

CABLE TELEVISION FRANCHISE RENEWAL AGREEMENT
BETWEEN THE CITY OF RIO VISTA
AND
COMCAST OF CALIFORNIA IX, INC.
EFFECTIVE: DECEMBER 4, 2004

This Agreement is made and entered into this 4th day of DEC, 2004, at Rio Vista, California, by and between the City of Rio Vista, a municipal corporation organized and existing under the laws of the State of California (hereinafter "City" or "Grantor"), and Comcast of California IX, Inc., a California corporation (hereinafter "Comcast" or "Grantee").

RECITALS

WHEREAS, the City of Rio Vista, pursuant to Chapter 5.020 of the City of Rio Vista Municipal Code, may grant and renew one or more nonexclusive revocable Franchises to operate, construct, maintain and reconstruct a Cable Television System within the City; and

WHEREAS, the City of Rio Vista, in entering into this Franchise Agreement, desires to provide for and meet the following objectives:

- A. Provide for the installation and operation of a Cable System with features that meet the current and future needs and interests of the City;
- B. Encourage the widest feasible scope and diversity of programming and other services to all City residents, consistent with community needs and interests;
- C. Encourage Cable Services of all kinds to be offered to City residents on a non-discriminatory basis;
- D. Encourage prompt implementation of technical advances in cable technology;
- E. Provide for ample and fairly allocated access to cable facilities to program producers for public, governmental and educational programming;
- F. Ensure that rates and charges for basic cable programming, equipment and service are fair, reasonable and consistent with federal standards and regulations;
- G. Provide for high quality customer service by the Grantee;

H. Ensure that the installation and maintenance of cable facilities comply with all applicable City regulations and do not interfere with the City's use of its own facilities and property;

I. Encourage competition among cable operators on a fair and equitable basis;

J. Protect the City's interests and the health, safety and welfare of City residents; and

K. Ensure the universal availability of Cable Services within the Franchise Area on a non-discriminatory basis.

WHEREAS, the City, after due evaluation of Comcast, and after a public hearing, has determined that it is in the best interests of the City and its residents to renew its Franchise with Comcast.

AGREEMENT

NOW, THEREFORE, the City of Rio Vista hereby grants to Comcast a renewal of its cable television Franchise in accordance with the provisions of Chapter 5.20 and this Agreement.

SECTION 1. RENEWAL OF FRANCHISE.

1.1 Grant.

(a) The cable television Franchise currently held by Comcast, a corporation whose current ownership is indicated in Exhibit A, is hereby renewed, subject to the terms and conditions of this Agreement. The renewal extends the Franchise, authority, right and privilege, to construct, rebuild, replace, operate and maintain a Cable Communication System within the streets and public rights of way in the City as it is now or may in the future be constituted, and also provides the authority to offer to Subscribers any Cable Service and such other services that legally may be offered, utilizing the facilities of Grantee's Cable Communication System. To that end, Grantee may erect, install, construct, upgrade, repair, replace, reconstruct and retain in, on, over, under, upon, across and along the public rights-of-way in the City such lines, cables, fiber optics, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, pedestals, enclosures, attachments and other property and equipment as are necessary and appropriate for the operation of the Cable Communication System to provide Cable Service.

(b) The cable Franchise granted in this Agreement shall be used to construct and maintain a Cable System.

(c) Notwithstanding subsection (b) of this section, Grantor desires to encourage the use and availability of new technologies to the residents of City. To the extent that Grantee wishes to provide additional services not included within the Franchise granted pursuant to this Agreement or otherwise authorized by local, state or federal law, Grantee may do so, upon compliance with any requirements of law.

1.2 Right of Grantor to Issue and Renew Franchise.

Grantee acknowledges and accepts the current right of Grantor to issue and/or renew a Franchise.

1.3 Effective Date of Renewal.

The renewal shall be effective on November 1, 2004, provided that said date is no earlier than thirty (30) days after the date the City Council, by Ordinance, approves this Agreement. The renewal is further contingent upon the filing by Grantee with the City Clerk, a fully executed original of this Agreement and the required security fund and insurance certificates, except that if the filing of the security fund or any such insurance certificate does not occur within sixty (60) days after the adoption of the Ordinance approving this renewal and any extension of time hereunder, the Grantor may declare this renewal null and void.

1.4 Term.

(a) The base renewal term shall be ten (10) years from the effective date of this Agreement, as provided in Section 1.3.

(b) The Grantor seeks to provide an incentive to Grantee to provide service throughout all residential areas within the City limits. If, within three (3) years of the effective date of this Franchise, the Grantee acquires the customers associated with Phase I of the Trilogy Development Project or has acquired or installed the facilities to deliver its services to these customers such that the Grantee is capable of, and is, providing service to customers in Phase I of Trilogy with the same level of service as that available to the rest of the City, the term of the Franchise shall be extended for five (5) additional years at the request of the Grantee.. Grantee shall notify the City in writing when Grantee determines that the conditions set forth in this section have been met and the Grantee is entitled to the additional five (5) years.

1.5 Incorporation of Provisions of Cable Ordinance.

(a) The provisions of the Grantor's Cable Television Ordinance, Articles 1 through 4 of Chapter 5.20 of the City of Rio Vista's Municipal Code (the "Ordinance") is hereby incorporated by reference as if set out in full, and forms part of the terms and conditions of this Agreement. The Ordinance and this Agreement are intended to complement each other and, to the greatest extent possible, to be read together in a consistent manner. In the event of any direct conflict between the terms and conditions of this Agreement and the provisions of the Ordinance, the provisions of this Agreement shall apply.

(b) Should the Ordinance be amended, revised, superseded or otherwise changed after the effective date hereof in such a way as would materially affect the terms and conditions of this Agreement, the amendment, revision or change shall not apply to this Agreement without Grantee's prior approval.

1.6 Definitions.

The definitions set forth in the Ordinance shall apply to this Agreement unless otherwise provided for herein.

(a) "A 750 MHz bandwidth Cable System" is defined as follows:

(1) 0 MHz to 50 MHz is set aside for upstream return (Subscriber to headend) data and/or video transmissions, which is equivalent to 8.33 NTSC analog television channels; and

(2) 50 MHz to 750 MHz is set aside for downstream (headend to Subscriber) data and/or video transmissions, which is equivalent to 116.66 NTSC analog television channels; and

(3) Grantee shall have the right to reapportion the bandwidth between upstream and downstream and modes of modulation and transmission as it sees fit, subject to FCC rules and federal law.

(b) "Standard Installation" is defined as one hundred and twenty-five (125) feet from the nearest tap to the Subscriber's terminal.

(c) "Subscriber" shall mean any person or entity legally receiving for any purpose the Cable Service of a Grantee.

1.7 Level Playing Field.

(a) The cable television Franchise granted by this Agreement may not be construed to limit in any manner the right of Grantor, through its authorized officers and in accordance with applicable law, to issue other Franchises to operate Cable Systems within the City to other individuals or entities; and any additional grants will not operate to revoke, terminate, or materially and adversely affect any rights granted to Grantee by this Agreement.

