



Signature Report

July 15, 2014

Ordinance 17846

Proposed No. 2013-0414.3

Sponsors von Reichbauer and Hague

1 AN ORDINANCE authorizing the executive to enter into a
2 renewal of a cable television franchise with Comcast of
3 Washington IV, Inc. and Comcast Cable Holdings, LLC,
4 for a period ending July 31, 2024.

5 STATEMENT OF FACTS:

6 1. In accordance with K.C.C. chapter 6.27A, and the federal Cable Act,
7 47 U.S.C. Sec. 521 et seq., as well as regulations and orders issued by the
8 Federal Communications Commission, King County is authorized to
9 negotiate, award and renew nonexclusive franchise agreements with cable
10 television companies.

11 2. It is in the interests of the residents of unincorporated King County that
12 the county enters into franchise agreements with cable television
13 companies that are willing to serve these residents.

14 3. County staff and the management of Comcast of Washington IV, Inc.,
15 a Washington corporation, and Comcast Cable Holdings, LLC, a Delaware
16 limited liability company, doing business as Comcast ("Comcast"), have
17 negotiated a ten-year renewal of a cable television franchise.

18 4. Previously Comcast held two separate franchise agreements with King
19 County as an artifact of mergers and acquisitions of franchises over the

20 years. Franchise agreement number 11680 and number 12132 are now
21 combined into franchise number 5588 through this ordinance for ease of
22 administration.

23 5. Comcast has been serving King County residents with cable television
24 services since August 9, 2002, when King County enacted Ordinance
25 14446 approving the merger between AT&T Broadband, LLC and
26 Comcast. Comcast currently provides cable television service to
27 approximately fifty-four thousand households in unincorporated King
28 County.

29 6. Comcast provides a quality cable television system, operating at 750
30 megahertz, delivering an all-digital signal to customers.

31 7. The county has conducted a needs assessment to identify future cable-
32 related Public, Education and Government needs and interests of the
33 county and its residents, has considered the financial, technical and legal
34 qualifications of Comcast, and finds that consolidation and renewal of a
35 nonexclusive franchise, in accordance with the terms of the franchise and
36 franchise agreement in Attachment A to this ordinance, is consistent with
37 the public interest.

38 8. The needs assessment identified the Institutional Network ("I-Net") as
39 an essential part of King County's Public, Education and Government
40 services as authorized under the federal Cable Act and regulations and
41 orders issued by the Federal Communications Commission.

42 9. King County and Comcast have agreed that the optical fiber lease
43 agreement between the parties remains in effect as evidenced by the Letter
44 Agreement, Attachment B to this ordinance. The lease agreement is
45 essential to operation of the I-Net.

46 10. The council has published its intent to consider the renewal of
47 franchise 5588 in a local newspaper of broad public circulation.

48 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

49 SECTION 1. The council hereby authorizes the executive to enter into a renewal
50 of cable television franchise 5588 held by Comcast of Washington IV, Inc. and Comcast
51 Cable Holdings, LLC, in substantially the form of Attachment A to this ordinance for a
52 term ending on July 31, 2024.

53 SECTION 2. The executive shall not sign the franchise renewal document unless
54 and until an authorized representative of Comcast has signed the Letter Agreement. The

55 Comcast representative that signs the Letter Agreement shall be the same person that
56 signs the franchise renewal agreement.
57

Ordinance 17846 was introduced on and passed by the Metropolitan King County Council on 7/14/2014, by the following vote:

Yes: 8 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Lambert,
Mr. Dunn, Mr. McDermott, Mr. Dembowski and Mr. Upthegrove
No: 0
Excused: 1 - Ms. Hague

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 24th day of July, 2014.



Dow Constantine, County Executive

RECEIVED
2014 JUL 24 PM 4:00
CLERK
KING COUNTY COUNCIL

Attachments: A. Cable System Franchise, dated July 2014, B. Letter Agreement dated July 2014

CABLE SYSTEM FRANCHISE
AND FRANCHISE AGREEMENT

BETWEEN

COMCAST OF WASHINGTON IV, INC. AND
COMCAST CABLE HOLDINGS, LLC,

JOINTLY AND SEVERALLY,

AND

KING COUNTY, WASHINGTON

July 14, 2014

CABLE SYSTEM
FRANCHISE NO. 5588

July 14, 2014

Comcast of Washington IV, Inc., and Comcast Cable Holdings, LLC (“Franchisee”), jointly and severally, have applied to King County, Washington (“County”) to renew nonexclusive franchises, no. 11680 and no. 12132, to construct, operate and repair a Cable System in, over, along and under County streets, alleys, roads and compatible utility easement Rights-of-Way in King County, Washington, within the unincorporated portion of the area described in Appendix A for the purpose of providing cable television services.

The King County Council held a public hearing on the application on July 14, 2014.

Legal notice of the application and of the hearing was given as required by law.

The King County Council, having considered the interests proposed and advanced, found that the grant of a Franchise, subject to conditions, is in the public interest. Accordingly, the King County Council ORDERED, pursuant to Ordinance No. 2013-0414.2, that a Cable System Franchise, consolidated under Franchise No. 5588, be granted to Comcast of Washington IV, Inc., and Comcast Cable Holdings, LLC, jointly and severally, subject to the conditions set forth in the Franchise Agreement attached as Appendix B hereto. This Franchise grants the right, subject to conditions, to construct, operate and repair a Cable System in, over, along and under County roads and appropriate Rights-of-Way within the unincorporated portions of the area described in Appendix A for the purpose of providing cable television services commencing on the Effective Date of the Franchise through and including July 31, 2024. The Franchise shall become effective when:

- I. Franchisee and County have signed this Franchise and the Franchise Agreement attached as Appendix B; and
- II. Franchisee has made all payments, posted all securities and supplied all information that it is required to supply prior to or upon the Effective Date of the Franchise.

Comcast of Washington, IV, Inc.,
and Comcast Cable Holdings, LLC,
jointly and severally, King County, Washington

By: _____

Name: _____

Title: _____

KING COUNTY, WASHINGTON

By: _____

Name: _____

Title: _____

Appendix A

DESCRIPTION OF FRANCHISE AREA

Franchisee's facilities are located under County streets, alleys, roads and compatible utility easements throughout King County in the following Townships, Ranges, and Sections:

<u>Township</u>	<u>Range</u>	<u>Section(s)</u>
26 North	5 East	1, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 23, 24, 25, 26, 27, 34
26 North	6 East	3, 4, 5, 6, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20, 21, 22, 26, 27, 29, 30, 31, 32, 33, 34, 35
25 North	5 East	3, 12, 16, 17
25 North	6 East	1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 21, 22, 23, 26, 27, 35
25 North	7 East	1, 9, 11, 12, 14, 15, 16, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32
24 North	4 East	31, 32, 33
24 North	5 East	10, 11, 13, 14, 15, 22, 23, 24, 25, 26, 27, 33, 34, 35
24 North	6 East	10, 11, 12, 13, 14, 15, 19, 20, 22, 23, 24, 25, 26, 27, 32, 34
24 North	7 East	5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 32, 33, 35, 36
24 North	8 East	19, 26, 27, 28, 30, 31, 33, 34, 35
23 North	2 East	13, 23, 24, 25, 26, 35, 36
23 North	3 East	1, 5, 6, 7, 8, 12, 17, 18, 19, 20, 21, 29, 30, 31, 32
23 North	4 East	1, 2, 4, 5, 6, 7, 8, 11, 12, 13, 14, 35,
23 North	5 East	1, 2, 3, 4, 6, 7, 10, 11, 12, 13, 14, 15, 18, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36
23 North	6 East	3, 5, 6, 7, 8, 10, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36
23 North	7 East	3, 4, 10, 31
23 North	8 East	3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15, 16, 17, 21, 22, 23, 24, 25, 26, 27, 28, 34, 35
23 North	9 East	7, 18, 19, 30
22 North	2 East	1, 2, 11, 12, 13, 14, 23, 24, 25, 26, 34, 35, 36
22 North	3 East	4, 5, 6, 7, 8, 9, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 28, 29, 30, 31, 32
22 North	4 East	2, 3, 10, 15, 22, 25, 26, 27, 28, 33, 34, 35
22 North	5 East	1, 2, 3, 4, 10, 11, 12, 13, 14, 15, 23, 24, 31, 35, 36

22 North	6 East	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, 32, 33, 34, 35, 36
22 North	7 East	5, 6, 7, 8, 18, 19, 23, 24, 26, 28, 30, 31, 32, 33, 34, 35
21 North	2 East	1, 2
21 North	3 East	6
21 North	4 East	3, 9, 10, 14, 15, 21, 22, 23, 26, 27, 28, 33, 34, 35
21 North	5 East	1, 2, 3, 10, 11, 12, 13, 14, 15, 17, 21, 22, 23, 24, 25, 26, 30, 34, 35
21 North	6 East	3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 29, 30, 34, 35, 36
21 North	7 East	5, 7, 31
20 North	5 East	1, 2, 12
20 North	6 East	1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, 25, 26, 27, 28, 33, 34, 35, 36
20 North	7 East	6, 7, 18, 19, 30, 31
19 North	6 East	1
19 North	7 East	6

Comcast may expand or reduce its facilities within or beyond these locations as per the terms and conditions of the Franchise.

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Appendix B

CABLE TELEVISION FRANCHISE AGREEMENT

BETWEEN

COMCAST OF WASHINGTON IV, INC., AND

COMCAST CABLE HOLDINGS, LLC,

JOINTLY AND SEVERALLY,

AND

KING COUNTY, WASHINGTON

FOR

FRANCHISE 5588

WHEREAS, Comcast of Washington IV, Inc., a Washington corporation, and Comcast Cable Holdings, LLC, a Delaware limited liability company, have asked King County, Washington to renew the nonexclusive Franchises they hold to provide cable television and other services within the unincorporated part of the County; and

WHEREAS, the County has conducted proceedings in which Comcast of Washington IV, Inc., and Comcast Cable Holdings, LLC, have participated to identify the future cable-related needs and interests of the community; to consider the financial, technical, and legal qualifications of Comcast of Washington IV, Inc., and Comcast Cable Holdings, LLC; and to determine whether Comcast of Washington IV, Inc.'s, and Comcast Cable Holdings, LLC's, plans for constructing and operating their System are reasonable; and

WHEREAS, the named entities have requested a single franchise be issued in the name of both entities, with each jointly and severally liable; and

WHEREAS, based in part upon Comcast of Washington IV, Inc., and Comcast Cable Holdings, LLC, representation and information, the County has

determined that, subject to the terms and conditions set forth herein, renewal of Comcast of Washington IV, Inc., and Comcast Cable Holdings, LLC, nonexclusive Franchise is consistent with the public interest; and

WHEREAS, the County is willing to issue such a Franchise, conditioned on Comcast of Washington IV, Inc., and Comcast Cable Holdings, LLC, jointly and severally, accepting the terms and conditions thereof; and

WHEREAS, Comcast of Washington IV, Inc., and Comcast Cable Holdings, LLC, are willing, jointly and severally, to accept the Franchise subject to such terms and conditions, and to abide by those terms and conditions:

NOW THEREFORE, in consideration of the mutual promises made herein, and other good and valuable consideration, the receipt and the adequacy of which is hereby acknowledged, THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

1. Definitions.

Except as otherwise provided herein, the definitions and provisions governing the interpretation of terms set forth in King County Code, Section 6.27A.010, shall govern this Franchise Agreement. References to any County official or office also refer to any official or office that succeeds to any or all of the responsibilities of the named official or office.

