

CABLE SERVICES FRANCHISE AGREEMENT

BETWEEN THE CITY OF LOS BANOS AND
COMCAST OF SAN JOAQUIN, INC.

EFFECTIVE: JUNE 17, 2005

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AGREEMENT

This Agreement dated June 17, 2005, 2005 is between the City of Los Banos, a municipal corporation, and Comcast of San Joaquin, Inc.

RECITALS

- A. The City of Los Banos (the City), pursuant to Federal and California law, is authorized to grant and renew a non-exclusive revocable Franchise to operate and maintain a Cable System within the City.
- B. The City has evaluated Comcast, and after public hearings, has decided to renew the franchise previously granted to Comcast.

AGREEMENT

SECTION 1 RENEWAL OF FRANCHISE

1.1 Grant

The City, by Ordinance No. 1030, has granted to Comcast a new cable services franchise subject to the terms and conditions of this Agreement. The term of this franchise will expire on June 16, 2020 unless extended by a resolution of the City Council.

Comcast will notify the City of all services being offered.

1.2 Effective Date of Renewal

The Franchise will take effect on June 17, 2005. Comcast must submit to the City Clerk, no later than July 18, 2005, an executed franchise agreement, the security fund, and insurance certificates required by this Agreement. If Comcast fails to submit these documents and this fund to the City by this date, the City may declare this Franchise to be void.

SECTION 2 GENERAL REQUIREMENTS

2.1 Franchise Fee

(a) Comcast must pay to the City an annual franchise fee of 5% of Gross Annual Cable Service Revenues derived by Comcast, or any third party, from its operation of the

cable system in the City to provide cable services. The fee must be paid quarterly no later than 60 days after the end of the calendar quarter for which payment is due.

(b) Comcast must include revenues collected from subscribers as the franchise fee in calculating its Gross Annual Cable Services Revenues.

(c) Comcast must submit to the City a certified account of its Gross Annual Cable Service Revenues and any deductions taken. This report shall be submitted at the same time that the franchise payment is made.

(d) If the City may legally collect a franchise fee on revenues derived from non-cable services, Comcast must include those revenues when calculating Gross Annual Cable Services Revenues.

(e) To the extent discounts reduce revenues includable for purposes of calculating franchise fees, Comcast may not unfairly or unlawfully allocate discounts for bundled services for the purpose of evading payment of franchise fees to the City. Upon written request, Comcast will provide reasonable information to the City related to Comcast's pricing of bundled services.

(f) "Gross Annual Cable Services Revenues" is defined as all revenue received by Comcast and its affiliates from providing cable services over its cable system within the City of Los Banos, consistent with generally accepted accounting principles (GAAP). Comcast may not determine Gross Annual Cable Services Revenues based on estimated receipts of future subscriber revenue. Comcast must include, at a minimum, all of the following in its accounting of Gross Annual Cable Services Revenues:

- (1) All residential and commercial subscriber fees.
- (2) All installation, reconnection, and disconnection fees.
- (3) Late fees and interest collected on late payments.
- (4) Fees for commercial use channels.
- (5) Equipment rental, lease, or sale charges.
- (6) Payments for leased or access channels.

- (7) All recovered bad debts.
- (8) Advertising revenue with no deduction or offset for internal commissions earned by Comcast employees or its affiliates, subsidiaries, parent or any entity in which Comcast has a controlling financial interest.
- (9) Any other revenues generated in the operation of the cable system for the provision of cable services not included above.

2.2 City Audit

(a) All franchise fee payments are subject to the City's review and audit, and the City's acceptance of a franchise fee payment does not constitute a waiver of the City's right to review and audit the payment as set forth in this Agreement. If the City's audit determines that Comcast has underpaid the franchise fee, Comcast must submit the amount of the underpayment to the City within 10 calendar days of receiving written notice from the City. If the audit shows that Comcast has underpaid its franchise fee by more than 10%, Comcast must reimburse the City for the cost of the audit. If Comcast disputes the City's determination, Comcast must first submit the amount of the underpayment to be held in an escrow account. Within 10 days of this payment, Comcast must submit a claim to the City that sets forth in detail the basis for Comcast's dispute of the City's determination. The Parties agree to make a good faith attempt to resolve any dispute relating to audit through non-binding mediation prior to commencing litigation. The Parties shall mutually agree upon the mediator and shall divide the costs of mediation equally.

2.3 Franchise Non-Transferable

(a) Comcast may not transfer the franchise by any means, voluntarily or involuntarily, without the City Council's prior consent, and any attempt to do so will be void. A security interest granted in any of Comcast's assets, or any mortgage of title in the Cable System to secure indebtedness, is not a transfer for the purposes of this section. This section will not apply to an internal reorganization that does not have the effect of directly changing the control or management authority over the franchise.

(b) Subsection (a) applies to any change in control of Comcast. The term "control" includes majority ownership, and actual working control, in whatever manner exercised. For purposes of this subsection, "majority ownership" is defined as ownership of at least fifty percent (50%) of Comcast's voting stock as of the effective date of the Franchise.

(c) Comcast must notify the City in writing of any foreclosure or any other judicial sale of all or a substantial part of Comcast's Franchise property. This notice serves as notice that a change in control of ownership of the Franchise has taken place.

(d) In seeking the City Council's approval under this Section, Comcast must submit a Federal Communications Commission Form 394 or equivalent. Within 30 days of receipt of the Form 394, the City may require Comcast to submit additional information consistent with Federal regulations that the City may require to determine that the proposed transferee possesses the legal, technical, and financial qualifications to operate the Franchise. In the event that Comcast is in noncompliance with any material provision of the franchise, Comcast will either (1) correct the violation prior to completion of the transfer; or (2) provide written assurances that acquiring company will meet the obligation in the franchise within a reasonable period of time. The City will render a final decision within 120 days of the date of either (1) the initial receipt of the Form 394, or (2) the date Comcast submits a complete and accurate Form 394.

2.4 Insurance

(a) Comcast, at its own cost and expense, unless otherwise specified below, must procure the types and amounts of insurance listed below against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by Comcast and its agents, representatives, employees, and subcontractors. Consistent with the following provisions, Comcast must provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City. Comcast must maintain the insurance policies required by this section throughout the term of this Agreement. Comcast may not allow any subcontractor to commence

work on any subcontract until Comcast has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution.

(b) Workers' Compensation. Comcast must, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Comcast in accordance with the laws of the State of California. Comcast shall indemnify and hold harmless the City from any workers compensation claims to which the Company may become subject during the term of this Franchise Agreement.

(c) Commercial General and Automobile Liability Insurance.

- (1) General requirements. Comcast, at its own cost and expense, must maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than TWO MILLION DOLLARS (\$2,000,000.00) per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If a Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit will apply separately to the work to be performed under this Agreement or the general aggregate limit will be at least twice the required occurrence limit. Such coverage must include but is not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.
- (2) Minimum scope of coverage. Commercial general coverage must be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) or GL 0002 (ed.1/73) covering

comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability. Automobile coverage must be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1. No endorsement may be attached limiting the coverage.