(b) Should Grantor grant a Franchise to another individual or entity to provide video programming and/or Cable Services on material terms and conditions that are more favorable or less burdensome when viewed as a whole than the terms and conditions applicable to Grantee under this Agreement, the Grantor shall, upon Grantee's written request, and after a hearing on the matter, adjust the terms and conditions applicable to Grantee under this Agreement so that the material terms and conditions under which Grantee operates are not less favorable or more burdensome when viewed as a whole than those that are applied to such other individual or entity.

1.8 Interconnection.

Grantee shall be subject to the interconnection requirements of the Ordinance.

SECTION 2. GENERAL REQUIREMENTS.

2.1 Governing Requirements.

Grantee shall comply with all requirements of this Agreement, the Ordinance, and applicable state and federal law.

2.2 Franchise Fee.

(a) The Grantee shall pay to the Grantor an annual Franchise fee of five percent (5%) of the Gross Revenues received by the Grantee for operations of the Cable System in the Franchise Area, or such higher amount as may be authorized by federal law. As of the time of execution of this Agreement, the maximum allowable Franchise fee under federal law is five percent (5%) of Gross Revenues.

(b) The Franchise fee shall be paid quarterly within forty-five (45) days after the end of each calendar quarter. The Franchise fee shall be accompanied by a statement showing the method of calculation and the calculation of the Franchise fee. The statement shall note and reconcile any discrepancies from the last statement.

(c) A delinquency charge in the amount of one and one-half percent (1.5%) per month of the unpaid balance may be collected by the City on any Franchise fee payment overdue by ten (10) days or more.

2.3 Franchise Fee Payment, Reports and Right to Audit.

(a) No acceptance of any payment shall be construed as an accord that the amount is in fact the correct amount, nor shall such acceptance of payment be construed as a release of any claim the Grantor may have for further or additional sums payable under the provision of this Agreement.

(b) All payments shall be subject to audit, as authorized by the Ordinance. Audits shall be limited to no more than one (1) for any three (3) year Franchise period. The Grantee shall pay the Grantor's reasonable and actual out-of-pocket costs of the audit if the audit results show an under payment of more than five percent (5%) of the Grantee's annual payment to the Grantor, up to a maximum amount of Seventy-Five Hundred Dollars (\$7500). If the Franchise is extended to fifteen years, pursuant to section 1.4(b), then for any audit occurring in year ten (10) through and including year fifteen (15) of the Franchise the maximum amount of reimbursable reasonable and actual out-of-pocket expenses shall increase to Ten Thousand Dollars (\$10,000).

(c) The Grantee shall file with the City within ninety (90) days after the expiration of the Grantee's fiscal year an audited financial statement prepared by a certified public accountant or an officer of the Grantee, certifying under penalty of perjury, and in a form reasonably satisfactory to the City's financial officer, showing in detail the Gross Revenues of the Grantee during the preceding fiscal year. The statement shall be prepared in accordance with generally accepted accounting standards. The Grantee shall pay to the City within fifteen (15) days after the time for filing such statements, the sum prescribed or any unpaid balance thereof for the period of time covered by such statement. In the event the Grantee overpaid the City, the Grantee may deduct such amount from the next Franchise fee payment due Grantor until such time as the overpayment has been recovered.

2.4 Insurance and Indemnification.

(a) Indemnity.

(1) Scope of Indemnity. To the extent permitted by law, and except for matters arising out of the negligence (whether passive or active) or willful misconduct of Grantor, or its officers, boards, commissions, agents, employees, Grantee shall, at its sole cost and expense, indemnify, hold harmless, and defend the Grantor, and its officers, boards, commissions, agents, employees, against any and all claims, causes of

action, proceedings, and judgments for damages, including reasonable attorneys' fees and other reasonable defense costs arising out of the construction, installation, repair, maintenance, operation, or removal of the Cable System or performance of the Franchise Agreement. This indemnity does not apply to: (1) the content of programming carried on any channel set aside for public, educational or governmental use, or channels leased pursuant to 47 U.S.C. Section 532, unless the Grantee was engaged or participated in determining the editorial content of the program; or (2) the Grantor's use of Grantee's Emergency Alert System ("EAS") capability.

(2) **Duty to Give Notice and Tender Defense.** The Grantor shall give Grantee timely written notice of the making of any claim or of the commencement of any action, suit or other proceeding claimed to be covered by the indemnity of this Section. The Grantor shall cooperate fully in the defense of any such action, suit or proceeding and shall not incur any expenses chargeable to Grantee without the written consent of Grantee, which consent shall not be unreasonably withheld.

(3) **Worker's Compensation.** The Grantee shall indemnify and hold harmless the Grantor from any workers compensation claims to which the Grantee may become subject during the term of this Franchise Agreement

(b) **Grantee's Insurance.**

Throughout the term of this Franchise Agreement, the Grantee shall, at its own cost and expense, maintain Comprehensive General Liability Insurance and provide the Grantor certificates of insurance and an Additional Insured Endorsement designating the Grantor and its officers, boards, commissions, councils, elected officials, agents and employees as additional insureds and demonstrating that the Grantee has obtained the insurance required in this Section. Such policy or policies shall be in the minimum amount of One Million Dollars (\$1,000,000.00) for bodily injury or death to any one person, and One Million Dollars (\$1,000,000.00) for bodily injury or death of any two or more persons resulting from one occurrence, and One Million Dollars (\$1,000,000.00) for property damage resulting from any one accident. Such policy shall provide that the insurance afforded by the Additional Insured Endorsement shall apply as primary insurance. Such policy or policies shall be non-cancelable except upon thirty (30) days prior written notice to the Grantor in which case Grantee must provide replacement coverage prior to the expiration of the policy or policies and provide Grantor with notice of the replacement coverage. The Grantee shall provide workers' compensation coverage in accordance with applicable California law.

(c) **Failure to maintain the insurance or failure to furnish, deliver and maintain the certificates required by this section shall constitute a material breach of the**

Franchise. Failure of the Grantee to obtain and/or maintain any required insurance shall not relieve the Grantee from any liability under the Franchise.

2.5 Performance Bonds and Security.

(a) Grantee shall provide to Grantor a construction performance bond securing faithful performance by Grantee of the system upgrade in the amount of ten percent (10%) of the estimated cost of the upgrade/rebuild. The bond shall be released upon substantial completion of the construction work to be performed in the public rights-of-way in satisfaction of the Cable System upgrade, as defined in Sections 1.4 and 4.1 herein.

(b) In addition to the construction performance bond set forth in subsection (a), Grantee shall provide a performance bond in the amount of Seventy-Five Thousand Dollars (\$75,000) to ensure the faithful performance of its responsibilities under this Agreement. Use of the Performance Bond shall be consistent with Chapter 5.20 of the City's Code.

