

LICENSE AGREEMENT
TO PROVIDE CABLE
SERVICES

BETWEEN

PINAL COUNTY,

ARIZONA AND

COMCAST OF ARIZONA, LLC.

October 19, 2016

TABLE OF CONTENTS

SECTION 1	
DEFINITIONS	2
SECTION 2	
GRANT OF AUTHORITY	2
SECTION 3	
RATES, FEES AND CHARGES	4
SECTION 4	
THE CABLE SYSTEM	4
SECTION 5	
SERVICE OBLIGATIONS	11
SECTION 6	
EDUCATIONAL, GOVERNMENT CHANNELS	12
SECTION 7	
COMPENSATION AND OTHER PAYMENTS	13
SECTION 8	
MISCELLANEOUS PROVISIONS	15
APPENDIX A	
LEGAL DESCRIPTION OF PROPOSED SERVICE AREA	23
APPENDIX B	
RATES, FEES, CHARGES AND DEPOSITS	24
APPENDIX C	
PROPOSED CHANNEL LINEUP PROGRAMMING	25
APPENDIX D	
EG ACCESS CAPACITY, FACILITY, EQUIPMENT, SERVICES AND FINANCIAL REQUIREMENTS	26

Franchise Agreement

This Agreement (hereinafter the "Agreement"), made and entered into this 19th day of October, 2016, by and between the Board of Supervisors of Pinal County, Arizona (hereinafter the "Licensing Authority"), and Comcast of Arizona, LLC., a Colorado Corporation duly organized and validly existing under the laws of the State of Arizona, whose principle place of business is located at 8251 N. Cortaro Road, Tucson, Arizona 85743 (hereinafter "Grantee").

WITNESSETH:

WHEREAS, the Pinal County Board of Supervisors ("Licensing Authority") has the authority to issue Licenses for the provision of Cable Service pursuant to Section 521 (a) of the federal Cable Act, 47 U.S.C. §521, *et seq.*, Sections 9-506 and 11-251.05 of the Arizona Revised Statutes and Pinal County Resolution No. 21390-0P; and

WHEREAS, the Licensing Authority has on March 10, 1999 and June 25, 2003 amended Ordinance No. 72087-CT; and

WHEREAS, the License requires the Licensee to comply with all provisions of Pinal County Ordinances relating to the application of, granting of, operation of or use of cable television Licenses; and

WHEREAS, Licensee agrees to be bound by all the terms of this Agreement and to Ordinance No. 72087-CT. as amended from time to time when there is no conflict between the Ordinance and this Agreement;

WHEREFORE. in consideration of the covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby do agree to incorporate the foregoing whereas clauses into this Agreement and covenant and agree as follows:

Section 1 – Definitions

Definitions.

For purposes of this Agreement, unless otherwise defined in this Agreement, the capitalized terms, phrases, words, and their derivations shall have the meanings set forth in Pinal County Ordinance No. 72087-CT, as amended from time to time, (hereinafter referred to as "Ordinance"). The parties reserve the right to add additional definitions to this License Agreement at any time in the future when both parties agree additional definitions are needed to clarify the License Agreement, so long as the definitions do not create additional material burdens or financial burdens on the Grantee. Any additional definitions will be treated in the same manner as any other amendment to the License Agreement.

Terms. For the purpose of this Franchise, the following terms, phrases, words, and abbreviations shall have the meanings ascribed to them below. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number:

A. “Affiliate” when used in relation to any person, means another person who owns or controls, is owned or controlled by, or is under common ownership or control with, such person.

B. “Basic Cable” is the lowest priced tier of Cable Service that includes the retransmission of local broadcast television signals.

C. “Cable Act” means Title VI of the Communications Act of 1934, as amended.

D. “Cable Services” shall mean (1) the one-way transmission to Subscribers of (a) video programming, or (b) other programming service, and (2) Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

E. “Cable System” shall mean the Grantee’s facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes video programming and which is provided to multiple Subscribers within the Service Area.

F. “County” shall mean Pinal County, State of Arizona.

G. “FCC” means Federal Communications Commission or successor governmental entity thereto.

H. “Franchise” means the initial authorization, or renewal thereof, issued by the Licensing Authority, whether such authorization is designated as a franchise, agreement, permit, license, resolution, contract, certificate, ordinance or otherwise, which authorizes the construction and operation of the Cable System within the Franchise Area.

I. “Grantee” means Comcast of Arizona, LLC, or the lawful successor, transferee, or assignee thereof.

J. “Gross Revenue” means any and all revenue in whatever form, from any source, directly received by the Grantee or Affiliate of the Grantee, according to generally accepted accounting principles consistently applied, that would constitute a Cable Operator of the Cable System under the Cable Act, derived from the operation of the Cable System to provide Cable Services in any manner that requires use of the Public Ways in the Service Area. Gross Revenues include, but are not limited to, basic, expanded basic, and pay service revenues, revenues from installation, rental of converters, the applicable percentage of the sale of local and regional advertising time, and any leased access revenues.

Gross Revenues do not include (i) revenue from sources excluded by law; (ii) revenue derived by Grantee from services provided to its Affiliates; (iii) late payment fees; (iv) charges other than those described above that are aggregated or bundled with amounts billed to Cable Service Subscribers such as charges for Broadband or Telephone services; (v) fees or taxes which are imposed directly on any Subscriber by any governmental unit or agency, and which are collected by the Grantee on behalf of a governmental unit or agency including the FCC User Fee; (vi) revenue which cannot be collected by the Grantee and are identified as bad debt, provided, that if revenue previously representing bad debt is collected, this revenue shall then at time of collection be included in Gross Revenues for the collection period; (vii) refundable deposits, investment income, programming launch support payments, or advertising sales commissions; and (viii) Internet services to the extent that such service is not considered to be a Cable Service as defined by law.

K. "Licensing Authority" shall mean the Board of Supervisors of Pinal County, Arizona and/or Pinal County, Arizona.

L. "License Fee" means the fee set forth in Section 7.1 of this License Agreement and is the same fee contemplated under Arizona Statute A.R.S. 9-506(c)(2) as a Franchise Fee described under 47 U.S.C. Section 542(g)(1) for purposes of this Agreement.