References to "laws" or "applicable laws" include federal, State and local laws and regulations adopted pursuant to those laws; unless otherwise stated, references to laws includes laws now in effect, as the same may be amended from time to time, and new laws. In addition, the following definitions shall apply:

- (a) Affiliate. Another Person who owns or controls, is owned or controlled by, or is under common ownership or control with, Franchisee.
- (b) Books and Records. Any recorded information relating to the Cable System or its management, including but not limited to information regarding construction, operation or repair, in whatever form stored, including, but not limited to electronic records and programs, and paper records.
- (c) Cable Ordinance. King County Code chapter 6.27A, as may be amended from time to time.
- (d) Cable Service. One-way transmission to Subscribers of video programming or other programming service, and Subscriber

interaction, if any, which is required for the selection or use of such video programming or other programming service.

- (e) Cable System. Is as defined at 47 U.S.C. § 522(7), except that as used herein, it specifically refers to the Franchisee's Cable System. The term is used to refer to the Cable System as a whole, or to any part of the Cable System within the Franchise Area, including equipment or facilities appurtenant thereto.
- (f) Channel. Means a portion of the electromagnetic frequency spectrum which is used in a cable system and which is capable of delivering a television channel (as television channel is defined by the Federal Communications Commission by regulation).
- (g) Construct or Construction. Means work performed by the Franchisee, its agent, representatives, employees, contractors, and/or subcontractors to construct, reconstruct, install, reinstall, extend, align, realign, locate, relocate, underground, adjust, affix, attach, modify, improve, and/or remove the Franchisee Cable System.
- (h) Day. Calendar day.
- (i) Effective Date. The date this Franchise Agreement shall become effective, which shall occur when: (i) Franchisee and County have signed the Franchise Agreement attached as Appendix B; and (ii) Franchisee has made all payments, posted all securities and

supplied all information that it is required to supply prior to or upon the Effective Date of the Franchise.

- (j) Franchise Agreement. This contract and any amendments, exhibits or appendices hereto.
- (k) Franchise Area. Franchisee's service territory as illustrated in Appendix A, Description of Franchise Area.
- (l) Franchisee. Comcast of Washington IV, Inc., and Comcast Cable Holdings, LLC, jointly and severally, and their lawful and permitted successors and assigns.
- (m) Gross Revenues. The annual gross revenue of the Franchisee or its Affiliates from all sources derived from the operation of the Cable System to provide Cable Service in the Franchise Area, calculated in accordance with Generally Accepted Accounting Principles (GAAP), or any replacement standard that may be adopted by the Franchise Accounting Standards Board (FASB), applicable to Franchisee's treatment of revenues and expenses. Notwithstanding the foregoing, the County reserves the right to challenge Franchisee's calculation of Gross Revenues, including the use or interpretation of GAAP as promulgated and defined by the FASB. Gross Revenues shall not include any bad debt, refundable deposits, sales tax, excise tax, or other taxes collected for direct pass-through to local, State or federal government. Notwithstanding, any portion of franchise fees and the capital grant

in Section 16 which Franchisee passes through to Subscribers as external costs, as that term is defined by the FCC at 47 C.F.R. 922 (d)(3), as amended, shall not be included in the term Gross Revenues.

- (n) KCC. The King County Code.
- (o) Maintenance or Maintain. Means to examine, test, inspect, repair, maintain, relocate and/or replace the existing Cable System or any part or component thereof as necessary for safe operations and related activities, as performed by the Franchisee, its agent, representatives, employees, contractors and/or subcontractors, unless otherwise provided herein.
- (p) PEG. Public, educational or governmental.
- (q) Person(s). Any individual, sole proprietorship, partnership, joint venture, association, corporation or limited liability company or limited liability partnership, or any other form of legal entity.
- (r) Rights-of-Way. The surface of and the space along, above and below any street, road, highway, freeway, lane, sidewalk, alley, court, boulevard, parkway, drive, utility easement and road right-of-way now or hereafter held or administered by the County. It does not include recreational or nature trails, except where the trails intersect or are within roads, streets, avenues, alleys or highways.
- (s) State. The state of Washington.

- (t) Subscriber(s). A Person who lawfully receives Cable Service over the Cable System.

2. Grant of Authority; Term; Limits and Reservations.

- (a) Grant of Authority and Term. The Franchisee is hereby granted, subject to the terms and conditions of this Franchise Agreement and local, State and federal law, the right, privilege, and authority to Construct, Maintain, operate and repair a Cable System within the Franchise Area to provide Cable Services. It shall remain in effect for a period of ten years from the Effective Date of this grant to July 31, 2024, unless otherwise terminated or extended by action of the County.

- (b) Scope of Franchise.

- (1) The Franchise is intended to convey to Franchisee limited rights and interests only as to those County streets, alleys, roads and compatible utility easement Rights-of-Way in which the County has an actual interest. It is not a warranty or title or interest in any Rights-of-Way; it does not provide the Franchisee any interest in any particular location within the Rights-of-Way; and it does not confer rights other than as expressly provided in the grant. The Franchise does not deprive the County of any powers, rights or privileges it now has or may later acquire in the future to use, perform work on or to regulate the use of and to control the County's

Rights-of-Way covered by the Franchise, including without limitation the right to perform work on its roadways, Rights-of-Way or appurtenant drainage facilities, including by constructing, altering, renewing, paving, widening, grading, blasting or excavating.

- (2) Whenever any of the County Rights-of-Way as designated in this Franchise, by reason of the subsequent incorporation of any town or city, or extension of the limits of any town or city by annexation, shall fall within town or city limits, this Franchise Agreement shall continue in full force and effect within the incorporated or annexed area, and may continue to be fully enforced by the County until such time as the incorporation or annexation is complete according to applicable State law. The completion of the incorporation or annexation shall not affect the County's interest in any PEG facilities or equipment which may be located in the incorporated or annexed area.
- (3) Nothing in this Franchise Agreement shall obligate the Franchisee to operate as a common carrier and no application of Franchisee's facilities as utilized by the County will place the Franchisee within the regulation of a public utility by reason of such use.

- (c) Exercise of Authority under Franchise. This Franchise Agreement only authorizes Franchisee to engage in Cable Service, in accordance with the Federal Cable Act, 47 U.S.C. Sec. 521, *et seq.*, as amended ("Cable Act").
- (d) Activities of Affiliates. Franchisee promises and guarantees, as a condition of exercising the privileges granted by this Franchise, that any Affiliate of the Franchisee directly involved in offering Cable Services in the Franchise Area, or directly involved in managing or operating the Cable System in the Franchise Area will comply with the terms and conditions of this Franchise Agreement.
- (e) Non-Exclusive Franchise. This Franchise is nonexclusive. Without limitation, the issuance of this Franchise shall not preclude the County from granting other or further franchises or permits or preclude the County from using any Rights-of-Way, or other public properties or easements of any sort; or affect its jurisdiction over them or any part of them; or limit the full power of the County to make such changes, as the County shall deem necessary, including without limitation the dedication, establishment, maintenance and improvement of all new Rights-of-Way and other public properties and easements.
- (f) Competitive Equity. The County reserves the right to grant one (1) or more additional franchises or similar lawful authorizations to provide Cable Services ("additional franchises"). If the County

grants an additional franchise requiring Gross Revenue payments and support obligations for PEG and other material terms and conditions, that, overall, are more favorable than those required under this Franchise, then, at the Franchisee's request, this Franchise will be modified to provide similar terms and conditions on a per-Subscriber or Gross Revenue basis for that portion of the Franchise Area where the overlap occurs. In considering whether the additional franchise provides more favorable overall Gross Revenue payments and support obligations for PEG, all support provided for PEG and all fees required to be paid under the additional franchise shall be considered. No modification is required if terms are similar in value on a per-Subscriber or Gross Revenues basis.

- (1) The County is not required to make a modification to this Franchise, and this Section 2(f) shall not apply to an additional franchise:
 - (i) serving a franchise area outside of Franchisee's Franchise Area;
 - (ii) granted to a Person that is not subject to the same regulatory requirements as Franchisee, unless the County has clear authority to impose equivalent Gross Revenues payments and support obligations for PEG and other material terms and conditions; or

- (iii) where the difference in treatment is required by federal law governing the issuance of additional franchises.
- (2) Franchisee's rights under this Section 2(f) are prospective. Franchisee shall have no right to recoup monies already paid by Franchisee under the Franchise prior to any modification.
- (3) The County shall notify Franchisee of all applications for additional franchises that propose to serve the Franchise Area in whole or in part.
- (g) Relation to Cable Ordinance. The provisions of the Cable Ordinance, as may be amended by the County in the exercise of its police power, shall apply to the Franchise Agreement as if fully set forth in the Franchise Agreement, and the express terms of the Cable Ordinance will prevail over conflicting or inconsistent provisions in the Franchise Agreement unless the Franchise Agreement expresses an explicit intent to waive a requirement of the Cable Ordinance. The express provisions of this Franchise Agreement constitute a valid and enforceable contract between the parties. Neither party may take any unilateral action which materially changes the explicit performance promised in this Franchise Agreement.

- (h) Relation to Other Provisions of Law. This Franchise Agreement and all rights and privileges granted under the Franchise are subject to the County's police powers and applicable federal, State and local law. The Franchise issued, and the franchise fee paid hereunder, are not in lieu of any other required permit, authorization, fee, charge or tax, unless expressly stated herein.
- (i) Relation to Prior Franchise. As of the Effective Date of this Franchise (and subject to receipt by County of the final quarterly Franchise fees, which are paid in arrears), the Franchises previously held by the Franchisee are superseded and of no further force and effect, unless otherwise agreed to by the parties in writing. As of the Effective Date of this Franchise Agreement, the Franchisee will be in compliance with its financial obligations of the prior Franchise Agreements. Franchisee hereby indemnifies and insures the County against Franchisee acts and omissions which occurred when the prior Franchises were effective to the extent any claims related to such acts and omissions are not barred by the statute of limitations.
- (j) Effect of Grant. By granting this Franchise, the County acknowledges and agrees that it has the authority to issue this Franchise and did so pursuant to processes and procedures consistent with applicable law, and that it will not raise any claim to the contrary.

- (k) Effect of Acceptance. By accepting the Franchise, the Franchisee: (1) acknowledges and accepts the County's legal right to issue and enforce the Franchise; (2) accepts and agrees to comply with each and every provision of this Franchise Agreement; and (3) agrees that the Franchise was granted pursuant to processes and procedures consistent with applicable law, and that it will not raise any claim to the contrary.
- (l) Franchisee Bears Its Own Costs. Unless otherwise expressly provided in this Franchise Agreement, all acts the Franchisee is required to perform must be performed at the Franchisee's own expense.
- (m) No Waiver. The failure of the County or the Franchisee on one or more occasions to exercise a right or to require compliance or performance under this Franchise Agreement, the Cable Ordinance, or any other applicable law shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance, unless such right has been specifically waived in writing. Any waiver of a breach is not a waiver of any other breach, whether similar or different from that waived.
- (n) Suits for Damages Prohibited. The Franchisee shall be limited to injunctive or declaratory relief against the County or its elected officials, boards, commissions, agents or employees for any loss, costs, expenses, or damages arising out of any provision or

requirement of the Franchise Agreement or Cable Ordinance because of the enforcement of the Franchise Agreement or Cable Ordinance, except if such loss, costs, expenses, or damages are the result of the sole negligence on the part of the County or its agents. The rights of the County under this provision are in addition to, and shall not be read to limit, any immunities the County may enjoy or rights which the Franchisee may enjoy under federal or State law.