(c) Nothing herein shall be deemed a waiver of the normal permit and bonding requirements required of all contractors working within the public rights-of-way provided, however, that if Grantee is performing work solely on behalf of the Grantor, Grantee may include the cost of any normal permit fees and other permit requirements within the costs to be billed to Grantor and Grantor shall pay the costs of any normal permit fees and other permit requirements as part of the cost of the work to be performed by Grantee.

2.6 Reservation of Rights.

Grantor and Grantee reserve all rights that they may possess under the law unless expressly waived herein.

2.7 Franchise Transfer.

(a) No transfer, sale, assignment, change in control of a Franchise, Grantee, or Cable Communications System, or of control over the same (including, but not limited to, transfer by forced or voluntary sale, merger, consolidation, receivership, or any other means) (hereinafter referred to as a "transfer"), shall occur without the prior written consent of the City, such consent not to be unreasonably withheld. Grantee shall be responsible for obtaining Grantor's consent as set forth in the ordinance.

SECTION 3. SERVICE AREA AND LINE EXTENSION POLICY.

3.1 Franchise and Service Area.

(a) Franchise Area to be Served. Grantee is authorized by this Franchise to serve the Grantor's entire geographic area now existing and any new territory annexed thereto in the future.

(b) Dwellings to be Served. Grantee must provide service to all residential dwellings requesting service, subject to Grantee's line extension policy, set forth in Section 3.2.

(c) Businesses to be Served. Grantee may provide service to a business(es) located within the Franchise Area. Grantee shall not be required to extend service to a business(es) that is not located adjacent to cable facilities, unless the business(es) pays for the cost of the extension of service, under such terms and conditions as are mutually agreeable to the business(es) and Grantee.

3.2 Line Extension Policy.

(a) General Policy. Within the Franchise Area, Grantee shall extend its trunk and distribution system to serve Subscribers requesting service where the density of inhabited households passed by such extension is equal to or greater than thirty (30) households per mile in areas passed by overhead cable or fifty (50) households per mile in areas passed by underground cable, provided that all such permission as may be required from the owner of the property is reasonably available. In areas with less than thirty (30) households per mile aerial or fifty (50) households per mile underground, service shall be offered in conformance with Grantee's line extension policies. Grantee shall not be required to extend its trunk and distribution system where the area is already served by another Cable System provider.

(b) Policy on Non-Standard Installations. Grantee's maximum standard length for a service drop is one hundred twenty-five (125) aerial feet. For underground drops which require Grantee to cut pavement curbs, sidewalk, or similar "hardscape" surfaces, and for that incremental portion of all drops greater than one hundred twenty-five (125) feet, Grantee may charge an installation fee equal to its cost of time and materials plus customary overhead.

3.3 Joint Trench Requirements.

(a) When new construction or property development occurs, and utilities are to be placed underground, Grantee agrees to participate in any joint trench

coordinating committee established within the Franchise Area by Grantor. Grantee shall place its equipment and facilities in the joint trench so that service is available to the first occupied residential unit within the subdivision upon occupancy.

(b) Grantee may participate in joint trench opportunities where a new development's dwelling units, when occupied, will not meet the line extension policy of Section 3.2, but shall participate where the new development's dwelling units, when occupied, would meet the line extension standards of Section 3.2. Grantee may be involved in all design aspects of the new construction or development that relate to the infrastructure required for Cable Service, including the provision of specifications and engineering assistance prior to construction. The costs of easements, trenching, and construction of the conduits required to bring Cable Service to the new construction or development will be borne by the Grantee, the developer, or the property owner, as may be agreed upon between them. Grantee will bear all costs of installing cable, amplifiers, and other equipment required to construct and operate the Cable System. Grantee may only install in the joint trench those facilities and equipment necessary to provide infrastructure for Cable Services and any other services Grantee may provide within the City.

3.4 Tree Trimming.

Grantee, in order to maintain its facilities, including its overhead wires and cables or its underground conduits, may trim trees on public property. Tree trimming and pruning shall be done in accordance with the guidelines established by the International Society of Arboriculture ("ISA"), which are the industry standard, or, if the City adopts its own standards, then the City's then current adopted standards shall apply. Tree pruning shall be performed by a qualified employee or contractor and all work shall be performed under the supervision of an arborist certified by ISA or the City. Except in cases of emergencies, at least twenty-four (24) hours prior to beginning any work that will affect any tree on public property or any street tree, Grantee shall notify Grantor's Public Works Department and obtain permission from Grantor's Public Works Department. Grantee shall not begin work until its plans and procedures have been approved by the Public Works Department. Grantee and Grantor may agree to other procedures different from those set forth herein or may agree to a blanket permit to expedite tree trimming.

All such trimming shall be done at the Grantee's sole cost and expense. The Grantee shall be responsible for any damage caused by such trimming.

3.5 Taps and Pedestals. Taps and pedestals shall be subject to the City's approval as set forth in the Franchising Ordinance, Chapter 5.20, of the City Code.

SECTION 4. SYSTEM REQUIREMENTS.

4.1 Upgrade

(a) The Grantee's Cable System shall have a capacity of not less than 750 MHz, offering a minimum of 80 analog and digital channels. The system shall use a fiber to the node design, with twelve hundred (1200) homes passed per node and the ability to segment the nodes to four hundred (400) homes passed if necessary, and be two way activated and include the facilities and equipment required to support broadband interactive Cable Services, including cable modem services. The system shall have auto start back-up power supplies at the headend and each node and shall include the facilities and equipment required to provide full system status monitoring. Nothing in this section shall be deemed to prevent Grantee from providing experimental or promotional services to some, but not all, residential Subscribers. These experimental or promotional services may only be provided temporarily and in no case longer than twenty-four (24) months.

(b) Grantee shall complete the upgrade of the Cable System, as described above, within eighteen months (18) months of the effective date of this Franchise Agreement.

Demonstration to the Grantor that Grantee has "substantially" completed construction of a system upgrade within the City to at least 750 MHz within eighteen (18) months of the effective date of the Franchise shall be determined as follows:

(1) Grantee shall notify Grantor no less than sixty (60) days prior to the completion of its upgrade of the expected completion date; and

(2) To affirmatively demonstrate system bandwidth of at least 750 MHz, Grantee shall provide to Grantor or its designated agent Grantee's system's compliance with the FCC technical standards at 47 C.F.R. Section 76.605 utilizing the reporting and testing methodology described at 47 C.F.R. Sections 76.605 and 76.609 (all of which as may be amended), Grantee shall provide Grantor with the opportunity to be present when the testing is conducted. In addition, Grantee shall insure that, for the purpose of this test only, it has an activated a normal NTSC analog channel with video carrier on 745.2500 MHz and audio carrier centered at 749.7500 MHz. Such channel shall be added only for the duration of the test and shall not be otherwise available to the Grantee's Subscribers. Nothing in this section shall require Grantee to provide video programming services to Grantee's Subscribers in the 550 MHz to 750 MHz spectrum. Such test point locations shall be selected so as to insure that no fewer than five (5) locations are at the electrical extremities of Grantee's system.