M. "Person" means an individual, partnership, association, joint stock company, trust, corporation, or governmental entity but not the Licensing Authority.

N. "Public Way" shall mean the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, parkway, way, lane, public way, drive, circle, or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips, or rights-of-way dedicated for compatible uses and any temporary or permanent fixtures or improvements located thereon now or hereafter held by the Licensing Authority in the Service Area which shall entitle the Licensing Authority and the Grantee to the use thereof for the purpose of installing, operating, repairing, and maintaining the Cable System. Public Way shall also mean any easement now or hereafter held by the Licensing Authority within the Service Area for the purpose of public travel, or for utility or public service use dedicated for compatible uses, and shall include other easements or rights-of-way as shall within their proper use and meaning entitle the Licensing Authority and the Grantee to the use thereof for the purposes of installing and operating the Grantee's Cable System over wires, cables, conductors, ducts, vaults, manholes, amplifiers, appliances, attachments, and other property as may be ordinarily necessary and pertinent to the Cable System.

O. "Service Area" means the present municipal boundaries of the Licensing Authority, and shall include any additions thereto by annexation or other legal means, subject to the exceptions in subsection 3.9.

P. "Standard Installation" is defined as 125 feet from the nearest tap to the Subscriber's terminal.

Q. "Subscriber" means a Person who lawfully receives Cable Service of the Cable System with the Grantee's express permission.

R. "Video Service Provider" means any entity using the public rights of way to provide multiple video programming services to subscribers, regardless of the transmission method, facilities, or technology used. A Video Service Provider shall include but is not limited to any entity that provides cable services, multichannel multipoint distribution services, broadcast satellite services, satellite-delivered services, wireless services, and Internet Protocol based services.

Section 2 – Grant of Authority

2.1 Grant of License. The Licensing Authority hereby grants to Grantee, pursuant to the Ordinance, a nonexclusive license (the "License") to occupy and use the Streets within the Service Area in order to construct, operate, maintain, upgrade, repair and remove the Cable System to provide Service through the System, subject to the terms and conditions of this Agreement and the Ordinance. The License authorizes the provision only of Service, as that term is defined by the Ordinance, and neither authorizes nor prohibits the offering of any other services, including telecommunications services. Grantee is authorized to provide Service in the Service Area described in Appendix A.

The License is granted to Grantee subject to the conditions set forth in the License Agreement and the Ordinance. The issuance of the License does not deprive the Licensing Authority or the County of any powers, rights, or privileges it now has or may later acquire in the future to use, perform work on, construct, operate repair facilities or systems in, or regulate or control the use of the rights of way, except that nothing herein shall be construed to limit or deny the Grantee's right to object to any proposed exercise of County powers, rights, or privileges as a violation of federal or state law, or of any other rights under that the Grantee may possess.

2.2 Non-Exclusive Grant. The Grantee's right to occupy and use Streets and public rights-of-way is not exclusive, and may not be sold, transferred or assigned other than as set forth in the Ordinance. Any request for a transfer or change in control of a License, a Grantee, or a Cable System shall be in accordance with the Ordinance, to the extent that the Ordinance comports with federal law. Nothing in this Agreement shall affect the right of the Licensing Authority to grant similar licenses for other Cable Systems and may permit others to use its Streets and public rights-of- way for other purposes.

2.3 Transfer of Ownership of License. Notwithstanding the requirements of this Agreement and the Ordinance, a transfer of ownership of Grantee shall not require Licensing Authority's consent in the event of (i) a transfer in trust, by mortgage, hypothecation, or by assignment of any rights, title, or interest of the Grantee in the Agreement or in the Cable System in order to secure indebtedness, or (ii) a transfer to an entity owned and/or effectively controlled by Comcast Cable Communications, Inc., provided, however, that prior to any such transfer, the successor entity agrees in writing to accept and agree to abide by this Agreement and to assume its predecessor liability and obligations under this Agreement.

2.4 Term of License. The License shall be effective as of October 19, 2016 (the "Effective Date") and shall expire on October 19, 2026, unless the License is renewed or the License is sooner terminated pursuant to the Ordinance and Federal Law by the revocation of the License. Upon termination of the License, all rights of the Grantee in the License shall cease, and the rights of the Grantee to the System, or any part thereof, shall be determined as provided in the Ordinance and Federal Law.

2.5 Grantee's Acceptance. Acceptance of this License Agreement shall be reflected by the execution of this License Agreement by Grantee prior to approval of the terms and conditions by the Pinal County Board of Supervisors, provided that the performance bond and insurance certificate have been provided to the Licensing Authority.

2.6 Grantee's Acknowledgments. Grantee acknowledges that it has not been induced to enter into this License Agreement by any understanding or promise or other statement, whether verbal or written, by or on behalf of the Licensing Authority or by any other third person concerning any term or condition of this License Agreement not expressed herein.

2.7 Enforceability of Ordinance and Agreement; No Opposition. By execution of this Agreement, the Grantee acknowledges the validity of the terms and conditions of the Ordinance and this Agreement under applicable law in existence on the Effective Date. In the event of a conflict between the Ordinance and this Franchise, this Franchise Agreement shall control, provided however that the Grantee agrees that it is subject to the lawful exercise of the police power of the Licensing Authority as described below.

The Licensing Authority expressly reserves the right to exercise the full scope of its municipal powers, including both its police power and contracting authority, to promote the public interest and to protect the health, safety and welfare of the citizens of Pinal County. Grantee agrees that its rights under this Agreement are subject to the police power of the Licensing Authority to adopt and enforce general resolutions necessary for the health, safety and welfare of the public, and that it agrees to comply with all applicable laws, ordinances and resolutions enacted by the Licensing Authority pursuant to such power.