- (3) Additional requirements. Each of the following must be included in the insurance coverage or added as a certified endorsement to the policy:
 - a. The insurance must cover on an occurrence or an accident basis, and not on a claims-made basis.
 - b. Any failure of Comcast to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.
- (4) Acceptability of Insurers. All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A-.
- (5) Verification of coverage. Prior to beginning any work under this Agreement, Comcast must furnish City with complete certified copies of all policies, including complete certified copies of all endorsements. All copies of policies and certified endorsements must show the signature of a person authorized by that insurer to bind coverage on its behalf.
- (6) Notice of Reduction in or Cancellation of Coverage. A certified endorsement must be attached to all insurance obtained pursuant to this Agreement stating that coverage may not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after 30 days' prior written notice by certified mail, has been given to the City. If any coverage required by this section is reduced, limited, cancelled, or materially affected in any other manner, Comcast must provide written

notice to City at Comcast's earliest opportunity but no later than 10 working days after Comcast is notified of the change in coverage.

- (7) Additional insured; primary insurance. A certified endorsement at least as broad as Insurance Services Office form number CG 20 10 (11/85 ed.) must be attached to all policies stating that the City and its officers, employees, agents, and volunteers are covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Comcast, products and completed operations of Comcast, as applicable, premises owned, occupied, or used by Comcast, and automobiles owned, leased, or used by Comcast in the course of providing services pursuant to this Agreement. The coverage may not contain special limitations on the scope of protection afforded to City or its officers, employees, agents, or volunteers.
- (8) Certified Endorsement A certified endorsement must be attached to all policies stating that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City may be called upon to contribute to a loss under the coverage.
- (9) Deductibles and Self-Insured Retentions. Comcast must disclose to and obtain the approval of City for any self-insured retentions and deductibles. During the period covered by this Agreement, only upon the prior express written authorization of Contract Administrator, Comcast may increase such deductibles or self-insured retentions with respect to City, its officers, employees, agents, and volunteers. The City may condition approval of an increase in deductible or self-insured retention levels with a requirement that Comcast procure a bond, guaranteeing payment of losses and related

investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

- (10) Subcontractors. Comcast must require that all cable subcontractors performing work within the City name the City as an additional insured on any insurance policy Comcast contractually requires the subcontractor to provide.
- (11) Variation. The City may approve a variation in the foregoing insurance requirements, upon a determination that the coverage, scope, limits, and forms of such insurance are either not commercially available, or that the City's interests are otherwise fully protected.

2.5 Indemnification

(a) Comcast must indemnify, hold harmless, release, and defend the City, its officers, employees, agents, and volunteers from and against any and all actions, claims, demands, damages, disability, losses, expenses including attorney's fees and other defense costs or liabilities of any nature that may be asserted by any person or entity including Comcast from any cause whatsoever arising from the activities of Comcast, its subcontractors, employees, and agents.

(b) This indemnification obligation is not limited in any way by a limitation on the amount or type of damages or compensation payable by or for Comcast under Workers' Compensation, disability or other employee benefit acts, acceptance of insurance certificates required under this Agreement, or the terms, applicability or limitations of any insurance held by Comcast.

(c) City does not waive any rights against Comcast that it may have by reason of this indemnification, because of the acceptance by City, or the deposit with City by Comcast, of any of the insurance policies described in Section 2.4.

(d) This indemnification by Comcast applies to all damages and claims for damages of any kind suffered by reason of any of the aforesaid operations referred to in this Section, regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

(e) Comcast shall not be required to indemnify the City for the City's sole negligence or willful misconduct.

2.6 Security Fund

(a) On the date set forth in Section 1.2, Comcast must establish a security fund for the faithful performance of Comcast's obligations under this Agreement. The security fund will be a performance bond in the amount of \$50,000.00. Comcast may not revoke the performance bond without the City's prior written consent during the term of this Agreement, or during any dispute between the City and Comcast that may extend beyond this term. However, after twelve (12) months, Comcast may present at any time evidence to reduce the amount of the security fund, or the type of security fund provided, to the City. The City may elect to reduce the amount of the security fund at its sole discretion.

(b) The City may assess the security fund as specified in Section 2.7 of this Agreement. The City will provide written notice to Comcast at least 10 calendar days prior to assessing the security fund. If Comcast disputes the reasons for which the City proposed to assess the security fund, Comcast may file a claim with the City Manager documenting the basis for Comcast's dispute, within 10 days of the written notice. The City Manager will review the claim and determine whether a refund is appropriate. If a dispute involving the application of this Section cannot be resolved through an informal or formal meeting, the dispute shall be submitted to non-binding mediation as a prerequisite to either party filing an action to enforce or construe this Section 2.6(b). Mediation shall be to a single, neutral mediator mutually acceptable to the City and Comcast. The mediator's fees and expenses shall be shared equally by the City and by Comcast.

(c) The security fund is not a substitute for any permits or bonds the City may require from Comcast.

(d) If the City assesses the security fund because Comcast has violated Section 2.7, the City may require Comcast to replace the performance bond with a irrevocable replenishing standby letter of credit in the amount set forth in Section 2.6(a).

2.7 Procedure for Remediating Franchise Violations

(a) The City must first notify Comcast of a violation of a provision of this franchise in writing by personal delivery or certified mail, and demand correction of the violation. The demand letter must include a date by which Comcast must either correct the violation, or provide a remediation plan to the City detailing the steps and a reasonable timetable to correct the violation. The demand notice must give Comcast a minimum of 10 business days from receipt of the notice to correct the violation or submit the remediation plan. If Comcast does not correct the violation by the date specified in the demand notice or the remediation plan, or fails to demonstrate that a violation has not occurred, the City may exercise its rights under this Agreement and provide written notice of noncompliance to Comcast. If Comcast disagrees that it is in noncompliance, Comcast may submit a response to the City Manager within 10 business days of receiving the notice of noncompliance that documents the basis for Comcast's disagreement. The City Manager shall review such response and render a decision within 10 business days after receipt of the response. If the City Manager determines that Comcast is not in compliance with a provision of this Agreement, the City Manager may pursue the City's remedies provided in this Agreement.

(b) The City may impose liquidated damages for those unexcused violations set forth in Section 2.7(d) below in the amounts indicated.

(c) The City may assess the security fund to collect the liquidated damages after complying with the requirements of Section 2.6

(d) The following violations are subject to liquidated damages:

- (1) Comcast fails to provide requested records or data the franchise agreement within 30 calendar days after receiving the City's written request, \$100 per day.
- (2) Comcast fails to provide a report on the system's performance within 30 calendar days after receiving the City's written request, \$100 per day.
- (3) Comcast fails to comply with those subscriber service requirements that are measured on an aggregate basis, as set forth in Section 7 of this Agreement, \$500 per percentage point below the threshold requirement.
- (4) Comcast fails to comply with its PEG access obligations under Exhibit B, \$250 per day.