- (o) External Costs. The Franchisee may itemize any external costs on Subscriber bills to the extent permitted by federal law. Notices of price changes caused by external costs shall be in accordance with the Cable Act.

3. Severability; Effect of Changes in Law.

- (a) Severability. In the event that a court or agency or legislature of competent jurisdiction acts or declares that any provision of this Franchise Agreement is unenforceable according to its terms, or otherwise void, said provision shall be considered a separate, distinct, and independent part of this Franchise Agreement, and such holding shall not affect the validity or enforceability of all other provisions hereof.
- (b) Effect of Change in Law. In the event that State or federal laws, rules, or regulations preempt a provision or limit the enforceability of a provision of this Franchise Agreement, then the provision shall

be read to be preempted to the extent and for the time, but only to the extent and for the time, required by law. In the event such State or federal law, rule, or regulation is subsequently repealed, rescinded, amended, voided, 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 either party.

4. Transfers.

- (a) Written Consent of County Required. The Cable System and this Franchise shall not be sold, assigned, transferred, leased or disposed of, either in whole or in part, either by involuntary sale or by voluntary sale, merger or consolidation to any Person ("Transfer"); nor shall there shall be a change in, transfer of, or acquisition of control of Franchisee by any other Person ("Change in Control"); nor shall title to the Cable System and this Franchisee, either legal or equitable, or any right, interest or property therein pass to or vest in any Person without the prior written consent of the County, which shall not be unreasonably withheld, delayed or conditioned.
- (b) Control. The word "Control" as used in this section is not limited to majority stock ownership but includes actual working control in whatever manner exercised.

- (c) Notice. Franchisee shall promptly notify the County of any actual or proposed Transfer or Change in Control. Every Transfer or Change in Control, except as noted in Section 4(i), shall make this Franchise subject to cancellation unless and until the County shall have consented thereto, by ordinance, except as otherwise provided under the Cable Ordinance or federal law or regulation.
- (d) Review of Transfer. Applications for Transfer or Change in Control shall be considered in accordance with applicable federal laws and regulations governing cable system transfer applications. The parties to the Transfer or Change in Control shall make a written request to the County for its approval of the Transfer or Change in Control and shall furnish all information required by law to be submitted to the County with the application.
- (e) Required Statements. In seeking the County's consent to any Transfer or Change in Control, the proposed transferee or controlling party shall include in its application a statement that it will comply with this Franchise Agreement, the Cable Ordinance and applicable law, and indicate whether, as applicable, it:
- (1) Has ever been convicted or held liable for acts involving deceit including any violation of federal, State or local law, or is currently under an indictment, investigation or complaint charging such acts;

- (2) Has ever had a judgment in an action for fraud, deceit, or misrepresentation entered against it by any court of competent jurisdiction;
- (3) Has pending any material legal claim, lawsuit, or administrative proceeding arising out of or involving a Cable System;
- (4) Is financially solvent, by submitting financial data, including financial information as required by FCC Form 394; and
- (5) Has the legal, financial and technical capability to enable it to maintain and operate the Cable System for the remaining term of the Franchise.

(f) Scope of Review. In reviewing a request related to a Transfer or Change in Control, the County may inquire into any matter it is permitted to consider consistent with federal laws and regulations, including but not limited to:

- (1) The ability of the prospective controlling party or transferee to perform.
- (2) The legal, technical and financial qualification of the prospective controlling party or transferee, including but not limited to the controlling party or transferee's agreement to assume responsibility for and cure any violations or defaults under the Franchise.

- (3) The effect of the Transfer or Change of Control on Subscribers and on the County.
- (4) Whether the Franchisee is in compliance with its obligations under the Franchise and applicable law.

(g) Response to Inquiries; Timing of County Action. Franchisee, transferee and controlling party shall promptly respond to requests of information so that the County may complete its review within the time period specified in this Section 4(g). Failure to do so shall be deemed a tolling of the application. The County shall act by ordinance on the request within one hundred twenty (120) Days of the request, provided it has received all information required by law. Subject to the foregoing, if the County fails to render a final decision on the request within one hundred twenty (120) Days; such request shall be deemed granted unless the requesting party and the County agrees to an extension of time.

(h) Documentation. Within sixty (60) Days of closing of any Transfer or Change in Control, if approved or deemed granted by the County, Franchisee shall file with the County a copy of the deed(s), agreement(s), lease(s) or other written instrument(s) evidencing such Transfer or Change in Control, certified and sworn to as correct by Franchisee and the transferee or new controlling entity. In the case of a Transfer or Change in Control, the transferee or the new controlling entity shall upon request by the County file its

written acceptance agreeing to be bound by all of the provisions of this Franchise, the Cable Ordinance, and applicable law.

(i) Exceptions to Consent Requirement. The prior approval of the County shall not be required for any:

(1) Transfer of ownership or other interest in the Franchise or Cable System in connection with an internal reorganization or internal merger to a direct or indirect parent, subsidiary or Affiliate under common control with the Franchisee where there is no direct or indirect change in the control of the ultimate parent, so long as:

(i) the County is notified of the proposed transfer no later than thirty (30) Days prior to the transfer of ownership or other interest;

(ii) the transferee shall insure that insurance coverage and all other commitments under the Franchise Agreement continue in force and without interruption. The new owner or controlling Person shall provide a certificate of insurance to the County no later than thirty (30) days prior to closing.

(iii) there is no increased risk of liability to the County or nonperformance of the terms of the Franchise.

(2) Mortgage or similar hypothecation for the purpose of financing without the consent of the County; provided that

such pledge of assets shall not impair or mitigate Franchisee's responsibilities and capabilities to meet all of its obligations under the provisions of this Franchise and do not result in a Transfer of the Franchise or Cable System or a Change in Control.

- (j) No Waiver. The consent or approval of the County to any Transfer or Change in Control shall not constitute a waiver or release of any rights of the County.

5. Franchise Fee.

- (a) Payment to County. As financial compensation for use of Rights-of-Way for the offering of Cable Services, the Franchisee and its Affiliates shall pay the County a franchise fee in an amount equal to five percent (5%) of the Gross Revenues.
- (b) Not in Lieu of Any Other Assessments, Tax or Fee. The franchise fee is in addition to all other fees, assessments, taxes or payments that the Franchisee may be required to pay under any federal, State, or local law, subject to any limitations set forth in 47 U.S.C. § 542.
- (c) Payments. Franchise fees shall be paid quarterly in arrears. In the event that a franchise fee payment or other sum due is not received by the County on or before the date due, or is underpaid, the Franchisee shall pay in addition to the payment, or sum due,

interest from the due date at a rate equal to the maximum rate permitted under Washington State law, compounded daily.

- (d) No Accord or Satisfaction. No acceptance of any payment by the County shall be construed as a release or an accord and satisfaction of any claim the County may have for further or additional sums payable as a franchise fee under the Cable Ordinance or for the performance of any other obligation of the Franchisee. The Franchisee shall be released of further responsibility for any unclaimed past or undue franchise fees for a particular calendar year six (6) months following the resolution of a County financial audit or financial review of Franchisee's books and records related to payments for that year or years.
- (e) Payment on Termination. If the Franchise terminates for any reason, the Franchisee shall file with the County within one-hundred eighty (180) Days of the date of the termination, a financial statement, certified by an independent certified public accountant, showing the Gross Revenues received by the Franchisee since the end of the previous fiscal year. The County reserves the right to satisfy any remaining financial obligations of the Franchisee to the County by utilizing the funds available in a letter of credit, and/or other security provided by the Franchisee.

6. Notices.

All notices to Franchisee shall be mailed to:

**Comcast of Washington IV, Inc. and
Comcast Cable Holdings, LLC
15815 – 25th Avenue West
Lynnwood, WA 98087**

until Franchisee changes that address by making an appropriate filing with the County, as contemplated by K.C.C. §6.27A.070. A notice may be "mailed" to Franchisee by depositing it in the U.S. Mail, first-class postage prepaid, or by providing the notice to Franchisee by overnight delivery service, electronic mail, or by facsimile transmission. The Franchisee shall provide current electronic mail and facsimile contact information by providing written notice to the Cable Office at CableOffice@kingcounty.gov.

7. Insurance Requirements.

- (a) General Requirement. Franchisee shall maintain in full force and effect, at its own cost and expense, during the Franchise term, the following insurance against claims for injuries to persons or damages to property which in any way relate to, arise from, or are connected with the holding of the Franchise by the Franchisee, its authorized agents, representatives, contractors, subcontractors and employees. As of the Effective Date, the Franchisee must have insurance coverage in place in the amounts and the form specified in Sections 7(b) - (e); it shall maintain at least that coverage throughout the Franchise term.

- (b) Scope of Insurance. Franchisee must keep insurance in effect in accordance with the minimum insurance scope the County Risk Manager may set from time to time after consulting with the cable office. The initial minimum insurance coverage shall be at least as broad as:
- (1) Insurance Services Office form number CG-00-01 (Ed. 11-88) covering Commercial General Liability insurance in the amount of two million dollars (\$2,000,000) combined single limit for property damage and bodily injury. Such insurance shall cover all work related to the Construction, operation and Maintenance of the Cable System, and the conduct of Franchisee's Cable Service business in the Franchise Area.
 - (2) Insurance Services Office form number CA-00-01 (Ed. 12-90), covering automobile liability symbol (1), "any auto" in the amount of two million dollars (\$2,000,000) combined single limit for bodily injury and property damage coverage;
 - (3) Workers' Compensation Insurance that meets all applicable federal, State and local laws; and
 - (4) Employers' Liability Insurance in the following amounts: one million dollars (\$1,000,000) policy limit.
- (c) Certificates and Endorsements. Franchisee shall provide to the County certificates of insurance and endorsements designating the County and its officers, boards, commissions, councils, elected

officials, authorized agents and employees as additional insured, except in the case of Worker's Compensation and Employer's Liability Insurance, and demonstrating that the Franchisee has obtained the insurance required in this Section.

(d) Insurance Review.

(1) In consideration of the duration of this Franchise, the parties agree that the Insurance Requirements section herein, at the discretion of the County Risk Manager, may be reviewed and adjusted as provided in Section 7(b), subject to Sections 7(d)(2)-(d)(3).

(2) Any adjustments made as determined by the County Risk Manager shall be in accordance with reasonably prudent risk management practices and insurance industry standards and shall be effective on the first Day of year six (6).

(3) Adjustment, if any, in insurance premium(s) shall be the responsibility of the Franchisee. Any failure by the County to exercise the right to review and adjust at any of the aforementioned timings shall not constitute a waiver of future review and adjustment timings.

(e) Self-Insurance or Deductible Insurance Program. If Franchisee has a self-insured retention or deductible insurance program, such retention or deductible shall be subject to County approval, not to be unreasonably withheld, delayed or conditioned, shall not create

an obligation or liability for the County, and shall be consistent with standard industry practices. Any deductible and/or self-insured retention of the policies shall not in any way limit or apply to the Franchisee's liability to the County and shall be the sole responsibility of the Franchisee.

- (f) Non-Cancellation. Franchisee shall not cancel any required insurance policy without obtaining alternative insurance in conformance with this Franchise Agreement.
- (g) Endorsements.
 - (1) General liability and automobile liability policies shall contain, or shall be endorsed, so that:
 - (i) King County, its officers, officials, employees, and agents are to be covered as and have the rights of additional insured with respect to liability arising out of activities performed by or on behalf of Franchisee under this Franchise Agreement or applicable law, or in the Construction, Maintenance, operation, repair, or ownership of its Cable System.
 - (ii) To the extent of Franchisee's negligence, the Franchisee's insurance coverage shall be primary insurance with respect to the County, its officers, officials, employees, and agents. Any insurance or self-insurance maintained by the County, its officers,

officials, employees, and agents shall be in excess of the Franchisee's insurance and shall not contribute with it.

