affect the Grantee's obligations to pay franchise fees to the Grantor, and that the commitments herein shall not be offset or otherwise credited in any way against any franchise fee payments under this Agreement.
- b. The Grantor recognizes that the Grantee has the right and ability to include franchise fees and certain other commitments on the bills of Subscribers.

6.6.5 Cable Service to Public Facilities

The connections and service level Grantee shall provide to public facilities are identified in Exhibit D.

6.6.6 Change in Technology

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 Programming, Grantee shall at its own expense take necessary technical steps or provide necessary technical assistance, including the acquisition or replacement of all necessary equipment at Grantee's headend, to ensure that the quality of PEG Access Channels are not diminished or adversely affected by such change. Changes in technology shall not require subscribers to obtain equipment not otherwise needed for receiving any other Channels on the System. Designated Access Providers shall be responsible for acquisition of necessary equipment on their side of the demarcation point at their respective facilities.

6.6.7 Technical Quality

- a. Grantee shall maintain all Upstream and Downstream Access Channels and Interconnections of Access Channels at the same level of technical quality and reliability provided for local Broadcast Channels and as required by this Franchise and all other applicable laws, rules and regulations for Residential Subscriber Channels.
- b. Grantee shall have no responsibility for the technical production quality of the Access programming provided by the Access Channel providers to the point of demarcation with the Grantee's Access signal transport equipment.
- c. The Grantee shall not cause any programming other than emergency alert signals to override Access Programming on any Access Channel, except by specific written permission from the Access Provider.

7. FRANCHISE REGULATION AND CUSTOMER SERVICE STANDARDS

7.1 Intent

It is the intent of the Grantor to administer and enforce the provisions of this Franchise. To the extent permitted by applicable law, Grantor may delegate all or a part of its administrative and regulatory authority under this franchise to an entity designated by the Grantor.

7.2 Areas of Regulation and Administration

The Grantor (or its designee) has authority for regulation in the following areas:

- a. Administering and enforcing the provisions of this franchise agreement, including the adoption of administrative rules and regulations to carry out this responsibility;
- b. Coordination of the operation of public, government and educational access channels;
- c. Interfacing the Grantee's technical, programming and operational assistance and support to public agency users, such as County departments, schools and health care institutions;

- d. Formulating and recommending long-range cable communications policy for the franchise area;
- e. Disbursing and utilizing franchise revenues paid to the Grantor.
- f. Regulating rates, to the extent permitted by law;
- g. Enforcing consumer protection standards, to the extent permitted by law;
- h. Planning and facilitating development of public uses of the Cable System both within the County and through interconnection with adjacent systems.

7.3 Rate Regulation

- a. Rate Regulation Right Reserved. Grantor reserves the right to regulate Grantee's rates and charges for Cable Service to the full extent authorized by applicable federal, state and local law, as these may change during the period of the franchise; and to establish rate regulation policies and guidelines for carrying out its authority.
- b. Notice of Change in Rates and Charges. Throughout the Term of this Franchise, Grantee shall give all Subscribers within the Franchise Area at least thirty (30) days' notice of Cable Services rate changes. Nothing in this subsection shall be construed to prohibit the reduction or waiving of rates or charges in conjunction with promotional campaigns or for the purpose of attracting Subscribers or users.
- c. Rate Discrimination Prohibited. Grantee shall apply non-discriminatory Cable Services rates and charges to all Subscribers purchasing similar services, regardless of race, color, creed, sex, marital or economic status, age, national origin, sexual preference, or neighborhood of residence, except as otherwise provided herein; provided that nothing in this Franchise shall prevent the Grantee from establishing discounted rates and charges for low-income or elderly subscribers, from temporarily reducing or waiving rates and charges in connection with promotional campaigns, or providing other discounts or accommodations as may be required by applicable law.
- d. The provisions of this Section 7.3 shall be subject to the provisions of 47 U.S.C. Section 543 (Section 623 of the Cable Communications Policy Act of 1984), as amended from time to time.

7.4 Remedies for Franchise Violations

- a. In addition to any other remedies as specified in this Franchise, the Grantor has the right to and may impose penalties not to exceed \$1,000, per day, per incident, not to exceed a total of fifty thousand Dollars (\$50,000) per incident, in the event Grantee violates any other material provision of this Franchise Agreement, subject to Section 7.4(c), below. In addition to any other remedies as specified in this Franchise and in the event that Grantor determines that Grantee has violated any material provision of this Agreement, subject to Section 7.4(c) below Grantor may impose as liquidated damages, and not as a penalty, up to five hundred dollars (\$500) per incident for non-continuing violations and up to one thousand dollars \$1,000 per incident for continuing violations, not to exceed a total of ten thousand dollars (\$10,000) per year. For purposes of this Section, the term “per incident” means a single occurrence of a violation without regard to number of customers.
- b. 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.

The date of the violation will be the date of the event and not the date Grantee receives notice of the violation except in cases where Grantee did not know and could not reasonably have been expected to know that a violation occurred, in which case penalties shall accrue from the date Grantee knew or should have known of the violation. Without limiting the foregoing, Grantee is presumed to know whether it violated a customer service standard that is measured based upon aggregate performance, such as call answer times, installation times, etc.

Grantee shall have thirty (30) calendar days from the date of receipt of such notice to:

- i. Respond to Grantor, contesting Grantor's assertion that a violation has occurred, and request a hearing in accordance with subsection (e) below, or;
- ii. Cure the violation, or;
- iii. Notify Grantor that Grantee cannot cure the violation within the thirty (30) days, 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 (c) below.

- c. In the event that the Grantee notifies the Grantor that it cannot cure the violation within the thirty (30) day cure period, Grantor may within thirty (30) days of Grantor's receipt of such notice, set a hearing. At the hearing, Grantor shall 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 in Grantor's sole discretion to be reasonable, the same may be approved by the Grantor, who may waive all or part of the penalties for such extended cure period in accordance with the criteria set forth in subsection (g) of this section. Following the hearing, Grantor may also in its sole discretion, modify Grantee's proposed extended cure period.
- d. 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 pursuant to subsection (c), the Grantor may set a hearing to determine what penalties, if any, shall be applied.
- e. In the event that the Grantee contests the Grantor's assertion that a violation has occurred, and requests a hearing in accordance with subsection (b)(i) above, the Grantor shall set a 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 penalties shall be applied.
- f. 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 may also hear any other Person interested in the subject, and may provide additional hearing procedures as Grantor deems appropriate.
- g. The penalties set forth in this section of this Agreement may be reduced at the discretion of the Grantor, taking into consideration the nature, circumstances, extent and gravity of the violation as reflected by one or more of the following factors:
 - i. Whether the violation was unintentional;
 - ii. The nature of any harm which resulted;
 - iii. Whether there is a history of overall compliance, and/or;

- iv. Whether the violation was voluntarily disclosed, admitted or cured.
- h. If, after the hearing, Grantor determines that a violation exists, Grantor may utilize one or more of the following remedies:
 - i. Order Grantee to correct or remedy the violation within a reasonable time frame as Grantor shall determine;
 - ii. Establish the amount of penalties, taking into consideration the criteria provided for in subsection (g) of this Section as appropriate in Grantor's discretion;
 - iii. Revoke this Agreement, and/or;
 - iv. Pursue any other legal or equitable remedy available under this Agreement or any applicable law.
- i. The determination as to whether a violation of this Agreement has occurred shall be within the sole discretion of the Grantor, and shall be in writing. Grantee may appeal the decision of Grantor to a court of competent jurisdiction as provided by Oregon law.

