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City Council Document Tracking Sheet

Meeting Date:	3/14/2012
Sponsor(s):	Emanuel, Rahm (Mayor)
Type:	Ordinance
Title:	Renewal of franchise agreement with RCN Cable TV
Committee(s) Assignment:	Committee on Finance

FIN.



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

March 14, 2012

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Business Affairs and Consumer Protection, I transmit herewith an ordinance authorizing the execution of a franchise renewal agreement with RCN Cable TV.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Rahm Emanuel".

Mayor

ORDINANCE

WHEREAS, Pursuant to section 4-280-100 of the Municipal Code of Chicago, the City Council is authorized to renew a nonexclusive franchise creating a right to construct and operate a cable system within the public ways of the City; and

WHEREAS, RCN Cable TV of Chicago, Inc. ("RCN") currently maintains and operates a cable system in City of Chicago Franchise Area 1 pursuant to a Cable Television Franchise Agreement with a predecessor company, 21st Century Cable TV, Inc., which became effective on June 24, 1996 (the "RCN Franchise"); and

WHEREAS, The RCN Franchise, originally scheduled to expire on June 26, 2011, was extended pursuant to ordinance to September 30, 2011; and

WHEREAS, RCN has expressed an interest to the Cable Administrator to renew the RCN Franchise and to continue to provide cable service in Chicago; and

WHEREAS, Following negotiations with RCN, the Cable Administrator has reached a franchise renewal agreement that is fair and reasonable, and which will benefit cable consumers; and

WHEREAS, Section 6(a) of Article VII of the Illinois Constitution provides that a home rule unit "may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare; to license; to tax . . ."; and

WHEREAS, The City Council Committee on Finance has conducted a public hearing affording RCN and members of the public a reasonable opportunity to comment on the proposed RCN franchise renewal agreement; and

WHEREAS, After reviewing the franchise renewal agreement, the legal, financial, technical and character qualifications of RCN, and the public interest, the City Council has determined that it is in the best interests of the City of Chicago to grant a non-exclusive renewal franchise to RCN, to extend, install, maintain and operate a cable system within Franchise Area 1 of the City of Chicago; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The Mayor is hereby authorized to enter into a franchise renewal agreement between the City of Chicago and RCN Cable TV of Chicago, Inc., in substantially the form attached hereto.

SECTION 2. This ordinance shall be in force and effect upon its passage and approval.

FRANCHISE RENEWAL AGREEMENT

Franchise Area 1

Following is the cable system Franchise Renewal Agreement entered into between the City of Chicago and RCN Cable TV of Chicago, Inc. pursuant to the Chicago Cable Communications Ordinance. The effective date of this Agreement is April 1, 2012.

Preamble	1
Section 1. Definitions	2
Section 2. Grant of Authority	3
2.1 Grant of Franchise	3
2.2 Term and Effective Date of This Agreement	4
2.3 Territorial Extent of Franchise	4
2.4 Acts or Omissions of Affiliates	4
Section 3. Incorporation of Other Documents and Laws by Reference	4
Section 4. Franchise Fee and Other Fees	4
4.1 Franchise Fee	5
4.2 Subsequent Action Affecting Franchise Fee	5
4.3 Other Fees and Costs	5
4.4 Not a Tax	5
4.5 Recomputation	6
4.6 Interest	6
Section 5. Insurance and Bonds	6
5.1 Types and Amounts of Insurance	6
5.2 General Requirements For All Types and Amounts of Insurance	8
5.3 Performance Bonds	10
5.4 Right to Require Replacement of Insurance or Bonds	10
5.5 Insurance for Contractors and Subcontractors	11
5.6 Alterations	11
5.7 The City's Right To Increase Minimum Amounts	11
5.8 No Excuse from Performance	11
5.9 Endorsement	11
Section 6. Letter of Credit	12
6.1 Form and Amount	12
6.2 Endorsement	12
Section 7. Extraordinary Service	12
7.1 Extra-Long Drops	12
7.2 Non-Standard Installations	13
Section 8. System Design	13
8.1 Subscriber Network System	13
8.2 Additional Channels/Institutional Network	13

8.3	Twenty-Four Hour Operation	14
8.4	Alternative Design.....	14
8.5	Interference.....	14
8.6	Reliability and Safety	14
8.7	Satellite Earth Stations	14
8.8	Standby Power	15
8.9	Standby Capability	15
8.10	Status/Performance Monitoring.....	15
8.11	Equipment.....	15
8.12	Emergency Alert System.....	15
Section 9.	Technical Standards	16
9.1	Performance Requirements	16
9.2	Subscriber Network System	16
9.3	Institutional Network.....	16
9.4	Performance Measurement Standards.....	17
9.5	Test Procedures	17
Section 10.	Maintenance of System.....	17
Section 11.	"As-Built" Maps	17
Section 12.	Construction Requirements and Standards.....	17
12.1	General.....	17
12.2	Compliance Standards	19
12.3	Construction and Installation Manual	19
12.4	The Grantee's Construction and Inspection Manual	20
12.5	Engineering Site Survey	20
12.6	Restoration	20
12.7	Tree Trimming on Public and Private Property	20
12.8	New Technologies.....	21
12.9	Contractors and Subcontractors	21
Section 13.	Extension of Service	21
13.1	New Developments	21
13.2	Annexation.....	22
Section 14.	Intra-City Interconnection	22
14.1	Purpose.....	22
14.2	Capacity and Timetable	22
14.3	Interconnection Responsibilities.....	23
14.4	Construction and Technical Standards	23
14.5	Fees, Rules, Etc.....	23
Section 15.	Channel Allocation	24

15.1	Standard Allocation	24
Section 16.	Aeronautical Frequencies	24
Section 17.	Local Origination	24
Section 18.	Chicago Access Corporation.....	25
18.1	Channel Commitments	25
18.2	Equipment.....	25
18.3	Programming Authority	26
18.4	CAC/The Grantee Policies and Procedures	26
18.5	Other Assistance.....	26
Section 19.	Leased Access.....	27
Section 20.	Municipal Utilization	27
Section 21.	Payments and Contributions.....	28
Section 22.	Employment Requirements	29
22.1	Affirmative Action.....	29
22.2	Equal Employment Opportunity/Affirmative Action Plan	29
22.3	Pass-Through Requirements	29
22.4	Local Residents.....	30
22.5	Unions	30
22.6	Training	30
22.7	Records.....	30
22.8	Reporting Requirements	31
22.9	Compliance	31
Section 23.	Contractors and Subcontractors	31
23.1	Local Businesses.....	31
23.2	Minority Business Enterprises (MBEs)	31
23.3	Women's Business Enterprises (WBEs)	32
23.4	Business Enterprise Plans	32
23.5	Reporting Requirements	32
23.6	Compliance	33
Section 24.	Customer Services	33
24.1	Business Offices and Personnel	34
24.2	Subscriber Complaints	34
24.3	Major Outages	34
24.4	Requests for Installation	35
24.5	Translated Information	35

24.6	Information Filed With The City	35
24.7	Employee Identification	35
24.8	Nondiscrimination	36
24.9	Late Fees	36
Section 25.	Privacy	37
25.1	Requirements	37
25.2	Monitoring, Collection, Use or Release	38
25.3	Privacy Information	38
25.4	Ownership of Data	38
25.5	Court-Ordered Disclosure	39
25.6	<i>Destruction of Information</i>	39
25.7	Request for Information	39
Section 26.	Enforcement	39
26.1	Sanctions	39
26.2	Notice of Violation	40
26.3	Notice of Assessment	40
26.4	Withdrawal from Letter of Credit	40
26.5	Substituted Damages	41
26.6	Monetary Penalties, Fines and Other Monetary Sanctions	41
26.7	Act or Omission Beyond The Grantee's Control	42
26.8	Other Rights of The City	42
26.9	No Waiver of Rights	42
Section 27.	Miscellaneous Provisions	42
27.1	Governing Law	42
27.2	Descriptive Headings	42
27.3	Employees and Agents	42
27.4	Rights Reserved to The City	43
27.5	Compliance with The Cable Ethics Ordinance	43
27.6	No Inducement	43
27.7	No FCC Waiver Without Notice to The City	43
27.8	No Excuse from Compliance	43
27.9	Transfer of Franchise	43
27.10	City Action	44
27.11	Force Majeure	44
27.12	Severability	44
27.13	Notices	44
27.14	Minority Ownership/Participation	45
27.15	Consistency of Franchise Agreements	45
EXHIBIT A --	FORM OF ACCEPTANCE	47
EXHIBIT B --	STANDARD CHANNEL ALLOCATION	49

EXHIBIT C -- GRANT AGREEMENT	50
EXHIBIT D -- MUNICIPAL UTILIZATION.....	58
EXHIBIT E -- EEO/AA PLAN	62
EXHIBIT F -- MBE AND WBE PLANS.....	66
EXHIBIT G -- VIDEO ON DEMAND	70

Preamble

This Agreement, made and executed by and between the City of Chicago (the "City") and RCN Cable TV of Chicago, Inc., a Delaware corporation with its principal place of business at 2640 West Bradley Place, Chicago, Illinois 60618 ("RCN" or "the Grantee"):

WITNESSETH

WHEREAS, Section 6(a) of Article VII of the Illinois Constitution provides in relevant part that a home rule unit "may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare; to license; to tax . . ."; and

WHEREAS, Section 5/11-42-11 of the Illinois Municipal Code, 65 ILCS 5/11-42--11, provides in relevant part that "[T]he corporate authorities of each municipality may license, franchise and tax the business of operating a community antenna television system . . ."; and

WHEREAS, The City Council of the City of Chicago (the "City Council") adopted Chapter 4-280 of the Municipal Code of Chicago, "Chicago Cable Communications Ordinance" (the "Cable Ordinance"), on February 10, 1982, to provide for the non-exclusive franchising and regulation of cable systems within the City; and

WHEREAS, The City Council adopted Chapter 4-284 of the Municipal Code of Chicago, "Chicago Cable Ethics Ordinance" (the "Cable Ethics Ordinance"), on April 21, 1982, to ensure that the awarding of franchises for and operation of cable systems within the City be conducted free of conflict of interest or the appearance of conflict of interest and with maximum protection to enhance public confidence in the cable services franchise award process and the operations of all franchised cable services within the City; and

WHEREAS, The City seeks to provide cable franchises and renewals in an evenhanded and nondiscriminatory manner, taking all relevant facts and circumstances into account, so as to allow all cable system franchisees to provide service within the City on a fair and competitive footing; and

WHEREAS, The Grantee has constructed and installed, and is currently maintaining and operating a cable system in City of Chicago Franchise Area 1 pursuant to a Cable System Franchise Agreement which became effective on June 24, 1996 and which was scheduled to expire on June 23, 2011, but which was extended by ordinance passed by the City Council on July 6, 2011 and appearing in the Journal of Proceedings of such date at p. 2048, extending such Cable System Franchise Agreement until

September 30, 2011; and

WHEREAS, The Grantee and the City agreed to conduct franchise renewal negotiations; and

WHEREAS, The Cable Administrator of the City of Chicago (the "Cable Administrator") and the Grantee have negotiated a mutually acceptable Franchise Renewal Agreement; and

WHEREAS, The Cable Administrator has posted an electronic copy of the negotiated Franchise Renewal Agreement on its website, which can be accessed online at public libraries throughout the City so that the public would have the opportunity to be informed regarding the Franchise Renewal Agreement; and

WHEREAS, After reviewing the Franchise Renewal Agreement and after considering the comments made thereon, the legal, financial, and technical qualifications of the Grantee, and the public interest, the City Council has determined that it is in the best interests of the City and all persons located therein to renew the non-exclusive franchise of RCN, to extend, install, maintain and operate a cable system within Franchise Area 1 of the City; and

WHEREAS, The Grantee has voluntarily agreed to various terms in this Agreement that the City could not have legally required as conditions precedent to a cable system franchise renewal, and each party recognizes that such agreement was voluntary on the part of the Grantee;

NOW, THEREFORE, it is hereby agreed as follows:

Section 1. Definitions

Unless the context clearly indicates that a different meaning is intended, for purposes of this Agreement all terms, phrases, words or their derivations shall be defined as set forth in Section 4-280-030 of the Cable Ordinance, or as follows; provided, however, that terms, phrases, words or their derivations not defined in the Cable Ordinance or in this Agreement shall be given their common and ordinary meanings:

(1) "Activation" means that sufficient facilities have been constructed and installed by the Grantee in accordance with applicable federal, state and local laws and regulations or other standards so as to permit a person with proper terminal equipment to receive the services offered by the Grantee.

(2) "Affiliates" means any person or entity that directly or indirectly controls or is controlled by or is under common control with the Grantee.

(3) "Commercial Use" means the use of such PEG access facilities where the primary purpose is generating profit, and includes, by way of example, the selling of air-time, and any programming or use which, in whole or in part depicts, demonstrates, or discusses products, services, or businesses for the primary purpose of benefiting or enhancing a profit-making enterprise.

Commercial Use does not include by way of example, (a) programming and the identification of financial supporters similar to what is provided on public broadcasting channels; (b) the solicitation of financial support for the provision of PEG access by those entities that manage access facilities and for charitable, educational or governmental purposes; or (c) programming offered by accredited public educational institutions which may offer tele-courses over an educational PEG channel.

(4) "Communications Act" means the Communications Act of 1934, 47 U.S.C. Section 151 et seq., as amended.

(5) "Franchise Area 1" means that portion of the City set forth in the Cable Ordinance referenced in Section 2.3 of this Agreement and any subsequent annexations to Franchise Area 1 by the City pursuant to Section 13.2 of this Agreement during the term of this Agreement.

(6) "Institutional Network" or "I-Net" means a dedicated, high-speed, high-capacity telecommunications network with upstream and downstream capability, designed and constructed to connect the facilities of public institutions, and capable of interconnecting with other telecommunications networks.

(7) "Major Outage" means the simultaneous loss of service (i.e. total loss of signals on any cable of the Grantee's subscriber network system) to five hundred (500) or more subscribers.

Section 2. Grant of Authority

2.1 Grant of Franchise

Pursuant to the Communications Act and Section 4-280-040 of the Cable Ordinance, which together with the Cable Ethics Ordinance, provide the local regulatory framework for all cable systems within the City, the City hereby renews the Grantee's nonexclusive franchise to extend, install, maintain and operate a cable system within Franchise Area 1 on the terms and conditions set forth in this Agreement, in the Communications Act, in the Cable Ordinance, in the Cable Ethics Ordinance and applicable state law.

The renewed franchise agreement neither authorizes RCN to use the Public rights-of-way for purposes of providing any service other than cable services, nor prohibits RCN from doing so. Any authority RCN may have to provide non-cable service

shall be subject to municipal, state and federal law. No privilege or power of eminent domain is bestowed by the renewed franchise agreement.

2.2 Term and Effective Date of This Agreement

This Agreement shall take effect at 12:00:01 a.m. on April 1, 2012(the "Effective Date"), provided that: (1) the City Council has also approved this Agreement and thereby renewed the Grantee's franchise pursuant to Section 4-280-100(C) of the Cable Ordinance, and (2) the Grantee has also accepted this Agreement and the franchise renewal granted hereunder pursuant to Section 4-280-470 of the Cable Ordinance by executing, within thirty (30) days after the date of passage by the City Council of an ordinance approving and adopting this Agreement and the franchise renewal granted hereunder, the Form of Acceptance set forth in Exhibit A attached to this Agreement and made a part hereof. Pursuant to Section 4-280-060 of the Cable Ordinance, the term of this Agreement and the franchise renewal granted hereunder shall be ten (10) years, commencing on the Effective Date.

2.3 Territorial Extent of Franchise

The territorial extent of Franchise Area 1 is as defined in Section 1(5) of this Agreement and currently as set forth in the Cable Ordinance.

2.4 Acts or Omissions of Affiliates

During the term of this Agreement, the Grantee shall be liable for the acts or omissions of its affiliates while such affiliates are involved directly or indirectly in the, installation, maintenance, extension or operation of the Grantee's cable system as if the acts or omissions of such affiliates were the acts or omissions of the Grantee.