(e) For a first violation of this Agreement for which liquidated damages are assessed under Section 2.7(d), the City may assess liquidated damages up to \$5,000. If Comcast remedies this first violation, but subsequently is assessed liquidated damages for a violation of the same provision, the City may assess liquidated damages up to \$10,000. If Comcast remedies this second violation, but subsequently is assessed liquidated damages for a violation of the same provision, the City may assess liquidated damages with no limit. If Comcast is assessed the maximum liquidated damages for a first or second violation of the same provision, any continuing violation is a material breach for purposes of Section 2.8. Any third violation for which Comcast is assessed liquidated damages of any amount is a material breach for purposes of Section 2.8.

2.8 City's Power to Revoke

(a) City may revoke the franchise granted pursuant to this Agreement and rescind all rights and privileges associated with this Agreement in the following circumstances, each of which represents a default by Comcast and a material breach under this Agreement:

- (1) If Comcast willfully fails to perform any of its material obligations under this Agreement as set forth in Sections 2.7 and 7.5;
- (2) If Comcast fails to provide or maintain in full force and effect the insurance coverage or security fund as required in this Agreement;
- (3) If Comcast violates any order or ruling of any federal regulatory body having jurisdiction over Comcast relative to Comcast's Franchise, unless such order or ruling is being contested by Comcast in good faith in an appropriate proceeding;
- (4) If Comcast knowingly practices any material fraud or deceit upon City;
- (5) If Comcast becomes insolvent, unable, or unwilling to pay its debts, or declares bankruptcy, to the extent allowed under Federal Bankruptcy law or
- (6) Comcast fails to comply with a provision of this Agreement for which non-compliance is designated a "material breach".

(b) If the City Manager determines that grounds exist to revoke the Franchise, the City Manager must agendaize the matter for a public hearing before the City Council. The City must provide at least 30-days prior written notice to Comcast of the grounds for revoking the Franchise, and the date and time of the public hearing. Comcast may appear at the hearing, present and cross examine witnesses, and present any evidence, oral or in writing, that it considers relevant to the Council's deliberations. Based on the evidence presented by the City Manager and Comcast, and any interested third parties, the City Council (1) may revoke the franchise; (2) may determine that revocation is not appropriate but may impose any other remedy permitted under this Agreement; or, (3) may determine that revocation is not appropriate and impose no other remedy. The City Council's decision must be in writing and must be transmitted to Comcast within 10 business days of the date of the decision.

The decision of the City Council is final. Nothing herein, however, shall be construed to impair Comcast's right to appeal the City's decision or file an action or claim in the appropriate forum.

2.9 Reservation of Rights

(a) The City and Comcast reserve all rights that they may possess under the law unless expressly waived in this Agreement. By entering into this Agreement, neither the City nor Comcast waive any rights that it now has or may later enjoy under applicable State or federal law, and specifically both the City and Comcast reserve their rights to take full advantage of any changes in State and federal law during the term of the Franchise. In the event of a conflict between this Franchise Agreement and any other local ordinance, this Franchise Agreement, and the provisions contained herein shall prevail, except where the ordinance represents a proper exercise of the City's police powers.

2.10 State or Federal Preemption

If the State or Federal Government discontinues preemption in any area of cable system regulation over which it currently exercises jurisdiction, the City may adopt rules and regulations in these areas, to the extent permitted in the then applicable law.

SECTION 3 SERVICE AREA AND LINE EXTENSION POLICY

3.1 Franchise and Service Area

Comcast's franchise and service areas are the entire City of Los Banos, including any territory that may be annexed into the City during the term of this Agreement. Comcast must provide service on a nondiscriminatory basis to all potential new subscribers that meet line extension and density requirements as outlined in Section 3.2. Comcast shall also notify the City when services are available to commercial accounts. Bulk and promotional discounts, and discounts for seniors or the economically disadvantaged, are not prohibited under this Section.

3.2 Service to Residences

(a) Comcast shall, in accordance with the line extension policy outlined in this Section, offer the full range of residential cable services to all residents capable of receiving said service in the City of Los Banos at standard installation charges. A standard installation shall be defined as within 125 feet from the closest access point of Comcast's existing distribution plant. Where a drop exceeds one hundred twenty-five (125) feet in length Comcast may charge the Subscriber for the difference between Comcast's actual costs associated with installing a 125 foot drop and Comcast's actual cost of installing the longer drop.

(b) If a new residential dwelling unit or business location requesting Cable Service is not located within 500 feet (or the equivalent of 30 homes per linear mile) of the nearest existing Cable System plant, Comcast must extend the Cable System on request based upon the following cost-sharing formula:

i.	$\frac{\text{Total Cost to Construct Extension}}{\text{Cable Miles of Extension}}$	=	$\frac{\text{Cost Per Cable Mile of Extension}}$
ii.	$\frac{\text{Cost Per Cable Mile of Extension}}{30}$	=	Comcast's Share of Cost Per Subscriber Unit
iii.	Comcast's Share of Cost Per Subscriber Unit Times Number Of Subscriber Units Passed	=	Comcast's Share of Total Cost of Extension
iv.	Total Cost to Construct Extension Minus Comcast's Share of Total	=	Total Subscriber's Share
v.	$\frac{\text{Total Subscriber Share}}{\text{Number of Subscribers}}$	=	Cost Per Subscriber Requesting Service

This cost-sharing formula only applies in its entirety and no single computation can be taken alone. The cost-sharing formula does not apply to significant subdivisions project or other property developments.

3.3 Commercial Areas

(a) For areas of the City that are primarily commercial, Comcast may elect to install appropriate conduit when open utility trenches are available, provided that Comcast is able to acquire the proper permits through the City. Comcast agrees that it shall make reasonable efforts to participate in joint trenching in new developments where developers and other utilities make

joint trenching available upon reasonable notification except in those cases where market conditions do not warrant Comcast participation.

The City will endeavor to place a condition of approval on subdivision and non-subdivision projects that trenching and backfilling of utility easements will be at the developer's cost unless the developer and an affected utility enter into a mutually-acceptable cost sharing agreement.

3.4 New Developments

The City or its designee shall provide Comcast with reasonable written notice in order to place conduit in public utility easements within new residential developments that are constructed after the effective date of this Agreement. Comcast must cooperate with the developers of the new developments to coordinate installing the conduit during the construction of the new development. The City will endeavor to place a condition of approval on subdivision and non-subdivision projects that trenching and backfilling of utility easements will be at the developer's cost unless the developer and an affected utility enter into a mutually-acceptable cost sharing agreement.

3.5 Design and Construction Requirements

(a) To the extent feasible, Comcast must place its facilities underground. Any underground installations must comply with all the City's regulations in effect at the time of construction. Comcast is subject to, and shall comply with, the provisions of Title 7, Chapter 3 of the Los Banos Municipal Code relating to the formation of underground utility districts. Comcast shall bear all costs of complying with the provisions of this Chapter, unless applicable law provides otherwise.