7.5 Public Disclosure

Subject to the Oregon Public Records Law, whenever, pursuant to this Franchise, Grantee shall make available for inspection by the Grantor or submit to the Grantor reports containing information considered proprietary by the Grantee, the Grantor shall not disclose or release such reports or information to the public without Grantee's prior written consent provided Grantee has noted such information as proprietary in writing at the time of submission.

7.6 Remedies Not Exclusive

The Grantor has the right to apply any one or any combination of the remedies provided for in this Franchise, including without limitation all remedies provided for in this Section 7, and may without limitation pursue any rights, remedies or actions that it may have in law or equity regardless of whether they are specifically mentioned in this Franchise.

7.7 Consumer Protection Standards

The following customer service and consumer protection standards shall apply. Nothing in this Section shall limit the rights of the Grantor to establish additional or different standards in accordance with federal law and regulations.

7.7.1 Customer Service and Telephone Responsiveness

- a. The Grantee shall maintain an office or customer service location(s) within Clackamas County capable of accepting payments and changing out Subscriber equipment. The office/customer service location(s) must be adequately staffed for Subscribers to make payments and drop off equipment not less than fifty (50) hours per week with a minimum of nine (9) hours per day on weekdays and five (5) hours on Saturdays.
- b. As used herein, "adequately staffed" means toll-free telephone lines are open and customer service representatives are available to respond in at least the following ways: to accept payments; to exchange or accept returned converters or other company equipment; to respond to inquiries; and to schedule and conduct service or repair calls.
- c. Toll-free telephone lines, either staffed or with answering capability, providing at least emergency referral information, must be operational twenty-four (24) hours a day, including weekends and holidays.
- d. The Grantee shall maintain, on average as verifiable by statistical data:
 - i. Sufficient customer service staff and telephone line capacity to handle normal call volume with a minimum of delay to Subscribers. Under normal operating conditions, the Subscriber will receive a busy signal less than 3% of the time.
 - ii. Under normal operating conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds. Grantee may use an Automated Response Unit ("ARU") or Voice Response Unit ("VRU") in answering and distributing calls from customers and the wait time not to exceed thirty seconds will commence once the ARU or VRU forwards the call to a queue for a live representative. Notwithstanding the

foregoing, use by Grantee of fully-automated troubleshooting via telephone call shall not violate the telephone response times set forth in this Section. If a call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than 90% percent of the time under normal operating conditions, measured on a quarterly basis.

7.7.2 Service and Repair Calls

- a. Under normal operating conditions, at least 95% of the time measured on a quarterly basis, requests from subscribers for repair and maintenance service must be responded to, and repairs must commence within twenty-four (24) hours or prior to the end of the next business day, whichever is earlier. Repair and maintenance for service interruptions or other repairs not requiring on-premises work must be completed within twenty-four (24) hours under normal circumstances. All other repairs should be completed within seventy-two (72) hours under normal circumstances.
- b. Under normal operating conditions, at least 95% of the time measured on a quarterly basis, as a normal operating procedure, upon Subscriber request the Grantee shall offer either a specific appointment time or a pre-designated block of time (not to exceed four hours) for Subscriber service appointments to be scheduled Monday through Saturday in the morning, the afternoon, and after 5:00 p.m.

The Grantee shall not unilaterally cancel an appointment with a Subscriber after the close of business on the business day prior to the scheduled appointment.

If a Grantee representative is running late for an appointment with a Subscriber and will not be able to keep the appointment as scheduled, the Subscriber will be contacted. The appointment will be rescheduled, as necessary, at a time which is convenient for the Subscriber.

- c. With regard to the needs of working or mobility-limited Subscribers, upon Subscriber request, the Grantee shall arrange for pickup and/or replacement of converters or other company equipment at the Subscriber's address, or else a satisfactory equivalent (such as the provision of a postage-prepaid mailer).

- d. Under normal operating conditions, at least 95% of the time measured on a quarterly basis, where the service requested is installation of Cable Service, standard installations shall be performed by the Grantee within seven (7) days after an order has been placed by a Subscriber. “Standard” installations, for the purposes of this section, shall mean those installations that are located up to one hundred and twenty-five (125) feet from the existing distribution system.
- e. Grantee shall use commercially feasible efforts to provide Cable Service consistent with the normal extension requirements provided in Section 4.3.2 within ninety (90) days of the date of a complete Subscriber request (a signed agreement by and between Subscriber and Grantee).

7.7.3 Disconnection

- a. The Grantee may disconnect a Subscriber if:
 - i. at least thirty (30) days have elapsed without payment after the due date for payment of the bill of the affected Subscriber; and
 - ii. the Grantee has provided at least ten (10) days written notice to the affected Subscriber prior to disconnection, specifying the effective date after which Cable Services are subject to disconnection.
- b. Regardless of subsection (a) hereof, the Grantee may disconnect a Subscriber for cause at any time if the Grantee in good faith determines that the Subscriber has tampered with, stolen or abused Grantee equipment, or is or may be engaged unlawfully in theft of Cable Services, or is causing a system violation of FCC rules or regulations, is threatening or abusive to employees or representatives of the Grantee during the course of their employment, or otherwise violates Grantee’s Cable Services terms and conditions.
- c. The Grantee shall promptly disconnect any Subscriber who so requests from the System. No period of notice prior to voluntary termination of Cable Service may be required of Subscribers by the Grantee. No charge may be imposed by the Grantee for any Cable Services delivered after the date of the disconnect request. Upon the later of the date of actual disconnection or the return of all Grantee equipment to Grantee, the Grantee shall under normal operating conditions,

within thirty (30) days return to such Subscriber the amount of the deposit, if any, collected by Grantee from such Subscriber, less any disputed amounts owed to Grantee for Cable Services or charges prior to the date of disconnection.

7.7.4 Credits Upon Outage

- a. Except for planned outages under Grantee's control where Subscribers are provided reasonable notification in advance, upon a subscriber's request the Grantee shall provide a pro-rated 24-hour credit to the subscriber's account for any period of two (2) hours or more during which that Subscriber experienced the effective loss or substantial impairment of Cable Service on the System.
- b. Except to the extent caused by commercial feasibility factors such as, but not limited to, good faith dispute, cost, scheduling of work, or availability of labor or materials, that are not under the control of Grantee, the requirements of Subsection 7.7.4a above shall apply to any requesting Subscriber who also is not provided Cable Service within the required ninety (90) day timeframe from their request pursuant to Section 4.3.2. Such non-provision of Cable Service shall be considered an outage for purposes of this Section 7.7.4, and such requesting Subscriber(s) shall be provided a credit based on their contracted Cable Service rate or Grantee's most commonly adopted Cable Service tier, whichever is higher. For example, if a Subscriber requests Cable Service and Cable Service is not provided for one hundred (100) days from the date such request is completed, the Subscriber would receive ten (10) days of credit to Cable Service charges upon activation of their Cable Service for the time beyond the required ninety (90) days that it took to provide such Cable Service.

7.7.5 Downgrade Charges

Grantee may impose Downgrade Charges only if:

- a. the Subscriber has been notified, at the time of initiating Cable Services, of Grantee's Downgrade Charges; and
- b. the Downgrade Charge does not exceed the Grantee's costs of performing the downgrade as determined under FCC rate regulation rules, subject to applicable law.

7.7.6 Billing Information Required

The Grantee bill to Subscribers shall itemize each category of Cable Service, equipment, or other applicable fees, and state clearly the charge there of. The Grantee shall make its best effort to inform Subscribers as clearly as possible when payments are due and when late fees and disconnection may occur.