(c) The term "substantially complete" does not include circumstances where the property owner has restricted or encumbered entry or where completion is otherwise beyond Grantee's control. Under these circumstances, Grantee is not required to extend its system to such private property.

(d) Within sixty (60) days after completion of the tests described at Section 4.1(b)(2) above, Grantor shall certify whether Grantee has substantially completed its system construction as described above. Grantor's failure to affirmatively object to completion shall be deemed acknowledgement that the construction has been completed.

4.2 Cable Service to Public Buildings.

(a) Throughout the term of the Franchise, the Grantee shall provide, without charge for standard installation or monthly service, one outlet of Basic Cable Service to each public building, fire station, police department, and or accredited public school in the Franchise Area. A current list of these buildings is included as Exhibit C. Upon Grantor's request, Grantee shall provide service to any similar newly constructed or newly occupied facility and Grantee shall provide additional outlets within each public building at Grantee's time and materials cost. Grantor or the owner of the public building may provide for internal wiring for additional outlets and, to the extent the outlets are internally connected, no additional monthly service charge will be charged. Cable Services provided under this section may not be exhibited in public areas and shall not be used by Grantor or any other party to sell services in, throughout or outside of such buildings.

(b) Basic service shall consist of the basic service tier, including the public, educational and government channels and all "must carry" or over the air channels offered by the Grantee and shall not include, expanded Basic Service, any specialized tiers, premium services or any combination thereof.

(c) Public Users of such outlets shall hold the Grantee harmless from and against any and all liability or claims arising out of their use of such outlets including but not limited to those arising from copyright liability.

4.3 Emergency Override.

Grantee shall comply with all FCC rules and regulations relating to the national Emergency Alert System (EAS) or any successor emergency system. In the event of any conflict between the federal EAS and these requirements, the federally mandated EAS shall have priority.

4.4 Institutional Network.

(a) The scope, design, and operation of the Institutional Network shall be consistent with Exhibit F of this document.

4.5 Right of Inspection; Inspection Costs.

Grantor, or its designated agent, shall have the right to inspect all construction, reconstruction or installation work performed, subject to the provisions of this Franchise and other pertinent provisions of law, and as part of Grantor's obligation to protect the public health, safety and welfare of its citizens. Except in emergencies, Grantor shall provide Grantee ten (10) days' written notice in advance of any inspections conducted under this provision, and shall provide Grantee the right to accompany Grantor in such inspection. Grantor shall, within ten (10) days of acceptance of any reports provided by its designated agent, provide Grantee with copies of any written reports prepared following such inspection.

4.6 Code Compliance.

The Grantee shall maintain the Cable System so as to comply with the National Electrical Code and all applicable PUC requirements in place at the time of adoption of this Franchise Agreement, including, but not be limited to, inspection and correction (if necessary) of grounding at Subscriber locations and inspection and correction of pole attachments and overhead cable lines throughout the Franchise Area. In the normal course of conducting service calls to Subscribers, Grantee shall track grounding status of all active Subscriber drops and maintain such records necessary to monitor compliance.

The Grantee shall, at its own cost and expense, undertake all necessary and appropriate efforts to maintain its work sites and the Cable System in a safe manner in order to prevent failures and accidents that may cause damage, injuries or nuisances. All work undertaken on the Cable System shall be performed in compliance with applicable FCC or other federal and state regulations.

SECTION 5. SERVICES AND PROGRAMMING.

5.1 Programming List.

Grantee shall provide Grantor with a list of program services, rates and charges offered and shall update the list at least annually. In addition, Grantee shall provide Grantor with notices of changes to program services, rates and charges at the same time or prior to the time that any Subscriber within the Franchise Area receives such notice.

SECTION 6. PUBLIC, EDUCATION AND GOVERNMENT (PEG) ACCESS FACILITIES AND FUNDING.

6.1 PEG Channels and Funding.

Grantee shall provide video channels for public, educational and governmental use and associated capital funding, in accordance with the Cable Communications Policy Act of 1984, as amended (47 U.S.C. § 531), and as provided for in Exhibits D and E.

6.2 Indemnification.

The Grantor agrees to indemnify, save and hold harmless the Grantee from and against any and all liability resulting from the use of the Grantee's channel(s) for PEG by the Grantee or its designee.

SECTION 7. BOOKS AND RECORDS.

7.1 Inspection of Books and Records.

The Grantee agrees that the Grantor, upon reasonable written notice (generally reasonable notice shall be thirty (30) days notice) to the Grantee, may review such of its books and records at the Grantee's business office(s), during normal business hours and on a nondisruptive basis, as is reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the subsection of the Franchise which is under review, so that the Grantee may organize the necessary books and records for easy access by the Grantor. Alternatively, if the books and records are not easily accessible at the local office of the Grantee, the Grantee may, at its sole option, choose to pay the reasonable travel costs of the Grantor's representative(s) to view the books and records at the appropriate location. Except as otherwise provided in the Ordinance, this Agreement or by state or federal law, the Grantee shall not be required to maintain any books and records for Franchise compliance purposes longer than three (3) years. To the extent that Grantee claims that the information required by the Grantor is proprietary or confidential in nature, Grantor, to the extent permitted by law, agrees to treat any such information disclosed by the Grantee as confidential, and only to disclose it to employees, representatives, and agents thereof that have a need to

know, or in order to enforce the provisions hereof. The Grantee shall not be required to provide Subscriber information in violation of Section 631 of the Cable Act.

SECTION 8. ENFORCEMENT AND TERMINATION OF FRANCHISE.

8.1 Early Termination.

This Agreement may be terminated prior to its date of expiration by the City in the event that the City Council finds, based on substantial evidence, after no less than thirty (30) days notice of any proposed termination and following a public hearing at which Grantee shall have the right to present testimony and cross examine witnesses, that:

(a) The Grantee has failed to comply with any material provision of this Agreement; or

(b) The Grantee has failed or refused to correct any deficiency for a period of sixty (60) days after notice by the City as provided in this Agreement, or any extensions granted by the City or has failed to begin correcting the deficiency in the event such correction should take longer than sixty (60) days.

(c) The City acquires the Cable System of the Grantee.

8.2 Deficiencies and Corrections.

At any time when deficiencies in performance are brought to the attention of the City Manager, the City Manager may order the Grantee to correct the deficiency(ies) or failure(s) to comply with the terms of this Agreement and such order shall be provided to Grantee in writing. Except in cases of emergencies the City Manager shall provide a period of at least sixty (60) days to bring the Franchise into compliance with its terms.

(a) Grantee may request an extension of time to correct a deficiency by making a request in writing to the City Manager with a statement of the reasons why such deficiency cannot be fully corrected within the sixty (60) days. The City Manager shall consider the request and may grant or deny such request as the City Manager deems proper and appropriate. The Grantee may appeal this decision to the City Council in writing within ten (10) days of the City Manager's denial. The City Council shall hear the request and render a decision.