2.8 Renewal. The Franchising Authority and the Grantee agree that any proceedings undertaken by the Franchising Authority that relate to the renewal of the Grantee's Franchise shall be governed by and comply with the provisions of Sections 546 (formerly codified as section 626) of the Cable Act.

In addition to the procedures set forth in said Section 546(a) (formerly 626(a)), the Franchising Authority agrees to notify the Grantee of all of the assessments within the knowledge and control of the Franchising Authority regarding the identity of future cable-related community needs and interests that are able to be shared without violation of other agreements, as well as the past performance of the Grantee under the then current Franchise term. The Franchising Authority further agrees that such assessments shall be provided to the Grantee promptly so that the Grantee has adequate time to submit a proposal under Section 626(b) of the Cable Act and complete renewal of the Franchise prior to expiration of its term.

Notwithstanding anything to the contrary set forth in this subsection 4.3, the Grantee and the

Franchising Authority agree that at any time during the term of the then current Franchise, the Franchising Authority and the Grantee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the Franchising Authority may grant a renewal thereof.

In the event that the License is not renewed or at some future point revoked, the Grantee shall continue to operate the System for a period not to exceed six months, except as may be agreed to otherwise by the parties. Any renewal of this License shall be governed by and comply with the provisions of Sections 546 and 626 of the Cable Act, as amended.

Section 3 – Rates & Charges

3.1 Rates, Fees & Charges. The Licensing Authority may regulate rates for the provision of Basic Cable and equipment as expressly permitted by federal or state law.

Before any new or modified rate, fee, charge, deposit or associated term or condition may be imposed, the Grantee shall comply with the Ordinance, and specifically Article 8. Pursuant to Federal Law, Licensee will notify the Licensing Authority at least thirty days prior to any change in rate.

Section 4- The Cable System

4.1 Guidelines for System Facilities, Equipment and Services. The following performance guidelines shall serve as the initial minimum guidelines for the design, installation, maintenance and operation of the System.

4.1.1 Compliance with FCC Rules.

- (a) The System shall meet FCC requirements as set forth in 47 C.F.R. Part 76 or as amended. If federal law is subsequently amended or minimum technical specifications are no longer mandated by the FCC, the technical specifications in effect at the time of adoption of the License Agreement shall govern.
- (b) Should the FCC promulgate amended technical standards, which exceed the performance guidelines set forth within this License Agreement, Grantee shall operate its System so that it is capable of operating according to such FCC standards.
- (c) All maintenance performed on the Cable System by the Grantee shall be in accordance with FCC regulations governing technical performance and operating standards, currently in effect or hereinafter amended.
- (d) Picture and Sound Quality. The System shall be capable of relaying without noticeable distortion to every Subscriber:

- (1) All picture and picture information, including, but not limited to color,

teletext, closed-captioning information and other information displayed on a Subscriber's normally operating television screen; and

- (2) All sound and sound elements, including but not limited to stereo, second audio channel and all sub-carrier and/or otherwise modulated information reproduced by a Subscriber's normally operating television audio system.

4.1.2 Continuous 24-Hour Operation. The System shall operate continuously for 24 hours daily without severe material degradation of signal except immediately following extraordinary storms which adversely affect utility services or which damage major System components or other events that are reasonably beyond the Grantee's ability to anticipate or control.

4.1.3 Scheduled Testing. For any scheduled testing of the System which causes any interruption to any Subscriber's Service, the Grantee must make reasonable efforts to notify Subscribers by all means available prior to such testing and possible interruption.

4.1.4 Testing for Compliance with FCC Standards. Following construction of the System, tests shall be conducted on this System which shall meet FCC Cable Television System Technical Performance Standards of 47 C.F.R. §76.601 through and including §76.630. Throughout the term of this Agreement, the Grantee agrees that the Licensing Authority, upon reasonable prior written notice to the Grantee, may review such of the Grantee's books and records regarding the operation of the System and the provision of Cable Service in the Franchise Area which are reasonably necessary to monitor Grantee's compliance with the provisions of this Agreement at the Grantee's business office, during normal business hours and without unreasonably interfering with Grantee's business operations. Such books and records shall include, without limitation, any records required to be kept in a public file by the Grantee pursuant to the rules and regulations of the FCC. All such documents pertaining to financial matters that may be the subject of an audit by the Licensing Authority shall be retained by the Grantee for a minimum period of three years.

The Licensing Authority may designate and conduct tests on this System upon reasonable prior written notice to Grantee to ensure compliance with FCC rules and regulations at any time as allowed under FCC Rules and Regulations. The Licensing Authority is solely responsible for the costs of testing of the System.

4.1.5 Maintenance of the System in Good Working Order. Until the termination of this Agreement and the satisfaction in full by the Grantee of its obligations under this Agreement and the Ordinance, in consideration of the License, the Grantee agrees that it will maintain all of the material properties, assets and equipment of the System, and all such items added in connection with any upgrade, in good repair and proper working order and condition throughout the term of this Agreement.

4.1.6 Compliance with Zoning and Construction Codes. Grantee shall comply with the terms of all zoning, building and other ordinances, regulations, codes, guidelines and laws controlling the location or construction of towers, poles, cables, amplifiers, conduits and other facilities owned, leased and otherwise used by Grantee for the Cable System. This includes

requirements to obtain applicable permits and to pay applicable plan review, permit and inspection fees. No construction will take place in public easements or public rights-of-way prior to the permitting by and approval of Pinal County Public Works Department.

4.2 Specifications of the System.

- (a) General Requirements. Within ninety (90) days after the effective date of the Agreement, Grantee shall provide to the Licensing Authority a plan for construction of the System indicating, at least, a general overview of the construction schedule.
- (b) General Description. Grantee shall provide the Licensing Authority with notification of any changes to the channel lineup, in the event a change in the channel lineup occurs.
- (c) Design. The Cable System shall use a "fiber to the node" architecture.
- (d) Two-Way Activation and Modem Service. The System shall be two-way activated for Services that may include Internet access, pay-per-view and additional emerging technologies.
- (e) Grantee shall also offer high-speed cable modems to Subscribers unless market conditions dictate otherwise.