(b) Comcast must minimize, to the greatest extent possible, any adverse visual impacts caused by future above-ground facilities. Upon written request by the City, Comcast shall, within 30 days, submit in writing to the City's Planning Department for review and approval the measures it intends to implement to mitigate adverse visual impacts. Once approved

by the City's Planning Department, Comcast shall have an additional 30 days to remedy the problem. If Comcast neglects to respond or remediate in accordance with the provision, then the City may take whatever measures it deems necessary to mitigate the impact at Comcast's sole cost as long as City treats all utility providers in a like manner, to the extent that it has the regulatory authority to do so.

SECTION 4 SYSTEM CAPABILITY

4.1 Services to Public Agencies

Consistent with both line extension policies and density requirements as outlined in Section 3.2, Comcast must provide one complimentary cable service drop and complimentary basic tier service to all of the public buildings and locations listed in Figure 1 of Exhibit "B," and under the terms specified in Exhibit "B." All such buildings listed in Exhibit B must be occupied by the City and conduct City business.

4.2 Emergency Alert Capability

Comcast shall provide emergency alert system ("EAS") capability consistent with the EAS rules set forth in the FCC Regulations Part 11, subpart D, section 11.1 et seq. The procedures governing use of such emergency alert capability shall include the following: (a) The EAS shall be accessed only as required under federal law and in the event of a local emergency as defined in Section 8558(c) of the California Government Code duly proclaimed in accordance with the provisions of Section 8630 of said Government Code; and, the City shall use its best efforts to contact Comcast prior to accessing the EAS.

4.3 Standby Power

Comcast must provide standby power generating capacity at the cable system headend and/or control center capable of providing at least four (4) hours of emergency supply. Comcast shall maintain standby power system supplies at all nodes and throughout the major trunk cable networks capable of providing emergency power within the standard limits of commercially

available power supply units. Comcast must comply with the City's normal permitting and bonding requirements for work within the City's rights-of-way.

4.4 Parental Control Lock

Upon request, Comcast must provide to subscribers, and reserves the right to charge for a parental control locking device or digital code that permits inhibiting the video and audio portions of all Channels.

4.5 Closed Circuit Captioning for the Hearing Impaired

(a) Comcast must make available to any hearing-impaired residential subscriber, upon request and at Comcast's cost, any equipment beyond the subscriber's equipment that is necessary for decoding closed-circuit captioning information for the hearing impaired.

(b) Comcast must advise all residential subscribers at least annually of the availability of this equipment by inserting a notice of availability in the residential subscriber's bills.

4.6 Technical Standards

(a) Comcast must comply at all times with Federal Communications Commission (FCC) Rules and Regulations, Part 76, Subpart K (Technical Standards), as amended.

(b) Comcast must construct, operate, and maintain its Cable System consistent with all applicable laws, construction standards, and governmental requirements. In addition, Comcast must provide to the City, no more often than once per calendar year and upon written request, a written report of the results of Comcast's periodic proof of performance tests conducted pursuant to FCC standards and guidelines.

(c) Should the FCC no longer require proof of performance tests, Comcast must submit equivalent proof of performance tests and reports in response to a written request from the City. This report must be submitted to the City within 60 calendar days of issuance of the City request.

(d) Comcast's repeated and verified failure to maintain, or repair to specified technical standards is a material breach of the Franchise.

4.7 Right of Inspection

City may inspect all construction and installation work performed as part of City's obligation to protect the public health, safety, and welfare of its citizens.

SECTION 5 SERVICES AND PROGRAMMING

5.1 Services and Programming

Comcast must provide City and all subscribers with a list of program services offered. This list must be updated at least annually. Comcast may not reduce the number of program services without 30 calendar days prior written notification to the City and subscribers, or as soon as feasible if subject reduction is not under the control of Comcast. Comcast must, at a minimum, continue to provide the broad categories of programming services offered on the effective date of this Agreement throughout the term of this Agreement.

5.2 Leased Channel Service

Comcast shall offer leased channel service on terms and conditions and in accordance with FCC regulations.

5.3 Public Reviews; New Technology and Services

(a) The City may hold public reviews of Comcast's performance under the terms of this Agreement during the term of this Agreement; provided, however, there shall not be more than one (1) public review in any three year period of this Agreement. Comcast may participate in these reviews, and the City will give Comcast at least 30-days prior written notice of the date and scope of the review.

(b) If at any time during its review, the City determines that reasonable evidence exists of inadequate system performance subject to applicable law, the City may reasonably require Comcast to perform tests and analyses directed toward such suspected inadequacies at Comcast expense. Comcast shall fully cooperate with the City in performing such testing and any report prepared by Comcast shall include at least:

(1) A description of the alleged problem in the System performance which precipitated the special tests;

(2) The cable system component tested.

(3) The equipment used and procedures employed in testing;

(4) The method by which the cable system performance was resolved; and

(5) Any other information pertinent to said tests and analyses that may be reasonably required by the City, or determined when the test is performed.

(c) As a result of a review, the City and Comcast may jointly determine that an amendment in the terms of this Agreement may be requested, that the requirements of the cable system or this Agreement should be updated, changed, revised, and/or that additional services should be provided by Comcast (collectively a 'Proposed Modification'). If the Proposed Modification is consistent with the terms of the parties' mutual agreement as set forth in this Agreement, the needs of Comcast and the City, and existing technology, including what is provided by Comcast in other Cable Systems owned, operated or managed by it and which are comparable in size, Comcast and the City will, in good faith, review the terms of the Proposed Modification and consider amending this Agreement accordingly. Nothing herein shall be construed as requiring either Comcast or the City to agree to any Proposed Modification.

5.4 Conversion to Digital

If Comcast converts the service tier where the PEG Access channels are located to digital, upon subscriber request, Comcast must, where technically feasible, provide the subscriber with equipment to allow them to continue to receive the PEG Access channels on the subscriber's existing television equipment. Prior to conversion, Comcast must notify all subscribers that equipment will be made available upon request that will allow subscribers, where technically feasible, to continue to view PEG Access channels after the conversion.

SECTION 6 SUPPORT FOR PUBLIC, EDUCATIONAL, AND GOVERNMENTAL (PEG) CABLE ACCESS

6.1 Comcast Support for Public, Educational, and Governmental (PEG) Access

Comcast must provide the following support for PEG Access within the Franchise Area:

- (a) The grant funds and channels designated in Exhibit "B" of this Agreement;
- (b) At least one (1) connection to one (1) reasonably convenient demarcation point and basic cable service at no installation or monthly service charge (for a standard installation), to PEG Access offices in accordance with Section 3.2. Comcast shall not be required to wire the entire facility or to provide more than one (1) outlet at no cost.
- (c) Facility interconnect sites for the locations listed in Figure 2 of Exhibit B.
- (d) The name and phone number of Comcast's local representative that will be available to provide technical assistance to the City's designated representative;
- (e) Promotional services as outlined in Exhibit B, Section 8.