(b) If the Grantee fails or refuses to correct a deficiency within sixty (60) days of the order of the City Manager or any extensions granted by the City Manager or the City Council, the Grantee shall pay to the City a penalty as determined by the City

Council of up to Five Thousand Dollars (\$5,000) plus One Hundred Dollars (\$100) per calendar day, including the first day, for each day the deficiency continues. Separate fines may be imposed for each class of deficiencies noted in the correction order.

(c) If the Grantee fails or refuses to correct the deficiency as required by the City Manager or the City Council within the time for compliance established by the City Manager or the City Council, the City Manager may recommend to the City Council that, in addition to any other remedies available to the City, the Franchise be revoked, consistent with sections 8.3 and 8.4, below.

8.3 Notice of Violation.

In the event that the Grantor believes that the Grantee has not complied with the terms of the Franchise, the Grantor shall informally discuss the matter with Grantee. If these discussions do not lead to resolution of the problem, the Grantor shall notify the Grantee in writing of the exact nature of the alleged noncompliance.

8.4 The Grantee's Right to Cure or Respond.

The Grantee shall have thirty (30) days from receipt of the notice described in subsection 8.3:

- (a) to respond to the Grantor, contesting the assertion of noncompliance;
- (b) to cure such default; or

(c) in the event that, by the nature of default, such default cannot be cured within the thirty (30) day period, initiate reasonable steps to remedy such default and notify the Grantor of the steps being taken and the projected date that they will be completed. Such time schedule shall be subject to Grantor's reasonable review and approval.

8.5 Public Hearing.

In the event that the Grantee fails to respond to the notice described in subsection 8.3 pursuant to the procedures set forth in subsection 8.4, or in the event that the alleged default is not remedied within thirty (30) days or the date approved by the Grantor pursuant to 8.4(c) above, and the Grantor continues its investigation into the default, then Grantor's City Manager shall determine whether, in the City Manager's opinion, the Grantee is in default. If the City Manager determines that the Grantee is in default, the City Manager shall set this matter for public hearing before the City Council. The Grantor shall provide the Grantee at least ten (10) days prior written

notice of such hearing, which specifies the time, place and purpose of such hearing, and provide the Grantee the opportunity to be heard. The public hearing may be continued from time to time, at the City Council's discretion. At the conclusion of the public hearing, the City Council shall determine whether the Grantee is in default and shall order such enforcement actions or other remedies as the City Council determines are necessary and appropriate.

8.6 Enforcement.

Subject to applicable federal and state law, in the event the City Council, after the hearing set forth in subsection 8.5, determines that the Grantee is in default of any provision of the Franchise, the City Council may:

- (a) Seek specific performance of any provision, which reasonably lends itself to such remedy;
- (b) Commence an action at law for monetary damages or seek other legal or equitable relief;
- (c) In the case of a substantial default of a material provision of the Franchise, seek to revoke the Franchise in accordance with subsection 8.7;
- (d) Pursue any other remedies available under the Ordinance or under state or federal law; or
- (e) Pursue any combination of remedies and enforcement the City Council determines appropriate.

8.7 Revocation.

Should the Grantor seek to revoke the Franchise after following the procedures set forth in subsections 8.2-8.6 above, the Grantor shall give written notice to the Grantee of its intent, which notice may be included in any enforcement order made under Section 8.6, above. The notice shall set forth the exact nature of the noncompliance. The Grantee shall have sixty (60) days from such notice to object in writing and to state its reasons for such objection. In the event the Grantor has not received a satisfactory response from the Grantee, it may schedule a public hearing before the City Council to determine whether to revoke or terminate the Franchise. The Grantor shall cause to be served upon the Grantee, at least thirty (30) days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

At the designated hearing, the Grantor shall give the Grantee an opportunity to state its position on the matter, after which it shall determine whether or not the Franchise shall be revoked.

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

Agreement and in the Ordinance are cumulative and are in addition to all other remedies available at law or equity provided, however, that Grantor may not collect both liquidated damages and actual damages for the identical violation.

8.8 Legal Challenge.

The Grantee may appeal the decision to revoke the Franchise to an appropriate court. Such appeal to the appropriate court must be taken within sixty (60) days of the issuance of the determination of the Grantor. Grantee expressly agrees that any appeal or other action related to this Agreement and the Grantee's Franchise shall be brought in the courts of the State of California and the Federal District Court for the Eastern District of California, if appropriate, and that these courts shall have jurisdiction over the Grantee in any action arising under this Agreement, the Ordinance, or any enforcement or breach action related to this Agreement.

8.9 Force Majeure.

The Grantee shall not be held in default under, or in noncompliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by circumstances reasonably beyond the ability of the Grantee to anticipate and control. This provision includes work delays caused by waiting for utility providers to service or monitor their utility poles to which the Grantee's Cable System is attached, as well as unavailability of materials and/or qualified labor to perform the work necessary; provided that the Grantee furnishes Grantor with documentary proof that every effort was made to notify the utility providers in a timely manner and monitor and pursue the utility providers timely performance of the necessary work or that every effort was made to obtain the necessary materials and/or labor in a diligent and timely manner.

8.10 Good Faith Error.

The parties hereby agree that it is not the Grantor's intention to subject the Grantee to penalties, fines, forfeitures or revocation of the Franchise for violations of the Franchise where the violation was a good faith error that resulted in no or minimal negative impact on the Subscribers within the Franchise Area, or where strict performance would result in practical difficulties and hardship to the Grantee which outweigh the benefit to be derived by the Grantor and/or Subscribers provided that the Grantee demonstrates through prompt action, Grantee's good faith and Grantee's compliance with the terms of the Franchise.

SECTION 9. REGULATION.

9.1 Franchise Regulation.

The Franchise renewed under this Agreement shall be subject to regulation by Grantor in accordance with Chapter 5.20 of the City's Municipal Code and this Agreement.

9.2 Rate Regulation.

Grantee's rates and charges for Cable Service shall be subject to regulation by the Grantor to the full extent authorized by applicable state and federal law. The Grantor retains the right, at any time during the term this Agreement, to institute regulation of rates and charges, as such regulations may be permitted or authorized under the then current state or federal law.

9.3 Customer Service Standards.

(a) **FCC Standards.** Grantor reserves the right to enforce the FCC customer service standards, as now codified at 47 C.F.R. Section 76.309, or hereafter amended.

(b) **California Video Customer Service Act.** Grantor reserves the right to enforce the duties imposed on Grantee by the California Video Customer Service Act, as now codified at California Government Code Section 53088 et seq., or hereafter amended.

(c) **Reception Quality.**

(1) The FCC Rules and Regulations, including, without limitation, Part 76, Subpart K (Technical Standards), and any amendments or supplements

thereto, will apply to the Grantee's operations to the extent permitted by applicable law.

(2) The headend of the Cable System, satellite earth stations, and any hubs or nodes thereof must be equipped with an emergency power system in order to maintain continuous power in the event of a commercial power outage. The standby emergency power system shall be capable of providing emergency power for a minimum of three (3) hours to the hubs and nodes and a minimum of twenty-four (24) hours to the headend.