4.2.1 System Capacity. Grantee agrees to provide a *minimum* 870 Mhz System with Sixty Five (65) channel capacity and a minimum of 54 programmed channels at the time this Agreement goes into effect. For purposes of this section, the term "Channel" is meant to be a standard NTSC television channel occupying a 6 MHz bandwidth.

4.2.2 Headend Standby Power. Grantee shall provide standby power at the headend and at all hubs. Grantee shall maintain a standby generator capable of providing the power requirement for all electronic equipment, heating and ventilating and air conditioning, and associated equipment at a minimum. The standby generator shall have sufficient fuel storage for at least twenty four (24) hours.

4.2.3 Uninterruptible power shall be provided at the headend and hubs for all equipment that cannot have interruptions, such as computer-based equipment. All standby power shall have automatic response to loss of commercial power. The Grantee shall test the power generator(s) at least once a week, and shall keep a log of such testing, which Grantee shall make available to the Licensing Authority upon request.

4.2.4 Distribution System Standby Power. Grantee shall provide standby power at fiber nodes and other electronic equipment throughout the distribution system. Grantee shall provide standby power equipment capable of providing a minimum of 2 hours of backup.

4.2.5 Integration of Advancements in Technology. In addition to any upgrades required herein, it is the responsibility of the Grantee to upgrade its Cable System to integrate advancements in technology as market conditions dictate.

4.3 As changes are made in the System, Grantee agrees to provide a new set of as-built maps at least once each year, to reflect the current setup of the System.

4.4 Service for the Disabled. For hearing-impaired Subscribers, the Grantee shall provide information to them concerning the cost and availability of equipment to facilitate the reception of the closed- caption signal.

4.5 Interconnection. Upon the request of the Licensing Authority, the Grantee shall interconnect its System with any or all other Systems located in the County. Upon receiving the request of the Licensing Authority to interconnect, the Grantee shall immediately initiate good faith negotiations with the other affected Cable Systems in order that technical details be resolved and that costs may be shared on an equitable basis. Interconnection of Systems may be made by direct cable connection, microwave link, satellite or other appropriate methods. Such inter-connection shall be provided only if it is technologically and economically feasible for Grantee.

4.6 Emergency Alert System and Emergency Override. The Cable System shall be installed and operated with an emergency alert system in compliance with the rules of the Federal Communications Commission and the State of Arizona •Emergency Alert System Operation Plan ("State Plan," as amended from time to time, provided, however, that, the Cable System shall be configured such that, in the event of a local emergency as reasonably determined by the Licensing Authority, the Licensing Authority shall be able to interrupt, to the extent not prohibited by FCC regulations or the State Plan, all audio and video Signals distributed over the Cable System for the delivery of appropriate Signals necessitated by such emergency. The emergency override system will be operated in accordance with this License Agreement, and rules and regulations issued by the Licensing Authority as permitted by applicable law and as amended from time to time.

The Licensing Authority has an Emergency Operations Center. It is expected that the Licensing Authority in conjunction with the Office of Emergency Management for Pinal County will issue transmissions to interrupt all audio and visual signals over the Grantee's Cable System. Consistent with the FCC requirements, Licensing Authority shall provide an emergency alert system ("EAS") for the use in the event of an emergency or vital public information situation. The EAS can be activated from a touchtone phone by an official designated by the County, and which will provide at least all channel audio override. The County shall contact the Office of Emergency Maintenance for Pinal County of any testing of the EAS so that all testing of EAS is conducted at the same time as the Office of the Emergency Maintenance for Pinal County.

4.7 System Footprint.

4.7.1 Grantee shall maintain an architectural design plan of its current geographic footprint in Licensing Authority at all times. The architectural design plan shall remain in Grantee's possession when the Grantee determines that such plan is proprietary information. The Licensing Authority agrees to treat any information disclosed by the Grantee as

confidential and only to disclose it to those employees, representatives, and agents of the Licensing Authority that have a need to know in order to enforce this Franchise Agreement and who agree to maintain the confidentiality of all such information. The Grantee affirmatively asserts confidentiality of any of the following components of its architectural design plan:

- (1) Location of headend, nodes and all hub sites;
- (2) Technical description of equipment at headend, hubs, and nodes;
- (3) Technical analysis of coaxial cable design or nodal service areas including, for example, specifications for amplifiers, active and passive devices, fiber coupling equipment and power supplies; and
- (4) System level trunk maps to illustrate the architecture of the System.

The Licensing Authority shall have the opportunity to review such plans, as long as the Licensing Authority complies with this section, and comment on such plans.

Grantee's construction plan shall ensure that Service is extended to lower income areas as quickly as it is extended to higher income areas.

Section 5- Service Obligations

5.1 **Complimentary Public Service Drops.** The Licensing Authority acknowledges that complimentary services reflect a voluntary initiative on the part of Grantee. Grantee agrees to continue providing these services at a level consistent with that provided at the time of this Agreement. Grantee does not waive any rights it may have regarding complimentary services under federal law or regulation. Concerning complimentary services offered to the Licensing Authority, throughout the term of this Agreement, Grantee shall make one Service drop available, without charge, to all buildings owned and exclusively occupied within the Service Area by the Licensing Authority, and used for all non-commercial County purposes, and all accredited schools, colleges and public libraries that the Licensing Authority may designate within the Service Area as requested. This includes one free standard installation and wiring of one outlet within, and free Expanded Service to any existing and new governmental and institutional facilities that the Licensing Authority may designate. Notwithstanding anything to the contrary herein, this requirement only applies when the installation of a drop is within 200 feet of Grantee's existing cable system distribution plant, and Grantee can obtain the necessary rights of way upon reasonable terms and conditions.

5.1.1. All Service drops shall be completed within thirty (30) days of the request of such Service drops. Grantee shall not charge Licensing Authority monthly service charges for all Licensing Authority buildings to which a Service drop was requested, and such Service shall include at a minimum the basic levels of Cable Service offered by Grantee excluding digital services, premium, pay-per-view and pay channel programming, at no cost to the Licensing Authority. Grantee shall also provide all terminal equipment necessary to receive

programming and Services which may include up to three (3) converter boxes per location.