(iii) Franchisee's insurance shall apply separately to each insured against whom a claim is made or lawsuit is brought, except with respect to the limits of the insurer's liability.

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

The policy shall not be suspended, voided, canceled, or reduced in coverage or in limits, nor shall the intention not to renew be stated by the insurance company, except after thirty (30) Days' prior written notice, return receipt requested, has been given to King County's Office of Cable Communications and Office of Risk Management.

(h) Ratings. Each of the required insurance policies shall be placed with insurers with an A-VIII or better rating by Best's Key Rating Guide.

(i) Verification of Coverage. The Franchisee shall furnish the County with certificates of insurance required by this Agreement and endorsements or a copy of the page of the policy reflecting blanket additional insured status, if required by written contract. The certificates and endorsements for each insurance policy are to be

signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for each insurance policy are to be standard ACORD forms or such forms as are consistent with standard industry practices and are to be received and approved by the County prior to the commencement of activities associated with the Franchise. The Franchisee hereby warrants that its insurance policies satisfy the requirements of this Franchise Agreement and County law.

8. Condition of Franchise Area.

- (a) As-Is Condition. Franchisee accepts the Franchise Area in an “as-is with all faults” basis with any and all patent and latent defects in effect as of the Effective Date of the Franchise Agreement, and is not relying on and shall not rely upon any representation or warranties, express or implied, of any kind whatsoever from King County as to any matters concerning the Franchise Area whether made prior to the Effective Date or afterwards, including, but not limited to: the physical condition of the Franchise Area; zoning status; presence and location of existing utilities; operating history; compliance by the Franchise Area with environmental laws or other laws and other requirements applicable to the Franchise Area; the presence of any hazardous substances or wetlands, asbestos, or other environmental conditions in, on, under, or in proximity to the Franchise Area; the condition or existence of any of the above

ground or underground structures or improvements, including tanks and transformers in, on or under the Franchise Area; the condition of title to the Franchise Area, and the leases, easements, franchises, orders, licensees, or other agreements, affecting the Franchise Area (collectively, the "Condition of the Franchise Area").

- (b) No Representation or Warranty. King County hereby disclaims any representation or warranty, whether expressed or implied, as to the design or condition of the Franchise Area, its merchantability or fitness for any particular purpose, the quality of the material or workmanship of Rights-of-Way, or the conformity of any part of the Rights-of-Way to its intended uses. King County shall not be responsible to Franchisee or any of Franchisee's contractors for any damages to any of them relating to the design, condition, quality, safety, merchantability or fitness for any particular purpose of any part of the Rights-of-Way present on or constituting any Franchise Area, or the conformity of any such property to its intended uses.

9. Indemnification.

- (a) No Recourse. The Franchisee shall have no recourse whatsoever, except as provided in Section 2(n) and Section 9(b), against the County or its officials, boards, commissions, agents, or employees for any loss, costs, expenses or damages arising out of any

provision or requirement of the Franchise Agreement because of the enforcement of the Franchise Agreement.

(b) Scope of Obligation. To the extent permitted by law, and except for matters arising out of the County's sole negligence, Franchisee shall, at its sole cost and expense, indemnify, hold harmless, and defend the County, and its officers, boards, commissions, agents, and employees, against any and all claims, including but not limited to third party claims, suits, causes of action, proceedings, and judgments for damages or equitable relief arising out of the Construction, Maintenance, operation or repair of its Cable System, or in any way arising out of the Franchisee's enjoyment or exercise of its Franchise, regardless of whether the act or omission complained of is authorized, allowed, or prohibited by this Franchise Agreement. Without limiting in any way the Franchisee's obligation to indemnify the County and its officers, boards, commissions, agents, and employees as set forth above, this indemnity provision applies to, but is not limited to, expenses for reasonable legal fees and for disbursements incurred by the County and liabilities as follows:

- (1) To persons or property, in any way arising out of or through the acts or omissions of the Franchisee, its officers, employees, or agents, or to which the Franchisee's negligence shall in any way contribute;

- (2) Arising out of any claim or invasions of the right of privacy, for defamation of any person, firm or corporation, for the violation or infringement of any copyright, trademark, trade name, service mark, or patent, for a failure by the Franchisee to secure consents from the owners or authorized distributors of programs to be delivered by the Cable Systems, or for violation of any other right of any person, excluding claims arising out of or relating to programming provided by the County; and
 - (3) Arising out of Franchisee's failure to comply with the provisions of any federal, state or local statute, ordinance, rule or regulation applicable to the Franchisee with respect to any aspect of its business to which the Cable Ordinance and/or this Agreement apply.
- (c) Duty to Give Notice and Tender Defense. The County shall give the Franchisee timely written notice of the making of any claim or of the commencement of any action, suit or other proceeding covered by the indemnity in this section. In the event any such claim arises, the County or any other indemnified party shall tender the defense thereof to the Franchisee and the Franchisee shall have the right and duty to either defend, settle or compromise any claims arising hereunder and the County shall cooperate fully therein.

- (d) Additional Indemnifications. The County may require Franchisee to execute specific and additional indemnifications in connection with issuing any permits related to performance under this Agreement.

10. Letter of Credit and Performance Bond.

- (a) Letter of Credit.

- (1) Amount. Prior to the Effective Date, Franchisee shall provide to the County a letter of credit as security for the faithful performance by the Franchisee of this Agreement, the Cable Ordinance and applicable federal, State, and local laws. The letter of credit shall be in the amount of fifty thousand dollars (\$50,000) and meet the following requirements:

- (i) Be issued by a bank licensed to do and doing business in State and acceptable to the County;
 - (ii) Be irrevocable and in a form acceptable to the County;
 - (iii) Provide for automatic renewal of the letter unless the bank has given the Cable Office written notice by certified mail at least thirty (30) Days prior to expiration of the letter;
 - (iv) Provide that the County may draw against the letter for any reason and at any time;

- (v) Provide that, after termination of the Franchise, the County may draw against the letter and hold the funds in escrow:
 - (a) If the County has filed an action;
 - (b) If the County has issued a notice and order or sought to draw against the letter prior to termination and Franchisee has contested the action or appealed the notice and order.
- (2) Use. The County may draw on the letter of credit to ensure the Franchisee's faithful performance of and compliance with this Agreement, applicable law, and all orders and permits of the County. This may include, without limitation, if Franchisee fails to pay the County any fees or taxes due, liquidated damages, damages, costs or expenses incurred by the County by reason of any act or default of the Franchisee, or if Franchisee fails to comply with any provisions of this Franchise Agreement, applicable law or with any order or permit of the County, which failure the County determines can be remedied by an expenditure from the letter of credit. The County shall notify the Franchisee of the amount and date of the withdrawal. The County shall comply with Section 6.27A.230 of the Cable Ordinance, as amended. Franchisee's recourse, in the event Franchisee

believes any taking of funds is improper, shall be through legal action after the security has been drawn upon. If County's action or taking is found to be improper by any court or agency of competent jurisdiction, Franchisee shall be entitled to a refund of the funds plus interest and/or any other specific performance which such court or agency shall order.

- (3) Restoration of Funds. Within thirty (30) Days after the County gives Franchisee written notice that an amount has been withdrawn from the letter of credit, the Franchisee must deposit a sum of money sufficient to restore the letter of credit to the original amount.
- (4) Effect of Assessment for Liquidated Damages. If the County draws on the letter of credit in an amount exceeding five thousand dollars (\$5,000) for violations relating to the Liquidated Damages provision of this Agreement, and Franchisee believes that such assessment is improper, County and Franchisee may mutually agree that the assessment shall be subject to mediation before pursuing any legal remedies otherwise available.
- (5) Return of Funds. If the Franchise terminates for any reason, or the Franchisee has ceased to provide service in the County, the letter of credit may be terminated upon written

confirmation by the County that the Franchisee does not owe funds to the County.

(b) Franchise Performance Bond.

Prior to the Effective Date of this Franchise, Franchisee shall also post a performance bond in the form attached as Appendix C in the amount of one hundred thousand dollars (\$100,000) to ensure performance under this Franchise Agreement. The bond shall be executed by a duly licensed surety registered with the Washington State Insurance Commissioner, and the surety shall appear in the current Authorized Insurance Company list in the State published by the Office of the Insurance Commissioner. The surety shall designate an attorney-in-fact in the State. The County may require the surety to appear and qualify upon any bond. All duties and obligations of the principal as set forth in the performance bond are hereby incorporated as duties of the Franchisee under this Franchise Agreement as though fully set forth herein. This bond is not in lieu of bonds that may be required in connection with the issuance of Right-of-Way permits by the County.

11. Liquidated Damages.

- (a) Amounts. Because the Franchisee's failure to comply with provisions of the Franchise Agreement will result in injury to the County, and because it will be difficult to estimate the extent of such injury, the County and the Franchisee agree that liquidated

damages will be assessed against the Franchisee for the violations specified below. These damages represent both parties' best estimate of the damages resulting from the specified injury.

- (1) For failure to extend a service line as required: \$1.50/Day for each affected potential Subscriber requesting service for each Day the violation continues;
- (2) For failure to provide any capability for PEG use of the Cable System required in this Franchise: \$100 for each violation for each Day the violation continues;
- (3) For failure to maintain a local office as required in Section 15(g) below: \$5,000 per month;
- (4) For failure to supply information, reports, or filings required by the County pursuant to this Agreement or applicable law: \$100/Day for each violation for each Day the violation continues;
- (5) For violation of each quarterly customer service standards: \$1,000 for the first violation; \$2,500 for any violation within twelve (12) months after the first violation; and, \$5,000 for any violation within twelve (12) months after the second or any subsequent violation; and
- (6) For all other material violations of this Franchise Agreement, including customer service standards, for which actual damages may not be ascertainable: \$100/Day for each

violation for each Day the violation continues. For violations of customer service standards under Section 11(a)(1) or (a)(6) the County hereby elects to have those damages credited to the affected Subscribers, and Franchisee agrees to do so.

- (b) Separate Violations. Each violation of the provisions enumerated in Section 11(a) shall be considered a separate violation for which separate liquidated damages can be imposed. Subject to the procedures in Section 11(c), any liquidated damages for any given violation shall be imposed upon Franchisee by the County for a maximum of one hundred eighty (180) Days after the Franchisee receives notification of the violation, and may be recovered by County by drawing upon any security. If after that amount of time Franchisee has not cured, or commenced to cure, the alleged breach to the satisfaction of the County, the County may pursue all other remedies. Additional liquidated damages may be assessed for a specific breach if a court or agency of competent jurisdiction determines that the Franchisee was in breach of a specific obligation for a period longer than any period for which liquidated damages have been already recovered for the same breach. The foregoing procedures apply to instances where the County chooses to assess liquidated damages prior to seeking damages from a court or agency of competent jurisdiction, but does not limit the

County's right to commence an action with a court or agency of competent jurisdiction at any time.

(c) Date of Violation, Notice and Opportunity to Cure.