(3) The Cable System shall be designed, installed, and operated so as to comply with the following general signal quality and reliability requirements:

- (A) Continuous twenty-four (24) hour daily operation.
- (B) Avoid causing interference with the reception of off-the-air signals by Subscribers and non-Subscribers, and harmful interference to FCC licensees operating within the scope of their license(s).
- (C) Operate normally over a wide range of outdoor temperatures that historically occur within the Franchise Area.

9.4 Local Office.

The Grantee shall maintain a local business office or payment facility in the City of Rio Vista where bills may be paid. For equipment exchanges or pick-ups in the Franchise Area, there will be no charge to the customer for this service (i.e. no charge for a truck roll to the customer's location), however nothing herein shall preclude Grantee from providing for equipment exchanges or pick-ups in the Franchise Area via an alternative means so long as there is a no charge alternative available to the customer within the Franchise area.

9.5 Non-Discriminatory Services.

The Grantee shall not deny service or access or otherwise discriminate against Subscribers, channel users or general citizens on the basis of race, color, religion, national origin, sex, age, disability or occupation. Nothing in this section shall be deemed to prohibit senior discounts or discounts for new Subscribers.

9.6 Notices.

Notices transmitted by either party to this Agreement to the other party shall be addressed as follows:

Grantor: City Manager
City of Rio Vista
1 Main Street
Rio Vista, California 94571

with a copy to:

Harriet Steiner
McDonough, Holland & Allen
555 Capitol Mall, 9th Floor
Sacramento, CA 95814

Grantee: Franchise Director
Comcast
1111 Andersen Drive
San Rafael, CA 94901

Either party may designate by written notice a different address to which notices shall be sent.

9.7 Successors and Assigns.

All provisions of this Agreement shall apply to any lawful successors and assigns.

9.8 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 judgment of any court of competent jurisdiction, the remainder of this Agreement or the application of the provision to other circumstances, shall not be affected thereby.

9.9 Choice of Law; Jurisdiction.

This Agreement shall be governed by and interpreted under the laws of the State of California. In the event of any conflict between federal law and state or local law, federal law shall control. Grantee expressly agrees that the courts of the State of California and Federal District Court for the Eastern District of California, if appropriate, shall have jurisdiction over the Grantee in any action arising under the Franchise Ordinance and the Franchise Agreement. Service of Process shall be on the Grantee's California based registered agent for service of process.

9.10 Titles for Convenience.

The titles of the sections of this Franchise are for convenience only.

9.11 Entire Agreement.


This Franchise constitutes the entire agreement between the Grantee and the Franchising Authority. Amendments to this Franchise shall be mutually agreed to in writing by the parties.

IN WITNESS WHEREOF, Grantor and Grantee have executed this Agreement the date and year first above written.

COMCAST OF CALIFORNIA IX, Inc,
a California corporation

By: _____

Its: _____


S. V. P.

CITY OF RIO VISTA, a municipal corporation

Marci Coglianese
MARCI COGLIANESE, Mayor

ATTEST:

By: Margaret Roberts
MARGARET ROBERTS City Clerk

(SEAL)

APPROVED AS TO FORM:

By: Harriet Steiner
HARRIET STEINER, Interim City Attorney

EXHIBIT A

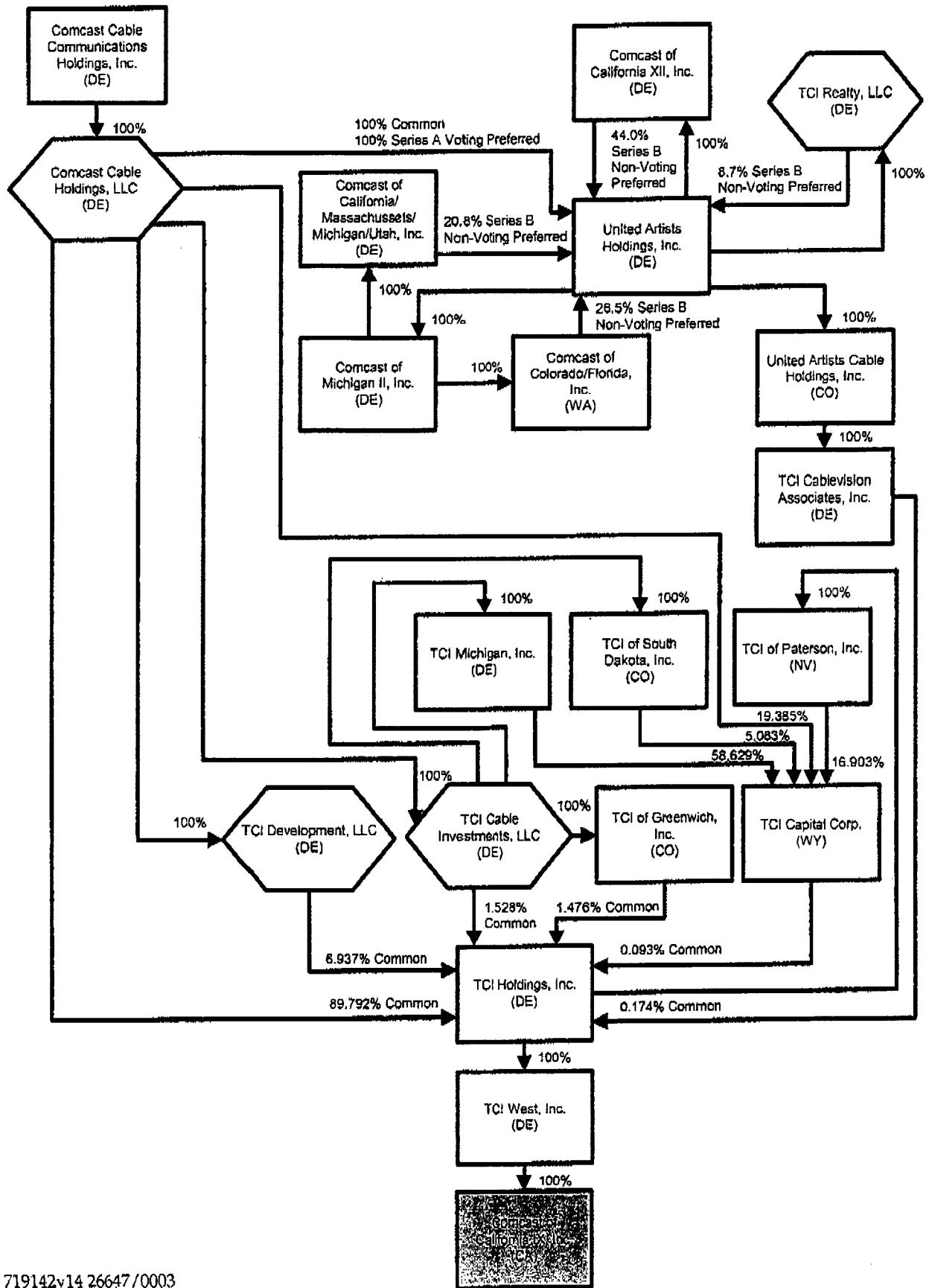


EXHIBIT B

CERTIFICATE OF ACCEPTANCE

Comcast of California IX, Inc., a California corporation hereby, unconditionally, irrevocable and without reservation accepts the Cable Television Franchise Renewal granted by Ordinance No. ~~60~~ dated Nov. 4, 2004 (the "Franchise Ordinance").