5.2 Line Extension. Whenever the Grantee receives a request for video Cable Service from a Subscriber in a contiguous unserved area where there are at least 15 unserved residences within 1320 linear cable strand feet (one quarter cable mile) from the portion of the Grantee's trunk or distribution cable which is to be extended, it shall extend its Cable System to such Subscribers at no cost to said Subscribers for the Cable System extension, other than the published Standard/Non Standard Installation fees charged to all Subscribers, provided that such extension is technically feasible and if it will not adversely affect the operation, financial condition or market development of the Cable System. Notwithstanding the foregoing, the Grantee shall have the right, but not the obligation, to extend the Cable System into any portion of the Service Area where another operator is providing Cable Service, or into any annexed area which is not contiguous to the present Service Area of the Grantee.

Subscriber shall not be refused service arbitrarily. However, if an area does not meet the density requirements of this section, the Grantee shall only be required to extend the Cable System to Subscriber(s) in that area if the Subscriber(s) are willing to share the capital costs of extending the Cable System. Specifically, the Grantee shall contribute a capital amount equal to the construction cost per mile, multiplied by a fraction whose numerator equals the actual number of residences per 1320 cable-bearing strand feet from the Grantee's trunk or distribution cable, and whose denominator equals 15. Subscribers who request service hereunder shall bear the remaining cost to extend the Cable System on a *pro rata* basis. The Grantee may require that payment of the capital contribution in aid of construction borne by such potential Subscribers be paid in advance. Subscribers shall also be responsible for any Non Standard Installation charges to extend the Cable System from the tap to the residence.

5.3 Customer Service Standards. Grantee shall furnish, render and sell Cable Service to its Subscribers in a manner which conforms to the FCC Customer Service Standards pursuant to 47 C.F.R. §76.309 as amended from time to time, and in accordance with the Ordinance, with the following specific standards:

5.4 Installations, Outages and Service Calls.

The Grantee will adhere to all the requirements of Article 10, in particular those aspects concerning installations, outages and service calls.

5.5 Communications between Grantee and Subscribers.

Grantee is expected to comply in full with the Ordinance, paying particular attention to Article 10 of the Ordinance, and is fully responsible for educating its employees, contractors and subcontractors with those provisions pertaining to the System, Subscribers and Services.

5.6 Resolution of Complaints.

Complaints shall be handled in accordance with Article 10 of the Ordinance.

5.7 Complaints Received by the Licensing Authority.

All Subscribers and residents may direct complaints and inquiries regarding Grantee's Service or performance to the Licensing Authority. The Licensing Authority will promptly submit those complaints and inquiries to Grantee as provided for in Article 10.6 of the

Ordinance.

5.8 Competitive Equity

(A) Overview.

The Grantee and the Licensing Authority acknowledge that there is increasing competition in the video marketplace among cable operators, direct broadcast satellite providers, telephone companies, broadband content providers and others; new technologies are emerging that enable the provision of new and advanced services to residents of the Licensing Authority; and changes in the scope and application of the traditional regulatory framework governing the provision of video series are being considered in a variety of federal, state and local venues. To foster an environment where video service providers using the public rights-of-way can compete on a competitively neutral and nondiscriminatory basis; encourage the provision of new and advanced services to the residents; promote local communications infrastructure investments and economic opportunities in the Licensing Authority; and provide flexibility in the event of subsequent changes in the law, the Grantee and the Licensing Authority have agreed to the provisions in this Section, and they should be interpreted and applied with such purposes in mind.

(B) New Video Service Provider

Notwithstanding any other provision in this Agreement or any other provision of law, if any Video Service Provider (i) enters into any agreement with the Licensing Authority to provide video services to subscribers in the Licensing Authority, or (ii) otherwise begins to provide video services to subscribers in the Licensing Authority (with or without entering into an agreement with the Licensing Authority), the Licensing Authority, upon written request of the Grantee, shall permit the Grantee to request an amendment to this Agreement to include Licensing Authority the same terms and conditions as apply to the new Video Service Provider. Upon request of the Grantee, the Licensing Authority shall consider all reasonable requests by the Grantee to enter into an agreement or other appropriate authorization (if necessary) containing the same terms and conditions as are applicable to the Video Service Provider and either commence negotiations or provide a response within sixty (60) days after the Grantee submits a written request to the Licensing Authority.

Section 6 – Educational and Government Channels

6.1 PEG Access.

In accordance with Section 611 of the Cable Act, and within a commercially reasonable amount of time and upon request of the Licensing Authority, Grantee shall make available on the Cable System in its lowest tier of service two (2) channels collectively known as “PEG Channels”. In order to preserve continuity to Subscribers with respect to PEG, in no event shall Grantee be required to provide more or different PEG content, support, or programming than any other Cable System or Video Service Provider.

6.2 Lines and Facilities. Grantee shall maintain the currently existing lines and facilities and equipment necessary for it to receive PEG Channel programming for simultaneous distribution on the Cable System. This shall include Grantee maintaining the lines, modulators and facilities (such as two-way activated drops) necessary to provide live program origination capability from the studios (or other similar fixed signal origination point) for the PEG Channels (but not video production or playback equipment). Nothing herein is intended to limit Grantee's rights under federal law, including, but not limited to, the FCC's Orders implementing Section 621(a)(1) of the Cable Communication Policy Act, as amended. In the event the Licensing Authority requests new or additional lines and/or facilities or upgrades to current lines from Grantee under this section, it shall do so at its own cost.