7.7.7 Information to Subscribers

- a. Upon installing initial service to or reconnecting Subscriber(s), and upon request thereafter, the Grantee shall advise the Subscriber, in writing, of:
 - i. the equipment and services currently available (including parental lock-out devices) and the rates and charges which apply;
 - ii. the amount and criteria for any deposit required by Grantee, if applicable, and the manner in which the deposit will be refunded;
 - iii. the Grantee's policies and procedures by which complaints or inquiries of any nature will be addressed;
 - iv. the toll-free telephone number and address of the Grantee's office to which complaints and inquiries may be reported;
 - v. the company's practices and procedures for protecting against invasions of Subscriber privacy;
 - vi. service termination policy;
 - vii. billing procedures. Billing procedures shall be clearly explained in the written information and in addition, the Grantee's phone number for information and requesting the written materials shall be placed on the part of the bill retained by Subscribers;
 - viii. the notice and referral information, as set forth in subsection (b) hereof;
 - ix. liability specifications;
 - x. converter/Subscriber terminal policy; and

xi. breach of agreement policy.

b. Notice to Subscribers.

- i. The Grantee shall inform the Grantor and subscribers within thirty (30) days, prior to any increases in rates, costs, or charges to Subscribers, or any Channel repositioning or programming changes within the control of Grantee.
- ii. All Grantee promotional materials, announcements, and advertising of residential Cable Services to Subscribers and the general public, where price information is listed in any manner, shall clearly and accurately disclose price terms. In the case of pay-per-view or pay-per-event programming, all Grantee-prepared promotional materials must clearly and accurately disclose price terms and any restrictions for use. Likewise, in the case of telephone orders, the Grantee shall take appropriate steps to ensure that Grantee customer service representatives clearly and accurately disclose price terms and any restrictions for use to potential customers when taking the order.
- iii. The Grantee shall, upon request by the Grantor, but no more often than annually, send written notice approved by the Grantor to all Subscribers that any complaints or inquiries not satisfactorily handled by the Grantee may be referred to the Grantor or its designee, giving the address and phone number of the appropriate Grantor office. Such notification may be included with a billing statement.

c. Written Complaint Acknowledgment

Within ten (10) days following receipt of a written complaint, as defined in Section 7.7.8.b, received at the Grantee's principal business office by first class mail, from a Subscriber, the Grantee shall provide an acknowledgement to the Subscriber of receipt of the complaint and of any action, the Grantee has taken or intends to take in response to the complaint. This requirement does not apply to complaints submitted for processing by a regulatory agency other than Grantor, such as the FCC.

7.7.8 Complaint Resolution

- a. The Grantor may take all necessary steps to ensure that all Subscribers and other affected residents, businesses or other organizations, have recourse to a satisfactory hearing of any complaints, where there is evidence that the Grantee has not settled the complaint to the reasonable satisfaction of the person initiating the complaint.
- b. For purposes of this section, a "complaint" is a grievance related to the Cable Service of the System within the Franchise Area that is reasonably remediable by the Grantee, but does not include grievances regarding the content of programming or information services, other than grievances regarding the inclusion or exclusion of broad categories of programming, and does not include Subscriber contacts resulting in routine service calls that resolve the Subscriber's problem satisfactorily to the Subscriber or inquiries by the Subscriber.

7.7.9 Failure to Resolve Complaints

If Grantee fails to resolve a Cable Services related complaint within thirty (30) days following the date the complaint was made to the Grantee, and after the Grantor follows the processes set forth in Section 7.4 herein Grantor finds that Grantee has failed to satisfactorily resolve the complaint, then Grantee shall be deemed in violation of the Franchise, and the Grantor may assert any of the remedies set out in Sections 7.4, 11 and other applicable subsections.

8. GENERAL FINANCIAL AND INSURANCE PROVISIONS

8.1 Compensation

- a. Franchise Fee.

As compensation for the Franchise to be granted, and in consideration of permission to use the streets and public ways of the Grantor for the construction, operation, and maintenance of a Cable Communications System within the Franchise Area and to defray the costs of Franchise regulation, the Grantee shall pay to Grantor an amount equal to five percent (5%) of the Gross Revenues defined in Section 2.u. In the event any law or valid rule or regulation applicable to this Franchise limits franchise fees below the five percent (5%) of Gross Revenues required herein, the Grantee agrees to and shall pay the maximum permissible amount and, if such law or valid rule or regulation is later

repealed or amended to allow a higher permissible amount, then Grantee shall pay the higher amount up to the maximum allowable by law, not to exceed five percent (5%).

The Grantee shall at all times during the Term of this Franchise maintain on file with the County an up-to-date list of all affiliated entities receiving Gross Revenues as such revenues are defined in this Franchise.

In the event the obligation of Grantee to compensate Grantor through franchise fees is lawfully suspended or eliminated, in whole or in part, then to the extent provided for by applicable law, the Grantee shall pay to Grantor compensation equivalent to the compensation paid to Grantor by other similarly situated users of the streets for Grantee's use of the Streets, to the extent Grantor has the legal right to require such compensation.

b. Payment of Franchise Fees.

- i. Payments due under this provision shall be computed and paid quarterly, for the preceding quarter, as of March 31, June 30, September 30, and December 31. Each quarterly payment shall be due and payable no later than forty-five (45) days after the dates listed in the previous sentence. A quarterly report shall be made as hereinafter provided in Section 12.3.
- ii. No acceptance of any payment shall be construed as accord that the amount paid is in fact the correct amount, nor shall such acceptance of payment be construed as a release of any claim Grantor may have for further or additional sums payable under the provisions of this Franchise. All amounts paid shall be subject to audit and recomputation by Grantor.
- iii. 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 legal interest rate in the State of Oregon.
- iv. 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 imposed by Grantor, to the extent not prohibited or limited in amount by federal law.

8.2 Faithful Performance Bond

- a. Upon the effective date of this Franchise, the Grantee shall furnish proof of the posting of a faithful performance bond running to the Grantor with good and sufficient surety approved by the Grantor, in the penal sum of Fifty Thousand Dollars (\$50,000.00), conditioned that the Grantee shall well and truly observe, fulfill, and perform each term and condition of this Franchise. Such bond shall be maintained by the Grantee throughout the Term of this Franchise.
- b. Grantee shall pay all premiums charged for any bond required under Section 8.2(a), and shall keep the same in full force and effect at all times through the later of either:
 - i. The remaining Term of this Franchise; or
 - ii. If required by the Grantor, the removal of all of Grantee's system installed in the Grantor 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 being given to the Grantor. The bond shall be subject to the approval of the County Attorney as to its adequacy under the requirements of Section 8.2. 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.
- 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 substantially the same rights and guarantees provided by a faithful performance bond.
- e. The Board of County Commissioners may at any time during the Franchise Term reduce or eliminate the bond requirements.

8.3 Damages and Defense

- a. The Grantee shall defend, indemnify, and hold harmless Grantor, and its officers, agents, and employees, from and against all claims, damages and penalties, including but not limited to attorney fees, arising as a result of any actions of the Grantee under this Franchise except to the extent such claims, damages and penalties are the result of Grantor's

gross negligence or willful misconduct. These claims, damages and penalties shall include, but shall not be limited to: damages arising out of copyright infringement; defamation or anti-trust actions; and all other damages arising out of the Grantee's actions under the Franchise or the construction, operation, maintenance, or reconstruction of the Cable Communications System authorized herein, whether or not any act or omission complained of is authorized, allowed, or prohibited by this Franchise.

- b. Grantor shall notify Grantee, in writing, as soon as practicable after presentation of any claims, made or accrued against Grantor on account of any fault on the part of the Grantee, and subject to obligations set forth in 8.3(a) above. Failure to notify Grantee properly in accordance with the foregoing of any such claims against Grantor shall not release Grantee of any obligation to defend or indemnify Grantor unless Grantee can establish that it has been prejudiced by such failure.
- c. If the Grantee fails to defend as required in Section 8.3(a), above, then the Grantee agrees to and shall pay all expenses incurred by Grantor, and its officers, agents, and employees, in defending itself with regard to all claims, damages and penalties mentioned in subsection (a) above. These expenses shall include all out-of-pocket expenses, such as attorney fees, and shall also include the reasonable value of any services rendered by any employees of the Grantor.