By the execution, delivery and filing of this Certificate, the undersigned further:

1. Covenants and promises to faithfully undertake and perform each and every promise, covenant, commitment and undertaking contained in the Franchise Ordinance;
2. Represents and warrants that this Certificate, and the Franchise Ordinance and the Franchise Renewal Agreement attached and incorporated in the Franchise Ordinance constitute a valid and binding obligation, as to each and every term thereof, enforceable against the undersigned in accordance with the terms thereof;
3. Represents and warrants that the execution and delivery of this Certificate has been duly authorized and approved by the Board of Directors of the undersigned;
4. Represents and warrants that the persons who have executed this Certificate are duly authorized to do so by all necessary action;
5. Represents and warrants that the execution and delivery of this Certificate does not violate any provision of the By-Laws and/or Articles of Incorporation of any of the named corporations;
6. Expressly declares and agrees that the courts of the State of California and Federal District Court for the Eastern District of California, if appropriate, shall have jurisdiction over the undersigned in any action arising under the Franchise Ordinance, and the Franchise Agreement.
7. Expressly decrees and agrees that adequate and sufficient consideration has been provided for each and every promise, covenant, commitment and undertaking of the undersigned contained in the Franchise agreement and Ordinance approving the transfer;
8. This Certificate shall be valid when and only when executed by all other parties listed above.

IN WITNESS WHEREOF, this Certificate is executed effective NOV. 4,
2004.

**Comcast of California IX, Inc., a California
corporation.**

By: [Signature]

Its: S.V.P.

[NOTE: ALL SIGNATURES MUST BE NOTARIZED]

APPROVED AS TO FORM:

By: [Signature]
HARRIET STEINER, Interim City Attorney

CERTIFICATE OF CLERK

I hereby certify that the foregoing ACCEPTANCE OF FRANCHISE was
received by me at the hour of ____ o'clock p.m. on the ____ day of _____, 2004.

MARGARET ROBERTS, City Clerk

EXHIBIT C

PUBLIC BUILDINGS FOR CABLE WIRING AND SERVICES

City Hall - 1 Main Street
Fire Station - 350 Main Street
Police Station - 50 Poppy House Road
Public Works - 789 St. Francis Way
Senior Center - 25 Main Street
Youth Center - 250 Sacramento Street
Swimming Pool - 300 California Street
Business Park - 23 Poppy House Road
Industrial Park - Airport Road
Rio Vista High School - 410 S. Forth Street.
Riverview School - 525 S. 2nd Street
White School (Rio Vista Elementary School) - 500 Elm Way

Any County or any public college or university facility that locates in the Franchise Area shall also be included

EXHIBIT D

GRANTEE COMMITMENT TO PEG ACCESS CHANNELS, EQUIPMENT AND PROGRAM MANAGEMENT

1. PEG Video Access Channels.

Through the term of this Agreement, Grantee shall provide two (2) downstream video channels available exclusively for Grantor's PEG use.

- (a) After the system upgrade is completed, Grantee shall provide one additional analog video channel (for a total of three (3) channels) upon ninety (90) days written notice from Grantor, at such time as Grantor or Grantor's designees' are providing the following level of programming: during ten (10) consecutive weeks, a pre-existing channel designated for the same purpose as the channel requested (Public Access, Educational Access, or Governmental Access) cablecasts at least forty-two (42) hours per week of original programming. For the purposes of calculating the forty-two (42) hours per week of programming, a program may be repeated only four (4) times after its original run during the ten (10) week period.

At such time as the entire Cable System is digital, Grantor may request one (1) additional channel (for a total of four (4) channels), provided that Grantor or Grantor's designee(s) are providing the level of service described in section (a) for obtaining an additional channel.

- (b) At such time as the entire Cable System is digital, Grantee shall be responsible for the costs of the equipment necessary to convert from analog to digital programming for the PEG channels.
- (c) PEG channels shall be available on the lowest tier of Basic Service. The channel(s), in the sole discretion of the Grantor, may be utilized in any PEG combination and may be shared with other communities or designated for exclusive use within the Grantor's jurisdiction.
- (d) PEG channels will not be used for commercial purposes, such as leasing capacity, or any use whatsoever that may generate revenue for the Grantor or any PEG user or compete with current or future services provided by the Grantee; provided that the Grantor may enter into financial arrangements with other public entities for the provision of PEG services and programming on the PEG channels and further provided that

Grantor may authorize sponsorships, endorsements and acknowledgments of the kind permitted on public television broadcast channels.

- (g) Grantor agrees to indemnify, save and hold harmless the Grantee from and against any and all liability resulting from the use of the Grantee's channels for PEG by Grantee or its designee(s).

2. Return Lines.

- (a) Grantee shall continue to provide and maintain the return lines located at City Hall, 1 Main Street, Rio Vista and Rio Vista High School, located at 410 South Fourth Street. In the event Grantor determines that either one or both of the above return lines need to be relocated, Grantor shall reimburse Grantee for its costs in moving such return line(s).

- (b) In the event that Grantor determines that a third return line should become necessary, Grantor shall provide ninety (90) days written notification of such request, and Grantee shall provide a cost estimate for the construction and installation of the additional return line.

3. Grantee agrees not to offset against Franchise fees, any of the costs relating to the provisions of 1 through 2-, above.

EXHIBIT E

PEG FUNDING

1. Grantee shall provide an upfront capital grant in the amount of Thirty Six Thousand Dollars (\$36,000) to Grantor for equipment costs associated with PEG facilities within thirty (30) days of the effective date of the Franchise.

2. Grantee shall recover the upfront capital grant via a pass through to Subscribers over a maximum period of eight (8) years through a monthly amount not to exceed fifty cents (\$0.50). Once the up front capital grant and associated costs have been recovered, Grantee shall pass through an amount not to exceed fifty cents (\$.50) per Subscriber per month, which amount shall be remitted to Grantor on a quarterly basis to allow for capital equipment replacement over the remainder of the Franchise term.

3. Grantee shall remit such PEG funding to Grantor coincident with the quarterly Franchise fee payment.

4. If permitted by federal and state law, Grantor shall not oppose any "pass-through" of the PEG grant, as long as said "pass-through" is done in a manner consistent with the provisions of federal and state law.

5. The use of the funds from the grant shall be determined by the City Council, from time to time, as the Council shall determine. The primary use of the grant shall be for educational and governmental broadcasting equipment and facilities costs, consistent with the requirements of federal and state law, and for I-Net equipment that benefits the PEG channel(s). The City Council may, but is not required to, provide grants and/or loans for capital equipment for public access from these funds.