Section 3. Incorporation of Other Documents and Laws by Reference

This Agreement and the ordinance adopting this Agreement supplement and harmonize the regulatory framework set forth in the Cable Ordinance and the Communications Act; and this Agreement and the ordinance adopting this Agreement shall at all times be read and construed for consistency and compatibility with the provisions of the Cable Ordinance and the Communications Act as read and interpreted in concert each with the other.

Section 4. Franchise Fee and Other Fees

The terms and conditions set forth in this Section 4 are pursuant to the terms and conditions set forth in Section 4-280-130 of the Cable Ordinance.

4.1 Franchise Fee

Pursuant to Sections 4-280-130(A) and (B) of the Cable Ordinance, the Grantee shall pay to the City a franchise fee of five percent (5%) of the annual gross revenues received by the Grantee during the period of its operation under this Agreement. In the event that Grantee bundles or combines Cable Services (which are subject to the Franchise Fee) with Non-Cable Services (which are not subject to the Franchise Fee) so that Subscribers pay a single fee for more than one class of service resulting in a discount on Cable Services, Grantee agrees that for the purpose of calculation of the Franchise Fee, it shall allocate to Cable Service revenue no less than a pro rata share of the revenue received for the bundled or combined services. The pro rate share shall be computed on the basis of the published charge for each service in the bundled or combined classes of services when purchased separately.

4.2 Subsequent Action Affecting Franchise Fee

If, during the term of this Agreement, any court, agency or other entity of competent jurisdiction takes any action or makes any declaration that adversely affects the amount or method of payment of the franchise fee set forth in Section 4.1 of this Agreement, the City and the Grantee shall promptly enter into negotiations to amend this Agreement to make the City whole in a manner consistent with said action or declaration by restoring the City to a position equivalent to that which the City held prior to said action or declaration.

4.3 Other Fees and Costs

Pursuant and in addition to Section 4-280-280(A) of the Cable Ordinance, the Grantee shall pay all fees necessary to obtain all federal, state and local licenses, permits and authorizations required for the, installation, maintenance, extension or operation of the Grantee's cable system; provided, however, that no additional or special fees shall be imposed on the Grantee by the City for any such license, permit or authorization other than fees applicable to other persons for such licenses, permits or authorizations and that no fees shall be imposed on the Grantee by the City for any permits and/or inspections for attachments to utility poles or service drops. Additionally, the City shall use its best efforts to assist the Grantee in obtaining all such local licenses, permits and authorizations in an expeditious and timely manner. Grantee shall also pay all costs necessary to repair or restore the public rights-of-way caused by the Grantee's installation, maintenance, extension or operation of the Grantee's cable system.

4.4 Not a Tax

Payment by the Grantee to the City of the franchise fee and other fees and costs set forth herein shall not be considered in the nature of a tax, but shall be in addition to any and all federal, state and local taxes, that are separate and distinct obligations of the Grantee.

4.5 Recomputation

Pursuant to Section 4-280-130 of the Cable Ordinance, the City expressly reserves the right to inspect the Grantee's books and records and to audit and recompute the amount determined to be payable to the City as a percentage of the Grantee's gross revenues as defined in Section 4-280-030(M) of the Cable Ordinance ("Gross Revenues"); provided that the City shall be reimbursed by the Grantee for the City's costs in connection with exercising the City's rights consistent with Section 4-280-190 of the Cable Ordinance. If, after exercising such right, the City determines that an additional amount is due from the Grantee, the Grantee shall pay such additional amount, together with applicable interest, within thirty (30) days after the Grantee's receipt of notice from the City pursuant to Section 4-280-130 of the Cable Ordinance. The City's rights pursuant to this Section 4.5 shall also apply to verification of all other payments for which the Grantee is obligated pursuant to this Agreement. Notwithstanding the document retention period provided in Section 4-280-190(C) of the Cable Ordinance, the Grantee shall retain all books and records for inspection by the City for a period of six (6) years following the close of the fiscal year to which the records apply.

4.6 Interest

If any payments for which the Grantee is obligated pursuant to this Agreement are not made on or before the due dates, the Grantee shall make such payments from such due date in the amount due and owing until such amount is paid in full plus an amount of interest calculated at the rate of one percent (1%) per month. If an additional amount is due as a result of the recomputation referred to in Section 4.5 of this Agreement and such amount is not paid within thirty (30) days after the Grantee's receipt of notice from the City pursuant to Section 4-280-130(C) of the Cable Ordinance, the Grantee shall pay the amount due and owing until such amount is paid in full plus an amount of interest calculated at the rate of one per cent (1%) per month. The obligations and calculations set forth in this Section 4.6 shall apply to all payment obligations of the Grantee as set forth in this Agreement.

Section 5. Insurance and Bonds

The Grantee expressly acknowledges and agrees that the requirements set forth in this Section 5 are in addition to the obligations of the Grantee pursuant to Section 4-280-140 of the Cable Ordinance.

5.1 Types and Amounts of Insurance

Pursuant and in addition to Section 4-280-140 of the Cable Ordinance, the Grantee shall procure and maintain at all times, at the Grantee's own expense, during the term of this Agreement, and during any time period following expiration of this Agreement if the Grantee is required to perform additional work or services in connection

with this Agreement for any reason whatsoever, the types of policies of insurance specified below, with insurance companies authorized to do business in the State of Illinois covering all operations under this Agreement, whether performed by the Grantee or, by way of illustration and not limitation, any and all of the Grantee's contractors, subcontractors, architects, engineers, construction managers, agents or consultants (collectively "Contractors and Subcontractors").

The types of policies of insurance and current minimum limits of liability and related coverages required pursuant to Section 5 of this Agreement are as follows:

(1) Workers Compensation and Employers Liability Insurance

Workers Compensation Insurance, in accordance with the laws of the State of Illinois, or any other applicable jurisdiction, covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of liability of not less than five hundred thousand dollars (\$500,000.00) each accident or illness.

(2) Commercial General Liability Insurance (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than ten million dollars (\$10,000,000.00) per occurrence for bodily injury, personal injury, and property damage liability. Coverage extensions shall include the following: all premises and operations, products/completed operations, explosion, collapse, underground, independent contractors, separation of insured, and contractual liability (with no limitation endorsement).

Contractors and Subcontractors shall be required to maintain Commercial General Liability Insurance limits of not less than one million dollars (\$1,000,000.00), but shall otherwise be subject to the same requirements as the Grantee.

(3) Automobile Liability Insurance (Primary and Umbrella)

When any motor vehicles owned, non-owned or hired are used in connection with work or services to be performed pursuant to this Agreement, the Grantee shall provide Comprehensive Automobile Liability Insurance with liability limits of not less than one million dollars (\$1,000,000.00) per occurrence for bodily injury and property damage.

(4) Professional Liability

If and when any architects, engineers, construction managers or consultants perform work or services in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions shall be maintained with limits of not less than one million dollars (\$1,000,000.00). Coverage extensions shall include contractual liability. When any Professional Liability policy of insurance as required in this Section 5.1(4) is renewed or replaced, the policy of insurance retroactive date shall coincide with,

or precede, start of work or services pursuant to this Agreement and as the case may be prior to the start of work or services pursuant to any contract between the Grantee and any of the Grantee's Contractors or Subcontractors. Any claims-made policy of insurance issued pursuant to this Section 5.1(4) that is not renewed or replaced shall have an extended reporting period of a minimum of two (2) years.

(5) All Risk Property Insurance

The Grantee shall be responsible for all loss or damage to personal property (including but not limited to material, equipment, tools and supplies), owned or rented, by the Grantee.

5.2 General Requirements For All Types and Amounts of Insurance

(1) Certificates to City

The Grantee shall furnish the Comptroller of the City of Chicago (the "City Comptroller") (c/o Risk Management, 333 South State Street, Room 400, Chicago, Illinois 60604), original Certificates of Insurance evidencing all required insurance coverages to be in force on the Effective Date, and such Renewal Certificates of Insurance or such similar evidence of insurance, if such policies of insurance have an expiration or renewal date occurring during the term of this Agreement. A copy of all such certificates shall be provided to the Cable Administrator. Prior to the Effective Date the Grantee shall submit such evidence of insurance on the "City of Chicago Insurance Certificate of Coverage Form" or such other form(s) as prescribed by the City. The receipt by the City of any such certificate(s) or other evidence of insurance shall not constitute agreement by the City that the insurance requirements set forth in the Cable Ordinance and this Agreement have been fully met or that the policies of insurance indicated on such certificate(s) or other evidence of insurance are in compliance with the requirements of the Cable Ordinance and this Agreement. It shall not be deemed a waiver by the City of the requirements of this Section 5, if, for any reason, the City does not receive such certificates or other evidence of insurance from the Grantee. The Grantee shall advise all its insurers of the provisions of this Agreement regarding insurance. Non-conforming insurance shall not relieve the Grantee of its obligation to secure insurance as specified in the Cable Ordinance and this Agreement. Failure to fulfill any of the insurance conditions may constitute a violation of this Agreement. The City retains the right to order the Grantee to stop work and services until proper evidence of insurance is provided consistent with this Agreement.

(2) Additional Insureds

The City, including its employees, its elected and appointed officials, its agents, its consultants and its representatives are to be expressly named as additional insureds on a primary, non-contributory basis, on all policies of insurance required pursuant to this Section 5, except for workers compensation and professional liability insurance, for any

liability arising directly or indirectly from the work or services of the Grantee or the Grantee's Contractors or Subcontractors.

(3) 60 Day Notice

All policies of insurance required pursuant to this Section 5 shall expressly provide for sixty (60) days prior written notice to the City in the event limits of liability or any other coverages are substantially changed, canceled, or non-renewed.

(4) Contractors and Subcontractors

The Grantee shall require all the Grantee's Contractors and Subcontractors to carry all relevant policies of insurance as are required of the Grantee with the same limits of liability, except as provided in Section 5.1(2) of this Agreement, and related coverages as required of the Grantee by this Agreement. In the alternative, the Grantee, at the Grantee's expense, may provide such coverages for any or all Contractors and Subcontractors. If so, the evidence of such assumption by the Grantee shall be in writing.

(5) Deductibles

Any and all deductibles or self-insured retentions on all insurance coverages pursuant to this Agreement shall be borne solely by the Grantee.

(6) Subrogation Waiver

All insurers issuing any policy of insurance pursuant to this Agreement shall waive their rights of subrogation against the City, its employees, its elected and appointed officials, its agents, its consultants and its representatives.

(7) No Limit Liability

The Grantee agrees that the insurance coverages pursuant to this Agreement shall in no way limit the Grantee's liabilities and responsibilities specified in this Agreement or by law.

(8) Claims Made Policies

In addition to the requirements of Section 5.1(4) of this Agreement, to the extent that any policy of insurance required by the Cable Ordinance and Section 5 of this Agreement is issued on a claims made basis and is not renewed or replaced, such policy of insurance retroactive date shall have an extended reporting period of a minimum of two (2) years.

(9) Additional Coverage

If the Grantee, or any of the Grantee's Contractors or Subcontractors, desire additional insurance coverage, higher limits of liability, or other forms of indemnification for their own protection, the Grantee and each of its Contractors and Subcontractors, shall be responsible for the acquisition and cost of such additional policies of insurance and limits of liability thereunder.

(10) Modifications of Section 5

The City maintains the right to modify the requirements of Section 5 of this Agreement at any time during the term of this Agreement. The City shall give the Grantee written notice of any such modifications not less than thirty (30) days in advance of requiring such modification, unless a different time period is explicitly stated herein.

5.3 Performance Bonds

Pursuant to the applicable provisions of Section 4-280-140(A)(3) of the Cable Ordinance, the Grantee and the City have agreed that the Grantee will not file a performance bond. However, the City reserves the right to have the Grantee provide a performance bond in an appropriate amount pursuant to Section 5.7 of this Agreement.

5.4 Right to Require Replacement of Insurance or Bonds

In the event that the financial condition of any entity insuring any policy of insurance or performance bond pursuant to the requirements of the Cable Ordinance and this Agreement materially adversely changes during the term of this Agreement or during the term of any such policy of insurance and performance bond issued pursuant to the Cable Ordinance and this Agreement such that the City Comptroller, pursuant to Section 4-280-140 of the Cable Ordinance would not have accepted the policy of insurance or approved the performance bond or the City Corporation Counsel would not have found the form of the policy of insurance or performance bond satisfactory; the City may, at any time, require the prompt replacement of such policy of insurance or bond, as the financial condition of any entity issuing such policy of insurance or performance bond may require. The Grantee agrees to inform the City of any information the Grantee receives regarding a material adverse change in the financial condition of any entity issuing any policy of insurance or performance bond pursuant to this Agreement.

If the City determines replacement of any policy of insurance or performance bond is necessary, the City shall inform the Grantee in writing setting forth the City's reasons for such replacement demand. Upon receipt by the Grantee of such written notice from the City, the Grantee shall promptly, but in no event within more than twenty-one (21) days of receipt of such notice, either respond in writing to the City regarding the City's replacement demand or replace the policy of insurance or performance bond, as the case may be.

5.5 Insurance for Contractors and Subcontractors

Consistent with Section 5.2(4) and (9) of this Agreement, the Grantee shall provide or cause to be provided insurance coverage, of the types and amounts set forth in this Section 5, for any Contractor or Subcontractor involved in the construction, installation, maintenance, extension, or operation of its cable television system by either obtaining the necessary coverages in any and all of the Grantee's policies of insurance or by requiring such Contractor or Subcontractor to obtain such insurance coverages.

5.6 Alterations

The Grantee shall not materially change or alter the terms or conditions of any policy of insurance or performance bond required pursuant to this Section 5 except upon sixty (60) days prior written notice to the Cable Administrator, the City Comptroller and the City Corporation Counsel. Any changes or alterations to any policy of insurance or performance bond shall satisfy the requirements set forth in this Section 5 and Section 4-280-140 of the Cable Ordinance and be in a form satisfactory to the City Corporation Counsel and to the extent provided for in Section 4-280-140 of the Cable Ordinance acceptable to the City Comptroller.

5.7 The City's Right To Increase Minimum Amounts

In the event of changed circumstances that render the limits of liability and coverages provided for in any policy of insurance or performance bond provided for in Sections 5.1 and 5.3 of this Agreement inadequate, the City reserves the right to reasonably increase the minimum amounts of such limits of liability and related coverages upon sixty (60) days prior written notice to the Grantee in order to ensure adequate protection to the City. Within sixty (60) days after such notice, the Grantee shall increase the limits of liabilities and related coverages, as applicable, to an amount(s) consistent with the City's notice pursuant to this Section 5.7.

5.8 No Excuse from Performance

None of the provisions contained in this Section 5 nor the policies of insurance or performance bonds required pursuant to this Agreement shall be construed to excuse the faithful performance by the Grantee of the terms and conditions of the Cable Ordinance and this Agreement or limit the liability of the Grantee under the Cable Ordinance and this Agreement for any and all damages in excess of the coverages provided for in such policies of insurance or performance bonds.

5.9 Endorsement

Any and all of the policies of insurance and performance bonds required pursuant to this Section 5 shall expressly contain the following endorsement:

"It is hereby understood and agreed that the insurance company [surety] shall not cancel or refuse to renew this policy of insurance [performance bond] without giving the City Comptroller, the Corporation Counsel and the Cable Administrator written notice, by registered mail, of its intention to cancel or not to renew, at least sixty (60) days prior to such action."

Section 6. Letter of Credit

6.1 Form and Amount

Pursuant to the terms and conditions set forth in Section 4-280-150 of the Cable Ordinance, prior to the Effective Date, the Grantee shall obtain and deposit with the City a letter of credit from a financial institution satisfactory to and approved by the City Comptroller. Additionally, the form and content of this letter of credit shall be approved by the City Corporation Counsel. The amount of the letter of credit shall be five hundred thousand dollars (\$500,000.00); provided, however, that the amount of the letter of credit shall be three hundred seventy-five thousand dollars (\$375,000.00) per franchise area if the Grantee or its affiliates provide cable television services in two of the City's franchise areas; provided, further, that the amount of the letter of credit shall be three hundred fifty thousand dollars (\$350,000.00) per franchise area if the Grantee or its affiliates provide cable television services in three or more of the City's franchise areas.