8.4 Liability Insurance and Indemnification

- a. Grantee shall maintain automobile and Worker's Compensation insurance, as well as public liability and property damage insurance, that protects the Grantee and the County, its officers, agents and employees, from any and all claims for damages or personal injury including death, demands, actions and suits brought against any of them arising from operations under this Franchise or in connection therewith, as follows:
- b. The insurance shall provide coverage at all times for not less than \$1,000,000 for personal injury to each person, \$2,000,000 aggregate for each occurrence, and \$1,000,000 for each occurrence involving property damages, plus costs of defense; or a single limit policy of not less than \$2,000,000 covering all claims per occurrence, plus costs of defense. The insurance shall be equal to or better than commercial general liability insurance.

The minimum amounts of insurance set out in subsection (b) of this section shall be increased from time to time to the extent necessary to provide coverage at least as great as the limits on the County's liability under the Oregon Tort Claims Act.

The evidence of coverage for Workers' Compensation shall show that it includes State of Oregon Statutory Limits, and Employer's Liability limits of at least \$1,000,000.

Any insurance carrier shall have an A.M. Best rating of A or better, and be authorized to do business in the State of Oregon.

- c. The insurance shall be without prejudice to coverage otherwise existing and shall name as additional insureds Grantor and its officers, agents, and employees. Notwithstanding the naming of additional insureds, the insurance shall protect each insured in the same manner as though a separate policy had been issued to each, but nothing herein shall operate to increase the insurer's liability as set forth elsewhere in the policy beyond the amount or amounts for which the insurer would have been liable if only one person or interest had been named as insured. The coverage must apply as to claims between insureds on the policy.
- d. The insurance shall provide that the insurance shall not be canceled or materially altered so as to be out of compliance with the requirements of this Section 8.4 without thirty (30) days written notice first being given to the Grantor. If the insurance is canceled or materially altered so as to be out of compliance with the requirements of this Section 8.4 within the Term of this Franchise, Grantee shall provide a replacement policy. Grantee agrees to maintain continuous uninterrupted insurance coverage, in the amounts required, for the duration of this Franchise.
- e. Grantee shall file prior to the effective date of this Franchise and shall maintain on file with Grantor a certificate of insurance certifying the coverage required above, which certificate shall be subject to the approval of the County Attorney as to the adequacy of the certificate and of the insurance certified under the requirements of this Section 8.4. At a minimum, the certificate shall be signed by a representative with authority to bind the insurance carrier.

The certificate shall show that the general liability portion of the insurance includes:

- i. Broad form property damage;
- ii. Products and completed operations;
- iii. Explosion, collapse, and underground exposures;
- iv. Contractual liability;

- v. Owners and contractors protective coverage; and
- vi. Cyber liability coverage.
- f. Failure to maintain adequate insurance as required under this Section 8.4 shall be cause for termination of this Franchise by the County as provided in Section 11.1 herein.
- g. The Grantee shall also indemnify, defend and hold harmless the County and its officers, agents and employees for any and all claims for damages or personal injury which exceed the limits of insurance provided for in this Section.

9. RIGHTS RESERVED TO GRANTOR

9.1 Grantor Acquisition of the Cable System

Grantor shall have the right to purchase the Cable System, consistent with applicable law.

- a. In the event Grantor has declared a forfeiture for cause or otherwise revoked for cause this Franchise Agreement, or in the event of expiration of the Term of this Franchise Agreement without the Franchise being renewed or extended, the Grantee shall continue its operations for a period of two hundred and seventy (270) days under the terms and conditions of this Franchise Agreement and as required by Section 11 herein, following the date of the forfeiture or revocation or expiration of the Term, if such continuation of operations is ordered by the Grantor.

For any period of continued operation under this section, except as provided in Section 3.7 of this Franchise, the Grantee shall not sell, assign, transfer, or lease to any other persons, firm or corporation, any portion of the system used by it in its operations without the prior written consent of the Grantor.

- b. The parties shall be subject to the provisions of 47 U.S.C. 547 (Section 627 of the Cable Act), as amended from time to time. It is not intended that this Agreement diminish the rights of either Grantor or Grantee under Section 627 of the Act, and any provision of the Agreement that purports to diminish such right shall be deemed superseded by the Act.

9.2 Condemnation

Grantor may condemn all or any portion of Grantee's Cable System in a non-discriminatory manner based on Grantor's lawful regulatory jurisdiction.

9.3 Right of Inspection of Records

In order to assist the Grantor in keeping adequate records of the activities of the Grantee subject to the terms and conditions of this Franchise, the Grantee shall provide the following information as may be required by the Grantor for its review:

- a. With respect to the System and its operation authorized under this Franchise, and to the extent necessary for the enforcement of this Franchise, information pertaining to the operations of the Grantee, and for the specific purposes of a bona fide enforcement effort being conducted by the Grantee, including but not limited to: the maintenance, administration and operation thereof, and Gross Revenue generated from the Cable System by any parent company or affiliate within the Franchise Area indicated or implicated as direct or indirect revenue to Grantee.
- b. The amount collected by the Grantee from Subscribers and the character and extent of the Cable Services rendered therefore to them.

The information, along with any further data which may be reasonably required by the Grantor to adequately understand the information, shall be furnished by the Grantee to the Grantor upon request, and at the Grantee's own cost and expense.

9.4 Right to Perform Franchise Fee Audit

In addition to all rights granted under Section 9.3, the Grantor shall have the right to perform, or cause to have performed, a formal audit of the Grantee's books and records and, the books and records of any parent or affiliate company, for the purpose of determining the Gross Revenues of the Grantee generated in any manner through the provision of Cable Services under this Franchise and the accuracy of amounts paid as franchise fees to the Grantor by the Grantee, provided that any audit must be commenced not later than three (3) years after the date on which franchise fees for any period being audited were due. The cost of any such audit shall be borne by the Grantor, except that if through the audit it is established that the Grantee has made underpayment of 3% or more in franchise fees than required by this Franchise, then the Grantee shall, within thirty (30) days of being requested to do so by the Grantor,

reimburse the Grantor for the cost of the audit up to Fifteen Thousand Dollars (\$15,000).

9.5 Right of Inspection of Construction

- a. Grantor may inspect the System during normal business hours upon at least twenty-four (24) hours' notice, or, in case of an emergency, at any time, upon demand without prior notice. If an unsafe condition is found to exist by Grantor, Grantor may, in addition to taking any other action permitted under applicable law, require remediation of such condition to the extent necessary under applicable law, code, or regulation.
- b. Grantor may inspect Grantee's System in the Public Right-of-Way without notice. Grantor may notify Grantee of issues of safety violations or other problems or issues with Grantee's infrastructure in the Public Right-of-Way. Nothing herein shall prevent Grantor or its agents from performing inspections of the Cable System in the Rights-of-Way or on private property, with owners' permission as needed, at any time and without prior notice.
- c. Grantor may notify Grantee of issues of safety violations or other problems or issues with Grantee's infrastructure in the Public Right-of-Way. Grantee must then make appropriate repairs and notify the Grantor of such repairs. In the event of imminent danger to the public, or where Grantee has not taken timely appropriate actions to remediate such reported issues following notice and opportunity to cure, Grantor has the right to correct, inspect, administer, and repair unsafe conditions if Grantee fails to do so, and to charge Grantee for the cost thereof.