6.2 Compliance with Federal Law

Comcast reserves all rights under federal law to pass through to subscribers any costs incurred in compliance with this Agreement to the extent allowable under Federal law.

SECTION 7 CONSUMER PROTECTION AND SERVICE STANDARDS

7.1 Operational Standards

(a) Comcast shall maintain the necessary facilities, equipment, and personnel to comply with the following consumer protection and service standards under normal conditions of operation:

- (1) Sufficient toll-free telephone line capacity during normal business hours to assure telephone answer time by a Subscriber service representative, including wait time, shall not exceed thirty (30) seconds, and callers needing to be transferred within Comcast's operation shall not be required to wait more than thirty (30) seconds before being connected to a service representative. Under normal operating conditions, a caller may not receive a busy signal more than three percent (3%) of the time. The term "normal operating conditions" means those service conditions that are within the control of Comcast. Those conditions that are not within the control

of Comcast include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions. Those conditions that are ordinarily within the control of Comcast include, but are not limited to, special promotions, pay-per-view events rate increases, regular peak or seasonal demand periods, and maintenance or upgrade of the cable system.

(2) Emergency toll-free telephone line capacity on a twenty-four (24) hour basis, including weekends and holidays. After normal business hours, the telephone calls may be answered by a service or an automated response system, including an answering machine. Calls received after normal business hours must be responded to by a trained company representative on the next business day. During periods when an answering service or machine is used, Comcast must provide on-call personnel who shall contact the answering service or machine, at a minimum, every four hours to check on requests for service or complaints.

(3) An emergency system maintenance and repair staff, capable of responding to and repairing major System malfunction on a twenty-four (24) hour per day basis.

(4) An installation staff, capable of installing service to any subscriber requiring a standard installation within seven (7) business days after receipt of a request, in all areas where trunk and feeder cable have been activated.

(5) Comcast must schedule, within a specified 4 hour period during normal business hours, all appointments with Subscribers for installation of service, service calls and other activities at the subscriber location. Comcast may schedule installation and service calls outside of normal business hours if convenient for the subscriber. Comcast must make all reasonable efforts to contact a Subscriber in the event Comcast must cancel an appointment with a Subscriber after the close of business on the business day prior to the scheduled appointment. If a Comcast representative is running late for an appointment with a Subscriber, and will not be able to keep the appointment as scheduled, the Subscriber must be contacted as soon as possible and the appointment rescheduled, as necessary, at a time that is convenient for the Subscriber.

(6) A local business, service, and payment office located in the City, open during normal business hours at least 8 hours daily, and at least 4 hours weekly on evenings or weekends. The local office must be adequately staff to accept subscriber payments, receive and respond to requests for service, receive and resolve customer complaints regarding cable services, equipment malfunctions, billing and collection disputes, and similar matters. Comcast may request the City Manager approve different service hours different than those listed in this subsection upon a showing that subscriber needs will be adequately served by the new hours.

(b) The standards of paragraphs (a)(1) and (a)(2) above must be met not less than 90% of the time measured on a quarterly basis. The standards of paragraphs (a)(4)-(6) above must be met not less than 95% of the time measured on a quarterly basis.

7.2 Service Standards.

(c) Comcast must render efficient service, make repairs promptly, and may interrupt service only for good cause and for the shortest time possible. Comcast shall make reasonable effort to schedule interruptions lasting two consecutive hours, or longer, between the hours of midnight and 6 a.m. Comcast must maintain a repair force normally capable of responding to subscriber requests for service within the following time frames:

(1) For a System outage: Within four (4) hours, including weekends, of receiving subscriber calls or requests for service which by number identify a system outage of sound or picture of all channels, affecting at least ten percent (10%) of the subscribers of the cable system.

(2) For an isolated outage: Within twenty-four (24) hours, including weekends, of receiving requests for service identifying an isolated outage of sound or picture for one (1) or more channels that affects three (3) or more subscribers. On weekends, an outage affecting fewer than three (3) subscribers shall result in a service call no later than the next business day.

(3) For inferior signal quality: Within two (2) business days of receiving a request for service identifying a problem concerning picture or sound quality.

(d) If a service problem requires a visit to a subscriber's residence or business, Comcast will be deemed to have responded to the request when a technician arrives at the service location and begins work on the problem. If the subscriber is not home when the technician arrives, the technician must leave written notification of arrival.

(e) Comcast may charge for service calls, repairs, or replacement of malfunctioning equipment provided by Comcast to subscribers except in those cases where the malfunction is due to manufacturer defect. Comcast may charge for all service calls, repairs and equipment replacement when it is determined that the subscriber's negligence, or malicious destruction of cable equipment, caused the malfunction, or Comcast determines that the problem is not related to the cable system.

7.3 Billing and Information Standards

(a) Subscriber bills must be clear, concise, and understandable. Bills must, at a minimum, disclose basic and premium service charges, and equipment charges. Bills must also clearly delineate all activity during the billing period, including optional charges, rebates and credits.

(b) Comcast must respond to a written complaint from a Subscriber regarding a bill within 30 calendar days.

(c) Comcast must provide a credit or refund to Subscribers whose cable service has been interrupted for 2 or more consecutive hours for interruptions not caused by the affected Subscribers. The minimum credit or refund must be equal to 1 day's charge for Cable Service for the affected Subscriber.

(d) If Comcast improperly or inadvertently disconnects cable services to a Subscriber, Comcast must restore service without charge to the Subscriber within 2 business days after notification to Comcast of disconnection. Comcast must credit or refund to any Subscriber so disconnected an amount equal to the per-day cable services charge for each day the disconnection persists.

(e) Credits for Cable Services shall be issued within sixty (60) days following a determination that a credit is warranted.

(f) Comcast must provide written information on each of the following areas (i) at the time of the installation of Cable Service, (ii) at least annually to all Subscribers, and (iii) at any time upon request:

- (1) Cable services offered;
- (2) Prices and options for programming services and conditions of subscription to programming and other Cable services. Prices must include those for programming, equipment rental, program guides, installation, disconnection, late fees and other fees charged by Comcast;
- (3) Installation and service maintenance policies;
- (4) Instructions on how to use the cable service;
- (5) Channel positions of programming carried on the System;
- (6) Billing procedures, including an explanation of how to read the monthly cable bill;
- (7) Complaint procedures, including Comcast's local office hours and local phone number;
- (8) Policies and procedures for credits and refunds outlined in (c) and (d) above;
- (9) Subscriber termination policies; and
- (10) Subscriber privacy rights as required by federal law.

(g) Subscribers must be directly, and individually, notified of any changes in rates, programming services, or channel positions as soon as possible in writing. Comcast must give subscribers notice at least 30 calendar days prior to the rate change. Further, Comcast must notify subscribers 30 calendar days in advance of any significant changes in the information required in section 7.3(f) above.