- (1) Prior to assessing liquidated damages, the County shall notify Franchisee in writing of the provision or provisions the County believes Franchisee may have been in default and the details relating thereto.
- (2) Franchisee shall have forty-five (45) Days from the date of notice: (1) to respond to the County, contesting the assertion of noncompliance or default; or (2) to cure such default; or (3) in the event that, by nature of the default, such default cannot be cured within the forty-five (45) Day period, initiate reasonable steps to remedy such default and notify the County of the steps being taken and the projected date that the cure will be completed.
- (3) If the County, in its sole discretion, determines that the response, the cure, or the proposed cure is adequate, it shall not assess liquidated damages. Otherwise, the County may assess liquidated damages at any time after the forty-five (45) day period has passed, retroactive to the date of violation, or such other later date as the County specifies, but subject to the limits stated in Section 11(b).

- (4) If Franchisee fails to comply with a cure plan in any respect, the County may impose liquidated damages without further notice and opportunity to cure, and such damages shall not be subject to the limits in Section 11(b).
 - (5) The requirements of this Section 11(c) do not apply to liquidated damages assessed under Section 11(a)(5), nor do they apply in the case of repeated violations or willful violations. In such cases liquidated damages may be assessed at any time the County determines a violation subject to this Section 11 has occurred.
- (d) Effect on Duty to Comply. The collection of liquidated damages by the County shall in no respect affect:
- (1) Compensation owed to Subscribers; or
 - (2) The Franchisee's obligation to comply with the provisions of this Franchise Agreement or applicable law.
- (e) Relationship of Remedies. Nothing in this Section 11 shall affect the County rights in Section 21.

12. Non-Discrimination.

- (a) Non-Discrimination Among Subscribers.

The Franchisee shall comply with all applicable local, State and federal laws and regulations prohibiting discrimination, including without limitation, laws and regulations prohibiting discrimination in the provision of Cable Service. Subject to such laws:

- (1) The Franchisee is specifically prohibited from discriminating among Persons or taking any retaliatory action against a Person because of that Person's exercise of any right it may have under federal, State, or local law, nor may the Franchisee require a Person to waive such rights as a condition of taking service.
- (2) The Franchisee is specifically prohibited from denying access or levying different rates and charges on any group of potential residential cable Subscribers because of the income of the residents of the local area in which such group resides.
- (3) To the extent the County may enforce such a requirement, the Franchisee is specifically prohibited from discriminating in its rates or charges or from granting undue preferences to any Subscriber, potential Subscriber, or group of Subscribers or potential Subscribers. The Franchisee may, however, offer temporary, bona fide promotional discounts in order to attract or maintain Subscribers, so long as such discounts are offered on a non-discriminatory basis to similar classes of Subscribers throughout the Franchise Area; and the Franchisee shall offer special discounted rates for the basic and other regulated service tiers to economically disadvantaged Subscribers who receive federal SSI

assistance, and such other discounts as it is expressly entitled to provide under federal law, if such discounts are applied in a uniform and consistent manner.

- (4) The Franchisee may request in writing, and the County may grant, temporary authority to the Franchisee for periods not to exceed twenty-four (24) months to offer specifically identified services, packages and combinations of services to selected groups of Subscribers at terms and conditions not generally available to all Subscribers. The County may refuse to grant this waiver unless it is persuaded upon sufficient showing by the Franchisee that the temporary authority will be used solely to offer services on an experimental or test market basis, and that the services will either be withdrawn at the conclusion of the test or will be made generally available to all Subscribers in a uniform, consistent and nondiscriminatory manner.

(b) No Discrimination.

- (1) Franchisee shall fully comply with all applicable federal, State, and local laws and regulations which prohibit discrimination. These laws include, but are not limited to, Titles VI and VII of the Civil Rights Act of 1964, as amended, Chapter 49.60 of the Revised Code of Washington, as

amended, and Chapters 12.16 and 12.18 of the King County Code, as amended.

(2) During the performance of this Franchise Agreement, neither Franchisee nor any party subcontracting under the authority of this Franchise Agreement shall discriminate on the basis of age, ancestry, creed, color, marital status, national origin, race, religious affiliation, sex, sexual orientation, gender identification, or disability against any employee or applicant for employment, unless based on a bona fide occupational qualification, or in the administration or delivery of services or any other benefit under this Franchise Agreement.

(3) The Franchisee and any party subcontracting under the authority of this Franchise Agreement, shall undertake equal employment opportunity efforts to ensure that applicants and employees are treated, without regard to their sex, race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age. The Franchisee's equal employment opportunity efforts shall include, but not be limited to, the following:

employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeships. The Franchisee agrees to post in

conspicuous places available to employees and applicants for employment notices setting forth this non-discrimination clause.

- (4) If Franchisee engages in unfair employment practices as defined in King County Code Chapter 12.18, as amended, the remedies set forth in that Chapter, as amended, shall apply.

13. Rates.

- (a) Rates and Charges Regulated. The County may regulate the Franchisee's rates and charges to the extent allowed by applicable law.
- (b) Manner of Regulation. Without limiting the foregoing, and except as inconsistent with applicable law,
 - (1) The County may require the Franchisee to submit to the County the rates in effect on the date the Franchise issued.
 - (2) The Franchisee may not change a rate or charge that is subject to the County's regulation without the County's prior approval, except as federal law otherwise provides.
- (c) Rate Schedules. The Franchisee must provide a rate card to the cable office on the Effective Date of the Franchise Agreement, and at least annually thereafter, or, if more frequently, whenever its published rates change. The Franchisee must update that list so that the schedule of rates and charges is current. The Franchisee

must give a minimum of thirty (30) Days prior notice before changing any rate or charge.

- (d) Experimental Cable Services. Subject to Section 12(a), the Franchisee may conduct testing of experimental Cable Services to particular regions of the County without making the service generally available throughout the County. The Franchisee must pay franchise fees on any revenues received.

14. Customer Service.

The Franchisee shall meet or exceed any customer service standards adopted by the Federal Communications Commission, and, to the extent the same are stricter or address different matters, customer service standards set forth in the Cable Ordinance. Nothing in this Franchise Agreement limits any rights the County or Franchisee may have under 47 U.S.C. § 552.

15. System Facilities, Equipment and Services.

- (a) System Upgrade. Prior to the effective date of this Franchise, the Franchisee completed an upgrade of its Cable System. Concurrently, the Franchisee modified its Cable System from a traditional "Christmas tree architecture" to a hybrid fiber coaxial, fiber-to-the-node system architecture, with fiber-optic cable deployed from the headend to the node and coaxial cable deployed from the node to Subscribers' homes. During the term of this Franchise, Franchisee shall maintain its cable system infrastructure

to a minimum bandwidth of 750 MHz capacity. Active and passive devices are, and shall continue to be, two-way, capable of passing a minimum of 750 MHz and delivering high-quality analog, digital and/or Internet protocol (IP) video signals meeting or exceeding FCC technical quality standards. Cable System nodes are designed for future segmentation as necessary to maximize shared bandwidth. During the term of this Franchise, the Franchisee agrees to maintain the Cable System in a manner consistent with or exceeding these specifications.

(b) Other Cable System Characteristics. In addition:

- (1) The Cable System shall use equipment generally used in high-quality, reliable, redundant, modern systems of similar design.
- (2) The master headend shall have adequate ventilation and space reserved such that the headend meets or exceeds applicable design and technical requirements and reasonably accommodates equipment for the County.
- (3) All closed-caption programming retransmitted by the System shall include the closed-caption signal. Franchisee shall have TDD/TTY (or equivalent) equipment at the company office, and a telephone number listed on subscriber bills, in local telephone directories and with

directory assistance for such equipment, that will allow hearing impaired customers to contact the Franchisee.

- (c) Cable Service to Certain Facilities. Upon the request of the County, the Franchisee shall provide basic, and expanded basic Cable Service, or their equivalent (as may be collectively marketed as a "Digital Starter Package" or otherwise), including all required PEG channels activated on the Cable System to the locations in the Franchise Area designated below. Franchisee shall provide equivalent service if Franchisee discontinues such tier of service in its current form. These services shall be free of charge to each of the following locations in the Franchise Area: each public school and public school administrative facility; each King County Library System facility; each fire station; each County office and agency whether located in a County-owned or County-leased facility. The Franchisee shall provide services to the above facilities located within the Franchise Area or in other jurisdictions located within King County where the Franchisee has a franchise, permit, license or other right to serve to the extent designated by the County from time to time. To the extent any drop to facilities other than public schools and public libraries exceeds sixty (60) feet underground trench or one hundred twenty-five (125) feet aerial, Franchisee may request compensation for its time and materials for installations in excess of those distances. Inside wiring will not be Franchisee's

responsibility. The obligation to provide service otherwise includes the obligation to provide and install such devices as may be required so that each television receiver within the location connected to internal wiring can view and individually tune signals being provided as part of the service. Each service outlet will have sufficient power to serve all rooms in each facility. Free service will not be provided to any private, for-profit concessionaire using County facilities.

- (d) Proof of Performance Tests. Franchisee shall conduct proof of performance tests as required by FCC Rules and Regulations. Such tests shall demonstrate compliance with this Franchise Agreement and FCC requirements. Upon request, Franchisee shall provide to the County a written report showing the results of such tests. If the tests reveal that the Franchisee is not in compliance with all applicable requirements, the Franchisee shall immediately take whatever steps are necessary to achieve compliance. No later than thirty (30) Days following completion of the tests which revealed non-compliance, the Franchisee shall conduct additional proof of performance tests to determine whether it has corrected its non-compliance; provided that the County may extend this thirty (30) Day requirement as it deems necessary. Franchisee must correct and retest the system until either the system passes the test

or obtains a waiver. Notwithstanding, this Section 15(d) is enforceable only to the extent consistent with federal law.

- (e) Leased Access Channels. The Franchisee shall provide leased access channels as required by federal law.
- (f) Customer Service Monitoring. The Franchisee shall install such devices as are required to enable it to determine whether it is complying with all telephone answering standards required by applicable customer service regulations, as amended from time to time.
- (g) Local Office. Throughout the franchise term, the Franchisee must maintain, at a minimum, two (2) customer service centers conveniently located to unincorporated King County Subscribers. These centers will provide Subscribers the opportunity for the receipt and pickup of Subscriber equipment and for the receipt of Subscriber payments and complaints. Franchisee shall install telephones and other equipment so that customer complaints and service requests can be received by Franchisee on a 24-hour basis on a local, toll-free telephone number.
- (h) Emergency Alert System. Franchisee shall comply with all "emergency alert" requirements imposed by federal law, and failure to do so shall be a breach of this Agreement.
- (i) Interconnection. Throughout the term of this Franchise, Franchisee shall provide and maintain the current PEG interconnections and

shall provide such additional interconnections as may be required in this Franchise Agreement so that signals may be exchanged with jurisdictions within and adjacent to the County.

- (j) Programming. Franchisee shall provide broad categories of video programming, which categories shall include but not be limited to general entertainment programming, programming primarily directed at children, public affairs, education, minority, 24-hour news, local news, foreign language, cultural and performing arts, and sports programming.

16. Channels, Facilities, Equipment and Services for Public, Educational and Governmental Use.

- (a) General. Franchisee shall provide channels on its Cable System for public, educational and government (PEG) use in accordance with Section 16(b).
- (b) Characteristics of PEG Channels. Each PEG channel provided pursuant to Section 16(c) shall be subject to the following.
 - (1) Each PEG channel shall be viewable by every Subscriber as part of that Subscriber's service, without any additional service charge.
 - (2) Each of the County's PEG access providers shall provide Franchisee with an upstream PEG signal at the termination panel hand-off point that meets or exceeds FCC technical standards, and Franchisee shall deliver to Subscribers a

downstream PEG signal that meets or exceeds FCC technical standards.