6.3 Educational and Government Access Capital Contributions. At any time during the term of this Franchise the Licensing Authority may require that the Grantee prospectively provide a "Capital Contribution," paid annually during the remaining term of the Franchise, to be used specifically for educational and governmental access as provided for in Paragraph 3.16.A. ("Grantee's Provision of Educational and Government Access Channels"). The Licensing Authority shall give the Grantee ninety (90) days' notice of such a requirement. The amount of the Capital Contribution payable by Grantee to the Licensing Authority shall not exceed Three Dollars (\$3.00) per year per primary connection. The Licensing Authority agrees that all amounts due to the Licensing Authority by the Grantee as the Capital Contribution may be added to the price of cable services, prorated monthly, and collected from the Grantee's Subscribers as "external costs," as such term is used in 47 C.F.R. 76.922. In addition, all amounts paid as the Capital Contribution may be separately stated on Subscribers' bills as permitted in 47 C.F.R. 76.985. The Capital Contribution will be payable by Grantee to the Licensing Authority after: a) the approval of the Licensing Authority, if required, to the inclusion of the Capital Contribution on Subscribers' bills including any required approval pursuant to 47 C.F.R. 76.933; b) notice to Grantee's Subscribers of the inclusion; and c) the collection of the Capital Contribution by the Grantee from its Subscribers. The Capital Contribution shall not be considered in the calculation of Franchise Fees pursuant to this Franchise.

Section 7 – Compensation and Other Payments

7.1 License Fee Amount.

A. The Grantee shall pay to the Licensing Authority a License Fee of Five Percent (5%) of annual Gross Revenue (as defined in subsection 1 of this License Agreement). In accordance with the Cable Act, the twelve (12) month period applicable under the License for the computation of the License Fee shall be a calendar year. The 5% License Fee described herein is in conformity with Pinal County Resolution No. 031099-CTOFS, as amended from time to time, which amount shall be based on Gross Revenues derived from the operation of the System to provide Cable Services in any twelve (12) month period and shall not exceed the maximum License fee permitted by applicable law.

B. All such payments of license fees shall be made on a quarterly basis and shall be remitted not later than 5:00 p.m. on April 30, July 31, October 31 and January 31 throughout the term of the License, together with a brief report prepared by a representative of the Grantee showing the basis for the computation.

C. In the event that the Grantee is required to pay a Franchise Application Fee in accordance with Pinal County Resolution No. 031099-CTOFS, Grantee may offset the franchise renewal fee against any franchise fees due and payable to Franchising Authority on the first quarterly payment.

D. All amounts paid by the Grantee as Franchise Fees may be passed through to customers and identified as a separate line item on the bill in accordance with 47 U.S.C 542, added to the price of Cable Services and collected from the Grantee's customers as "external costs" as such term is used in 47 C.F.R. 76.922. In addition, all amounts paid as Franchise Fees may be separately stated on customers' bills as permitted in 47 C.F.R. 76.985.

7.2 Continuing Obligation. In the event the Grantee continues to operate all or any part of the System after the term of this Agreement, then the Grantee shall continue to comply with all applicable provisions of this Agreement and the Ordinance, including, without limitation, all compensation and other payment provisions of this Agreement and the Ordinance, throughout the period of such continued operation, provided that any such continued operation shall in no way be construed as a renewal or other extension of this Agreement or the License.

7.3 All Rights Reserved. The Licensing Authority reserves all of its rights to regulate the Grantee's rates to the maximum extent permitted by law.

7.4 Security Fund. The parties agree that Grantee has presented a performance bond in the past to the Licensing Authority in the amount of Twenty Five Thousand Dollars (\$25,000.00) which shall continue to remain in full force and effect throughout the renewal of the License and this Agreement. Such performance bond shall constitute the Grantee's Security Fund which shall be subject to the terms and conditions of Article 13.8 of the Ordinance, and the following specific requirements:

The rights reserved to the County Manager with respect to the Security Fund are in addition to all other rights he may have under the Ordinance, the License Agreement, and any other law.

Failure to maintain the Security Fund shall constitute a violation of the License Agreement and the Ordinance.

7.5 Liquidated Damages.

Grantee acknowledges that the Licensing Authority has the right to impose liquidated damages for a failure by Grantee to comply with the Ordinance. Grantee acknowledges that a failure to comply with the Ordinance and this License shall result in injuries to the Licensing Authority and the residents, businesses and institutions of the Licensing Authority, the compensation for which will be difficult to ascertain and to prove, and that the liquidated damages amounts the Licensing Authority may impose pursuant to the Ordinance are not a penalty or forfeiture.

Penalties cited under Article 13.7.1 (j) of the Ordinance will apply for failure to meet the construction schedule and deadlines, as those deadlines are outlined in Section 4 of this License.

The Licensing Authority shall provide forty-five (45) days written notice of a violation before attempting to recover liquidated damages, and provide the Grantee with an opportunity to show (1) that violation did not in fact occur, or (2) that the violation has been cured, or (3) submit to the Licensing Authority an action plan that allows the Grantee the opportunity to cure alleged violation. If, during the forty-five (45) days period, the Licensee fails to cure or commence to cure alleged violation, the Licensing Authority may, after giving at least seven (7) business days advance written notice to Licensee, accrue damages against the Grantee from the date Grantee knew or should have known of the violation pursuant to the procedures set forth in Section 7.7 below.

7.6 Insurance. Pursuant to Article 14 of the Ordinance, the Licensing Authority and the Grantee shall agree upon and set forth any other insurance requirements in addition to the insurance and amounts required by the Ordinance.

7.7 Enforcement and Termination of Franchise

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

7.7.2 The Grantee's Right to Cure or Respond. The Grantee shall have thirty (30) days from receipt of the notice described in subsection 7.1: (A) to respond to the Licensing Authority, contesting the assertion of noncompliance, or (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 Licensing Authority of the steps being taken and the projected date that they will be completed.

7.7.3 Public Hearing. In the event that the Grantee fails to respond to the notice described in subsection 7.1 pursuant to the procedures set forth in subsection 7.7.2, or in the event that the alleged default is not remedied within thirty (30) days or the date projected pursuant to 7.2(C) above, if it intends to continue its investigation into the default and seek termination of the Agreement, then the Licensing Authority shall schedule a public hearing. The Licensing Authority shall provide the Grantee at least ten (30) 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.