7.4 Subscriber Complaints and Dispute Standards

(a) Comcast must establish written procedures for receiving, acting upon, and resolving subscriber complaints without intervention by the City. Comcast must file a copy of these procedures with the City for review upon written request. Comcast may not require the subscriber to submit a dispute to binding arbitration, but Comcast and the subscriber may mutually agree to do so. The written procedures must include the following elements:

(1) A simple procedure for making complaints orally or in writing, consistent with these standards, and identifying a Comcast representative responsible for resolving complaints.

(2) Notice to subscribers that they may file any complaint with the City if not resolved to the Subscriber's satisfaction after 30 calendar days, and that the City may recommend a resolution.

(3) That Comcast will provide its initial response to a complaint within 5 calendar days of its receipt and final written response to any unresolved complaint within 30 calendar days of the date the complaint is made.

(b) The City may review Comcast's response to any subscriber complaints to determine Comcast's compliance with the franchise requirements, subject to the subscriber's right to privacy.

(c) All subscribers may continue to receive cable service as long as their financial and other obligations to Comcast are honored. If Comcast elects to rebuild, modify, or sell the cable system, or the City gives notice of intent to terminate or not to renew the franchise, Comcast must ensure that all subscribers continue to receive cable service until a substitute provider is granted a franchise to operate a cable system.

(d) If there is a change of control of Comcast, or if a new operator acquires the cable system, Comcast must cooperate with the City and the new operator in maintaining continuous service to all subscribers.

7.5 Verification of Compliance with Standards

(a) Upon 30 calendar days prior written notice, Comcast must respond to the City's request for information regarding Comcast's compliance with the standards set forth in this Section 7. Comcast must provide sufficient records to permit the City to verify Comcast's compliance for the previous twenty-four (24) month period. Comcast may request a reasonable extension of time to produce the records, which the City may grant at its discretion.

(b) If such report indicates a deviation below the minimum required performance level, Comcast shall provide a written explanation of the deviation, including steps being taken to cure the problem, and the time expected to implement the cure. Quarterly reports will be required thereafter until either (1) Comcast demonstrates that the deviation was due to non-normal operating conditions reasonably beyond its control or (2) Comcast reports six consecutive months without deviation below the minimum required standard. The City may deem a repeated and verifiable pattern of non-compliance with the consumer protection standards of Sections 7 to be a material breach of this Agreement and subject to the process outlined in Sections 2.7 and 2.8.

(c) The City may require Comcast, upon 30 calendar days written notice, to submit a report that verifies Comcast has adequate telephone line capacity to meet its Subscriber Service obligations. If Comcast cannot provide this report, City may require that a busy study, traffic study, or other study be conducted by the local telephone company. If Comcast has its own telephone equipment that can report on telephone line usage, Comcast may submit this report from its own system. Comcast bears all costs of complying with this subsection.

(d) If the City determines that insufficient telephone lines or inadequate subscriber service staffing exists, Comcast must take steps to satisfy its subscriber service obligations. The monthly billing period is considered to be a normal, daily activity for purposes of determining whether Comcast is providing adequate telephone lines and staffing.

(e) Comcast must maintain a written log of all escalated subscriber complaints originating in the City. This log must list the date and time of the complaint, the type of

complaint, and when and what actions were taken by Comcast in response to the complaint. Comcast must maintain a record of complaints for the prior three (3) years. Comcast must make these records available for the City's inspection upon reasonable written request.

(f) Comcast shall comply with any FCC Regulations regarding subscriber service (47 C.F.R. § 76.309) that provide for a higher level of subscriber service than is required by this Agreement.

7.6 Other Requirements

(a) If Comcast does not operate the cable system for 21 consecutive days without the City's approval, the City may, at its sole option, operate, or designate an operator for the cable system. If the City, or its designated operator, assumes control of the cable system, the City may collect all revenues and is obliged to pay all future expenses associated with the system from the date the City assumes control. Comcast must reimburse the City for its costs or damages that exceed the revenues collected by City resulting from the City, or its designated operator, assuming control of the system.

(b) All Comcast employees, contractors, and subcontractors who come into contact with the public, or who require entry onto subscribers' premises, must carry a photo-identification card. Comcast must maintain a system for issuing identification cards that ensures, to the greatest extent possible, that these cards will not be used fraudulently. Vehicles used by Comcast and its subcontractors must be clearly identified as working for Comcast.

SECTION 8 RECORDS AND REPORTS

8.1. Records Required

(a) Comcast must at all times maintain in electronic format, or if not available, in written format:

(1) A log of all interruptions, outages, or degradation of service experienced in the City for the preceding 3 years.

(2) A set of record drawings showing the locations of the cable system trench routes and power supplies in the City, exclusive of subscriber service drops and equipment provided in subscriber's homes. The record drawings may be submitted in either hard copy or electronic format. The City may require Comcast to periodically submit updated record drawings, and Comcast must submit the updated records drawings to the City within 30 calendar days of Comcast receiving the City's written request.

(b) The City may impose reasonable requests for additional information, records and documents from Comcast, provided they relate to the scope of the City's rights under this Agreement, or federal, state, and local law. Comcast must submit any requested records within 30 calendar days of the request.

(c) Upon 10 days written notice, and during normal business hours, Comcast must allow the City, or its representative, access to examine:

- (1) Cable system property and facilities within the City; and,
- (2) All relevant records relating to the Cable System's operation that are within the City's regulatory jurisdiction as set forth in this Agreement.

8.2. Annual Reports

(a) At the written request of the City, Comcast must submit a written report to the City with respect to the preceding calendar year that includes the following information:

- (1) A summary of the previous year's activities in developing the Cable System that includes cable services begun or discontinued during the reporting year;
- (2) The areas in the City where service is not available, and a schedule for providing service;
- (3) Information as to:
 - (i) total number of basic service tier subscribers;
 - (ii) Any additional information materially and reasonably relevant to the enforcement of this Agreement by the City.

(b) If Comcast submits to the City confidential or proprietary information, the City will keep this information confidential to the extent allowed under State law. In the event that the City receives a request under a state “sunshine,” public records or similar law for the disclosure of information Comcast has designated as confidential, trade secret or proprietary, the City will endeavor to notify Comcast of such request ten (10) business days before releasing such information.

(c) In no event shall Comcast be required to submit information that is confidential or proprietary. In the event the City believes such information is necessary to the enforcement of this Franchise, Comcast will permit City representatives to review such information at Comcast’s local business office.

(d) If Comcast or its parent is publicly held, Comcast must submit a copy of the company’s annual report within 45 days of its publication.

(e) Upon City’s written request, but no more than annually, Comcast must submit to City a privacy report that indicates the steps taken to assure that the privacy rights of individuals have been protected.

(f) All reports and records required to be delivered to City under this Agreement must be furnished at the sole expense of Comcast, except as otherwise provided in this Agreement.

(g) If Comcast fails to submit any of the reports or records required by this Agreement, the City may deem this failure to be a material breach of the Franchise Agreement if a report or record is not submitted within 90 calendar days after the City’s written request.