9.6 Intervention

The Grantee shall not hinder the Grantor's lawful intervention in any suit or proceeding to which the Grantee is party which may have an effect upon the construction, upgrade, maintenance or operation of the system.

9.7 Right to Require Removal of Property

At the expiration of the Term for which the Franchise is granted providing no renewal is granted, or upon its forfeiture or revocation, as provided for herein, the Grantor shall have the right to require the Grantee to remove, at Grantee's own expense, all or any part of the System from all public streets and public ways within the Franchise Area. If the Grantee fails to do so, the Grantor may perform the work and collect the cost thereof from the Grantee. The actual cost thereof, including direct and indirect

administrative costs, shall be a lien upon all System plant and property of the Grantee effective upon placement in the lien books of the Grantor. Notwithstanding the other provisions of this section, the Grantee, by written notice to the Grantor, may elect to abandon underground cable in place, in which event the Grantee shall have no further obligation hereunder as to the abandoned cable; except that the Grantor may nevertheless, by written notice, require the Grantee to remove cable as deemed necessary by the Grantor to provide space for other authorized uses or to accomplish or enable the accomplishment of other public purposes.

10. RIGHTS OF INDIVIDUALS PROTECTED

10.1 Discriminatory Practices Prohibited

- a. The Grantee shall not deny service, deny access, or otherwise unlawfully discriminate against Subscribers or persons on the basis of race, color, religion, national origin, sex, age, disability, income, or, except as otherwise provided herein, the area in which such person lives. The Grantee shall strictly adhere to the equal employment opportunity requirements of the federal government, as expressed in Section 76.13(a) (8) and 76.311 of Chapter 1 of Title 47 of the Code of Federal Regulations, as now or hereafter constituted. The Grantee shall comply at all times with all applicable federal, state, or local laws, rules and regulations relating to nondiscrimination.
- b. The Grantee shall use best efforts to assure maximum practical availability of Grantee services and facilities to all Subscribers, regardless of disability, including the provision of a remote control device to those Subscribers who are mobility limited, or where a member of the Subscriber's household is mobility limited.
- c. For hearing impaired Subscribers, the Grantee shall provide information concerning the cost and availability of equipment to facilitate the reception of all Cable Services for the hearing impaired. In addition, the Grantee must have TDD/TTY (or equivalent) equipment at the company office, and a publicly listed telephone number for such equipment, that will allow hearing impaired customers to contact Grantee.
- d. Upon request by a Subscriber or potential subscriber, the Grantee shall make a reasonable effort as determined by Grantor to provide information required under Section 7.7.7, or otherwise provided in the normal course of business, in

both English and any other language Grantee utilizes to support the provision of Cable Services in the Franchise Area.

- e. Nothing in this Section shall be construed to prohibit: 1) the temporary reduction or waiving of rates and charges in conjunction with promotional campaigns; or 2) Grantee from offering reasonable discounts to senior citizens or discounts to economically disadvantaged citizens.

10.2 Unauthorized Monitoring or Cable Tapping Prohibited

The Grantee shall not, nor shall Grantee allow any other person, agency, or entity to tap, or arrange for the tapping, of any cable, line, signal input device, or Subscriber outlet or receiver for any purpose whatsoever, without the Subscriber's written consent or a valid court order or a valid request from a law enforcement agency permitting the tapping.

10.3 Privacy and Other Rights

The Grantee and the Grantor shall maintain constant vigilance with regard to possible abuses of the right of privacy of any Subscriber, Programmer, or person resulting from any device or signal associated with the Cable Communications System. Grantee shall all times comply with the provisions of 47 U.S.C. §551, and any other applicable privacy law.

10.4 Permission of Property Owner Required

No cable, line, wire, amplifier, converter, or other piece of equipment owned by the Grantee shall be installed by the Grantee without first securing the written permission of the owner or tenant of any property involved except where there is an existing utility easement or other easement reserved by plat or other conveyance. If such permission or easement is later lawfully revoked, whether by the original or a subsequent owner or tenant or Grantor, the Grantee shall remove forthwith on request of the owner or tenant any of its equipment and promptly restore the property to its original condition. The Grantee shall perform all installations and removals in a workmanlike manner and shall be responsible for any damage to residences or other property caused by the installation.

10.5 Sale of Subscriber Lists and Personalized Data Prohibited

The Grantee shall be subject to 47 U.S.C Section 551 (Section 631 of the Cable Act), as amended from time to time, regarding limitations on the cable company's collection and use of personally identifiable information, and other issues involving the protection of Subscriber privacy.

10.6 Landlord – Tenant

Grantee shall, to the extent permitted by the owner or manager of such premises, provide to individual units of a multiple housing facility, such as a duplex, apartment or condominium unit, all Cable Services offered to other dwelling units within the Franchise Area, providing the owner of the facility consents in writing, if requested by Grantee, as follows:

- a. To Grantee's providing the services to units of the facility;
- b. To reasonable conditions and times for installation, maintenance, and inspection of the system on facility premises;
- c. To reasonable conditions promulgated by Grantee to protect Grantee's equipment and to encourage widespread use of the System; and
- d. To not demand payment from Grantee, directly or indirectly, for permitting Grantee to provide Cable Service to the facility.
- e. However, Grantee shall have no obligation to provide Cable Service if the cost of installation per unit exceeds the Grantee's standard per foot rate for line extension construction multiplied by one hundred twenty-five (125) feet. To determine unit costs, the total project cost is divided by the number of units. The total project cost shall include only the costs of cable, any structural supports (*e.g.*, a utility pole) and any installation costs, including underground trenching where applicable, installed on the property including line extension and pre/post wiring of the units.

11. TERMINATION AND EXPIRATION

11.1 Revocation

In addition to any rights set out elsewhere in this document, the Grantor reserves the right to declare a forfeiture or otherwise revoke this franchise, and all rights and privileges pertaining thereto, in the event that:

- a. the Grantee is in violation of any material provision of the franchise agreement after application by the Grantor of a remedy lesser than franchise revocation pursuant to this franchise agreement, and fails to correct the violation after written notice of the violation and proposed forfeiture and a reasonable opportunity thereafter of not less than thirty (30) days to correct the violation;
- b. the Grantee or the Guarantor becomes insolvent, unable or unwilling to pay its debts, or is adjudged a bankrupt;
- c. the Grantee is found to have engaged in fraud or deceptive practices upon the Grantor, persons, or subscribers;
- d. the Grantee fails to obtain and maintain any permit required by any federal or state regulatory body, relating to the construction, maintenance, and operation of the system; provided, however, that the Grantee shall be allowed a reasonable time to cure failure to obtain any permit; or
- e. the Grantee fails to maintain the full amount of its insurance or to post a performance bond as required under the terms of this Franchise after notice and opportunity to cure.

Upon the occurrence of one of the events set out above, and after following the due process procedure set forth in Section 7.4 of the Franchise, including the public hearing described therein, the Grantor shall provide written notice to Grantee of such intent. The notice shall set forth the specific nature of the noncompliance. The Grantee shall have ninety (90) days from receipt of such notice to object in writing and to state its reason for such objection. In the event the Grantor has not received a satisfactory response from Grantee, it may then seek revocation of the Franchise at a second public hearing. The Grantor shall cause to be served upon the Grantee, at least thirty (30) business days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

At the designated hearing, Grantee shall be provided a fair opportunity for full participation, including the right to be represented by legal counsel, to introduce relevant evidence, to require the production of evidence, to compel the relevant testimony of the officials, agents, employees or consultants of the Grantor, to compel the testimony of other persons as permitted by law, and to question and/or cross examine witnesses. A complete verbatim record and transcript shall be made of such hearing at Grantee's request and expense.