6.2 Endorsement

Pursuant and in addition to Section 4-280-150(E) of the Cable Ordinance, the letter of credit referred to herein shall contain the following endorsement:

"It is hereby understood and agreed that the surety will not cancel or refuse to renew this letter of credit without giving the City Comptroller, the Corporation Counsel and the Cable Administrator written notice, by registered mail, of its intention to cancel or not to renew this letter of credit, at least sixty (60) days prior to such action."

Section 7. EXTRAORDINARY SERVICE

7.1 Extra-Long Drops

If the installation of a service outlet requires an aerial drop in excess of one hundred fifty (150) feet or an underground drop in excess of seventy-five (75) feet, the Grantee may charge the subscriber requesting such extra-long drop an amount that is equal to the costs of time and materials in accordance with industry standards for that portion of the drop in excess of one hundred fifty (150) feet or seventy-five (75) feet, respectively. The Grantee shall provide such subscriber a written estimate of the costs of installing an extra-long drop and obtain such subscriber's written consent prior to any installation of such drop; provided, however, that the Grantee may require an advance payment of such costs from such subscriber as a condition of performing the requested

installation.

7.2 Non-Standard Installations

If a subscriber requests a non-standard installation including, but not limited to, optional underground construction pursuant to Section 4-280-270 (E) of the Cable Ordinance, concealed wiring or routing from the tap to the dwelling unit that differs from the easiest route that could otherwise be taken (usually following the telephone drop) which results in greater costs, the Grantee may charge the subscriber for such non-standard installation in an amount equal to the costs of time and materials in accordance with prevailing industry standards at the time of such request. The Grantee shall provide such subscriber a written estimate of the costs of such installation and obtain such subscriber's written consent prior to any such installation; provided, however, that the Grantee may require an advance payment of such costs from such subscriber as a condition of performing the requested non-standard installation.

Section 8. System Design

8.1 Subscriber Network System

A. The Grantee shall provide and maintain a subscriber network system utilizing a fiber optic trunk and coaxial feeder cable providing a minimum upper frequency limit of 750MHz with return transmission paths, and the cable system is capable of delivering high quality signals that meet or exceed FCC technical standards at 47 C.F.R. § 76 Subpart K, regardless of a particular manner in which the signal is transmitted. Grantee agrees to maintain the cable system in manner consistent with, or in excess of these specifications throughout the term of the Franchise.

B. Grantee shall install or maintain equipment so that all closed captioned programming received by the cable system shall include the closed caption signal and shall be transmitted to subscribers so long as the closed captioned signal is provided consistent with FCC standards.

8.2 Additional Channels/Institutional Network

(1) If the Grantee determines the need for additional channel capacity or the activation of upstream channel capacity, the Grantee shall provide such additional capacity or activate any or all of such capacity on the subscriber network system upon the Grantee's determination that such additional capacity is technically and economically feasible.

(2) Upon receiving one or more written requests for proposals ("RFP"s) from the City during the term of this Agreement, the Grantee agrees to submit a good-faith proposal for the design, construction, operation and maintenance of an Institutional Network in response to each such RFP. The Grantee also agrees to cooperate, free of

charge, with any City planning process to explore I-Net communications needs of local government, local government institutions and educational institutions.

8.3 Twenty-Four Hour Operation

The Grantee's cable system shall be designed and operated to ensure that it is in operation and is capable of receiving and transporting signals twenty-four (24) hours per day; provided, however, that the operation of the Grantee's cable system may be interrupted by the Grantee only during the times and for the reasons set forth in Section 4-280-260(B) of the Cable Ordinance.

8.4 Alternative Design

If the Grantee elects to use an alternative to the design set forth in Section 8.1 of this Agreement, such alternative design shall be at least equal to or exceed the performance and capabilities of the design set forth in Section 8.1 of this Agreement. The Grantee shall submit in writing such alternative design with appropriate documentation to the Cable Administrator no later than sixty (60) days prior to the implementation of such design alternative.

8.5 Interference

The Grantee's cable system shall be designed to minimize accumulation of upstream thermal noise. All connectors, splices and other equipment used therein by the Grantee shall be designed, manufactured and installed so as to minimize signal leakage or ingress.

8.6 Reliability and Safety

In order to promote reliability and safety, the Grantee shall protect its equipment in a suitable manner from possible damage due to electrical surges. All trunk amplifiers shall contain automatic or manual gain and slope control circuitry designed to maintain high levels of signal quality over varying temperature conditions.

8.7 Satellite Earth Stations

The Grantee shall, at a minimum, provide and maintain uninterrupted carriage of all satellite-delivered services, or services delivered by any other present or future transmission technology, offered on the Grantee's cable system. Additionally, the Grantee shall provide an uninterruptible power supply ("UPS") for all equipment necessary to carry such satellite-delivered services.

8.8 Standby Power

The Grantee shall provide and maintain equipment capable of providing standby power for the Grantee's headend and hub facilities for a minimum of eight (8) hours and for the transportation and distribution amplifiers for a minimum of two (2) hours at any temperature above -10°F; provided, however, that standby power for the transportation and distribution amplifiers may be maintained at a minimum of one (1) hour at any temperature above -10°F if: (i) an automatic remote visual and aural alarm is provided and continuously monitored twenty-four (24) hours per day and automatically indicates when a standby power unit is operating in an emergency mode; (ii) a pool of portable generators capable of providing the requisite power are conveniently located; and (iii) procedures are established to ensure the prompt dispatch of a portable generator to any standby power unit operating in emergency mode.

8.9 Standby Capability

The Grantee shall provide and maintain facilities including a diversity of failure modes to ensure standby capability so that the failure of any part of the Grantee's cable system does not result in a loss of service throughout the Grantee's cable system.

8.10 Status/Performance Monitoring

The Grantee shall perform such status/performance monitoring as may be required by applicable FCC rules and regulations.

8.11 Equipment

The Grantee may substitute the equipment used in the construction, extension and installation of its cable system with equipment of equivalent or better quality and function consistent with the requirements set forth in Section 8 of this Agreement. All equipment used in the construction, extension and installation of the Grantee's cable system shall be new or of equivalent quality; provided, however, that the Grantee may, in specific instances, seek a waiver from the Cable Administrator of said requirement. In any event the Grantee shall retain the necessary invoices and records as evidence of such purchases for a period of not less than two (2) years from date of such purchases, and shall permit the Cable Administrator, upon reasonable notice to the Grantee, to inspect the Grantee's documentation showing the specifications of such equipment.

8.12 Emergency Alert System

Pursuant and in addition to Section 4-280-240(A) and (B) of the Cable Ordinance, the Grantee shall provide without charge to the City an emergency alert system ("EAS") meeting all applicable requirements of federal law.

The Grantee's cable system shall include the capability for the City to access the EAS using non-location-specific technology, without the assistance of the Grantee, in the event of emergency or for reasonable tests, to override at least the audio on all Channels on Grantee's cable system to utilize the federally mandated EAS in accordance with applicable state or local plans or with broadcaster preemption or override of individual signals.

Grantee shall broadcast all EAS messages initiated by the City.

Section 9. Technical Standards

The Grantee shall conform to the FCC Proof of Performance Standards including, but not limited to, composite triple beat ("CTB"), carrier noise ("C/N"), composite second order ("CSO"), Hum and Differential Gain and number of system monitoring test points based on the number of the Grantee subscribers, plus one (1) test point at each repeater consistent with the requirements set forth in Section 8 of this Agreement.

9.1 Performance Requirements

The Grantee shall be responsible for insuring that the cable system is designed, installed, maintained, repaired and operated in a manner that fully complies with the FCC rules in the most recent Edition of "Subpart K--Technical Standards," of Chapter 1 of Title 47, 47 C.F.R. Ch. 1, § 76.601 et seq., as amended. If during the term of this Agreement "Subpart K--Technical Standards" is repealed without substitution or otherwise is made non-binding upon the Grantee, the Grantee agrees to comply with the FCC technical standards set forth in and referenced by the latest version in effect of "Subpart K--Technical Standards." The Cable Administrator shall have the right to obtain a copy of tests and records related to the standards upon request, and shall have the authority to enforce compliance with such standards, except as may be prohibited under federal law and regulation.

9.2 Subscriber Network System

The Grantee shall submit to the Cable Administrator for approval a plan that establishes performance standards and methods of measurement for the utilization of the upstream portion of the Grantee's subscriber network system. The Grantee shall submit to the Cable Administrator for approval a plan that establishes methods of measurement for all applicable technical standards for the utilization of the downstream portion of the Grantee's subscriber network system.

9.3 Institutional Network

In the event that the Grantee offers an INS, the Grantee's performance parameters shall be in accordance with those set forth in Section 9 of this Agreement.

9.4 Performance Measurement Standards

In order to properly conduct the performance observations set forth in Section 9 of this Agreement, the Grantee shall ensure that all amplifiers and other equipment are in normal operating condition with automatic slope and gain control ("ASGC") carriers properly adjusted.

9.5 Test Procedures

Pursuant and in addition to Section 4-280-250(A) of the Cable Ordinance, the Grantee shall conduct all system tests at the intervals required by section 76.601 of the FCC rules and Regulations; Part 76, Subpart K (technical Standards). Upon request by the Cable Administrator, Grantee shall provide copies of completed FCC reports within fourteen (14) working days of the request. The tests shall include, without limitation, (1) initial proof of performance for any construction; and (2) semi-annual compliance tests.

Section 10. Maintenance of System

At all times during the term of this Agreement, the Grantee shall maintain its cable television system in good repair and condition.

Section 11. "As- Built" Maps

The Grantee shall, during the term of this Agreement: (1) maintain up-to-date "as built" maps, that shall be available for examination by the City during the Grantee's normal business hours at a location within the City limits, and (2) provide, in the event of a system upgrade, plant extension or new development, copies of such maps to the Cable Administrator, without charge, upon request. Such maps, set forth by utility quarter section, shall, at a minimum, include cable routings and the location of amplifiers, power supplies, fiber optic nodes and system monitor test points. Consistent with applicable law, the Cable Administrator shall treat such maps as confidential trade secrets, and shall provide the Grantee with a copy of any appeal, received by the Cable Administrator, of the Cable Administrator's notice of denial provided to a third party seeking inspection and copies of such maps.

Section 12. Construction Requirements and Standards

12.1 General

(1) The Grantee shall construct, install, maintain, extend and operate its cable system in a safe, orderly and workmanlike manner utilizing only materials of good, durable quality with due respect for engineering considerations and in accordance with applicable federal, state and local laws and regulations.

(2) The Grantee shall during the term of this Agreement maintain its membership

in the City's Office of Underground Coordination and the Chicago Utility Alert Network, or their successors. The Grantee shall comply with the Office of Underground Coordination procedures and the Chicago Department of Transportation's "Regulations for Openings, Construction and Repair in the Public Way, as updated or amended from time to time. The Grantee is required to provide the City an "Existing Facility Protection" plan as required by the City's Office of Underground Coordination. The City shall have the right, exercisable in writing to the Grantee within thirty (30) days after receipt from the Grantee of the "Existing Facility Protection" plan to:

- (A) Have conduit and manholes necessary for underground conduit for City use, all to the City's specifications, constructed by the Grantee within the routes detailed in the "Existing Facility Protection" Plan submittal(s); or
- (B) Access the site of construction or installation and jointly construct such conduit and manholes in cooperation with the Grantee.

Should the thirty (30) days' option period pass without the Grantee's receipt of such notice, the Grantee may make the appropriate applications and commence construction of its facilities with no further obligation under this paragraph regarding such facilities.

(3) With respect to aerial construction, the Grantee agrees to meet with the Cable Administrator or designee to review and coordinate potential aerial joint construction. In the event the City wishes to engage in aerial joint construction, the City shall provide at least 30 days' written notice of such intent to the Grantee. The Grantee agrees to cooperate with the City so long as aerial joint construction does not, in the sole opinion of the Grantee, impede or impair the Grantee's construction schedule. In the event that the City, through the Cable Administrator or designee, shall choose to participate in aerial joint construction, the Grantee agrees to coordinate and commence such aerial joint construction. However, aerial joint construction shall not proceed if the City cannot obtain pole attachment agreements or pole space for the City facilities on the existing poles or if the fiber optic cable or other material necessary for construction is unavailable.

(4) Cost of Joint Construction. In the event the City elects to proceed under Paragraph (2)(A) or (3) of this Section, an amount not to exceed 50% of the actual cost of materials and labor expended by the Grantee on joint construction shall be paid by the City. Such actual cost shall not exceed the reasonable and customary cost charged by the industry commonly engaged in such work. The City agrees to remit payment to the Grantee within 75 days of receiving an invoice from the Grantee, and failure to reimburse the Grantee within this time period shall suspend the Grantee's obligation to continue joint construction until such payment is received. Upon the Grantee's request, the Cable Administrator shall on an annual basis provide to the Grantee documentation that affirms the availability of appropriated funds to reimburse the Grantee for anticipated joint

construction and identifies the source of such funds.

(5) In the event that it is in the interest of the City for joint construction, including aerial, to proceed in a comprehensive basis throughout those franchise areas in which the Grantee is undertaking initial construction, the Grantee and the Cable Administrator may, by mutual agreement, provide for procedures for such comprehensive joint construction, including aerial; other than as set forth in Paragraphs 2, 3 and 4 of this Section.

(6) **Additional Duty of Cooperation.** In addition to the other provisions of this Section 12., throughout the term of this Agreement the Grantee shall provide such cooperation as the City shall reasonably request in regard to the City's location, construction, installation, maintenance and extension of underground conduit so long as such cooperation shall not interfere with the Grantee's operations and shall not result in any material expense to the Grantee.

12.2 Compliance Standards

Pursuant and in addition to Section 4-280-240(A) of the Cable Ordinance, the Grantee shall at all times during the term of this Agreement comply with the following:

- (1) National Electrical Safety Code of the American National Standards Institute (latest edition);
- (2) National Electrical Code of the National Fire Protection Association (latest edition);
- (3) UL Code (latest edition); and
- (4) Tower Standards:
 - (a) EIA-RS-222-A,
 - (b) Federal Aviation Administration (the "FAA") and
 - (c) United States and State of Illinois Departments of Transportation.

12.3 Construction and Installation Manual

The Grantee shall submit to the Cable Administrator a revised manual in printable electronic format that sets forth the specifications, standards and procedures for construction and installation of the Grantee's cable system (the "Construction/Installation Manual"). Said manual shall be consistent with the highest state-of-the-art standards of the cable industry and shall, at a minimum, establish procedures to ensure quality work and provide for the safety and protection of residents and property. The Grantee's Construction/Installation Manual shall be submitted to the Cable Administrator within sixty (60) days of the Effective Date.

12.4 The Grantee's Construction and Inspection Manual

The Grantee shall submit a revised "Construction and Inspection Manual for Grounding, Bonding, and Surge Protection" (the "Construction/Inspection Manual") in printable electronic format to the Cable Administrator within (60) days of the Effective Date. Such manual shall, at a minimum, include procedures regarding the following:

- (a) Aerial Pole Lines
- (b) Ground Resistance Measurement
- (c) Grounding and Bonding Locations
- (d) Underground Construction
- (e) Service Drops - Aerial
- (f) Service Drops - Underground
- (g) Towers
- (h) TVROs (including LNAs and LNCs)
- (i) Buildings
- (j) Power Supplies
- (k) Amplifiers
- (l) Operating Reliability Goals.

12.5 Engineering Site Survey

The Grantee has submitted to the Cable Administrator a fully coordinated engineering site survey (the "Site Survey") of all the Grantee's off-air broadcast and satellite signal reception sites demonstrating adequate clearance from interference prior to commencement of construction of the Grantee's cable system, and during the term of this Agreement the Grantee shall submit to the Cable Administrator an updated Site Survey at least sixty (60) days prior to activating any off-air broadcast or satellite signal reception site not in operation on the Effective Date.