(h) Any materially false or misleading statement or representation made knowingly and willfully by Comcast in any report required under this Agreement is a material breach of the Franchise.

8.3 Opinion Survey

Upon written request of the City and in conjunction with Section 5.3, but not more than once every 36 months, Comcast must conduct a subscriber satisfaction survey pertaining to

satisfaction with Comcast's performance and quality of service, which may be transmitted to subscribers in Comcast's bill for cable services. The results of the survey must be provided to the City within 90 days of completion.

SECTION 9 REGULATION AND OTHER PROVISIONS

9.1 Franchise Renewal

The City will consider the renewal of this Franchise in accordance with then-current federal regulations.

9.2 Force Majeure

Comcast will not be deemed in default or non-compliance with this Agreement where performance is infeasible due to conditions beyond Comcast's control, nor suffer any enforcement or penalty relating to noncompliance or default (including termination, cancellation or revocation of the Franchise), where such noncompliance or alleged defaults occurred or were caused by strike, riot, war, earthquake, flood, tidal wave, unusually severe rain or snow storm, hurricane, tornado or other catastrophic act of nature, labor disputes, failure of utility service necessary to operate the Cable System, governmental, administrative or judicial order or regulation or other event that is reasonably beyond the Grantee's ability to anticipate or control. This provision also covers work delays caused by waiting for utility providers to service or monitor their own utility poles on which the Grantee's cable or equipment is attached, as well as unavailability of materials or qualified labor to perform the work necessary. Comcast must actively seek to bring itself into compliance by whatever alternative means may be available.

9.3 Rate Regulation

If City is permitted under Federal and/or State law, to regulate the rates charged by Comcast, the City may establish reasonable procedures consistent with applicable laws and regulations and follow those procedures while regulating.

9.4 Notices

All Notices must be addressed as follows:

City: City Manager
City of Los Banos
520 J Street
Los Banos, CA 93635

Comcast: Comcast
3443 Deer Park Drive
Stockton, CA 95219
Attention: Government Affairs

With a copy to: Comcast Cable Communications, Inc.
1500 Market Street
Philadelphia, PA 19102
Attn.: Government Affairs Department

9.5 Successors and Assigns

This Agreement applies to the lawful successors and assigns of both parties.

9.6 Severability

If any provision of this Agreement or the application of such provision to any circumstance is declared unconstitutional or otherwise invalid by the lawful court judgment, the remainder of this Agreement or the application of the provision to other circumstances will not be affected.

9.7 Choice of Law and Venue

This Agreement is governed by and interpreted under the laws of the State of California except where pre-empted by Federal law. If either party brings any action against the other under this Agreement, the trial of the action will be held exclusively in the state courts of California in the County of Merced or in the United States District Court for the Eastern District of California.

9.8 No Waiver

Comcast is not excused from complying with any of the terms and conditions of this Agreement by the City's failure to seek compliance with any terms or conditions of this Agreement.

9.9 Possessory Interest

Under California Revenue and Taxation Code Section 107.6, using or occupying public property under the grant of franchise may create a possessory interest that may be subject to the payment of property taxes levied upon this interest. Comcast is solely liable for any possessory interest taxes levied against Comcast's right to possession, occupancy, or use created by the grant of franchise.

9.10 Exhibits

Exhibits A and B are incorporated into this Agreement by reference. All references to this Agreement shall include all Exhibits.

9.11 Definitions

Any term used in this Agreement that is defined in 47 CFR 76.5 or 47 U.S.C 522 shall have the definition given in those sections as they read on the effective date of this Agreement.

9.12 Competitive Equity


Comcast acknowledges and agrees that the City reserves the right to grant one or more additional franchises to provide Cable Service within the city; provided, however, that no such franchise agreement shall contain terms or conditions more favorable or less burdensome to the competitive entity than the material terms and conditions herein, including, but not limited to: franchise fees; insurance; system build-out requirements; performance bonds or similar instruments; public, education and government access channels and support; subscriber service standards; required reports and related record keeping; and notice and opportunity to cure breaches. If any such additional or competitive franchise is granted by the City which, in the reasonable opinion of Comcast, contains more favorable or less burdensome terms or conditions

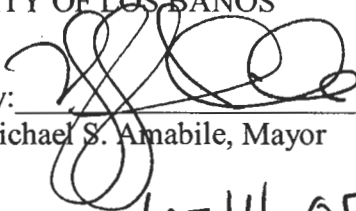
than this Agreement, the City agrees that it shall amend this Agreement to include any more favorable or less burdensome terms or conditions.

In the event an application for a new cable television franchise is filed with the City proposing to serve the City, in whole or in part, the City shall serve or require to be served a copy of such application upon Comcast by registered or certified mail or via nationally recognized overnight courier service.

APPROVED AS TO FORM:

CITY OF LOS BANOS

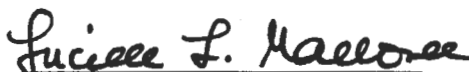
By: 
William A. Vaughn, City Attorney

By: 
Michael S. Amabile, Mayor

Date: 6-14-05


(SEAL)

ATTEST:


Lucille L. Mallonee, City Clerk

(CORPORATE SEAL)

COMCAST CORPORATION

By: 
RICHARD GERMANO, Sr. V.P.
Name, Title

Date: 6/8/05

EXHIBIT A

Ownership

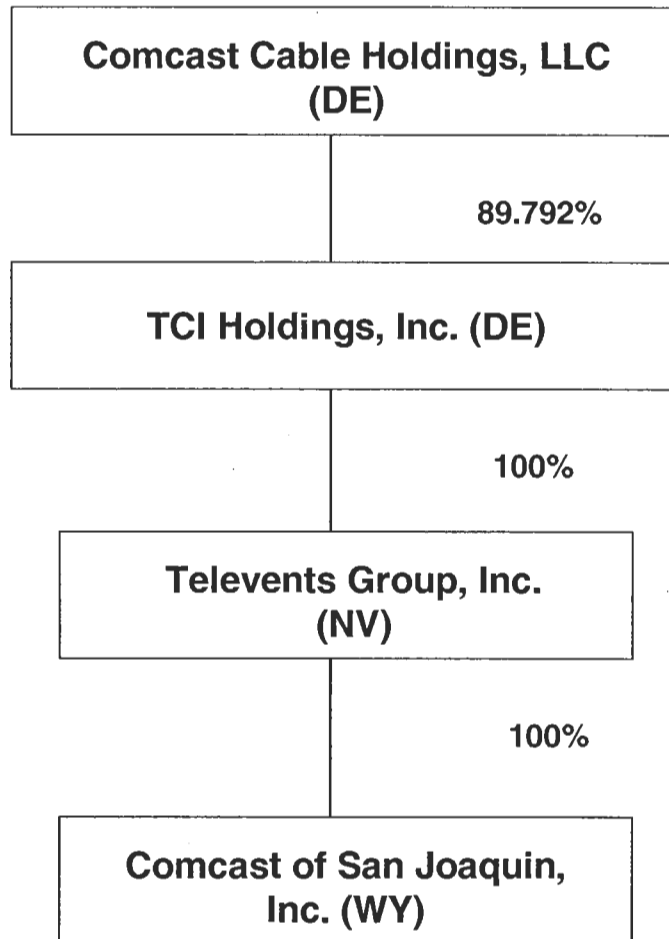


EXHIBIT B

**COMCAST COMMITMENT TO
PUBLIC, EDUCATIONAL AND GOVERNMENTAL (PEG)
ACCESS FACILITIES AND EQUIPMENT**

1. Downstream Video PEG Access Channels

No later than the effective date of this Agreement, Comcast will make 2 downstream video channels available exclusively for Public, Educational, and Governmental (PEG) Access use to be programmed at the sole discretion of the City.