- (3) The entire upstream PEG signal delivered to Franchisee by a designated access provider will be passed through to Subscribers. By way of example, if a PEG provider places closed captioning on its upstream PEG signal, Franchisee shall deliver the PEG signal, including closed captioning, to its Subscribers.
- (4) Once assigned, PEG channel locations shall not be changed without ninety (90) Days' prior written notice to the County, except in circumstances beyond the Franchisee's reasonable control.

(c) Number of Channels.

- (1) On March 31, 2013, Franchisee represents that it completed a transition of its Cable System to an all-digital format, and ceased delivering Cable Services to Subscribers in an analog format. As of the Effective Date, and continuing throughout the term of this Franchise Agreement, the Franchisee shall make available to Subscribers within the Franchise area, eight (8) standard definition digital PEG channels, each of which conform to the requirements of Section 16(b).

- (2) At any time during the term of this Franchise Agreement, with 180 Days prior written request from the County, the Franchisee shall activate and deliver one (1) additional standard definition digital PEG channel to Subscribers within the Franchise area, for a total of nine (9) standard definition digital PEG channels. Said channel shall be activated in accordance with the following criteria.
- (i) The channels set aside by the County for educational or governmental access programming are programmed with qualified programming at least eighty percent (80%) of the cumulative time of sixty hours per week over a consecutive sixteen (16) week period. All qualified programming shall count in this measurement for the actual running time shown. Repeat programs are qualified programming only to a maximum of twenty-five percent (25%) of total qualified programming. Programs which are neither locally produced programming nor programming related to the Puget Sound Region may be qualified programming only to a maximum of fifty percent (50%) of total qualified programming.
- (ii) As used in this Section 16:

- (a) "Repeat program" means the running time of any program only to the extent it is shown more than four (4) times during the test hours over the ten (10) week measurement period.
- (b) "Locally produced programming" means programming (a) produced within the County, or (b) produced by any County resident or any agency, public or private, which provides services to County residents within the County, regardless of the location at which the programming was produced.
- (c) "Programming related to the County" and "programming related to the Puget Sound Region" means programming which addresses the educational, political, social or cultural interests of any segment of the residents of the County or of the Puget Sound Region. For public access programming, the programming must also relate to the County or the Region.
- (d) "Qualified programming" includes video bulletin board material if the material consists of multiple and different text (or video and text) screens transmitted to different subscribers

simultaneously. The term also includes video bulletin board material where the content of the video bulletin board can be selected by a viewer, even if the resulting message is then available to all viewers of the channel. Subject to the foregoing, qualified programming does not include material such as character generated material to the extent the same text (or video and text) screen is sent simultaneously without variation to all system subscribers.

- (3) Available PEG channels will be allocated between public, education and government programming at the sole discretion of the County.
- (4) The County shall administer the use and allocate responsibility for the operation of all PEG channels. The County shall have the right to allocate the individual additional PEG channels to any entity responsible for managing PEG channels, or to maintain them as separate channels under the County's own control.
- (5) At any time during the term of this Franchise Agreement, with 180 Days prior written request from the County, the Franchisee shall activate and deliver a simulcast of one (1)

standard definition digital government PEG channel in High Definition Television format (HDTV) to Subscribers within the Franchise Area on the following conditions:

- (i) The simulcast HDTV PEG channel will be available only to those Subscribers who elect to subscribe to Franchisee's HDTV cable service, receive an HDTV set-top converter, and pay all fees associated therewith.
 - (ii) Franchisee shall have sole discretion to determine the channel placement of the County's simulcast HDTV PEG channel within its HDTV channel line-up, but such HDTV channel shall be located in reasonably close proximity to other HDTV channels on Franchisee's regional channel line-up.
- (d) Use of Capacity. The County agrees that it will use its designated PEG channels and facilities and Franchisee Cable System facilities necessary for the delivery of PEG programming, if any, solely for non-commercial PEG communication purposes and not for any for-profit or commercial purposes by the County or third parties. However, the County may authorize charges to pay the direct costs of the services, such as fees for video class instruction or charges to recover the cost of special use equipment. Franchisee shall

have the right to audit the County's use of such facilities to ensure compliance with this section.

(e) Contribution and Grant for Equipment and Facilities.

(1) The Franchisee shall provide the County the contribution and grant specified below for use by the County in its sole discretion for any PEG-related purpose under this Franchise Agreement and under such other written agreements as may exist between the Franchisee and the County, to the fullest extent allowed by law.

(i) During the term of the Franchise, Franchisee shall provide the County a PEG fee equal to seventy six cents (\$0.76) per residential Subscriber per month. Payments shall be made quarterly and in conjunction with, but are hereby acknowledged by County and Franchisee to be separate from, the payment of Franchise fees under Section 5(a) and shall be expended consistent with any limitations under federal law. The PEG fee may be treated as an external cost which may be passed through by Franchisee to residential Subscribers and itemized on monthly billing statements.

(ii) Franchisee shall make a one-time capital technology grant in the sum of three hundred thousand dollars

(\$300,000), payable within one hundred twenty (120) Days of the Effective Date, to be used for PEG capital purposes at the sole discretion of the County.

- (f) Return Feed from Facilities; Monitoring.
 - (1) The Cable System was designed and built, and is maintained with all terminal interface equipment and facilities needed to transport PEG signals for the PEG channels identified in Section 16(c) from PEG access facilities designated by the County to Franchisee's headend for delivery to County subscribers.
 - (2) Each PEG Access provider should be able to monitor its PEG channel.
- (g) Management of Channels. The County may designate one (1) or more designated access providers, including a non-profit access management corporation, to manage the use of all or part of the PEG channels. Until such an entity has been designated, the County shall perform all functions assigned to the entity in this Agreement.
- (h) Program Guide. If the County or PEG access provider chooses to contract with Franchisee's program guide provider, PEG Channels shall be listed on the guide in the same manner as other commercial channels.

- (i) Costs and Payments Not Franchise Fees. The parties agree that any capital costs to the Franchisee associated with the provision of support for PEG access pursuant to this Franchise Agreement, and any capital contribution payments made to the County pursuant to this Section 16, do not constitute and are not part of a franchisee fee, and fall within one or more of the exceptions to 47 U.S.C. § 542 (k).
- (j) Editorial Control. Except as expressly permitted by federal law, the Franchisee shall not exercise any editorial control over the content of programming on the designated PEG access channels, nor shall the Franchisee be held liable in any way for the content delivered on the County's PEG channels to Franchisee's Subscribers via its Cable System.
- (k) Interconnection.
 - (1) For the purpose of exchanging PEG channels, Franchisee shall:
 - (i) interconnect PEG channels on its Cable System with all other cable systems that it or any Affiliate owns or controls within the County; and
 - (ii) interconnect PEG channels on the Cable System with unaffiliated geographically contiguous cable systems within the County that request interconnection.

- (2) The interconnection terms under Section 16 (l)(1)(ii) shall be as mutually agreed between Franchisee and the party requesting interconnection or, if no agreement can be reached, the party requesting interconnection will bear the cost of bringing its system to the nearest node or logical interconnection point on Franchisee's system, and the initial and ongoing actual costs of maintaining the devices at the interconnection point necessary to allow signals to be exchanged. The County may relieve Franchisee of its obligation to interconnect if the County finds that requiring the interconnection would unfairly advantage the party requesting interconnection.
- (3) The Franchisee shall provide signals to and receive signals from all interconnected operators so as to provide real time carriage of PEG programming without interruption.
- (4) Nothing in this Agreement is intended to excuse Franchisee's compliance with any interconnection obligations under State or federal law or regulations.

17. Timing, Planning of Construction, and Line Extensions.

- (a) Notice. Prior to entering onto private property to Construct, operate, Maintain or repair its Cable System, Franchisee shall provide adequate notice to the resident or owner of the property that it intends to work on the property, a description of the work it

intends to perform and a name and phone number the Person can call to protest or seek modification of the work. Work shall be done in a manner that causes the least interference with the rights and reasonable convenience of property owners, residents and users.

(b) Drop Distance and Line Extensions.

- (1) The Franchisee must provide Cable Service to all Persons within its franchise area upon request, and shall extend its Cable System to do so in accordance with this Agreement.
- (2) Franchisee shall provide Cable Service at Franchisee's standard installation charge to all Persons within its Franchise Area where the drop distance is one hundred and fifty (150) feet or less, measuring from the point of entry to the premises to be served to the nearest right-of-way that Franchisee has a right to use. Where the drop distance so measured is more than one-hundred and fifty (150) feet, Franchisee shall provide Cable Service if the Person agrees to pay the additional cost of the footage above one hundred and fifty (150) feet.
- (3) The Franchisee must make Cable Service available to every residential dwelling unit within the Franchise Area where the minimum density is at least twenty-five (25) dwelling units per strand mile in areas served by overhead facilities and sixty (60) dwelling units per mile in areas served by

underground facilities. The Franchisee shall provide Cable Service to areas not meeting the above density standard and charge the requesting resident(s) for the line extension on a time and material cost basis. The Franchisee may require that the payment of the capital contribution in aid of construction borne by such potential customers be paid in advance. To the extent this 17(b) conflicts with the Cable Ordinance, this section will prevail.

- (c) Joint Utility Trenches. The Franchisee shall share joint or common utility trenches with electric, telephone or similar utilities, unless the cost of participating in the joint trench exceeds the Franchisee's cost of constructing its own trench.

18. Conditions on Use of Rights-of-Way and King County Owned Property: Specific Practices.

All Work Performed in Accordance with Applicable Laws. The Construction, Maintenance, and operation of the Cable System, and all other work performed in Rights-of-Way must be performed in compliance with this Franchise Agreement and all applicable laws. By way of illustration and not limitation, the Franchisee must comply with the following:

The then-current edition of the County Road Design and Construction Standards; King County Regulations for Accommodation of Utilities; Washington State Standard Specifications for Roads, Bridges and

Municipal Construction; National Electric Code published by the National Fire Protection Association (currently ANSI/NFPA 70-1990, and replaced by subsequently adopted additions); National Electrical Safety Code published by the Institute of Electrical and Electronics Engineers, Inc. (currently ANSI C2-1990 and replaced by subsequently adopted additions); and Occupational Safety and Health Administration (OSHA) Safety and Health Standards. All traffic control shall be done in compliance with the then-current edition of Manual on Uniform Traffic Control Devices, Part VI.

19. Operation and Reporting Provisions.

(a) Books and Records.

- (1) The County and its representatives shall have the right to inspect and to have copied any and all books and records of the Franchisee and its Affiliates which the County reasonably deems necessary in order to monitor compliance with the terms of the Cable Ordinance, this Agreement, or applicable law. The County may conduct its inspection and copying at any time during normal business hours upon reasonable notice. Such authority shall include, but not be limited to, the right to audit Franchisee's Books and Records and to inspect and test Franchisee's technical facilities.
- (2) Franchisee and its Affiliates shall maintain, throughout the Franchise term, all Books and Records necessary to

document its compliance with this Agreement, the Cable Ordinance, and all applicable laws and regulations, including those respecting its equal employment opportunity plan in accordance with the FCC's EEO regulations. Books and Records shall be made available at a location designated by the County within the County. The County will agree to inspect and copy Books and Records at a location other than within the County, but only if the Franchisee agrees to pay all reasonable expenses of the County, its representatives or an outside firm performing the work under contract to the County associated with traveling to inspect, audit or copy the Books or Records, and it agrees it will not treat such payment as a franchise fee, or offset it against any amounts owed to the County.