Following the public hearing, Grantee shall be provided up to thirty (30) days to submit its proposed findings and conclusions in writing and thereafter the Grantor shall determine (i) whether an event of default has occurred (ii) whether such event of default is excusable; and (iii) whether such event of default has been cured or will be cured by the Grantee. The Grantor shall also determine whether to revoke the Franchise based on the information presented or, where applicable, grant additional time to the Grantee to affect the cure. If the Grantor determines that the Franchise shall be revoked, the Grantor shall promptly provide Grantee with a written decision setting forth in reasoning. Grantee may appeal such determination of the Grantor to an appropriate court, which shall have the power to review the decision of the Grantor in accordance with Oregon law, Grantee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Grantee's receipt of the determination of the Grantor.

The Grantor may, at its sole discretion, take any lawful action which it deems appropriate to enforce the Grantor's rights under the Franchise in lieu of revocation of the Franchise.

The parties agree that the limitation of Grantor liability set forth in 47 U.S.C. § 555a is applicable to this Franchise Agreement.

11.2 Receivership

In addition to its other rights and remedies as set forth in this Franchise, the County shall have the right, subject to federal law, to declare a forfeiture of this Franchise one hundred and twenty (120) days after the appointment of a receiver or trustee to take over and conduct the Grantee's business, whether in receivership, reorganization, bankruptcy or other similar action or proceeding, unless such receivership or trusteeship shall have been vacated prior to the expiration of said one hundred and twenty (120) days, or unless:

- a. Within one hundred and twenty (120) days after such appointment, the receiver or trustee shall have fully complied with

all provisions of this Franchise and remedied any and all violations or defaults, as approved by a County Commission resolution; and

- b. Within said one hundred and twenty (120) days, such receiver or trustee shall have executed an agreement with the County, duly approved by the County and the court having competent jurisdiction, in which such receiver or trustee assumes and agrees to be bound by each and every provision of this Franchise.

11.3 Expiration

Upon expiration of the franchise, the parties shall have the obligation to abide by the renewal provisions of the Cable Communications Policy Act of 1984, as amended from time to time. It is not intended that this section diminish the rights of either the Grantor or the Grantee under the Act, and any provisions of this section that purports to diminish such rights shall be deemed superseded by the Act.

11.4 Continuity of Service Mandatory

It shall be the right of all Subscribers to receive all available Cable Services insofar as their financial and other obligations to the Grantee are honored. In the event that the Grantee elects to overbuild, rebuild, modify, or sell the System, or Grantor revokes or fails to renew the Franchise as permitted by law and otherwise required under the terms and conditions of this Franchise, the Grantee shall make its best effort to ensure that all subscribers receive continuous uninterrupted service.

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, reviewed by an independent certified public accountant, 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 the security provided by the Grantee.

12. OPERATION AND MAINTENANCE

12.1 Open Books and Records

The Grantee shall maintain a customer service location within Clackamas County, and, subject to the provisions of Section 10 of this franchise and, to such privileges as may be established under Oregon Law, shall manage all of its operations in accordance with a policy of accessible open books and records to the Grantor. The Grantor shall have the right as necessary, in the Grantor's sole and reasonable discretion, for effectively administering and enforcing the Franchise, to inspect at any time during normal business hours upon five (5) business days' notice, all records of the Grantee, and for the specific purposes of a bona fide enforcement effort being conducted by the Grantor, which relate to the operation of the Cable System to provide Cable Services under the Franchise. Access to the aforementioned records shall not be denied by the Grantee to representatives of the Grantor on the basis that said records contain "proprietary information", nor on the basis that they contain trade secrets unless the Grantor cannot protect the trade secrets from disclosure under Oregon law. To the extent allowed under Oregon law, the Grantor shall protect proprietary information including trade secrets of the Grantee from disclosure. The franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than six (6) years.

The Grantee shall also provide, in the manner set forth in this Section and as provided in Section 13.14, the following information: (a) for the specific purpose of a bona fide audit or enforcement effort being conducted by the Grantor, the true and entire cost of construction, upgrade and replacement of plant and equipment for the System authorized under this Franchise; the true and entire cost of the maintenance, administration and operation of the System, including any operations or Gross Revenue generated from the cable system by any parent company or affiliate within the Franchise Area in connection with the provision of Cable Services indicated or implicated as direct or indirect revenue to the Grantee from the provision of Cable Services; and (b) the Gross Revenues collected by the Grantee from Subscribers of Cable Services of the Grantee's Cable System under this Franchise and the character and extent of the Cable Service rendered therefore to them.

Upon no less than ten (10) days written notice from the County, Grantee shall provide the Grantor access to computer files related to compliance with obligations contained in the Franchise. Such access shall be carried out in a manner that does not violate requirements regarding personally identifiable Subscriber information, as referenced in Section 631 of the Cable Act, and shall exclude access to computer files containing no

information related to Grantee's Franchise obligations. Digital records access shall be provided via electronic mail, or Grantee shall upload the file to a secure, password-protected site that Grantor or its representatives or agents may access to view.

12.2 Communications with Regulatory Agencies

A list and copies of, or links to, all material written petitions, applications, communications, and reports submitted by the Grantee to the Federal Communications Commission, Securities and Exchange Commission, or any other federal or state regulatory commission or agency having jurisdiction in respect to any matters affecting cable communications operations authorized pursuant to this franchise agreement, shall be submitted to the Grantor promptly following written request.

12.3 Reports

a. Quarterly Reports.

Within thirty (30) calendar days after the end of each fiscal quarter of the Grantee, Grantee shall, promptly following written request of the Grantor, submit to the Grantor a report of all trouble call complaints received by or referred to Grantee within the report quarter. The reports shall contain, as a minimum, the specific nature of the complaint, remedial action taken if any, and the current status of the complaint. Upon written request by the Grantor, Grantee shall also provide outage reports, summary statistics on patterns of complaints or service problems, and other customer service information, provided that such information may be reasonably generated by the Grantee. Within forty five (45) days after the end of each of the Grantee's fiscal quarters, the Grantee shall submit a written report to the Grantor, verified by an officer of Grantee, or the officer's designee, which shall contain an accurate statement of all Gross Revenues earned and collected by the Grantee related to the operation of the Cable System to provide Cable Services on the System franchised hereunder, including detailed breakdowns of all Gross Revenues received as defined in Section 2.u above, in sufficient detail to enable the Grantor to verify the accuracy of franchise fee payments. Such reports shall also contain a breakdown of the number of Subscribers on the QAM-based System and the number of Subscribers on the IPTV-based System.

b. Annual Report.

No later than three-and-one-half (3 ½) months following the end of the Grantee's fiscal year each year and upon written request, Grantee shall present a written report to the Grantor which shall include:

- i. Any publicly available financial reports for Grantee or its parent company.
- ii. A summary of the previous year's activities including, but not limited to, subscriber totals in each category and new services.

c. Monitoring and Compliance Reports.

Upon written request, the Grantee shall provide a written report of any technical performance tests for the residential network required by Grantor or required in, or to demonstrate compliance with, FCC Rules and Regulations as now or hereinafter constituted. In addition, the Grantee shall upon request provide reports of the test and compliance procedures established by this franchise agreement, no later than thirty (30) days after the completion of each series of tests.

d. Additional Reports Expense.

The Grantee shall prepare and furnish to the Grantor, at the times and in the form prescribed, such additional reports with respect to its operations, affairs, transaction, or property, as may be reasonably necessary and appropriate to determine compliance with the Franchise.

All reports and records required under this or any other Section shall be furnished to Grantor at the sole expense of Grantee. Grantee shall not be required to develop reports involving the creation of new data, but may be required to provide existing data in new or additional formats.