12.6 Restoration

Pursuant and in addition to Section 4-280-270(F) of the Cable Ordinance and paragraph 12.1 (2) of this Agreement, the Grantee shall promptly restore or replace all public ways or private property in as good a condition as the Grantee found said public ways and private property at the time of commencement of the Grantee's work thereon; provided, however, that where conditions prohibit prompt restoration or replacement of said public ways, the Grantee may request from the City an extension of time within which to complete such restoration, which request shall not unreasonably be denied. The Grantee shall conduct all restoration or replacement in a competent and efficient manner minimizing disruption and inconvenience to others.

12.7 Tree Trimming on Public and Private Property

Pursuant and in addition to Section 4-280-270(I) of the Cable Ordinance, the

Grantee, in trimming trees or other foliage on public property, shall properly and promptly dispose of such trimmings. The Grantee shall not trim any tree or other foliage located on private property prior to obtaining the written consent of the owner of such private property. Such trees or other foliage shall be trimmed at the Grantee's own expense and the trimmings shall be disposed of properly and promptly.

12.8 New Technologies

The Grantee's cable system shall be designed, constructed, extended, and operated as a state-of-the-art cable system as required by this Agreement. If, as a result of technological developments during the term of this Agreement, the quality or quantity of programming or services available to subscribers or users of the Grantee's cable system become subject to upgrade, the Grantee shall promptly investigate the feasibility of implementing such new developments and shall implement such technological developments if such implementation (i) can be accomplished without adding an unwarranted financial burden to subscribers and (ii) is economically feasible and viable for the Grantee. In determining whether or not the Grantee shall be required to implement such new developments, the City and the Grantee shall consider, among other factors, and consistent with federal law, the remaining term of this Agreement, performance demonstrating the operational feasibility of the new developments, construction costs, the adaptability of such developments to the Grantee's cable system or any part thereof and the potential marketability of the new services and other factors affecting the economic feasibility and viability of implementation of such new technologies. Nothing herein shall require the Grantee to provide digital convertor boxes to its subscribers at no charge unless otherwise required by the FCC.

12.9 Contractors and Subcontractors

All Contractors and Subcontractors of the Grantee must be properly licensed under all applicable federal, state and local laws and regulations. The Grantee shall be solely and completely responsible for all acts or omissions of any and all of the Grantee's Contractors or Subcontractors in the construction, installation, maintenance or operation of the Grantee's cable system. Grantee's Contractors and Subcontractors shall comply with the insurance requirements of this Agreement.

Section 13. Extension of Service

13.1 New Developments

The Grantee shall, upon request for service, provide service to all new developments located within Franchise Area 1 if a new development is located within a portion of Franchise Area 1 in which construction of the Grantee's cable television system has been completed or is in the process of being completed; provided, however, that the Grantee may, upon approval of the Cable Administrator, extend the time for providing such service.

In addition, the Grantee shall make Cable Service available beyond the Initial Franchise Service Area to every residential dwelling unit within the Franchise Area where the minimum density equivalent is thirty (30) dwelling units per mile [Example: six(6) homes per one fifth (1/5) of a mile.] and those units are within one (1) mile of the existing Cable System's technically feasible connection point. Subject to the density requirement, Grantee shall offer Cable Service to all new homes or previously unserved homes located within one hundred fifty (150) feet of the Grantee's distribution cable (i.e. a Standard Installation).

13.2 Annexation

Upon annexation by the City of any new territory contiguous to Franchise Area 1, the Grantee shall, at the request of the City, provide service to said area based on a reasonable construction time table.

Section 14. Intra-City Interconnection

14.1 Purpose

Pursuant and in addition to Section 4-280-300 of the Cable Ordinance, the Grantee shall cooperate with other City grantees of a franchise to provide cable service and "holders" of authorization by the Illinois Commerce Commission pursuant to 220 ILCS 5/21-401 to offer or provide cable or video service within the City (jointly referred to as "Other Grantees") to interconnect Grantee and all Other Grantees within the City to ensure that the granting by the City of separate franchises or authorizations by the Illinois Commerce Commission for cable service or video service does not restrict utilization of such cable service or video service on a City-wide basis. Sufficient interconnection is essential for access channels and local origination channels to facilitate City-wide and geographically-targeted programming and services.

14.2 Capacity and Timetable

Interconnection of the facilities of Grantee and all Other Grantees within the City shall, at a minimum, and without charge, provide adequate capacity for three (3) channels including two (2) subcarriers to be delivered from each of the Other Grantees' franchise areas to the facility located at the main branch of the Chicago Public Library, Harold Washington Library Center, 400 South State Street, Chicago, Illinois 60605 ("Library") or subsequently designated central interconnection facility and six (6) channels including two (2) subcarriers to be delivered to each of the grantees' franchise areas from the Chicago Access Corporation ("CAC") facility located at 322 S. Green Street, Chicago, Illinois 60607 or subsequently designated central interconnection facility. Said interconnections shall be operational within one (1) year of service being delivered by any Other Grantee to its first subscriber and within one (1) month of any change to a subsequently designated central interconnection facility. Additional channel capacity shall be incrementally activated on an as-needed basis to ensure that all public access,

municipal utilization, and municipally administered local origination can be delivered to each of the Other Grantees' franchised or authorized areas from the Library, CAC or subsequently designated central interconnection facilities; provided, however, that the Other Grantees may submit an alternative design that equals or exceeds the performance and capabilities of the design referred to in this Section 14.2.

14.3 Interconnection Responsibilities

The Grantee and the Other Grantees shall be responsible for: (i) providing and covering the costs of all equipment and facilities necessary to implement the Interconnection referred to in this Section 14 of this Agreement, (ii) obtaining all licenses, permits and authorizations necessary to conduct and operate such interconnection system, and (iii) covering all capital costs and operational and maintenance expenses associated therewith.

14.4 Construction and Technical Standards

Unless otherwise agreed to in writing by the Cable Administrator, the interconnection system described in Section 14 of this Agreement shall be designed, constructed, installed, maintained and operated in accordance with the standards set forth in Sections 4-280-230(A), 4-280-240(A) and 4-280-250(A) of the Cable Ordinance and Sections 9, 10, 11 and 12 of this Agreement. Additionally, such interconnection system shall be designed, constructed, operated and maintained so as not to degrade the quality of any of the signals transmitted on the Grantee's and Other Grantees' subscriber or I-Net systems. All requirements of this section will apply even if interconnection needs to be implemented by Grantee necessitates linking through franchise areas of Other Grantees.

14.5 Fees, Rules, Etc.

Nothing herein shall prohibit the Grantee from establishing reasonable fees for use of the interconnection system or from promulgating and requiring reasonable terms or conditions relating to the use thereof; provided, however, that neither the City nor the Chicago Access Corporation (the "CAC") shall be charged at any time for the use thereof. In addition, the Cable Administrator shall annually review utilization of the interconnection system and the allocation of bandwidth to the City and the CAC to ensure that the City and the CAC have been reserved adequate capacity on the interconnection system to meet the respective reasonable needs of the City and the CAC.

Section 15. Channel Allocation

15.1 Standard Allocation

The Grantee shall at all times provide the same channel allocations for the following channels as provided for by all Other Grantees operating cable television services systems within the City:

- (1) The City-wide local origination channel referred to in Section 17 of this Agreement;
- (2) All channels under the control of the CAC; and
- (3) At least two (2) local government access channels.

The Grantee hereby agrees to comply with the standard channel allocation set forth in Exhibit B attached hereto and made part of this Agreement which shall be amended when channels are added pursuant to the franchises and authorizations of the Grantee and Other Grantees. The Grantee shall cooperate with all Other Grantees operating within the City to establish a standard allocation for those channels for which such allocation is required but not established as of the Effective Date. Grantee shall not unreasonably refuse to reach agreement with Other Grantees on the standard channel allocation of these channels. Upon agreement between and among the Grantee and all Other Grantees, such standard channel allocation shall be incorporated into Exhibit B to this Agreement. In the event that the Grantee and Other Grantees are unable to agree upon such standard allocation, the Cable Administrator shall act as the arbitrator and his or her decision shall be final and binding on the Grantee and the Other Grantees.

Section 16. Aeronautical Frequencies

The Grantee shall comply with all FCC rules and regulations regarding operation in the frequency bands 108-137 and 225-400 MHZ.

Section 17. Local Origination

During the term of this Agreement, the Grantee, in cooperation with the Other Grantees operating cable systems within the City, hereby agrees to contribute to local origination as set forth in this Section 17. The Grantee shall reserve a 24-hour City-wide Local Origination channel on its system exclusively for programming produced by producers and businesses located in the City of Chicago. The purposes of this channel shall include: (1) to serve as an environment in which aspiring local producers can develop their skills and exchange ideas and viewpoints, and (2) to carry out the aims of the Resolution # 454. This channel shall be allocated as provided in Exhibit B to this Agreement.

The City shall have sole authority and responsibility for the administration of the Local Origination channel, and shall exercise sole control over the use and operation of such channel.

Section 18. Chicago Access Corporation

In furtherance of the benefits to the public of PEG access:

18.1 Channel Commitments

Pursuant to Section 4-280-320(A) of the Cable Ordinance, the Grantee shall dedicate ten percent (10%) of its usable channels from their inception as access channels on its subscriber network system. All such channels shall be provided to the CAC free of charge and be under the exclusive use and control of the CAC; provided, however, that such channels are utilized by the CAC for non-commercial programming and purposes and without any charges by the CAC to any subscriber or advertiser. The Grantee will provide CAC channels to subscribers at equivalent visual and audio quality and equivalent functionality to that in which the Grantee delivers the primary signal of local television broadcast stations on its cable system and without the need for subscribers to obtain or pay for any additional equipment to receive CAC channels. The Grantee will provide CAC channels to subscribers on the Grantee's basic cable offerings or tiers. CAC channels will also be transmitted in High Definition ("HD") during the franchise period at a time and in an order determined by CAC with a minimum of six (6) months notice for the first signal's transmission and a minimum of two (2) months notice for transmission of subsequent channels consistent with the obligations set forth in Section 18.4 of this Agreement. HD resolution will be equivalent to the resolution used in the Grantee's HD tier. The Grantee will continue to carry CAC channels in SD format in addition to HD format as long as there are SD channels in its basic channel lineup. Under no circumstances shall the Grantee have the authority or right to exercise any control over the use or operation of the CAC channels except as provided in Section 4-280-320(B) of the Cable Ordinance and Section 531 of the Communications Act. Neither the Grantee nor the CAC shall be liable for the quality or content of any programming produced or transmitted by the Grantee or the CAC. Pursuant and in addition to Section 4-280-320(B) of the Cable Ordinance, the Grantee shall be given prior written notice six (6) months before the CAC utilizes any unused channel.

18.2 Equipment

The Grantee shall provide, at the Grantee's sole expense but without change in ownership, modulators and other necessary equipment to permit full and practical utilization from the Grantee's headend downstream, by conventional technical means, of each CAC channel. The Grantee will provide CAC with Limited Basic and Expanded Basic service free of charge at CAC's location with any equipment necessary to receive that service. If changes in the technology used by the Grantee require additional equipment for distribution of CAC channels, including the provision of HD, the Grantee

shall make such equipment available at no cost to CAC. Additionally, the Grantee shall insure that its cable system is constructed and operated to permit the CAC to cablecast live programming from remote locations with no charge to the CAC for access to the Grantee's existing facilities suitable for such purposes at the Grantee's headend.

18.3 Programming Authority

The Grantee shall have no authority or control over any programming cablecast on channels dedicated to the CAC pursuant to Section 18.1 of this Agreement. All programming cablecast on such channels shall not be considered origination cablecasting for purposes of Grantee's compliance with Section 76 Subpart G of the FCC rules and regulations unless otherwise determined by the FCC with respect to the Grantee. The Grantee shall have no responsibility under Section 4-280-230(D) of the Cable Ordinance for programming cablecast on any CAC dedicated channels. Nothing in Section 18 of this Agreement shall be construed to imply that Grantee is a common carrier.

18.4 CAC/Grantee Cooperation

With respect to any obligations provided for under this Agreement by and between the Grantee and the CAC, the Grantee and the CAC shall act in a reasonable, expeditious and timely manner.

18.5 Other Assistance

The Grantee shall include appropriate designation of the CAC's channels on channel cards and other channel listings provided to subscribers in a manner equivalent to identification of local broadcast channels. If channels are selected by a viewer through a menu system, the CAC channels shall be displayed in a manner equivalent to local broadcast channels. Further, the Grantee shall provide a listing of CAC channels and programming on the Grantee's electronic program guide in a manner equivalent to local broadcast channels if such a guide is utilized by the Grantee. It is the CAC's responsibility to provide the Grantee or the Grantee's designated agent, as determined by the Grantee, with program schedules in a timely manner.

The Grantee will provide video service free of charge to CAC at a level that enables CAC to monitor all CAC programming. Additionally, during the term of its franchise, for as long as the Grantee makes video on demand ("VOD") available on its system in Chicago, it will include in its VOD offerings up to 30 hours per week of public access programming selected by CAC. The CAC shall be solely responsible for uploading its content to the Grantee's system in accordance with Exhibit G. The CAC VOD programming will be available to subscribers 24 hours a day, seven days a week. Any CAC programming placed on VOD shall be available to subscribers free of charge. The Grantee will provide, upon CAC's request, any aggregate data regarding subscriber use of the CAC's programming on the VOD platform. Neither the Grantee nor the CAC

shall be liable for the quality or content of any programming produced or transmitted by the Grantee or the CAC.

Section 19. Leased Access

The Grantee shall comply with Section 532 of the Communications Act as amended from time to time, and all FCC rules and regulations promulgated thereunder, regarding the provision of channel capacity for commercial use. The Grantee acknowledges and agrees that, should current federal preemptive authority be modified so as to permit the City to enact and enforce requirements governing the provision of channel capacity for commercial use, the Grantee shall comply with any and all such requirements of the City during the remainder of the term of this Agreement, upon one hundred and twenty (120) days' written notice by the City.

Section 20. Municipal Utilization

(1) During the term of this Agreement, the Grantee shall provide, free of charge, two (2) local government channels on its subscriber network system for the exclusive use and control of the City and other local agencies designated by the City. The channels shall be utilized for the purpose of distributing non-commercial services, any other charitable, nonprofit purpose or other similar purpose, including, without limitation, the generation of revenues by activities reasonably related to such use or purpose, or any other purpose agreed to by City and Grantee. The Grantee shall have no authority or control over any programming cablecast on such dedicated channels. All programming cablecast on such dedicated channels shall not be considered origination cablecasting for purposes of the Grantee's compliance with Section 76 Subpart G of the FCC rules and regulations unless otherwise determined by the FCC with respect to the Grantee. The Grantee shall have no responsibility under Section 4-280-230(D) of the Cable Ordinance for programming cablecast on any such dedicated channel. Additionally, nothing in Section 20 of this Agreement shall be construed to imply that Grantee is a common carrier.

(2) Upon demonstration by the City of full utilization of the channel capacity dedicated to the City, the Grantee shall exercise its best efforts to provide additional channel capacity to the City on the Grantee's cable system to meet the reasonable needs of the City unless to do so would place an unreasonable economic burden on the Grantee.

(3) The Grantee shall provide, at the Grantee's sole expense but without change in ownership, modulators and other necessary equipment to permit full and practical utilization from the Grantee's headend downstream, by conventional technical means, of each local government channel. The Grantee will provide the City with Limited Basic and Expanded Basic service free of charge at the City's location with any equipment necessary to receive that service. If changes in the technology used by the Grantee require additional equipment for distribution of City channels, including the provision of

HD, the Grantee shall make such equipment available at no cost to the City. Additionally, the Grantee shall insure that its cable system is constructed and operated to permit the City to cablecast live programming from remote locations with no charge to the City for access to the Grantee's existing facilities suitable for such purposes at the Grantee's headend.

(4) The Grantee will provide all municipal and local origination channels to subscribers at equivalent visual and audio quality and equivalent functionality to that in which the Grantee delivers the primary signal of local television broadcast stations on its cable system and without the need for subscribers to obtain or pay for any additional equipment to receive all municipal and local origination channels. The Grantee will provide all municipal and local origination channels to subscribers on the Grantee's basic cable offerings or tiers. Municipal and local origination channels will also be transmitted in High Definition ("HD") during the franchise period at a time and in an order determined by the City with a minimum of six (6) months notice for the first signal's transmission and a minimum of two (2) months notice for transmission of subsequent channels consistent with the obligations set forth in Section 18.4 of this Agreement. HD resolution will be equivalent to the resolution used in the Grantee's HD tier. The Grantee will continue to carry municipal and local origination channels in SD format in addition to HD format as long as there are SD channels in its basic channel lineup.