- (3) If Franchisee considers all or any portion of any Book or Record provided to the County, whether in electronic or hard copy form, to be protected under law, the Franchisee shall clearly mark the Book or Record with words such as "PROPRIETARY", "CONFIDENTIAL" OR "BUSINESS SECRET". If a request is made for disclosure of such Book or Record under the Public Records Act (the Act), chapter 42.56 (RCW), the County will: (a) determine whether the Book or Record is subject to disclosure; (b) notify the

Franchisee of the request and allow the Franchisee ten (10) business days to take whatever action it deems necessary to protect its interests. If Franchisee takes no action within this period or obtains no court order enjoining disclosure, the County will release the Books and Records deemed by the County to be subject to disclosure. The County shall not be liable to the Franchisee for inadvertently releasing Books and Records pursuant to a request under the Act not clearly identified by the Franchisee as "CONFIDENTIAL", "PROPRIETARY" OR "BUSINESS SECRET".

- (4) To the extent the Books and Records the County deems relevant are held by the Franchisee or its Affiliates, the Franchisee is responsible for collecting those Books and Records and producing them at the approved location.
- (5) After the County has carried out its responsibilities which involve any copied records of the Franchisee, Franchisee may request the County's representatives or its outside firm performing the work under contract to the County either destroy such copies or return them to Franchisee at the Franchisee's sole cost to the extent permitted by law.

(b) Reports. The Franchisee shall provide the reports specified below, and such other reports as may be required.

- (1) On written request, bi-annual, statistically valid telephone survey, developed jointly by the parties of PEG viewership for unincorporated King County cable television Subscribers. The content of the survey can be expanded upon mutual agreement.
- (2) On written request, within four (4) months of the close of its fiscal year, the Franchisee shall provide the Cable Office with a copy of the following:
 - (i) A company annual report certified by a corporate officer;
 - (ii) A report detailing whether each applicable customer service standard as defined by FCC Rules, Cable Ordinance, and required by the Franchise were met. For each standard not met, the report will explain the cause, and corrections taken for each.
 - (iii) An estimate of the number of disabled, elderly and low income Subscribers receiving any rate discounts, and the percentage of the monthly discount.
 - (iv) A statement of the resolution of complaints referred to it by the Cable Office. Notwithstanding any provision of the Cable Ordinance that could be read to require a more formal response, such statement shall be by

telephone unless the Cable Office requests a written statement , and shall be given as soon as practicable.

- (v) A report summarizing Cable System outages in the County franchise area. An outage includes any loss of one or more video or audio channels that affects the lesser of 10% of the Subscribers on a single fiber optic line or 50 or more Subscribers on the same distribution line simultaneously, but does not include instances where the sound or video is lost prior to its receipt by the Cable System.
- (3) Within one (1) month of the end of each quarter, which shall end on March 31, June 30, September 30, and December 31 of every year, the Franchisee shall provide the Cable Office with a statement, in a form specified by the County showing the number of Subscribers served in the Franchise Area. In addition, the statement shall separately list revenues for each source of revenue which is included within the definition of Gross Revenues in this Franchise Agreement.
- (4) Upon request, the Franchisee shall provide the Cable Office the following:
 - (i) A route map that depicts the general location of the Cable System facilities placed in the Right-of-Way. The route map shall identify Cable System facilities as

aerial or underground and any cabinets or other structures in the Rights-of-Way, but is not required to depict cable types, number of cables, electronic equipment, and service lines to individual Subscribers. The Franchisee shall also provide, if requested, mapping information in an electronic format that can be imported into the County's Geographic Information System (GIS) to show the location of the aerial/underground facilities (including cabinets) in relation to a Right-of-Way centerline reference, so that the County may add this information to County's GIS program.

- (ii) As soon as practicable given the time of day, Franchisee shall provide the Cable Office with notice via e-mail, facsimile or telephone of any unanticipated or unplanned complete or partial loss of service affecting 500 or more Subscribers within the County's franchise area, and lasting longer than twenty-four (24) hours. Franchisee's notice shall include the date, time, cause, general location by street, and expected time of repair. As soon as possible after completion of the repair work, the Franchisee shall notify the

Cable Office of the actual date and time of completion of the repair.

(iii) Franchisee shall provide the Cable Office within a 24-hour period advance notice of any planned outages affecting 500 or more Subscribers on the same distribution line or fiber node within the County's franchise area.

(5) EEOC. Franchisee shall provide King County a copy of its equal employment opportunity plan filed with or submitted to the FCC, and any changes to the employment opportunity plan made in the last year, and a copy of its most recent FCC Form 396C. If the FCC replaces Form 396C, the Franchisee shall file the succeeding forms, which contain any of the information previously required in Form 396C.

(c) Retention of Records; Relation to Privacy Rights. The Franchisee shall take all steps required, if any, to ensure that it is able to provide the County all information which must be provided or may be requested under the Cable Ordinance or this Agreement, including by providing appropriate Subscriber privacy notices. Nothing in this Section 19 shall be read to require the Franchisee to violate 47 U.S.C. § 551. The Franchisee shall be responsible for blacking out any data that federal law prevents it from providing to the County.

- (d) Charges for Inspection, Audits or Tests. In addition to any expenses the Franchisee must bear under Section 19(c), if an inspection, audit or test determines that Franchisee has not materially complied with applicable FCC technical standards, the Franchisee shall reimburse the County for all reasonable costs including expert fees arising from the inspection, audit or test. In addition, if it is determined that Franchisee has underpaid amounts due the County by more than four percent (4%) of the amount owing, or the Franchisee has not materially complied with FCC technical standards, the County shall have the right to conduct additional inspections, audits or tests, and to charge all costs arising from these inspections, audits or tests to the Franchisee until it is determined that the Franchisee is in full compliance. These charges are incidental to the enforcement of the Franchise; they do not limit any right the County may have to exercise any other remedy. To the extent this Section 19(d) conflicts with the Cable Ordinance, this section will prevail.

20. Remedies.

- (a) Remedies Are Non-exclusive. Subject to applicable law, the remedies provided for in this Franchise Agreement and the Cable Ordinance are cumulative and not exclusive; the exercise of one remedy shall not prevent the exercise or another, or any rights of

the County at law or equity, provided however, cumulative remedies may not exceed the total wrong involved.

- (b) No Election of Remedies. Without limitation, the withdrawal of amounts from the letter of credit in Section 10, or the recovery of amounts under the bond, insurance, indemnity or liquidated damages provisions of this Agreement shall not be construed to be: an election of remedies, a limit on the liability of the Franchisee under the Franchise for damages or otherwise, or an excuse of faithful performance by the Franchisee.
- (c) Rights of County. In addition to exercising any of the other remedies provided in this Franchise Agreement, or the remedies available under applicable law, the County may revoke the Franchise and void the Franchise Agreement if:
- (1) Franchisee attempts to or does practice any fraud or deceit in its conduct or relations under this Franchise Agreement or in the process of being granted the rights, authority, power, privileges and permission herein; or
 - (2) Franchisee attempts deliberately to evade any material provision of the Cable Ordinance or this Franchise Agreement; or
 - (3) Franchisee fails to correct any material breach of the Cable Ordinance or this Franchise Agreement, after notice and opportunity to cure; or

- (4) Franchisee repeatedly violates the Cable Ordinance or this Franchise Agreement regardless of whether any single provision violated is deemed immaterial; or
 - (5) Franchisee abandons its Franchise. Without limitation, the failure of Franchisee to comply with the deadlines established herein, its failure to provide or maintain the required reports and records or its failure to comply with applicable law shall be deemed a material violation of this Franchise Agreement.
- (d) Rights of Franchisee. Notwithstanding any provision of the Cable Ordinance to the contrary that could be read to limit the Franchisee's rights, before the County revokes the Franchise, it shall:
- (1) Provide notice to the Franchisee of the violation;
 - (2) Permit the Franchisee to request an opportunity to be heard on the issue; and
 - (3) If the Franchisee timely requests an opportunity to be heard, allow the Franchisee to appear and present information relevant to determining whether the violation occurred, and the appropriate remedy for the violation, if any. The parties agree that K.C.C. § 6.27A.240 satisfies the requirements of this Section 20(d).

(e) Procedures Prior to Revocation.

- (1) Notice of Violation. County shall provide Franchisee with a detailed written notice of any franchise violation upon which it proposes to take revocation action, and a ninety (90) Day period within which Franchisee may demonstrate that a violation does not exist, or cure the alleged violation, or if the violation cannot be cured within the ninety (90) Day cure period, present a cure plan to the County for review and approval.
- (2) Default. If Franchisee fails to disprove or cure the violation within ninety (90) Days in accordance with the approved cure plan, then the County may declare the Franchisee in default, which declaration must be in writing.
- (3) Hearing Available to Franchisee. Within fifteen (15) Days after receipt of a written declaration of default from the County, Franchisee may request, in writing, a hearing before the County or its agent, in a public proceeding. Such hearing shall be held within forty-five (45) Days of the receipt of the request therefore and a decision rendered within thirty (30) Days after the conclusion of the hearing. Any decision shall be in writing and shall be based upon written findings of fact.

- (f) Duty to Exhaust Remedies. In the event of any dispute between the Franchisee and the County arising out of this Franchise Agreement , the Cable Ordinance or the Cable Rules, the Franchisee agrees to pursue and exhaust all administrative remedies pursuant to law prior to pursuing any legal or equitable remedy.
- (g) Effect of Revocation or Forfeiture. The revocation or forfeiture of the Franchisee's rights under the Franchise shall not affect any of the County's rights under the Franchise or applicable law. The Franchisee shall continue to be bound, for example, by any duties it may have under the Cable Ordinance to continue to provide service.

21. Abandonment.

- (a) Effect of Abandonment. If the Franchisee abandons its System during the Franchise term, or fails to operate its Cable System in accordance with its duty to provide continuous service, the County, at its option, may operate the Cable System; designate another entity to operate the Cable System temporarily until the Franchisee restores service under conditions acceptable to the County or until the Franchise is revoked and a new Franchisee selected by the County is providing service; or obtain an injunction requiring the Franchisee to continue operations. If the County is required to operate or designate another entity to operate the Cable System,

the Franchisee shall reimburse the County or its designee for all reasonable costs and damages incurred that are in excess of the revenues from the Cable System.

- (b) What Constitutes Abandonment? The County shall be entitled to exercise its option and obtain any required injunctive relief if:
- (1) The Franchisee fails to provide Cable Service in accordance with this Franchise Agreement over a substantial portion of the Franchise Area for two hundred forty (240) consecutive hours in the absence of a force majeure event, unless the County authorizes a longer interruption of service; or
 - (2) The Franchisee, for any period, willfully and without cause refuses to provide Cable Service in accordance with this Franchise Agreement.

22. Exercise of Right to Purchase.

- (a) Option to Purchase. The County shall have the option to purchase the Cable System as provided in this Franchise Agreement, to the extent consistent with federal law.
- (b) Arbitration.
- (1) If the County exercises a right to purchase the Cable System pursuant to the Franchise Agreement, and the parties are unable to agree on a price for the purchase of the system, or the terms and conditions of the sale, the price of the Cable System may be determined by arbitration as set forth below.

(2) The arbitration procedure employed shall be consistent with the rules and procedures of the American Arbitration Association. The Cable Office and the Franchisee shall each select a qualified arbitrator. The two persons selected shall select a third qualified arbitrator, and the three arbitrators will constitute a panel whose decision is binding on the County and the Franchisee. The fees of the arbitrators selected by each party shall be paid by that party, and the fees of the third arbitrator shall be paid one-half each by the County and the Franchisee. The other costs of the proceeding shall be shared equally by the County and the Franchisee.