- (a) Use of channel capacity for PEG access shall be provided on the most basic tier of service, or function equivalent offered by Comcast in accordance with the Cable Act, Section 611, and as further set forth below.
- (b) Comcast does not relinquish its ownership of or ultimate right of control over a channel by designating it for PEG uses, subject only to the City's rights under this Agreement. A PEG access user, whether an individual, educational or governmental user, acquires no property or other interest by virtue of the use of a channel so designated, and may not rely on the continued use of a particular channel number, no matter how long the same channel may have been designated for such use.
- (c) Comcast shall not exercise editorial control over any educational, or governmental use of channel capacity. The City shall be responsible for developing, implementing, interpreting and enforcing rules for PEG Access Channel use.

- (d) The City, in accordance with 47 U.S.C. 531(d) shall adopt rules and procedures under which Comcast will be permitted to use PEG channel capacity for the provision of other services if the City is currently not using such channel capacity for the purposes designated. These rules and procedures will specify the circumstances under which permitted use shall cease. The City will submit draft rules and procedures to Comcast for its review and comment prior to adoption by the City Council.
- (e) The City will indemnify Comcast for any liability, loss, or damage it may suffer due to violation of the intellectual property rights of third parties on any PEG channel, and from claims arising out of the City's rules for administration of access.

2. Additional PEG Channel

The City may request one (1) additional PEG capacity, not to exceed a total of three (3) channels, so long as a threshold use requirement is met for each of the PEG access channels designated above. In order to request additional PEG capacity, the existing PEG Access Channels must be programmed at least eight (8) hours a day with non-repetitive, locally-produced programming, Monday through Saturday, for a minimum of fifteen (15) consecutive weeks ("activation trigger"). The City must provide Comcast with written, detailed documentation evidencing the usage meets the threshold requirement for each channel. Comcast shall have 120 days to provide the requested additional capacity. Once the threshold is met and the additional capacity given, each of the initial PEG channels must maintain the threshold requirement. If any of the initial PEG channels fail to meet the threshold for four (4) consecutive months, the additional PEG capacity may be reclaimed by Comcast upon sixty (60) calendar days written notice.

3. Not used

4. City Facility Interconnection

(a) Within 1 year after City's written request, Comcast shall provide City facility interconnect sites for the locations listed in Figure 2 to this Exhibit. The exact location of each site will be mutually determined by the City and Comcast.

The purpose of the interconnect sites is to permit live cablecasting of video and audio programming on Comcast's Cable System from those locations. Any repair or maintenance to the sites, including termination panels, or any relocation of the interconnect sites, will be charged to the City at Comcast's standard time and materials rates in effect at the time the repair or maintenance takes place.

(b) The City may request additional facility interconnect sites to public facilities within the City. The City's request must be made in writing and provide Comcast with at least 120 days to provide the interconnect sites. If a City-requested interconnection site require Comcast to extend its Cable System plant, the cost sharing provisions of Section 3.2(b) of this Agreement will apply.

5. PEG Access Funding Support

(a) Comcast agrees to pay \$.35 (thirty-five cents) per month per subscriber for the purpose of funding additional capital purchases for the provision of PEG programming. The City shall allocate such funding to PEG capital uses exclusively. All such payments shall be made at the same time as the Grantee pays the franchise fee to the City.

(b) Within 60 days of signing this agreement, Comcast shall pay to the City \$70,000 for capital support for PEG access. After payment of this Grant, Comcast may defer payment to the City of the PEG Funding set forth in in Section 5(a) for 3 years. After the third year of the franchise term, Comcast shall make PEG Access Funding payment required by Section 5(a).

(c) Comcast reserves all rights under Federal Law to pass through to subscribers those amounts paid to the City under Section 5(a) and 5(b).

(d) The PEG Access grants described in this Section may be used by the City, or its designee, for PEG Access for capital expenditures only. Comcast agrees that these funds are not intended to be Franchise Fees as defined by federal law.

(e) The PEG Access funding specified in Section 5(a) must be paid to the City quarterly concurrent with the payment of Franchise Fees.

6. Title to PEG Access Equipment

City will have title to all PEG Access equipment procured with funding made available in accordance with Section 5.

7. Local Technical Support for PEG Access Office

Comcast must provide to the City, on an annual basis, the name and phone number of Comcast's local representative to provide technical assistance to the City's designated PEG Access administrator.

8. Promotion

Comcast must, throughout the term of this Agreement, provide, at no cost to the City, program schedule information for each PEG Access channel in all print and electronic program guides provided by Comcast to subscribers in the same manner as the program schedule information for other cable channels is listed. The City will be responsible for providing Comcast timely updating of these listings.

9. Relocation of PEG Access Channels

Comcast must provide City and all Subscribers with at least 60 business days advance written notice of the relocation of any PEG Access Channels where such relocation is within the Comcast's control..

10. Subscriber Notices

Any notice to Subscribers detailing information regarding PEG Access support required to be provided pursuant to the terms of this Agreement shall also be noticed to the City.

FIGURE 1

LIST OF PUBLIC BUILDINGS TO BE CONNECTED WITH CABLE SERVICE

Facility	Address	Comments
City Hall	520 J Street	
Public Works Department	411 Madison Avenue	
[intentionally left blank]		
Police Annex	535 J Street	
Police Department	945 5 th Street	
PAL	444 J Street	
Fire Station #1	333 7 th Street	
Fire Station #2	1150 West I Street	
Arts and Community Development Center	1125 5 th Street	
Public Services	830 6 th Street	
G Street Yard	645 San Juan Avenue	
Pacheco Park	903 Pacheco Boulevard	
College Greens Park	1815 Scripps Drive	

Ranchwood Park	515 Stonewood Drive	
Ag Sports Complex	700 N. Mercy Springs Road	

FIGURE 2
LIST OF BUILDINGS TO BE CONNECTED WITHIN CITY OF LOS BANOS
CABLE FACILITY INTERCONNECT SITE

Facility	Address	Comments
Plaza	6 th & H Streets	
Community Center	6 th & H Streets	
Loftin Football Stadium	1414 7 th Street	
Fairgrounds	403 F Street	