(5) The Grantee will provide video service free of charge to the City at a level that enables the City to monitor all City programming. Additionally, during the term of its franchise, for as long as the Grantee makes video on demand ("VOD") available on its cable system in Chicago, it will include in its VOD offerings up to 30 hours per week of public access programming selected by the City. The City VOD programming will be available to subscribers 24 hours a day, seven days a week. Any City programming placed on VOD shall be available to subscribers free of charge. The Grantee will provide, upon the City's request, any aggregate data regarding subscriber use of the City's programming on the VOD platform. Neither the Grantee nor the City shall be liable for the quality or content of any programming produced or transmitted by the Grantee or the City. The City shall be solely responsible for uploading its content to the Grantee's cable system in accordance with Exhibit G.

Section 21. Payments and Contributions

In addition to the franchise fee and other payments made to the City pursuant to this agreement or otherwise, the Grantee has agreed with the City and CAC, as set forth in an agreement dated February 15, 2012 by and between the Grantee, the City and the CAC (the "Grant Agreement") to pay the City and CAC 1% of gross revenues. The terms and conditions of those payments by the Grantee to the City and CAC are set forth in the Grant Agreement, which the cable administrator is authorized to execute on behalf of the City, and which is attached for reference purposes only as Exhibit C. Grantee has also agreed to provide the City at no charge to the City certain services and equipment as provided in Exhibit D.

Grantee agrees that it will not offset or reduce its payment of past, present or future Franchise fees required pursuant to Section 4 of this Agreement, as a result of its obligation to remit the contribution required by the Grant Agreement or to provide the services listed in Exhibit D.

Section 22. Employment Requirements

The following provisions are set forth pursuant and in addition to Section 554 of the Communications Act, as may be amended from time to time, and all FCC rules and regulations promulgated thereunder, and Section 4-280-450 of the Cable Ordinance.

22.1 Affirmative Action

Pursuant to Section 4-280-450(B) and (C) of the Cable Ordinance, the Grantee, during the term of this Agreement, shall exercise its best efforts to maximize equal employment opportunities for minorities and women. The goal for the Grantee's workforce with respect to minority employment shall be parity with the population of minorities in relation to the general population of the City, consistent with the most recent U.S. Census data. The Grantee shall take affirmative action to accomplish this goal in each of the job categories set forth in Exhibit E attached hereto and made part of this Agreement. The goals for the Grantee's workforce with respect to female employment shall be parity with the respective percentage representations of females in the labor force of the City in each of the job categories set forth in Exhibit E to this Agreement. The Grantee shall take affirmative action to accomplish such goals in such job categories.

22.2 Equal Employment Opportunity/Affirmative Action Plan

The Grantee shall revise its Equal Employment Opportunity/Affirmative Action Plan (the "EEO/AA Plan") in accordance with the requirements set forth in Exhibit E to this Agreement. This EEO/AA Plan shall be filed with the Cable Administrator for approval within ninety (90) days after the Effective Date. The Cable Administrator shall within forty-five (45) days after receipt by it of such plan approve such plan or notify Grantee in writing of the deficiencies in such plan.

22.3 Pass-Through Requirements

In order to satisfy the employment requirements of Section 22 of this Agreement, the Communications Act and applicable FCC rules and regulations, and the Cable Ordinance, the Grantee shall ensure that each contractor having a contract or contracts with the Grantee and each sub-contractor having a contract or contracts with the Grantee's Contractors and Subcontractors in excess of fifty thousand dollars (\$50,000.00) and at least fifteen (15) employees engaged in the construction, installation, maintenance or operation of the Grantee's cable system complies with Sections 22.1,

22.4, 22.5, 22.6, 22.7 and 22.8 of this Agreement, Section 4-280-450 of the Cable Ordinance, Section 554 of the Communications Act, and all FCC rules and regulations promulgated thereunder. Additionally, the Grantee shall ensure that each such contractor or sub-contractor develops an Equal Employment Opportunity/Affirmative Action Plan (the "Contractors'/Sub-Contractors' EEO/AA Plans") in accordance with the requirements set forth in Exhibit E to this Agreement. Each such Contractor/Sub-Contractor EEO/AA Plan shall be made available to the Cable Administrator upon the Cable Administrator's request.

22.4 Local Residents

The Grantee shall take affirmative action to ensure that at least fifty percent (50%) of its employees engaged in the construction, installation, maintenance or operation of its cable television system are actual residents of the City.

22.5 Unions

The Grantee shall notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding or with which the Grantee enters into discussions regarding a collective bargaining agreement or other contract or understanding of the Grantee's responsibilities under Section 22 of this Agreement, Section 4-280-450 of the Cable Ordinance, Section 554 of the Communications Act, and all FCC rules and regulations promulgated thereunder. The Grantee shall, to the extent possible through negotiation or modification of any such agreements, contracts or understandings, ensure that such agreements, contracts or understandings contain provisions consistent with Section 22 of this Agreement, Section 4-280-450 of the Cable Ordinance, and Section 554 of the Communications Act, and all FCC rules and regulations promulgated thereunder so as not to impede the Grantee's ability to satisfy the requirements set forth herein and therein.

22.6 Training

The Grantee shall establish and provide such training programs for qualified minorities and women as necessary to satisfy the employment requirements as set forth in this Agreement.

22.7 Records

Commencing on the Effective Date and continuing for the term of this Agreement, the Grantee shall prepare and maintain the following records on forms provided by the City: job applicant flow logs, promotion, demotion, termination and transfer logs, and training activity and/or apprenticeship program participation summaries. Such records shall be available to the City during the Grantee's normal business hours and shall be retained in the Grantee's files for not less than three (3) years.

22.8 Reporting Requirements

The Grantee, during the term of this Agreement, shall file with the City the following reports

(1) Annually for the term of this Agreement:

- (a) statistical reports;
- (b) progress evaluation reports;
- (c) a report listing any EEO/AA complaints filed against the Grantee with a court or federal or State of Illinois or local agency having appropriate jurisdiction.

(2) Commencing one (1) year after approval by the City of the Grantee's EEO/AA Plan and continuing on an annual basis for the term of this Agreement a report summarizing and updating the Grantee's EEO/AA Plan.

22.9 Compliance

In order to monitor the Grantee's compliance with its EEO/AA Plan and the other requirements set forth in Section 22 of this Agreement, the City, whenever necessary or appropriate, shall conduct a compliance review. Such review shall consist of a comprehensive analysis and evaluation of the records maintained and the reports required to be submitted to the City pursuant to Sections 22.7 and 22.8 of this Agreement and any other relevant information and data. The Grantee shall be deemed to be in compliance for purposes of Section 22 of this Agreement and Section 4-280-450(B) and (C) and of the Cable Ordinance if the City determines that the Grantee has exercised its best efforts to comply on an annual basis with the Grantee's EEO/AA Plan and the requirements set forth in Sections 22.1, 22.3, 22.4 and 22.6 of this Agreement.

Section 23. Contractors and Subcontractors

23.1 Local Businesses

The Grantee shall utilize businesses located within the City in connection with the construction, installation, maintenance, extension and operation of its cable system to the maximum extent feasible and with due regard to price, quality and timing of delivery. In addition, the Grantee shall, to the maximum extent feasible and with due regard to price, quality and timing of delivery of the purchase of comparable materials, equipment or supplies of any nature, give preference for such items which are assembled, manufactured or otherwise produced, in whole or in part, within the City.

23.2 Minority Business Enterprises (MBEs)

Pursuant to Section 4-280-450(E) of the Cable Ordinance, the Grantee shall,

during the term of this Agreement, exercise its best efforts to ensure that qualified minority-owned businesses ("MBEs") located in and certified by the City receive a fair and substantial share of the economic benefits forthcoming from development of the Grantee's cable television services system. For purposes of this Section 23.2, "a fair and substantial share of the economic benefits" shall mean forty percent (40%) of the total dollar value of contracts awarded by the Grantee, excluding contracts where participation of MBEs would not be practically possible such as factory direct purchases, purchases of satellite-delivered services and purchases of materials or equipment from a sole source of supply. Such exclusions shall be detailed, with justifications, in the Grantee's Minority Business Enterprise Plan (the "MBE Plan") referred to in Section 23.4 of this Agreement. The Grantee's MBE Plan shall be subject to City approval.

23.3 Women's Business Enterprises (WBEs)

The Grantee, during the term of this Agreement, shall exercise its best efforts to ensure that qualified women-owned businesses ("WBEs") located in and certified by the City are awarded twelve percent (12%) of the total dollar value of contracts issued by the Grantee, excluding contracts where participation of WBEs would not be practically possible such as factory direct purchases, purchases of satellite-delivered services and purchases of materials or equipment from a sole source of supply. Such exclusions shall be detailed, with justifications, in the Grantee's Women's Business Enterprise Plan (the "WBE Plan") referred to in Section 23.4 of this Agreement. The Grantee's WBE Plan shall be subject to City approval.

23.4 Business Enterprise Plans

The Grantee shall develop separate revised MBE and WBE Plans in accordance with the requirements set forth in Exhibit K attached hereto and made a part of this Agreement. Such plans shall be filed with the City for approval within ninety (90) days after the Effective Date. The City shall, within forty-five (45) days of receipt by it of such plans, approve such plans or notify Grantee in writing of the deficiencies in any of said plans.

23.5 Reporting Requirements

Annually during the term of this Agreement, the Grantee shall file with the City the following reports on forms supplied by the City:

- (1) a descriptive summary of the categories and total dollar value of all contracts awarded by the Grantee;
- (2) a descriptive summary of the categories and total dollar value of all contracts awarded by the Grantee, excluding contracts where participation of MBEs and WBEs would not be practically possible in accordance with Sections 23.2 and 23.3 of this Agreement and Exhibit F to this Agreement;
- (3) a descriptive summary of the total dollar value of all contracts awarded to

- MBEs and WBEs;
- (4) a descriptive summary of the Grantee's efforts both to locate and facilitate the participation of qualified MBEs and WBEs in the construction, installation, maintenance and operation of the Grantee's cable system including a description of the specific programs implemented by the Grantee to meet the goals set forth in Sections 23.2 and 23.3 of this Agreement;
 - (5) commencing within one (1) year after approval by the City of the Grantee's MBE and WBE Plans and continuing on an annual basis for the term of this Agreement, separate reports summarizing and updating the Grantee's MBE and WBE Plans.

23.6 Compliance

In order to monitor the Grantee's compliance with its MBE and WBE Plans and the other requirements set forth herein, the City, whenever necessary or appropriate, but no less than once every six months shall, commencing one (1) year after approval by the City of the Grantee's MBE and WBE Plans, conduct a compliance review. Such review shall consist of a comprehensive analysis and evaluation of the reports required to be submitted to the City pursuant to Section 23.5 of this Agreement and any other relevant information and data. The Grantee shall be deemed to be in compliance for purposes of Section 24 of this Agreement and Section 4-280-450(E) of the Cable Ordinance if the City determines that the Grantee has exercised its best efforts to comply on an annual basis with its MBE and WBE Plans and the requirements set forth in Sections 23.1, 23.2 and 23.3 of this Agreement.

To assist the City in monitoring the Grantee's compliance with its customer service obligations and MBE and WBE Plans, including but not limited to the forty percent (40) requirement of Section 23.2 of this Agreement and the twelve percent (12%) requirement of Section 23.3 of this Agreement, the Cable Administrator shall select an advisory group, consisting of fourteen (14) residents, not to exceed one representative from each ward located within Franchise Area 1. The Cable Administrator's selection of residents shall be based on the recommendations of those Aldermen whose wards are included in whole or in part within Franchise Area 1. The Grantee shall provide this advisory group with such relevant information and data as the advisory group may from time to time require, in order to monitor the Grantee's compliance with its customer service obligations and MBE and WBE Plans. Upon the Cable Administrator's request, but no more than quarterly, the advisory group shall report its findings to the Cable Administrator, which shall use the advisory group's findings to assist the Cable Administrator in monitoring the Grantee's quality of customer service and carrying out its compliance review pursuant to this Section.

Section 24. Customer Services

The Grantee shall comply with the standards and requirements for customer

service set forth in the most recent Edition of FCC Customer service obligations, 47 C.F.R. Ch. 1, § 76.309, in effect on the Effective Date, and shall comply with all other applicable FCC regulations relating to customer service obligations, including any amendments to 47 C.F.R. Ch. 1, § 76.309, during the term of this Agreement that impose higher or additional customer service standards on a cable operator, and Grantee shall comply with the Cable and Video Customer Protection Law, 220 ILCS 5/22-501 et seq. and the enforcement provisions that are included in Article XII, chapter 4-280 of the Cable Ordinance .

24.1 Business Offices and Personnel

Pursuant and in addition to Section 4-280-240(C) of the Cable Ordinance, the Grantee shall establish and maintain such business offices and provide personnel, telephone service and other equipment, as needed, to ensure timely, efficient and effective service to consumers. Such personnel shall include one person designated by the Grantee to act as a liaison between the Grantee and the City regarding consumer service issues. All business offices of the Grantee shall have a locally listed telephone number with an access line available to subscribers 24 hours a day, seven days a week. The Grantee's business offices shall be open, at a minimum, from 9 a.m. to 6 p.m. on Monday through Friday, and from 9 a.m. to noon on Saturday. Upon a showing of changed circumstances or for other good cause shown, the City may permit a reduction in the Grantee's business office hours, and such permission shall not be unreasonably withheld. Additionally, at various times during the day, the Grantee shall cablecast the address, telephone number and office hours of its business offices on a local origination channel received by all subscribers.

24.2 Subscriber Complaints

Pursuant and in addition to Section 4-280-260 of the Cable Ordinance and applicable state law, the Grantee shall promptly respond to and resolve all subscriber complaints; provided, however, that nothing herein shall require the Grantee to maintain or repair any equipment not provided by the Grantee, maintain records with respect thereto nor respond to or resolve subscriber complaints relating thereto. The Grantee shall maintain records of such complaints setting forth the date and nature of the complaint and any action taken in response thereto. Such records shall be available to the City during the Grantee's normal business hours and retained in the Grantee's files for not less than three (3) years. A statistical summary of such records shall be prepared by the Grantee and submitted to the City annually.

24.3 Major Outages

The Grantee shall maintain records of all major outages. Such records shall indicate the estimated number of subscribers affected, the date and time of first notification of the outage, the date and time service was restored, the cause of the outage and a description of the corrective action taken. Such records shall be available

to the City during the Grantee's normal business hours and retained in the Grantee's files for not less than three (3) years. A statistical summary of such records shall be prepared by the Grantee and submitted to the City annually, commencing twelve (12) months after the Effective Date.

24.4 Requests for Installation

Pursuant and in addition to Section 4-280-280(C) of the Cable Ordinance, the Grantee shall fill all reasonable orders for a standard installation of its services within seven (7) business days and all other reasonable orders within thirty (30) days after the date of such order. For purposes of the time period for installation as opposed to any costs charged as set forth in Sections 7.1 and 7.2 of this Agreement, "standard" installations are those that are located up to 150 feet from the existing distribution system. A request shall be deemed reasonable if (i) the services requested are uniformly available on the Grantee's cable system; (ii) the services are requested in a portion of Franchise Area 1 where the Grantee's cable system has been constructed and activated; (iii) the Grantee in cooperation with appropriate agencies can accomplish a proper physical extension of its cable system to a person's premises within such seven (7) or thirty (30) days; and (iv) the Grantee can obtain access to a person's premises. If the Grantee fails within such seven (7) or thirty (30) day period to provide the service requested, the Grantee, upon request of the person requesting service, shall within thirty (30) days thereafter promptly refund any and all deposits or advance payments made by such person. The Grantee shall maintain a record of all installation requests detailing when and what action was taken.