7.7.4 Enforcement. Subject to applicable federal and state law, in the event the Licensing Authority, after completion of the steps set forth above in subsection 7.7.1 and 7.7.2, determines that the Grantee is in default of any provision of the Franchise, the Licensing Authority may:

- A. Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages; or

- B. Commence an action seeking liquidated damages or seek other equitable relief;
or
- C. In the case of a substantial default of a material provision of the Franchise, seek to revoke the Franchise in accordance with the terms of this Agreement.

7.7.5 Revocation. Should the Licensing Authority seek to revoke the Franchise after following the procedures set forth in subsections 7.7.1-7.7 above, the Licensing Authority shall give written notice to the Grantee of the Licensing Authority's intent to revoke the Franchise. The notice shall set forth the exact nature of the noncompliance. The Grantee shall have ninety (90) days from such notice to object in writing and to state its reasons for such objection. In the event the Licensing Authority has not received a satisfactory response from the Grantee, it may then seek termination of the Franchise at a public hearing. The Licensing Authority shall meet with the Grantee who shall be provided an opportunity to state its position on the matter, after which it shall determine whether or not the Franchise shall be revoked. The Licensing Authority may, at its sole discretion, take any lawful action which it deems appropriate to enforce the Licensing Authority's rights under the Franchise in lieu of revocation of the Franchise.

Section 8 – Miscellaneous Provisions

8.1 Controlling Authorities. This Agreement is made with the understanding that its provisions are controlled by the Cable Act, other federal law, state law, and all applicable local law, ordinances, and regulations.

8.2 Appendices.
The Appendices to this Agreement, attached hereto, and all portions thereof and exhibits thereto, are, except as otherwise specified in such Appendices, incorporated herein by reference and expressly made a part of this Agreement.

8.3 Time of the Essence.
Whenever this License Agreement sets forth any time for any action to be performed by, or on behalf of, Grantee, that time shall be deemed of the essence.

8.4 Subsequent Action by State or Federal Bodies.

8.4.1 Complete Agreement. It is the intent of the Licensing Authority and Grantee that the terms, conditions and obligations set forth in this License Agreement shall govern their relationship for the full term of the License Agreement. In the event that any court, agency, commission or other authority of competent jurisdiction declares this License Agreement invalid, in whole or in part, or requires Grantee either to:

- (a) perform any act which is inconsistent with any provision of this License Agreement, or
- (b) cease performing any act required by any provision of this Agreement, then

Grantee shall not be required to comply with any term declared invalid and shall comply with any requirements of the court.

8.4.2 Governing Law. This Agreement shall be deemed to be executed in the County of Pinal, State of Arizona, and shall be governed in all respects, including validity, interpretation and effect, and construed in accordance with, the laws of the State of Arizona, as applicable to contracts entered into and to be performed entirely within that State. The terms and conditions of this Agreement shall be governed by and interpreted in accordance with federal law and where federal law is not controlling, the laws of the State of Arizona.

Either party may seek a ruling about the applicability to the terms of this License Agreement of any court determination, federal or state law or regulation rendered, issued, approved, adopted or enacted after the execution of this License Agreement.

8.5 Non-enforcement by Licensing Authority. Grantee shall not be relieved of its obligation to comply with any of the provisions of this Agreement by reason of any failure of the Licensing Authority to enforce prompt compliance.

8.6 Delays and Failures beyond Control of Grantee or the Licensing Authority. Notwithstanding any other provisions of this Agreement, no party to this Agreement shall be liable for delay in performance of, or failure to perform, in whole or in part, its obligations pursuant to this Agreement due to strike, war or act of war (whether an actual declaration of war is made or not), insurrection, riot, civil disturbance, sabotage or vandalism, Subscriber tampering or interference, act of public enemy, accident, fire, flood, unavailability of materials or equipment, inability to obtain with diligent efforts any necessary permit or authorization which was requested in writing from the Licensing Authority, or other events, where that party has exercised all due care in the prevention thereof to the extent that those causes or other events are beyond its control. In the event that any delay in performance or failure to perform affects only part of a party's capacity to perform, it shall perform to the maximum extent it is able to do so and shall take all steps within its power to correct the cause(s).

Grantee and the Licensing Authority agree that in correcting the cause(s), they shall take all reasonable steps to do so in as expeditious a manner as possible. Grantee or the Licensing Authority shall notify the other party in writing of the occurrence of an event covered by this section within a reasonable period of time after it learns of its occurrence.

With specific reference to unavailability of materials or equipment, Grantee shall provide to Licensing Authority within fifteen (15) days of Licensing Authority's request, a written explanation of the efforts Grantee has taken to obtain equipment and materials in a timely manner.

8.7 Conflicts of Interest. The provisions of A.R.S. §38-511 relating to cancellation of contracts due to conflicts of interest shall apply to this Agreement.

8.8 Severability. If any section, subsection, sentence, clause, phrase, or other portion of this Agreement is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body, or other authority of competent jurisdiction, such portion shall

be deemed a separate, distinct, and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect.

8.9 Written Notice. All notices shall be in writing and shall be sufficiently given and served upon the other party by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed as follows:

THE LICENSING AUTHORITY:
Pinal County Board of Supervisors
31 North Pinal Street, Building A
PO Box 827
Florence AZ 85232-0827

With a copy to:

Pinal County
Public Works Department
Admin Division
PO Box 727
Florence, AZ 85132

GRANTEE:

Comcast of Arizona, LLC
Attn: External Affairs
8251 N. Cortaro Road,
Tucson, Arizona 85743

With a copy to the following:

Comcast Cable Corporation
Attn. Government Affairs
9602 S. 300 W.
Sandy, Utah 84070

Comcast Corporation
Legal Department
1701 John F Kennedy Blvd.
Philadelphia PA 19103

8.10 Notifications. The Grantee will notify the Licensing Authority thirty (30) days in advance of any change of U.S. postal mailing address, electronic mail address, telephone and fax numbers, or physical site address for the Grantee's principal place of business.