EXHIBIT F

INSTITUTIONAL NETWORK (I-NET)

1. Construction.

(a) Grantor and Grantee agree that Grantee, will install two (2) or more strands of fiber optic cable between one or more central locations designated by the Grantor and the public buildings identified in Exhibit G.

(b) Within the thirty (30) days following Grantee's acceptance of the Franchise, Grantor and Grantee shall meet as required to develop the final I-Net system technical configuration, including fiber strand counts, routes, entry points, and demarcation points. Grantor shall retain ultimate control over the final I-Net system technical configuration submitted to Grantee. The I-Net shall provide service to the locations listed on Attachment G

(c) Although Grantor was previously provided with an initial cost estimate ("Incremental Cost Estimate") of I-NET construction costs, within thirty (30) days following submission to Grantee of Grantor's final I-Net system technical configuration, Grantee shall notify Grantor of any changes to Grantee's previously submitted Incremental Cost Estimate. Grantor shall have sixty (60) days thereafter to accept the Incremental Cost Estimate or to reduce the requested final I-Net system technical configuration and eliminate the costs involved in the reduction. Such a reduced I-Net system technical configuration shall then be provided by Grantor to Grantee and shall constitute Grantor's acceptance of the reduced design as submitted by it.

(d) Grantor and Grantee shall determine the construction areas for the purpose of invoicing and paying of costs. Construction areas shall be established so that the system installed can be tested and determined complete prior to payment for that phase of the construction.

(e) Grantor shall reimburse Grantee for its incremental costs of purchasing and installing the fiber optic cable on a time and materials basis. Upon receipt of an invoice for the incremental costs within a construction area indicating completion of construction in an area, Grantor shall pay Grantee thirty (30) days after the end of each quarter in which construction is completed and verified by Grantor.

(f) The Grantee shall terminate the I-Net connection at the point of entry of the I-Net site, which will be defined as a "Patch Panel" the location of its existing cable drop or at an agreed upon location in the building. In the event the I-Net user wishes to

move its point of entry, it may re-route the signal at its own expense or ask the Grantee to move it subject to customary time and material charges.

(g) As used in this Section, incremental cost is the cost of the fiber and other network materials necessary to support the incremental fiber counts and any related construction costs that the Grantee would not have incurred in the absence of Grantor's decision to install fiber for Grantor's use.

(h) Grantor requires the construction of the I-Net to be complete within twelve (12) months after the effective date of the Franchise. Grantee and Grantor shall endeavor to complete the I-Net in a shorter period of time.

(i) Grantee agrees to finance one-half(1/2) of the cost of construction of the I-Net for the City's sites. Such financing shall be for a term of seven (7) years and an interest rate of five percent (5%) per year. Grantee shall deduct the cost of the I-Net financed by Grantee from Franchise fees that are otherwise required to be paid by Grantee to Grantor.

2. Ownership, Maintenance and Repair.

(a) The Grantee shall own, maintain and repair all components of the network on its side of the demarcation (entry) point and as exist in the public rights-of-way subject.

(b) Grantee shall treat any failure of the I-Net components for which Grantee is responsible as if it were a failure of Grantee's Cable System. Grantee shall respond in a timely manner to remedy any such failures and shall advise Grantor as soon as possible that a network failure has been identified and is being repaired. Grantee shall make network repairs within six (6) hours of notice from Grantor or discovery of the need for repair by Grantee, whichever occurs first, unless the failure is such that it is impossible or infeasible to make the repair within six (6) hours. Upon the simultaneous or co-located failure of the I-Net and the Cable System, Grantee shall restore the I-Net to service at the same time as it restores the Cable System.

(c) Grantor, or its I-Net users, shall own and maintain all equipment used to manage, control and operate the network on its side of the demarcation (entry) points at each I-Net site and at the I-Net central location.

(d) Grantor and its public and quasi-public designees, shall have the exclusive use of the network, at no lease cost during the term of the Franchise agreement.

6. Indemnification.

(a) Each Party ("Indemnifying Party") will indemnify and hold harmless the other Party ("Indemnified Party"), its Affiliates, officers, directors, employees, stockholders, partners, independent contractors and agents from and against any and all joint or several costs, damages, losses, liabilities, expenses, judgments, fines, settlements and any other amount of any nature, including reasonable fees and disbursements of attorneys, accountants, and experts (collectively, "Damages"), arising from any and all claims, demands, actions, suits, or proceedings whether civil, criminal, administrative, or investigative (collectively "Claims") relating to:

- (1) The conduct or management of Indemnifying Party's business with regard to the subject matter of this Agreement, except to the extent such damages are caused or contributed to by the gross negligence or willful act or omission of the Indemnified Party;
- (2) Any breach by Indemnifying Party of any obligation, warranty, or covenant under this Agreement;
- (3) Any Claim of any third party resulting from the negligence or willful act or omission of Indemnifying Party; and
- (4) Any violation of this Agreement by the Indemnifying Party or any violation of any law, rule, regulation, or order of any governmental authority having jurisdiction over any aspect hereof, or in violation of any patent, right, license, agreement, or certificate relating to the subject matter hereof.

7. The Indemnifying Party agrees to defend the Indemnified Party for any loss, injury, liability, claim or demand ("Actions") that is the subject of this Section. The Indemnified Party agrees to notify the Indemnifying Party promptly, in writing, of any Actions, threatened or actual, and to cooperate in every reasonable way to facilitate the defense or settlement of such Actions. The Indemnifying Party shall assume the defense of any Action with counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party may employ its own counsel in any such case, and shall pay such counsel's fees and expenses. The Indemnifying Party shall have the right to settle any claim for which indemnification is available; provided, however, that to the extent that such settlement requires the Indemnified Party to take or refrain from taking any action or purports to obligate the Indemnified Party, then the Indemnifying Party shall not settle such claim without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed.

8. Failure of Grantee to maintain that portion of the I-NET for which it is responsible at the same level of availability as its Subscriber network, and after having received written notice from Grantor and a reasonable period thereafter to cure, shall constitute a breach of this Franchise and shall subject Grantee to the same penalties, fines and remedies for any breach of the Franchise as set forth in this Agreement and in the Ordinance. Grantee's failure thereafter to cure, operate, and maintain its portion of the I-Net shall constitute a material breach of this Franchise subjecting Grantee to all sanctions available hereunder, including termination of this Franchise.

Attachment G

INITIAL I-NET SITES

City Hall - 1 Main Street
Fire Station - 350 Main Street
Police Station - 50 Poppy House Road
Public Works - 789 St. Francis Way
Senior Center - 25 Main Street
Youth Center - 250 Sacramento Street
Swimming Pool - 300 California Street
Business Park - 23 Poppy House Road
Rio Vista High School - 410 S. Fourth Street.
Riverview School - 525 S. 2nd Street
White School (Rio Vista Elementary School) - 500 Elm Way