24.5 Translated Information

All information and materials provided to customers as required by this Agreement shall also be available in the Spanish language.

24.6 Information Filed With The City

Pursuant and in addition to Section 4-280-190(E) of the Cable Ordinance, the Grantee shall file the information required in Section 4-280-190(E) and the customer information and materials required by this Agreement with the City at least fourteen (14) days prior to any distribution of such information or materials.

24.7 Employee Identification

Each employee of the Grantee when entering private property or working on public ways shall be required to wear an employee identification card issued by the Grantee bearing the name and a recent photograph of said employee.

24.8 Nondiscrimination

Pursuant and in addition to Section 4-280-180(C) of the Cable Ordinance, the Grantee shall not discriminate against any person in the solicitation or provision of any service or equipment on the basis of age, sex, race, color, creed, ethnic origin, sexual orientation, marital status or physical or mental impairment.

24.9 Late Fees

For purposes of this Section 24.9, any assessment, charge, cost, fee or sum, however characterized, that the Grantee imposes upon a subscriber for late payment of a bill is a late fee and shall be subject to the following provisions:

(1) No such fee may be imposed until thirty (30) days have passed from the date a subscriber bill is sent and the payment amount due has not been paid on such bill. Such fee may not exceed one-and-a-half dollars (\$1.50) per such bill.

(2) No fee beyond that permitted by subsection (1) of this Section may be imposed until forty-seven (47) days have passed from the date a subscriber bill is sent and the payment amount due has not been paid on such bill. Any such fee may not exceed the Grantee's reasonable costs associated with late payment including, but not limited to, the fairly allocated costs of personnel.

(3) For purposes of subsections (1) and (2) of this Section, a subscriber bill shall be deemed sent upon:

(a) The date of the United States Postal Service postmark on the envelope of such subscriber bill; or

(b) If the Grantee uses an agent to mail subscriber bills, the date shown on mailing records kept by such agent in the ordinary course of business that shows, to the satisfaction of the Cable Administrator, when subscriber bills are mailed. If such records show that a particular grouping or class of bills was mailed on more than one day, all bills in such grouping or class shall be considered to have been mailed on the last day that any such bill was mailed; or

(c) The date the monthly cable bill is electronically processed if said bill is generated and mailed within five (5) calendar days after the close of the Grantee's accounting cycle (such close being ten (10) calendar days after the due date on the subscriber's bill). If the Grantee uses an agent to process subscriber bills, the records kept by such agent in the ordinary course of business shall constitute acceptable proof if such records show, to the satisfaction of the Cable Administrator, the dates on which subscriber bills are mailed; or

(d) In the absence of proof specified in (a), (b) or (c), such other proof as may be acceptable to the Cable Administrator.

(4) The Grantee shall provide the processing and mailing records that constitute proof under subsections 3(b) and (c) of this Section 24.9 to the Cable Administrator upon the Cable Administrator's request during the term of this Agreement, and shall further provide proof, satisfactory to the Cable Administrator, that such records are accurate, authentic and complete. Such proof may be in the form of a notarized affidavit by the agent.

(5) For purposes of subsections (1) and (2) of this Section, a subscriber payment shall be considered to have been paid on the day that it is received by the Grantee or by the Grantee's agent (e.g., a currency exchange designated by the Grantee).

(6) If during the term of this Agreement, applicable but non-preemptive federal, state or local law permits the Grantee to impose late fees on subscribers that exceed the limitations imposed by this Section, the Grantee agrees to adhere to the limitations of this Section. If during the term of this Agreement, applicable federal, state or local law enacted after the Effective Date imposes more stringent limits on the Grantee's ability to impose late fees than are imposed by this Section, the Grantee agrees to adhere to such federal, state or local law. If a final order of a court of competent jurisdiction imposes more stringent limits on the Grantee's ability to impose late fees than are imposed by this Section, the Grantee agrees to adhere to such applicable ruling.

(7) Nothing in this Section 24.9 shall be deemed to create, limit, or otherwise affect the ability of the Grantee, if any, to impose other assessments, charges, fees or sums other than those permitted by this Section, for the Grantee's other services or activities it performs in compliance with applicable law, including FCC law, rule or regulation.

(8) The Grantee's late fee and disconnection policies and practices shall be nondiscriminatory and such policies and practices, and any fees imposed pursuant to this Section 24.9, shall apply equally in all parts of Franchise Area 1, without regard to the neighborhood or income level of the subscriber.

Section 25. Privacy

25.1 Requirements

The Grantee shall construct, install, maintain and operate its cable system so as to protect the privacy rights of each subscriber and user in accordance with Section 4-280-290 of the Cable Ordinance as interpreted and applied in harmony with Section 551 of the Communications Act and FCC rules and regulations promulgated thereunder, the

requirements of this Agreement and any other applicable federal, state and local laws and regulations.

25.2 Monitoring, Collection, Use or Release

Pursuant and in addition to Section 4-280-290 of the Cable Ordinance, the Grantee shall not monitor, collect or use any information or signals transmitted over the Grantee's cable system, with the exception of any record of aggregated data that does not identify particular persons, without the prior written or electronic consent of the subscriber or user, provided that such collection and use is permissible in order to obtain information necessary to provide services to the subscriber or detect an unauthorized reception of cable service. The Grantee shall not release or disclose any individually identifiable information about any subscriber or user to the City or any other third party without the prior written or electronic consent of such subscribers or users unless such disclosure is made by the Grantee to a subscriber(s) or user(s) in accord with the exceptions set forth in Section 551(c)(2) of the Communications Act. Any consent of a subscriber or user for the monitoring, collection, use or release of any information or signals transmitted over or obtained by the Grantee's cable system shall be explicit, in writing or electronic form, and in a form separate from any contract or other agreement for cable services or use. Such consent shall contain a statement in bold print that states that the subscriber or user knowingly authorizes the monitoring, collection, use or release of such information, that the consent is revocable at any time by the subscriber or user without penalty and that describes the exact timing and nature of the monitoring, collection, use or release of such information. Such consent is revocable without penalty at any time by the subscriber or user upon prior written or electronic notice to the Grantee. In no event shall such consent be obtained by the Grantee from a subscriber or user as a condition of cable service or a continuation thereof, except if such consent is necessary to adequately provide such service.

25.3 Privacy Information

Prior to installation of service, and at least once a year thereafter, the Grantee shall provide each subscriber with a simple, thorough written explanation conforming to the notice requirements set forth in Section 551(1)(a)(A-E) of the Communications Act, and further informing each subscriber of all applicable privacy requirements as set forth herein and in Section 4-280-290 of the Cable Ordinance; provided, however, that such information shall be filed with the City not less than thirty (30) days prior to its being distributed to any subscriber.

25.4 Ownership of Data

The ownership of any data or signals originated by a subscriber or user and maintained by the Grantee or a third party that are intended for the sole use of such subscriber or user shall remain solely in the originating subscriber or user, even though such data or signals are maintained by the Grantee or a third party.

25.5 Court-Ordered Disclosure

Pursuant and in addition to Section 4-280-290(B)(4) of the Cable Ordinance, if a court of competent jurisdiction authorizes or orders the monitoring, collection, use or release of any individually identifiable information about any subscriber or user, the Grantee shall notify such subscriber or user within a sufficient amount of time to permit the subscriber or user to challenge the monitoring, collection, use or release of such information except if a court of competent jurisdiction orders otherwise.

25.6 Destruction of Information

Any individually identifiable information of a subscriber or user collected by the Grantee pursuant to Section 4-280-290 of the Cable Ordinance and the provisions of this Agreement shall be destroyed immediately after the purpose for its collection has been accomplished unless the Cable Ordinance, this Agreement or federal, state or local laws or a court of competent jurisdiction require retention of such identifiable information.

25.7 Request for Information

Pursuant and in addition to Section 4-280-290(C)(5) of the Cable Ordinance, the Grantee, within two (2) weeks of receipt by the Grantee of a written request from any subscriber or user, shall make available to such subscriber or user the information collected or maintained by it with respect to such subscriber or user. Additionally, the Grantee shall permit its subscribers or users to correct any inaccurate information collected in regard to such Subscriber or User. If such information is in machine-readable form, the Grantee shall translate such information and provide such subscriber or user with a copy of the translation. Such rights shall be in addition to any other rights or remedies the City has under the Cable Ordinance, this Agreement or other applicable federal, state or local laws.

Section 26. Enforcement

26.1 Sanctions

Pursuant to Section 4-280-490(A) and (B) of the Cable Ordinance, the City shall have the right to impose monetary penalties, fines and other monetary sanctions in accordance with Section 26.6 of this Agreement in the event the Grantee violates any provision of the Cable Ordinance, any Section of this Agreement or any rule or regulation lawfully adopted by the City pursuant to Section 4-280-380 B.(11) of the Cable Ordinance. Additionally, the City shall have the right to impose substituted damages for those violations set forth in Section 26.5 of this Agreement. Such rights shall be in addition to any other rights or remedies the City has under the Cable Ordinance, this Agreement, the Communications Act, FCC rules and regulations or other applicable laws.

26.2 Notice of Violation

If the City has reason to believe that the Grantee is in violation of the Cable Ordinance, this Agreement, state law, or any rule or regulation lawfully adopted by the City pursuant to Section 4-280-380 B. (11) of the Cable Ordinance, the City shall notify the Grantee, in writing, of the violation setting forth the nature of such violation. Within thirty (30) days of its receipt of such notice, the Grantee shall respond in writing to the City either contesting the City's notice of violation with supporting documentation or confirming that it has remedied the violation within such thirty (30) day period. If the Grantee cannot reasonably remedy the violation within the time period specified and so informs the City in writing within the time provided by the City, the City may extend the time permitted for remedying the violation provided the Grantee informs the City on a regular basis of the steps being taken to remedy such violation.

26.3 Notice of Assessment

If within thirty (30) days of its receipt of notice of the violation pursuant to Section 26.2 of this Agreement or such time as provided by the City, the Grantee fails to submit a written response either contesting the notice of violation as set forth in Section 26.2 of this Agreement or notifying the City that the Grantee has remedied the violation within the time period specified or any extensions thereto pursuant to Section 26.2 of this Agreement, or if the City determines, after due consideration of the Grantee's response and supporting documentation, that the Grantee is in violation of the Cable Ordinance, this Agreement, any rule or regulation adopted by the City or other applicable law, the City, after considering all relevant factors, may impose upon the Grantee monetary penalties, fines, liquidated or substituted damages or other monetary sanctions from the date of notice of violation in accordance with Sections 26.5 or 26.6 of this Agreement and shall provide the Grantee with written notice of such assessment. Such notice of assessment shall state the amount assessed and provide a date of at least seven (7) days after receipt of such notice upon which payment for the violation is due from the Grantee.

26.4 Withdrawal from Letter of Credit

Notwithstanding Section 4-280-150(B) or any other provision of the Cable Ordinance, if the Grantee fails to pay to the City any monetary penalties, fines, interest, liquidated or substituted damages or other monetary sanctions imposed upon the Grantee by the City on or before the date set forth in the notice of assessment pursuant to Section 26.3 of this Agreement, the City, may immediately request payment of the amount thereof from the letter of credit and draw on the letter of credit referred to in Section 6 of this Agreement. If a draw by the City on Grantee's letter of credit is made, the City shall notify the Grantee in writing of the date and amount of such draw.

26.5 Substituted Damages

The Grantee agrees the following events, if any such event occurs, will result in actual damages to the City which actual damages will be either impracticable or difficult to ascertain and therefore agrees to pay to the City the following amounts which shall not be considered in the nature of penalties:

(1) \$750.00 a day for each day or part thereof that such failure continues as a result of a material failure to comply with the design, technical, maintenance, construction or operational requirements set forth or referred to in Sections 8, 9, 10 and 12 of this Agreement;

(2) \$750.00 per day for each day or part thereof that such failure continues as a result of a material failure to comply with the interconnection requirements set forth or referred to in Section 14 of this Agreement; and

(3) \$250.00 a day for each day or part thereof that such a failure continues, except as approved by the City or the City Council, if required, a material failure to provide the services set forth or referred to in Section 7 of this Agreement.

26.6 Monetary Penalties, Fines and Other Monetary Sanctions

Pursuant to Section 4-280-490(A) and (B) of the Cable Ordinance, if the Grantee fails to comply with any provision of the Cable Ordinance this Agreement or other applicable law, the City may assess and impose monetary penalties, fines and other monetary sanctions for such failure in an amount not to exceed \$750.00 per day per violation for each day or part thereof that such failure continues. If the Grantee fails to comply with any rule or regulation lawfully adopted by the City pursuant to Section 4-280-380 B.(11) of the Cable Ordinance, the City may assess and impose fines for such failure in an amount not to exceed \$50.00 per day per violation for each day or part thereof that such failure continues. All such monetary penalties, fines and other monetary sanctions shall be determined by the City in accordance with the principles set forth below:

(1) Such monetary penalties, fines, interest and other monetary sanctions shall exceed the financial benefits to the Grantee's delaying or failing to comply with the applicable requirement;

(2) Even where such benefits are not easily discernable, such monetary penalties, fines and other monetary sanctions shall be of an amount to have a significant deterrent effect on the Grantee; and

(3) Such monetary penalties, fines, interest and other monetary sanctions shall be sufficient to protect the City and other affected parties against loss resulting from the Grantee's violations.

26.7 Act or Omission Beyond The Grantee's Control

The Grantee shall not be subject to the imposition of monetary penalties, fines, interest, liquidated or substituted damages or other monetary sanctions referred to in Section 26 of this Agreement for any act or omission if such act or omission was beyond the Grantee's control. An act or omission shall not be deemed to be beyond the Grantee's control if committed, omitted or caused by an affiliate, or Contractor or Subcontractor of the Grantee involved in constructing, installing, maintaining or operating the Grantee's cable system within the City of Chicago. Neither the inability of the Grantee to obtain financing for whatever reason nor the misfeasance or malfeasance of the Grantee's officers, directors, employees, agents, affiliates and Contractors and Subcontractors shall be deemed an act or omission beyond the Grantee's control.

26.8 Other Rights of The City

The right of the City to impose upon the Grantee monetary penalties, fines, interest, liquidated or substituted damages or other monetary sanctions pursuant to Sections 26.5 and 26.6 hereof shall be in addition to any other rights or remedies the City has pursuant to the Communications Act, FCC rules and regulations, the Cable Ordinance, this Agreement or other applicable laws.

26.9 No Waiver of Rights

The decision by the City to forego the imposition upon the Grantee of monetary penalties, fines, interest, liquidated or substituted damages or other monetary sanctions in a particular instance shall in no way act to waive the City's rights under this Section 26 for subsequent violations of the Cable Ordinance or this Agreement.

Section 27. Miscellaneous Provisions

27.1 Governing Law

This Agreement shall be construed pursuant to the laws of the State of Illinois.

27.2 Descriptive Headings

Section headings are descriptive and used merely for the purpose of organization and where inconsistent with the text are to be disregarded.

27.3 Employees and Agents

The Grantee shall be solely and completely responsible for the actions of its employees and agents in the course of their employment.

27.4 Rights Reserved to The City

The Grantee hereby acknowledges and accepts the rights reserved to the City in Section 4-280-440 of the Cable Ordinance. The Grantee hereby waives, except to the extent any such waiver would be inconsistent with Section 545 of the Communications Act, the Grantee's rights, if any, to attempt to modify any provisions of this Agreement without the prior written approval of the City or appropriate action of the City Council, if such City Council action is required.

27.5 Compliance with The Cable Ethics Ordinance

The Grantee pledges that it has made no promise or inducement, oral or written, to any City employee, City representative or City advisor as defined in Section 4-284-020 of the Cable Ethics Ordinance regarding the receipt or award of the franchise renewal granted hereunder.

27.6 No Inducement

The Grantee acknowledges that it has not been induced to accept this franchise renewal by any promise, verbal or written, made by or on behalf of the City or by any third person regarding any term or condition set forth in the Cable Ordinance or this Agreement.

27.7 No FCC Waiver Without Notice to The City

The Grantee shall not apply for any waivers, exceptions or declaratory rulings from the FCC or any other federal or state regulatory agency regarding the Grantee's cable system without prior written notice to the City.