(3) Notwithstanding the above, nothing shall require the County to submit the matter to arbitration should it purchase a Cable System through an exercise of the right of eminent domain.

(c) Rights Not Waived. The purchase option provided under Section 22(a) does not waive any rights the Franchisee may have under applicable law.

23 Miscellaneous Provisions.

(a) Governing Law. This Franchise Agreement shall be governed in all respects by the laws of the State of Washington. All actions brought by the Franchisee against the County, whether brought in

State or federal court, shall be brought in a court located in King County, Washington, unless prohibited by law.

- (b) Force Majeure. The Franchisee shall not be deemed in default with provisions of its Franchise where performance was rendered impossible by war or riots, civil disturbances, labor strikes, floods, or other circumstances beyond the Franchisee's control, and the Franchise shall not be revoked or the Franchisee penalized for such noncompliance, provided that the Franchisee takes immediate and diligent steps to bring itself back into compliance and to comply as soon as possible under the circumstances with its Franchise without unduly endangering the health or safety of the Franchisee's employees or the integrity of its property, or the health or safety of the public, or the integrity of public Rights-of-Way, public property, or private property; and only if the Franchisee has notified the County in writing of the reason for the inability within three (3) business days of the Franchisee's discovery of the reason.
- (c) Connections to System; Use of Antennae. Subject to reasonable provisions to prevent signal and service theft, Subscribers shall have the right to use their own remote control devices and converters, and other similar customer premise equipment with Franchisee's Cable System.
- (d) Calculation of Time. Unless otherwise indicated, when the performance or doing of any act, duty, matter, or payment is

required hereunder and a period of time or duration for the fulfillment of doing thereof is prescribed and is fixed herein, the time shall be computed so as to exclude the first and include the last Day of the prescribed or fixed period of time. For example, if on January 1, the franchisee is directed to file action within ten (10) Days, the action must be completed no later than midnight January 11.

- (e) Time of Essence. In determining whether the Franchisee has substantially complied with its Franchise, the parties agree that time is of the essence to this Agreement.
- (f) Captions. The captions and headings of this Franchise Agreement are for convenience and reference purposes only and shall not affect in any way the meaning and interpretation of any provisions of this Franchise Agreement.
- (g) Counterparts. This Franchise Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original copy, and all of which together shall constitute one Franchise Agreement binding on all parties hereto, notwithstanding that all parties shall not have signed the same counterpart.

AGREED TO AS OF THE ____ DAY OF _____, 2014.

COMCAST OF WASHINGTON, IV, INC. ,
AND COMCAST CABLE HOLDINGS, LLC,

KING COUNTY, WASHINGTON

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

APPENDIX A TO FRANCHISE AGREEMENT

DESCRIPTION OF FRANCHISE AREA

Franchisee's facilities are located under County streets, alleys, roads and compatible utility easements throughout King County in the following Townships, Ranges, and Sections:

Township	Range	Section(s)
26 North	5 East	1, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 23, 24, 25, 26, 27, 34
26 North	6 East	3, 4, 5, 6, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20, 21, 22, 26, 27, 29, 30, 31, 32, 33, 34, 35
25 North	5 East	3, 12, 16, 17
25 North	6 East	1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 21, 22, 23, 26, 27, 35
25 North	7 East	1, 9, 11, 12, 14, 15, 16, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32
24 North	4 East	31, 32, 33
24 North	5 East	10, 11, 13, 14, 15, 22, 23, 24, 25, 26, 27, 33, 34, 35
24 North	6 East	10, 11, 12, 13, 14, 15, 19, 20, 22, 23, 24, 25, 26, 27, 32, 34
24 North	7 East	5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 32, 33, 35, 36
24 North	8 East	19, 26, 27, 28, 30, 31, 33, 34, 35
23 North	2 East	13, 23, 24, 25, 26, 35, 36
23 North	3 East	1, 5, 6, 7, 8, 12, 17, 18, 19, 20, 21, 29, 30, 31, 32
23 North	4 East	1, 2, 4, 5, 6, 7, 8, 11, 12, 13, 14, 35,
23 North	5 East	1, 2, 3, 4, 6, 7, 10, 11, 12, 13, 14, 15, 18, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36
23 North	6 East	3, 5, 6, 7, 8, 10, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36
23 North	7 East	3, 4, 10, 31
23 North	8 East	3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15, 16, 17, 21, 22, 23, 24, 25, 26, 27, 28, 34, 35
23 North	9 East	7, 18, 19, 30
22 North	2 East	1, 2, 11, 12, 13, 14, 23, 24, 25, 26, 34, 35, 36
22 North	3 East	4, 5, 6, 7, 8, 9, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 28, 29, 30, 31, 32
22 North	4 East	2, 3, 10, 15, 22, 25, 26, 27, 28, 33, 34, 35
22 North	5 East	1, 2, 3, 4, 10, 11, 12, 13, 14, 15, 23, 24, 31, 35, 36

22 North	6 East	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, 32, 33, 34, 35, 36
22 North	7 East	5, 6, 7, 8, 18, 19, 23, 24, 26, 28, 30, 31, 32, 33, 34, 35
21 North	2 East	1, 2
21 North	3 East	6
21 North	4 East	3, 9, 10, 14, 15, 21, 22, 23, 26, 27, 28, 33, 34, 35
21 North	5 East	1, 2, 3, 10, 11, 12, 13, 14, 15, 17, 21, 22, 23, 24, 25, 26, 30, 34, 35
21 North	6 East	3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 29, 30, 34, 35, 36
21 North	7 East	5, 7, 31
20 North	5 East	1, 2, 12
20 North	6 East	1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, 25, 26, 27, 28, 33, 34, 35, 36
20 North	7 East	6, 7, 18, 19, 30, 31
19 North	6 East	1
19 North	7 East	6

Comcast may expand or reduce its facilities within or beyond these locations as per the terms and conditions of the Franchise.

APPENDIX B TO FRANCHISE AGREEMENT

Bond: _____

GL Code: _____

Risk File: _____

FRANCHISE BOND

Location: Seattle, Washington

KNOW ALL MEN BY THESE PRESENTS, That, **Comcast of Washington IV, Inc., and Comcast Cable Holdings, LLC**, jointly and severally, as Principal, and _____, a corporation of the State of _____, as Surety, are held and firmly bound unto **County of King, Seattle**, as Obligee, in the sum of **Fifty Thousand & No/100 Dollars** (\$50,000.00), lawful money of the United States of America, to be paid unto said Obligee, its successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above-bound Principal has entered into a written agreement dated _____, with the Obligee which grants a Franchise to the Principal to use Obligee's public streets and places to transmit and distribute electrical impulses through fiber optical cable and open line-coaxial antenna system located therein. Principal has agreed to faithfully perform and observe and fulfill all terms and conditions of said Franchise agreement referred to above and said agreement is hereby made a part of this bond with like force and effect as if herein set forth in length.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above named Principal, its successors or assigns, does and shall well and truly observe, perform and fulfill its obligation as set forth in the above-mentioned Franchise agreement, for which a bond must be posted, then the above obligation to be void; otherwise to remain in full force and effect.

The bond is subject, however, to the following express conditions:

FIRST: That in the event of a default on the part of the Principal, its successors or assigns, a written statement of such default with full details thereof shall be given to Surety promptly, and in any event, within thirty (30) days after the Obligee shall learn of such default, such notice to be delivered to Surety at its Home Office in _____ by registered mail.

SECOND: That no claim, suit or action under this bond by reason of any such default shall be brought against Surety unless asserted or commenced within twelve (12) months after the effective date of any termination or cancellation of this bond.

THIRD: That this bond may be terminated or canceled by Surety by thirty (30) days prior notice in writing to Principal and to Obligee, such notice to be given by certified mail. Such termination or cancelation shall not affect any liability incurred or accrued under this bond prior to the effective date of such termination or cancellation. The liability of the Surety shall be limited to the amount set forth above and is not cumulative.

FOURTH: That no right of action shall accrue under this bond to or for the use of any person other than the Obligee, and its successors and assigns.

IN WITNESS WHEREOF, THE ABOVE BOUND PRINCIPAL AND THE ABOVE BOUND SURETY HAVE HEREUNTO SET THEIR HANDS AND SEALS ON THE ____ DAY OF _____, 2014.

**COMCAST OF WASHINGTON IV, INC.,
AND COMCAST CABLE HOLDINGS,
LLC,**

JOINTLY AND SEVERALLY

By: _____

By: _____

Attorney-in-fact

LETTER AGREEMENT

By and Between

King County, WA and Comcast of Washington IV, Inc. and
Comcast of California/Colorado/Washington I, Inc. (jointly and severally)

The purpose of this Letter Agreement is to memorialize the mutual understanding between Comcast of Washington IV, Inc. and Comcast of California/Colorado/Washington I, Inc. ("Comcast"), and King County, WA ("the County") regarding the terms and continued effect of that certain Lease Agreement for an Institutional Network ("I-Net Lease") between Comcast and the County, dated August 1, 1996, and as amended, including Amendment No. 1, dated August 13, 1998.

Specifically, Comcast and the County acknowledge, understand and agree as follows:

1. Effect of Renewed Cable Franchise. The I-Net Lease shall survive execution of Franchise No. 5588, and shall remain in effect in accordance with its terms. Execution of Franchise No. 5588 shall not effect a termination of the I-Net Lease.
2. Application of Prior Franchises to I-Net Lease. Notwithstanding execution of Franchise No. 5588, those portions of:
 - (a) Franchise No. 12132, dated August 1, 1996, as amended by Amendment No. 1, dated August 13, 1998 and Amendment No. 2, dated February 8, 2005; and
 - (b) Franchise No. 11680, dated March 9, 1995, as amended by Amendment No. 1, dated July 23, 1996, Amendment No. 2 dated August 13, 1998 and Amendment No. 3, dated January 3, 2005; and
 - (c) All attachments to Franchise No. 12132 and Franchise 11680, as amended, including those exhibits that identify institutional network sites (as may be amended by the County from time to time), (collectively, the "Prior Franchises"),

that refer to the I-Net are part of the Agreement Documents, as that term is used in the Lease Agreement, and shall remain effective for the purposes of interpreting and enforcing the I-Net Lease only. This Letter Agreement constitutes a written agreement by the parties under the exception created in Section 2(i) of Franchise No. 5588, regardless of whether it is signed or effective before, after or at the same time as Franchise No. 5588, except as provided in paragraph 3 below.

3. Superseding Provisions in Franchise No. 5588. Comcast's obligations under the Prior Franchises to provide insurance and security for its acts and omissions and to fulfill its security responsibilities relating to the I-Net (except for any separate insurance or security requirements under such permits as may be necessary for future work in the County right-of-way) shall be satisfied by Section 7 (Insurance Requirements) and Section 10 (Letter of Credit and Performance Bond) of Franchise No. 5588.

4. Capital Grants and Fees for Public, Educational and Governmental Use (PEG Fee). The County's use of the funds provided under Franchise No. 5588, Section 16(e), may be used for only lawful PEG-related purposes in accordance with the federal cable act, 47 U.S.C. §§ 521 et. seq., as amended, and any applicable rule, regulation, order or circular. This Letter Agreement constitutes a written agreement as referenced in Franchise No. 5588, Section 16(e)(1), whether it is signed or effective before, after or at the same time as that franchise.

Acknowledged and agreed to this ___ day of _____, 2014

King County, WA

By: _____

Its: _____

Date: _____

Comcast of Washington IV, Inc.

By: _____

Its: _____

Date: _____

Comcast of California/Colorado/Washington I, Inc.

By: _____

Its: _____

Date: _____