12.4 Safety

- a. The Grantee shall, at all times, employ the standard of care attendant to the risks involved and shall install and maintain in use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injury, or nuisance to the public or to employees of the Grantor.
- b. The Grantee shall install and maintain its wires, cable, fixtures, and other equipment, including the drop to the Subscriber's premise in

accordance with the applicable requirements of the National Electrical Safety Code (NESC), National Electrical Code (NEC), and Occupational Safety and Health Administration (OSHA) standards, and in such manner that they shall not interfere with the installations of any public utility.

- c. All lines, equipment and connections in, over, under, and upon either the streets and public ways of Grantor or private property within boundaries of Grantor, wherever situated or located, shall at all times be kept and maintained in a safe and suitable condition, and in good order and repair.

13. MISCELLANEOUS PROVISIONS

13.1 Compliance with Laws

The Grantee shall comply with all applicable federal and state laws and regulations, including regulations of any administrative agency thereof, as well as all general ordinances, resolutions, rules and regulations of the Grantor heretofore or hereafter adopted or established during the entire Term of this franchise, provided that any such ordinances, resolutions, rules and regulations of the Grantor hereafter adopted or established shall not conflict or interfere with the existing rights of the Grantee hereunder.

13.2 Severability

Subject to the provisions of Section 13.7 below, if any section, subsection, sentence, clause, phrase or word of the franchise agreement is held to be invalid or unconstitutional by any court of competent jurisdiction or pre-empted by federal or state regulations or law, such section, subsection, sentence, clause, phrase or word shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining provisions hereof.

If any material provision of this Franchise is for any reason held invalid or unenforceable by any court of competent jurisdiction, or superseded by state or federal law, rules, regulations or decision so that the intent of these provisions is frustrated, the parties agree to immediately negotiate replacement provisions to fulfill the purpose and intent of the superseded provisions consistent with applicable law.

In the event that federal or state laws, rules or regulations preempt a provision or limit the enforceability of a provision of this Franchise, then the provision shall be read to be preempted to the extent and for the time required by law. In the event such federal or state law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so

that the provision hereof that had been preempted is no longer preempted, such provision shall thereupon return to full force and effect, and shall thereafter be binding on the parties hereto, without the requirement of further action on the part of the Grantor, and any amendments to this Franchise negotiated pursuant to this section as a result of such provision being preempted shall no longer be of any force or effect.

13.3 Captions

The captions to sections throughout this franchise agreement are intended solely to facilitate reading and reference to the sections and provisions contained herein. Such captions shall not affect the meaning or interpretation of this franchise agreement.

13.4 No Recourse Against the Grantor

Except as provided by applicable law, the Grantee shall have no recourse whatsoever against the Grantor or its officials, boards, commissions, or employees for any loss, costs, expense, or damage arising out of any provision or requirement contained herein, or in the event this Franchise Agreement or any part thereof is determined to be invalid.

13.5 Nonenforcement by Grantor

The Grantee shall not be relieved of its obligations to comply with any of the provisions of this franchise agreement by reason of any failure of the Grantor to enforce prompt compliance.

13.6 Force Majeure

If by reason of force majeure the Grantee is unable in whole or in part to carry out its obligations hereunder, the Grantee shall not be deemed in violation or default during the continuance of such inability. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of the government of the United States of America, or of the State of Oregon, or their departments, agencies, political subdivisions, or officials; acts of any civil or military authority; insurrections; riots; epidemics; landslides; earthquakes; lightning; fires; hurricanes; volcanic activity; storms; floods; washouts; droughts; restraint of government and people; civil disturbances; explosions; 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 similar occurrences outside the control

of the Grantee. The Grantee agrees, however to give its best efforts to remedy as soon as possible, under the circumstances, the cause or causes preventing Grantee from carrying out its responsibilities and duties under this franchise agreement.

13.7 Entire Agreement

This franchise agreement contains the entire agreement between the parties, supersedes all prior agreements or proposals except as specifically set forth herein, and cannot be changed orally but only by an instrument in writing executed by the parties.

13.8 Consent

Wherever the consent or approval of either the Grantee or the Grantor is specifically required in this agreement, such consent or approval shall not be unreasonably withheld.

13.9 Time Limit for Grantee Communications

Provided that the issuance of any such written communication shall not in and of itself constitute a waiver, act or omission of Grantee under the Franchise, Grantee shall provide any written communication required by this franchise within ninety (90) days of being requested to do so by the Grantor, in each case in which no other specific minimum time limit for a communication is identified in the Franchise.

13.10 Consistency of Franchise with Cable Act

The parties intend and believe that all of the provisions hereof are consistent with and permitted by the Cable Communications Policy Act of 1984, and the Cable Act of 1992, and the Telecommunications Act of 1996.

13.11 Comparability of Other Cable Franchises

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 the Grantor issues a franchise to a cable operator to enter upon the streets and public rights of way for the purpose of operating a Cable System to provide Cable Service to any part of the franchise area, except to the extent that state or federal laws or regulations permit or require more favorable or less burdensome terms or conditions, the Grantor shall ensure that, considering all the circumstances, including any limitations on its regulatory authority, the material provisions of such other

franchise are, taken together, reasonably comparable to the material provisions of this Franchise; providing, however, that the Grantor shall not be prohibited from granting any franchise containing requirements which are, taken together, greater than those of this Franchise, nor from granting any franchise containing individual requirements which are greater or lesser than the requirements of this Franchise. In the event Grantor grants any franchise which contains provisions that are, taken together, more favorable or less burdensome than those in this Franchise, Grantor agrees to negotiate amendments to this Franchise to provide parity. The parties agree that, notwithstanding any provision of this subsection 13.11, 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.

13.12 Notice

Any notice provided for under this Franchise shall be sufficient if in writing and delivered personally to the following addressee or deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed as follows, or to such address as the receiving party specifies in writing:

If to the County:

Director
Public and Government Affairs Dept.
Clackamas County
2051 Kaen Rd , 4th Floor, Suite 426
Oregon City, OR 97045

If to the Grantee: WaveDivision Holdings, LLC
2205 Sunset Blvd
Suite 501
Rocklin, CA 95765
Attn: Legal

With a copy to

WaveDivision Holdings, LLC
650 College Road East, Suite 3100
Princeton, NJ 08540
Attn: General Counsel

13.13 Future Changes in Law

If future changes to binding federal or state law affect any material provision of the Franchise, including but not limited to the scope of Grantor's authority to regulate Grantee and its activities within the Franchise Area and the streets and public ways, the parties agree that they will take any action necessary, or revise this Agreement where applicable, to be consistent with the scope of such change in law. In the event the parties are unable to agree to a modification of this Franchise within either the time specified by the authority enacting the change, or within one hundred twenty (120) days if not specified, either party may seek appropriate legal remedies to amend the Franchise.

13.14 Public Disclosure

Subject to the Oregon Public Records Law, whenever, pursuant to this Franchise Agreement, Grantee shall make available for inspection by the Grantor or submit to the Grantor reports containing information considered proprietary by the Grantee, the Grantor shall not disclose or release such reports or information to the public without Grantee's prior written consent. All such reports reviewed by Grantor shall be deemed proprietary and confidential.