27.8 No Excuse from Compliance

The Grantee shall not be excused from compliance with any of the terms or conditions of the Communications Act, FCC rules and regulations, state law, the Cable Ethics Ordinance, the Cable Ordinance or this Agreement by failure of the City upon one or more occasions to insist upon such compliance by the Grantee or to seek compliance by the Grantee with any term or condition of the Ethics Ordinance, the Communications Act, FCC rules and regulations, state law, the Cable Ordinance or this Agreement.

27.9 Transfer of Franchise

During the term of this Agreement, the Grantee shall conform in all respects to Section 4-280-170 of the Cable Ordinance, as interpreted and applied in accordance with applicable federal law.

27.10 City Action

In any action by the City mandated or permitted under the Cable Ordinance or this Agreement, the City shall act in a reasonable, expeditious and timely manner. Additionally, in any instance where City approval or consent is required under the Cable Ordinance or this Agreement, the City shall not unreasonably withhold its approval or consent.

27.11 Force Majeure

The Grantee shall not be deemed in violation of this Agreement or the Cable Ordinance for delay in performance or failure to perform in whole or part its obligations under the Cable Ordinance or this Agreement due to strike, war or act of war (whether an actual declaration is made or not), insurrection, riot, act of public enemy, accident, fire, flood or other act of God or by other events to the extent that such events are caused by circumstances beyond the Grantee's control pursuant to Section 4-280-110(E) of the Cable Ordinance and Section 26.7 of this Agreement. Any such delay or failure to perform shall not be deemed to be a violation of the Cable Ordinance or this Agreement. In the event that a delay in performance or failure to perform affects only part of the Grantee's ability to perform such obligations under the Cable Ordinance or this Agreement, the Grantee shall perform such obligations to the extent the Grantee is able to do so in as expeditious a manner as possible. The Grantee shall promptly notify the City in writing of an event covered by this Section 27.11, which writing shall include, at a minimum, the date, nature and cause of such event. Additionally, the Grantee, in such notice, shall indicate the anticipated extent of such delay and the specific obligations pursuant to the Cable Ordinance or this Agreement to be affected.

27.12 Severability

Except as otherwise provided in Section 4.2 of this Agreement, if any provision of this Agreement or any portion of any provision of this Agreement is deemed invalid under any applicable ordinance or federal or state law, such provision shall be, to the extent invalid, deemed omitted and all remaining provisions of this Agreement shall remain in full force and effect.

27.13 Notices

All notices and filings required by the Cable Ordinance, this Agreement or any other applicable law or regulation shall be, except as otherwise provided in this Agreement, or other applicable law or regulation:

If to the City:	The Cable Administrator Department of Business Affairs and Consumer Protection 121 N. La Salle Street, Room 805
-----------------	--

Chicago, Illinois 60602

If to the Grantee: Mr. Tom McKay
Senior Vice President/ General Manager
2640 West Bradley Place
Chicago, Illinois 60618

and shall be by United States Mail, with all necessary postage pre-paid, except as otherwise provided by this Agreement, the Cable Ordinance or any other law or regulation.

27.14 Minority Ownership/Participation

Pursuant and in addition to the purposes set forth in Section 4-280-020(D) of the Cable Ordinance, the Grantee agrees to promote and support minority ownership/participation in the Grantee as provided in Exhibit F attached to this Agreement and made a part hereof.

27.15 Consistency of Franchise Agreements

The City and Grantee agree that Section 29.15 of the Area 2 Franchise Agreement between the City and Grantee is rendered void by execution of this Agreement and shall have no effect with respect to the terms of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective, duly authorized agents or officers, as of the day and year set forth below.

City of Chicago

Date

Rahm Emanuel, Mayor

RCN Cable TV of Chicago, Inc.

Date

By: _____

Its: _____

Approved as to form
and legality:

Corporation Counsel of the
City of Chicago

Date: _____

EXHIBIT A -- FORM OF ACCEPTANCE

In accepting the franchise renewal for Franchise Area 1 within the City of Chicago, pursuant to Sections 4-280-390(A), (B), (C), and 4-280-420 of the Chicago Cable Communications Ordinance (the "Cable Ordinance"), the Grantee hereby:

- a) agrees to accept the validity of the terms and conditions of the Cable Ordinance, Chapter 4-280 of the Municipal Code and the Agreement in their respective entireties relying upon the Grantee's own investigation and understanding of the power and authority of the City of Chicago to grant said franchise renewal. The Grantee further agrees that it shall not, at any time, proceed against the City in any claim or proceeding challenging any term or provision of the Cable Ordinance or Agreement as unreasonable, arbitrary or void, or allege that the City did not have the authority to impose such term or condition;
- b) expressly acknowledges that the Grantee has voluntarily agreed to various terms in this Agreement, including but not limited to terms in Sections 4.3, 17, 21, and 27.14; expressly acknowledges that the City could not have legally required one or more of the voluntary terms in this Agreement as conditions precedent to a cable system franchise renewal; and expressly acknowledges that the City has expressed its understanding to the Grantee that such agreement was voluntary on the part of the Grantee;
- c) expressly acknowledges that the Grantee has not been induced to accept the Agreement by any promise, verbal or written, on behalf of the City or by any third person regarding any term or condition of the Cable Ordinance or the Agreement not expressed therein;
- d) further acknowledges that the Grantee has carefully read the terms and conditions of the Cable Ordinance and the Agreement and accepts without reservation the obligations imposed by the terms and conditions therein; and
- e) pledges that no promise or inducement, oral or written, has been made to any City employee or official regarding receipt of this franchise renewal.

Exhibit A (con't)

The undersigned hereby certifies that he/she has been duly authorized pursuant to _____ [expressly identify the corporate action permitting such action] to make this acceptance of the franchise renewal for Franchise Area 1 within the City of Chicago.

The Grantee	RCN Cable TV of Chicago, Inc.
Signature of Affiant	_____
Name of Affiant	_____
Title of Affiant	_____
Date	_____

Sworn to and subscribed before me
this ____ day of _____, 2012 ____.

Notary

Date Commission Expires

EXHIBIT B -- STANDARD CHANNEL ALLOCATION

CABLE CHANNEL	SERVICE
19	CAC
21	CAC
23	MUTV
25	Local Origination
27	CAC
36	CAC
42	CAC
49	MUTV
51	CAC

and other unused and un-activated channels that may be used in the future.

EXHIBIT C -- GRANT AGREEMENT

GRANT AGREEMENT BETWEEN RCN CABLE TV OF CHICAGO, INC., AND THE CITY OF CHICAGO AND CHICAGO ACCESS CORPORATION

This Grant Agreement ("Agreement") is made as of this 15th day of February, 2012 by and between, RCN Cable TV of Chicago, Inc., ("RCN") and the City of Chicago ("City") and Chicago Access Corporation ("CAC").

A. The City is a municipal corporation and home rule unit of local government existing under the Constitution of the State of Illinois, acting through its Department of Business Affairs and Consumer Protection and in accordance with the Chicago Cable Communications Ordinance, Chapter 4-280-010 et seq. ("Cable Ordinance"), the City operates certain government access channels.

B. CAC is a not-for-profit corporation incorporated under the laws of the State of Illinois and created in accordance with Section 4-280- 310 et seq., of the Cable Ordinance. CAC has its principal offices in the City of Chicago, Illinois. In accordance with the Cable Ordinance, CAC operates certain public access cable channels in the City of Chicago. CAC receives most of its funding from payments made to it by cable companies that have been granted franchises to operate cable systems in the City of Chicago.

C. RCN is a corporation organized under the laws of the State of Delaware, with its principal offices being located in the City of Princeton, New Jersey. As of the date of this Agreement, there is pending before the Chicago City Council an ordinance

(such ordinance, as it may be hereafter revised or amended, is referred to herein as the "Renewal Authorization") to authorize a renewal of RCN's cable system franchise for Franchise Area 1 (the "Franchise") in the City of Chicago, which franchise was originally granted in 1996 to its predecessor in interest, 21st Century Cable TV, Inc.

D. In order to promote the public interest and public access television in the City of Chicago, if the Renewal Authorization is approved and the Franchise is renewed, RCN has agreed to make certain payments to the City and CAC as set forth below; and RCN, the City and CAC desire to recite that commitment in a written agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree that if the Renewal Authorization is approved, and the Chicago City Council renews the RCN Franchise:

1. The City and CAC will cooperate with RCN with respect to RCN's performing any and all of its undertakings with respect to public access television, including any obligations imposed on RCN by any City of Chicago ordinance approving the Renewal Authorization or the Franchise.

2. In addition to complying with all terms of the Cable Ordinance, other applicable ordinances and the franchise agreement, beginning April 1, 2012, RCN shall pay to the City and CAC, as set forth in paragraph 3 below, a total grant amount equal to one percent (1%) of the gross revenues RCN derives from its cable system throughout the period of its renewed Franchise (the "Grant"). For purposes of this Paragraph 2, the

term "gross revenues RCN derives from its cable system" has the meaning set forth in Sections 4-280-030C, 4-280-030D and 4-280-030N of the Cable Ordinance ("Gross Revenues").

3. The Grant shall be allocated as follows: two-thirds or .67% of Gross Revenues to CAC and one-third or .33% of Gross Revenues to the City (1% of Gross Revenues in total). Accordingly, RCN shall make separate payments of the Grant directly to the CAC and the City in these respective allocated shares. There are no restrictions as to the City's or CAC's use of the monies RCN will pay to the City and CAC pursuant to this paragraph. Payments to the City and CAC of the Grant shall be made on a quarterly basis 30 days after the close of the calendar quarters ending March 31, June 30, September 30 and December 31.

(a) Each such payment to the City of .33% and each such payment to the CAC of .67 %, of the gross revenues RCN derives from its cable system during the immediately preceding calendar quarter shall include a statement explaining the basis for the calculation of the payment and shall include a copy of the financial statement submitted to the City pursuant to Section 4-280-130B of the Cable Ordinance, showing RCN's Gross Revenues derived during the immediately preceding three (3) month calendar quarter. Additionally, RCN shall also provide CAC, within 120 days following the conclusion of the RCN's fiscal year, a copy of any audited annual report submitted to the City pursuant to the same Section.

(b) On the last day of the first full month after the end of the term of the Franchise, RCN shall submit a financial statement to the City and CAC showing the RCN's Gross Revenues for which no payment has yet been tendered to CAC and the City pursuant to this Agreement and shall simultaneously tender payment to the City and to CAC their respective share of the Grant not previously tendered.

(c) Notwithstanding subsections (a) through (b) above, in the event that an audit is conducted of RCN for any calendar year pursuant to Section 4-280-130C of the Cable Ordinance or otherwise, and such audit properly shows an adjustment is necessary to the Grant payments due to the City and to CAC under this Agreement, RCN shall so adjust payments due the City and CAC within one hundred twenty (120) days after the conclusion of the calendar year, and RCN at the same time shall provide the City and the CAC with any relevant financial information concerning any such adjustment.

(d) RCN shall receive a credit towards the first Grant payments to be made under this paragraph as follows: a \$12,393 credit against the first payment to the City and a \$67,581 credit against the first payment to CAC.

(e) If any of the payments referred to in this paragraph 3 are not made on or before their due dates to the City and/or CAC, RCN shall pay to the City and/or CAC, respectively, interest from such due date on the amount due and owing until such amount is paid in full at the monthly rate of one-and-one-half percent (1.5%). If an additional amount is due the City and CAC as a result of the

audit referred to in subparagraph (c) and such amount is not paid within thirty (30) days after RCN is notified of the result of the audit, RCN shall pay interest to the City and CAC, on the amount due and owing until such amount is paid in full, at the monthly rate of one-and-one-half percent (1.5%).

4. In the event that the City enters into an agreement with Comcast or any other franchised cable provider that provides for a grant payment in an amount less than 1% of that provider's gross revenues, the City, CAC and RCN agree that RCN shall pay that lesser percentage of gross revenues on a going-forward basis and starting on the same date that the payments made by that other cable provider are to commence, allocated between the City and CAC in such percentages as they shall jointly direct RCN in writing. RCN shall have no right to any refund or set-off of any kind for payments previously made pursuant to this agreement as a consequence, if any, of this paragraph.

In the event that the City enters into an agreement with Comcast or any other franchised cable provider that provides for a grant payment in an amount greater than 1% of that provider's gross revenues, the City, CAC and RCN agree that RCN shall pay that greater percentage of gross revenues on a going-forward basis and starting on the same date that the payments made by that other cable provider are to commence, allocated between the City and CAC in the same percentages as stated in paragraph 3 above. The City and CAC shall have no right to seek any additional payments for a prior time period as a consequence, if any, of this paragraph.

5. In the event that the requirement contained in section 4-280-320 A. of the Cable Ordinance that provides that "[T]he franchise(s) shall provide that the CAC shall

control the use of ten percent of all cable channels (including ten percent of all channels on subscriber cables) from their inception, free of charge, as access channels.” is modified in any way, including by renegotiation with any other franchised cable provider, the City and CAC agree that the modified requirement shall govern RCN’s obligations under this ordinance section.

6. RCN agrees that a violation of the terms of this agreement by RCN may be considered by the City as a material violation of the Franchise and shall subject RCN to all remedies available to the City under the Franchise.

7. No amendment or other modification of this Agreement shall be valid or binding on any party hereto unless in writing and signed by all of the parties. Other than franchise fees and other fees and taxes owed to the City by RCN pursuant to applicable law, this document contains the entire agreement between the parties hereto with respect to payments to be made by RCN to the City and to CAC based on gross revenues from RCN cable services regarding Franchise Area 1, and supersedes all prior agreements or understandings. This Agreement shall bind and inure to the benefit of and be enforceable by RCN, the City and CAC and their respective successors and assigns. This Agreement will be governed by the laws of the State of Illinois. Each party represents and warrants to each other party that its undersigned representative has full power and authority to enter into this Agreement, that it has received all necessary or required approvals with respect thereto and that this Agreement constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms. Each party further represents and warrants that it is entering into this

Agreement voluntarily and has received the advice and representation of counsel. No inference shall be drawn for or against any party because of its role in the drafting of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the
date written above.

CHICAGO ACCESS CORPORATION

BY: _____

Its: _____

RCN CABLE TV OF CHICAGO, INC.