8.11 Titles. Titles to sections and subsections of this Agreement are provided for ease of

locating information within the Agreement. A title shall not be deemed to change or alter the meaning of any section or subsection. The language of each section and subsection shall control its interpretation.

8.12 Modification. Except as otherwise provided in this Agreement, any Appendix to this Agreement, or applicable law, no provision of this Agreement nor any Appendix to this Agreement, shall be amended or otherwise modified in whole or in part, except by an instrument, in writing, duly executed by the parties hereto in the same manner as this Agreement.

8.13 Venue and Attorney Fees. Any action at law or in equity brought by either party for the purpose of enforcing a right or rights provided for in this Agreement shall be tried in a court of competent jurisdiction in Pinal County, Arizona, or in Federal District Court in the Arizona Federal District located in Phoenix, Arizona. The parties hereby waive all provisions of law providing for a change of venue in such proceeding to any other county or Federal District Courts if any actions are filed in Pinal County, Arizona, or if they are filed in the Arizona Federal District Court in Phoenix, Arizona. In the event either party shall bring suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition in this Agreement, it is mutually agreed that the prevailing party in such action shall recover all costs including reasonable attorney's fees to be determined by the court in such action. This is not, however, a waiver of any constitutional or legal right or privilege of the part of the Grantee.

8.14 No Third Party Beneficiaries. By entering into this Agreement, the parties expressly do not intend to create any obligations or liabilities, or promise any performance to, any third party, nor have the parties created for any third party any right to enforce the terms of this Agreement.

8.15 Relationship between the Parties. Nothing contained in this Agreement shall be construed as creating an association, trust, partnership, joint venture, or agency relationship of any kind between the parties. Each party shall be individually liable for its own duties, obligations and liabilities under this Agreement.

8.16 No Agency. The Grantee shall conduct the work to be performed pursuant to this Agreement and the Ordinance as an independent contractor and not as an agent of the Licensing Authority.

8.17 Mutual Representations and Warranties of Authority. The parties each represent and warrant that they have full authority to enter into and to perform under this Agreement, and that no further approvals, licenses or actions by a governmental agency are required by either party to execute and enter into this License Agreement.

8.18 Additional Representations and Warranties. In addition to the representations, warranties, and covenants of the Grantee to the Licensing Authority set forth elsewhere herein, the Grantee represents and warrants to the Licensing Authority and covenants and agrees (which representations, warranties, covenants and agreements shall not be affected or waived by any inspection or examination made by or on behalf of the Licensing Authority) that, as of

the Effective Date:

8.18.1 Organization, Standing and Authorization.

The Grantee is a Colorado Corporation and is duly authorized to do business in the State of Arizona and in the Service Area.

8.18.2 Compliance with Law.

The Grantee is in compliance with all laws, ordinances, decrees and governmental rules and regulations applicable to the System and will file and diligently pursue all government licenses, permits, and authorizations necessary for the operation and maintenance of the System within 60 days after acceptance of any License; and further, will diligently pursue all other forms of approval or authorization necessary to construct, operate, maintain, repair or upgrade the System, or any part thereof, prior to commencement of any such activity. No construction will take place in public easements or public rights-of-way prior to the permitting by and approval of Pinal County Public Works Department.

8.19 Entire Agreement. This Agreement, including all Appendices, embodies the entire understanding and agreement of the Licensing Authority and the Grantee with respect to the subject matter hereof and merges and supersedes all prior representations, agreements, and understandings, whether oral or written, between the Licensing Authority and the Grantee with respect to the subject matter hereof, including, without limitation, all prior drafts of this Agreement and any Appendices to this Agreement and any and all written or oral statements or representations by any official, employee, agent, attorney, consultant or independent contractor of the Licensing Authority or the Grantee. All other agreements between the Grantee and the Licensing Authority that are in conflict with the provisions of this Agreement are hereby declared invalid and superseded. In the event that the terms of this Agreement conflict with any other agreement(s) the terms included herein shall be controlling.

8.20 Survival. All representations and warranties contained in this Agreement shall survive the term of the Agreement.

8.21 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted transferees and assigns. All of the provisions of this Agreement and the Ordinance apply to the Grantee, its successors, and assigns.

8.22 No Waiver: Cumulative Remedies. No failure on the part of the Licensing Authority or the Grantee to exercise, and no delay in exercising, any right or remedy hereunder and the Ordinance including, without limitation, the rights and remedies set forth in Article 13 of the Ordinance, shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other right or remedy, all subject to the conditions and limitations established in the Ordinance and this Agreement.

The rights and remedies provided herein including, without limitation, the rights and

remedies set forth in Article 13 of the Ordinance, are cumulative and not exclusive of any remedies provided by law, and nothing contained in this Agreement shall impair any of the rights or remedies of the Licensing Authority under applicable law, subject in each case to the terms and conditions of the Ordinance and this Agreement.

IN WITNESS WHEREOF, the Chairperson of the Pinal County Board of Supervisors, duly authorized by the Pinal County Board of Supervisors, has caused the corporate name to be hereunto signed and the corporate seal to be herewith affixed and the Grantee, by its officer(s) duly authorized, has caused its name to be herewith signed and its seal to be herewith affixed as of the date and year first above written.

PINAL COUNTY, ARIZONA

BY: _____
Chairman
Pinal County Board of Supervisors

ATTEST:

Clerk Name
Clerk of the Board

APPROVED AS TO FORM

Deputy County Attorney

ACCEPTED AND APPROVED this ____ day of _____, 2016.

GRANTEE – COMCAST OF ARIZONA, LLC

Signature

Printed Name

Title

State of _____

County of _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2016 by _____ of Comcast of Arizona, LLC on behalf of the corporation.

Notary Public

APPENDIX A

**LEGAL DESCRIPTION
OF PROPOSED SERVICE AREA**

Sections 4, 7, 8, 9, 17, 18, 20, 21, 22, 23, 25, 26, 27, 28, 29, 31, 32, 33, and 34, Township 10 South, Range 14 East, G&SRB&M, Pinal County, Arizona.