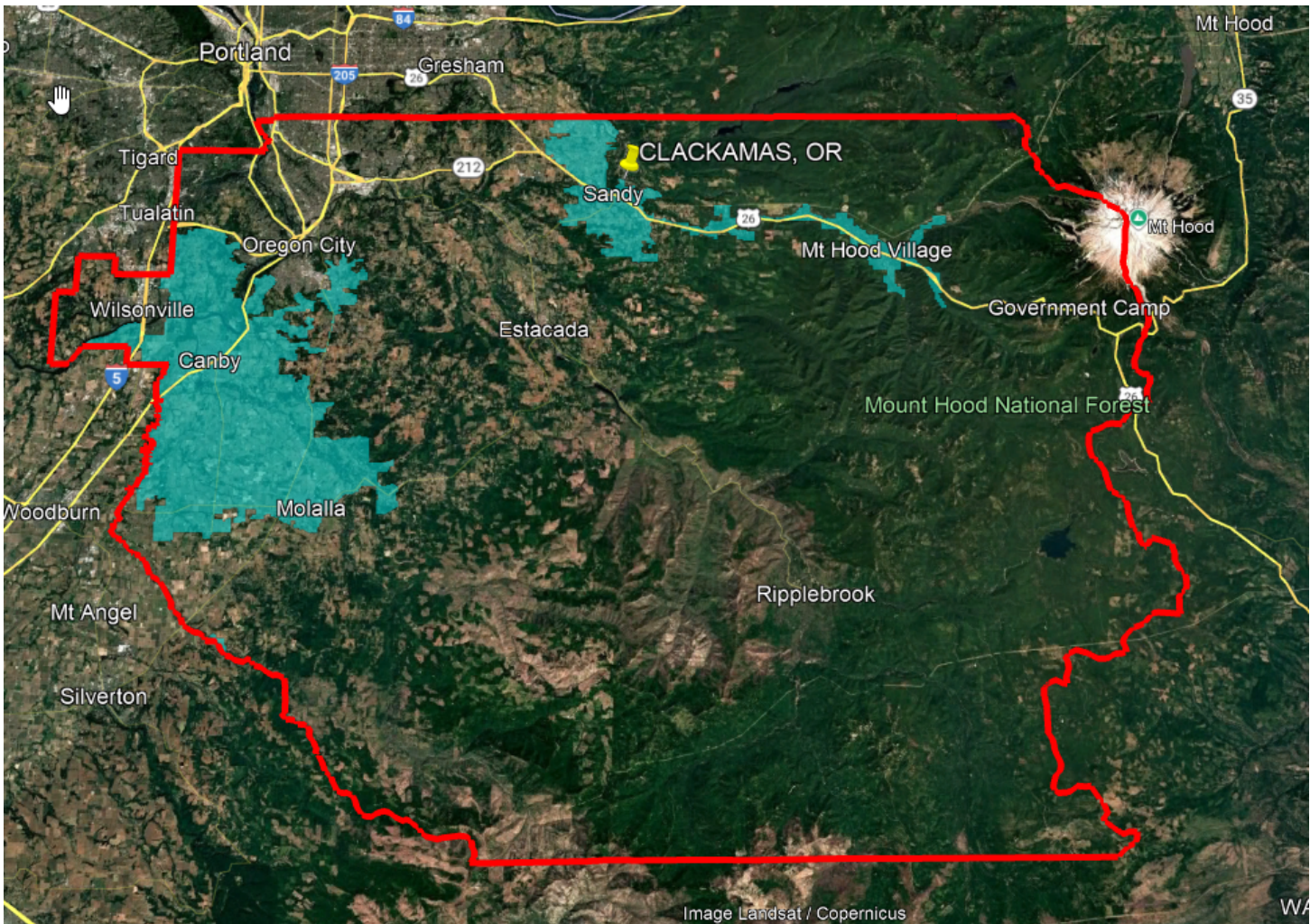
13.15 Time is of the Essence

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 of force majeure, Grantee's performance shall be excused during the affected time periods and Grantee thereafter shall, under the circumstances, promptly perform the affected obligations under this Agreement or procure a substitute for performance which is satisfactory to Grantor. Grantee shall not be excused by mere economic hardship or by misfeasance or malfeasance of its directors, officers, employees or agents.

13.16 Reservation of Rights

Notwithstanding any provision to the contrary, the parties reserve any and all rights at law or in equity regarding any enforcement proceeding or other matters hereunder.

EXHIBIT A: FRANCHISE AREA AND SERVICE AREA



The Franchise Area is the entirety of unincorporated Clackamas County (the Clackamas County border is shown as a red line on the map).

The Service Area, as shown on the map, is that area shaded in teal blue.

EXHIBIT B: ACCEPTANCE

ACCEPTANCE

Director
Public and Government Affairs Dept.
Clackamas County
2051 Kaen Rd, 4th Floor, Suite 426
Clackamas County, OR 97045

The undersigned, WaveDivision VII, LLC does hereby accept the Franchise granted pursuant to Resolution No. _____, passed and approved on July 17, 2025, and does hereby agree that it will comply with and abide by all of the provisions, terms and conditions of the Franchise, subject to applicable federal, state and local law.

WAVEDIVISION VII, LLC

BY: _____

TITLE: _____

DATE: _____

EXHIBIT C: ACCESS SIGNAL ORIGINATION LOCATIONS

1. Clackamas County Television (Gov.) - 2051 Kaen Road, Oregon City, OR 97045
2. Clackamas Community College (Ed.) - 19600 Molalla Ave, Oregon City, OR 97045
3. Willamette Falls Studios (Public access) - 1101 Jackson St, Oregon City, OR 97045

EXHIBIT D: SERVICE TO PUBLIC BUILDINGS

As a voluntary initiative, the Grantee shall continue to, or upon request the Grantee shall initially provide, without charge, a standard installation and one (1) outlet of Basic Service or its equivalent to those buildings set forth below. If not already provided, such installations shall be provided to the facilities within sixty (60) days of Grantor's request. Furthermore, Grantee shall be permitted to recover, from any School or other public building owner entitled to free service, the direct cost of installing, when requested and if Grantee agrees to do so, more than (1) one outlet or concealed inside wiring. Grantee may charge for the provision of Basic Service to the additional service outlets once installed. The Basic Service provided shall not be distributed by Grantor beyond the originally installed outlet without written authorization from the Grantee. In the alternative, Grantor may distribute the Basic Service throughout the building for County purposes at Grantor's cost including necessary equipment to maintain signal quality so long as Grantor's use does not adversely affect Grantee's signals outside of any such building, and provided that any deterioration of the signal caused by Grantor's distribution of the signal throughout the building will be the responsibility of the Grantor. The Basic Service provided shall not be used for commercial or public viewing purposes. The County 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.

Grantee may charge the marginal cost of providing the service, in such manner and to the extent permitted by, applicable law, after demonstrating, to the reasonable satisfaction of the Grantor, how the marginal cost was calculated. Grantor will determine whether such marginal cost will be billed directly by the Grantee to the public facility owner or operator (Subscriber), or whether Basic Service will no longer be needed at a particular public building.

Cottrell Elementary School 36225 SE Proctor Rd Boring, OR 97009	Rural Dell Elementary 10500 S Hwy 121 Molalla, OR 97038
Firwood Elementary School 42900 SE Trubel Rd Sandy, OR 97055	Molalla Fire Station #81 27689 S Hwy 213 Mulino, OR 97042
Kelso Elementary School 34651 SE Kelso Rd. Boring, OR 97009	Mulino Elementary 16660S Hwy 213 Mulino, OR 97042
Monitor Fire District #2 32101 S. Kropf Road Canby, OR 97013	Welches Elementary School 24901 East Salmon River Rd. Welches, OR 97067
Oregon Trail Primary Academy 35620 SE Proctor Road Boring, OR 97009	Welches Middle School 24903 East Salmon River Road Welches, OR 97067
Canby Fire District #2 26815 S Hwy 170 Canby, OR 97013	Welches Fire Station 69634 E. Hwy. 26 Welches, OR 97067
Canby Fire District #2 32101 S. Kropf Rd Canby, OR 97013	TVF&R Station 57 24242 Southwest Mountain Rd West Linn, OR 97068
Ninety-One School 511 S Whiskey Hill Rd Hubbard, OR 97023	