BY: _____

Its: _____

THE CITY OF CHICAGO

BY: _____

Its: _____

EXHIBIT D – SERVICES

1. Service Outlets - Pursuant and in addition to Section 4-280-230(C) of the Cable Ordinance, the Grantee shall provide, free of charge, one service outlet for Expanded Basic service to each of the institutions listed below:

NAME	STREET NAME	UNIT	CITY	STATE	ZIP
WALTER PAYTON COLLEGE PREP HIGH	1034 N WELLS ST	1	CHICAGO	IL	60610
ENGINE COMPANY 83 *	1200 WEST WILSON AVE		CHICAGO	IL	60640
CITY HALL *	121 NORTH LA SALLE ST		CHICAGO	IL	60602
SOUTH LOOP ELEMENTARY SCHOOL *	1212 SOUTH PLYMOUTH CT		CHICAGO	IL	60605
CATHERINE FERGUSON CHILD PARENT	1420 N HUDSON AVE		CHICAGO	IL	60610
GEORGE MANIERRE ELEMENTARY SCHOOL * (FORMERLY FERGUSON CHILD PARENT CENTER)	1420 NORTH HUDSON AVE		CHICAGO	IL	60610
JAMES G. BLAINE SCHOOL *	1420 WEST GRACE ST		CHICAGO	IL	60613
WILLIAM B. OGDEN SCHOOL (ODGEN INTERNATIONAL SCHOOL)	1443 N OGDEN AVE		CHICAGO	IL	60610
NEAR NORTH CAREER MAGNET HIGH SCHOOL *	1450 NORTH LARRABEE ST		CHICAGO	IL	60610
ENGINE COMPANY 70 *	1545 WEST ROSEMONT AVE		CHICAGO	IL	60645
STEPHEN GALE ACADEMY(4650 N MARSHFIELD)	1631 W JONQUIL TER	1	CHICAGO	IL	60626
ENGINE COMPANY 102 * (REBUILT AT NEW ADDRESS)	1723 WEST GREENLEAF AVE		CHICAGO	IL	60645

NAME	STREET NAME	UNIT	CITY	STATE	ZIP
GEORGE ARMSTRONG ELEMENTARY SCHOOL *	2110 WEST GREENLEAF AVE		CHICAGO	IL	60645
FRANCIS W. PARKER SCHOOL (RETIRED)	2234 NORTH CLARK STREET		CHICAGO	IL	60614
RAYMOND GRAHAM TRAINING CENTER *	2347 SOUTH WABASH AVE		CHICAGO	IL	60616
WILLIAM B. OGDEN ELEMENTARY SCHOOL *	24 WEST WALTON ST		CHICAGO	IL	60610
CHRISTOPHE R HOUSE	2507 N GREENVIEW AVE		CHICAGO	IL	60614
PAUL LAURENCE DUNBAR CAREER ACADEMY HIGH SCHOOL *	3000 SOUTH KING DR		CHICAGO	IL	60616
J.J. PERSHING MAGNET SCHOOL	3113 S RHODES AVE		CHICAGO	IL	60616
CAN-TV	322 S GREEN ST		CHICAGO	IL	60607
CITY OF CHICAGO	33 N LA SALLE ST	1650	CHICAGO	IL	60602
CITY OF CHICAGO	33 N LA SALLE ST	1650	CHICAGO	IL	60602
CITY OF CHICAGO	33 N LA SALLE ST	1650	CHICAGO	IL	60602
CITY OF CHICAGO	33 N LA SALLE ST	1650	CHICAGO	IL	60602
POLICE, CHICAGO DISTRICT 23 *	3600 NORTH HALSTED ST		CHICAGO	IL	60613
LAKEVIEW PUBLIC LIBRARY*	3754 NORTH SOUTHPORT AVE		CHICAGO	IL	60613
WALT DISNEY MAGNET SCHOOL*	4140 NORTH MARINE DR		CHICAGO	IL	60613
MCCORMICK BYS AND GRLS CLB	4835 N SHERIDAN RD		CHICAGO	IL	60640
OFFICE OF CONSUMER SERVICES	50 W WASHINGTON ST	208	CHICAGO	IL	60602
CITY OF CHICAGO DEPT OF INNOV	50 W WASHINGTON ST	2706	CHICAGO	IL	60602
GOUDY ELEMENTARY SCHOOL *	5120 NORTH WINTHROP AVE		CHICAGO	IL	60640
ENGINE COMPANY 59 *	5714 NORTH RIDGE AVE		CHICAGO	IL	60660

NAME	STREET NAME	UNIT	CITY	STATE	ZIP
STEPHEN T. MATHER HS	5835 N LINCOLN AVE		CHICAGO	IL	60659
NICHOLAS SENN HIGH SCHOOL	5900 N GLENWOOD AVE	1	CHICAGO	IL	60660
WILLIAM JONES COLLEGE PREP HIGH	606 S STATE ST		CHICAGO	IL	60605
ENGINE COMPANY 71 *	6239 NORTH CALIFORNIA AVE		CHICAGO	IL	60659
NORTHTOWN PUBLIC LIBRARY *	6435 NORTH CALIFORNIA AVE		CHICAGO	IL	60645
POLICE, CHICAGO DISTRICT 24*	6464 NORTH CLARK ST		CHICAGO	IL	60626
SULLIVAN HIGH SCHOOL*	6631 NORTH BOSWORTH AVE		CHICAGO	IL	60626
DANIEL BOONE ELEMENTARY SCHOOL*	6710 NORTH WASHTENAW AVE		CHICAGO	IL	60645
EUGENE FIELD ELEMENTARY SCHOOL	7019 N ASHLAND BLVD		CHICAGO	IL	60626
DECATUR STEPHEN CLASSICAL SCHOOL	7030 N SACRAMENTO AVE		CHICAGO	IL	60645
STEPHEN DECATUR CLASSICAL ELEMENTARY SCHOOL *	7030 NORTH SACRAMENTO AVE		CHICAGO	IL	60645
PHILLIP ROGERS SCHOOL	7345 N WASHTENAW AVE		CHICAGO	IL	60645
STEPHEN F. GALE SCHOOL WEST* (1634 W JONQUIL CORNER BLDG SAME THE ACADEMY)	7650 N MARSHFIELD AVE		CHICAGO	IL	60626
HORACE GREELEY SCHOOL	832 W SHERIDAN RD		CHICAGO	IL	60613
INTERAMERICAN SCHOOL (FORMERLY JOHN LEMOYNE SCHOOL)	851 W WAVELAND AVE		CHICAGO	IL	60613

2. Free Equipment and Services – The grantee shall continue to provide the following equipment and services at no charge to the City.

Located at Harold Washington Library :

- *2 units- ADC DV6312RSR receivers, each equipped with a DV6102VDM card (for a total of 2 cards)
- *1 ADC combiner shelf (model unknown)
- *1 unit - DV6016ES - (This is the main box. The following items are the cards that fit inside of it):
- *2 units - DV60ACPSB (power supplies)
- *1 unit - DV6016DAP2
- *1 unit - DV6302RCQ
- *1 unit - DV6301TXD
- *1 unit - DV6102VDM (receives signals from the mayor's press room)
- *3 units - DV6101VEM (sends City's 3 programming signals to RCN's headend)
- *1 unit - Silicon Valley Communications Forward Path Receiver (Enables MUTV to see the subscriber "feed" from HWLC, so that City's signal quality to RCN viewers can be monitored.

Located at 33 N. LaSalle:

- *2 units- ADC DV6351RST transmitters, each equipped with a DV6101EM card (for a total of 2 cards)
- *1 ADC combiner shelf (model unknown)

Located at City Hall sub-basement:

- *1 unit - DV6016ES - (Main box, used for the video link between 33 N. LaSalle and HWL).

3. Access to The Grantee's Facilities - The Grantee shall provide direct audio and video feed capability between the municipal access studios and facilities and its cable system.

EXHIBIT E -- EEO/AA PLAN

The City and the Grantee recognize that in order to ensure the participation of minorities¹ and women in the Grantee's work force that the Grantee must take affirmative action to maximize equal employment opportunities for minorities and women. To this end, the Grantee, pursuant to Section 22.2 of the Agreement, shall develop and file an Equal Employment Opportunity/Affirmative Action Plan (the "EEO/AA Plan") with the Cable Administrator for approval within ninety (90) days after the Effective Date. For purposes of this Exhibit E and Section 22 of the Agreement, all general population and labor force statistics shall be derived from the latest U.S. Census Data.

I. EEO/AA Plan

The Grantee's EEO/AA Plan shall contain:

- A. A workforce profile that indicates the number of individual positions by job title in each of the following job categories:
 - 1. Officials and Managers/Technical/Professional;
 - 2. Sales;
 - 3. Office and Clerical;
 - 4. Craftsmen;
 - 5. Operatives;
 - 6. Laborers; and
 - 7. Service workers.

This workforce profile shall also indicate the levels by grade or pay scale of the various positions within each job category.

- B. Specific, numerical, affirmative action goals. Such goals shall be set by;
 - 1. Multiplying established percentages for each group in the appropriate job category, by;
 - 2. The number of positions (whether filled or vacant) indicated in each job category; and
 - 3. Subtracting the members of each group presently included in the Grantee's workforce in each job category
- C. A description of the Grantee's EEO/AA Plan that demonstrates the Grantee's commitment to maximizing the employment opportunities of minorities and women in its workforce. The Grantee's EEO/AA Plan shall

1. For purposes of this Exhibit E, Section 4-280-450 of the Cable Ordinance and Section 22 of the Agreement, the term "minorities" shall be defined to mean persons who are citizens or lawful permanent residents of the United States and who are:

- a) Black (a person having origins in any of the black racial groups of Africa);
- b) Hispanic (a person of Spanish or Portuguese culture with origins in Mexico, South or Central America or the Caribbean Islands, regardless of race);
- c) Asian American (a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands); or
- d) American Indian and Alaskan Native (a person having origins in any of the original peoples of North America).

be disseminated both internally and externally and appropriately reflected in the Grantee's:

1. Employee and Supervisory Manuals;
2. Training and Employment Materials;
3. Employment notices which set forth the rights of an employee if he/she believes that he/she has been discriminated against;
4. Job application forms in bold type; and
5. Contracts with its Contractors and Subcontractors.

Also indicative of the Grantee's efforts to disseminate its policy shall be the featuring of minorities and women in advertisements, posters or other public relations materials.

D. A description of personnel practices and procedures that will be used by the Grantee to:

1. Eliminate artificial barriers or other impediments to full utilization of minorities and females; and
2. Ensure that the Grantee's policies, procedures or practices are both neutral and nondiscriminatory on their face and administered in a fair manner.

This description shall provide an analysis of personnel practices and procedures and include, but not be limited to, a general description of the following:

1. The Grantee's selection process, including, but not limited to, job descriptions, job titles, employee requirements, application forms, interview procedures;
2. The Grantee's transfer, evaluation, and promotion practices;
3. Salaries, fringe benefits and other forms of compensation;
4. Accessibility of the Grantee's facilities or equipment to handicapped persons; and
5. Seniority practices.

E.. The designation of a senior company official who shall have full responsibility for the development, implementation and monitoring of the Grantee's EEO/AA policies and programs. This official shall be given adequate personnel and financial resources to conduct the Grantee's EEO/AA policies and programs.

The title of this official shall appear in all materials relating to the Grantee's EEO/AA Plan.

F. A description of the procedures to be used by the Grantee to inform all of its personnel that successful implementation of and compliance with the Grantee's EEO/AA policies and programs will be an essential element in performance evaluation and promotion.

G. A description of a systematic, affirmative action recruitment program to be used by the Grantee to attract minority and female applicants to the Grantee's workforce. Such description shall also identify applicant sources in the City's labor force. The Grantee may rely on personnel resource organizations to obtain data on current and potential applicant sources. Minority and women's organizations and colleges with a significant proportion of minority and female students may also provide such recruitment information. Techniques to recruit potential applicants may include:

1. Placing job announcements/advertisements in newspapers;
2. On-site visits at minority and women's colleges;
3. Contacting and sending job announcements to minority and women's professional organizations and civil rights, legal and community organizations;
4. Attendance at special career programs at local high schools and colleges or participating in conventions or meetings sponsored by civil rights or public interest organizations; and
5. Announcing employment opportunities on radio and TV on both minority and non-minority stations.

H. A description of the Grantee's apprenticeship training and educational programs that will be established and implemented by the Grantee to satisfy the employment requirements set forth herein and in Section 22 of the Agreement.

I. A description of the Grantee's internal audit and monitoring system that must be integrated with the Grantee's normal personnel, budgetary and management systems and used to conduct an analysis of each aspect of the Grantee's EEO/AA policies and programs and to measure the effectiveness of this program. This description shall include, but not be limited to:

1. A procedure for monitoring vacancies created by new hiring, expansion, promotion, attrition or termination to assess opportunities for meeting its Equal Employment Opportunity and Affirmative Action goals.
2. A procedure for assessing the usefulness of various recruitment sources and techniques.

II. Underutilization Analysis

Subsequent to submission of its EEO/AA Plan, the Grantee shall be required to conduct, on an annual basis, a statistical analysis pursuant to guidelines established by the City,

to determine whether minorities or women are underutilized in the Grantee's workforce in any job category. Generally, this analysis shall consist of a comparison of the projected annual, numerical affirmative action goals of the Grantee and the actual representation of minorities and females in the Grantee's workforce.

EXHIBIT F -- MBE AND WBE PLANS

The City recognizes that (i) minority and women-owned businesses have historically been underutilized in the cable television industry; (ii) the minority and female populations comprise substantially more than half of the general population of the City; (iii) there are a significant number of qualified minority and women-owned businesses located within the City and (iv) by providing opportunities to such minority and women-owned businesses, the Grantee shall assist in increasing the participation of minority and women-owned businesses in the cable television industry. To this end, the Grantee, pursuant to Section 23.2 and 3 of the Agreement, shall develop separate MBE² and WBE³ Plans.

I. MBE/WBE Plans

Both the MBE and WBE Plans of the Grantee shall contain:

A. A description of the Grantee's internal MBE/WBE policy that demonstrates the Grantee's commitment to maximizing the participation of minority and women-owned businesses located in the City in the construction, installation, maintenance and operation of its cable television system. This policy shall be disseminated both internally and externally and be reflected in all of the Grantee's contracts. Indicative of the Grantee's efforts to disseminate this policy shall be:

1. Timely notice of the Grantee's intent to award contracts to the minority and female business communities, MBE/WBE assistance agencies and other MBE/WBE-related organizations;
2. Advertising in publications having significant circulation among minorities and/or females;
3. Sponsoring conferences to advertise the Grantee's MBE/WBE policies and to explain the procedures for MBE/WBE participation;
4. Maintaining systematic contacts with the minority and female business communities, MBE/WBE assistance agencies, MBE/WBE contractor associations and other minority and female organizations to encourage referrals of qualified MBE/WBEs;
5. Communicating the Grantee's MBE/WBE policies to all existing

2. For purposes of this Exhibit F, Section 4-280-450(E) of the Cable Ordinance and Sections 23.2 and 3 of the Agreement, MBE ("Minority Business Enterprise") means a business (a) which is at least fifty-one percent (51%) owned by one or more minorities or, in the case of a publicly owned business, at least fiftyone percent (51%) of the stock of which is owned by one or more minorities; and (b) whose minority owners possess the power to direct or cause the direction of the management and policies of the business and to make day-to-day as well as major decisions regarding management, policy, and operations of the business.

3. For purposes of this Exhibit and Section 23 of the Agreement, WBE ("Women's Business Enterprise") means a business (a) which is at least fifty-one percent (51%) owned by one or more females or, in the case of a publicly owned business, at least fifty one percent (51%) of the stock of which is owned by one or more females; and (b) whose female owners possess the power to direct or cause the direction of the management and policies of the business and to make day-to-day as well as major decisions regarding management, policy and operations of the business.

contractors and subcontractors and requesting MBE/WBE referrals for future considerations.

B. The designation of a senior company official who shall have full responsibility for the development, implementation and monitoring of the Grantee's MBE/WBE programs. This official shall be given adequate personnel and financial resources to conduct such programs. The title of this official shall appear in all of the Grantee's materials relating to MBEs/WBEs.

C. A description of specific programs that will be established and implemented by the Grantee to meet its required MBE and WBE goals and to ensure the participation of MBEs/WBEs in the construction, installation, maintenance and operation of its cable television system.

D. A description of specialized programs that the Grantee may, at its option, establish and implement to meet its required MBE and WBE goals and to ensure the participation of MBEs/WBEs in the construction, installation, maintenance and operation of the Grantee's cable television system such as:

1. Set-asides for MBEs/WBEs;
2. Joint venture arrangements between MBEs/WBEs and other firms;
3. Sole source contracts with capable, qualified MBEs/WBEs;
4. Division of contracts to facilitate greater MBE/WBE participation;
5. Accelerated or pro-rated payment plans and pro-rated delivery schedules in order to minimize the cash flow problems of MBEs/WBEs;
6. Purchasing supplies and/or leasing the required equipment for a job and then subcontracting with MBEs/WBEs only for the expertise required to perform the job; and
7. Revolving loan funds.

Also indicative of the Grantee's efforts to meet its MBE/WBE goals shall be: a) the deposit of funds in minority or women-owned banks; b) bonding, management and technical assistance; c) the dissemination of informational materials; d) the sponsoring of seminars and workshops; and e) advising MBEs/WBEs on organizational and contractual requirements, bid specifications, contracting schedules and procurement procedures.

E. A description of the categories and dollar values of all contracts to be awarded by the Grantee.

F. A description of the categories and dollar values of all contracts that should be excluded from the total dollar value of contracts to be awarded by the Grantee because participation of MBEs/WBEs would not be practically possible such as factory direct purchases, purchases of satellite-delivered services and purchases of materials or equipment from a sole source of supply. These exclusions must be justified by the Grantee

in this description and are subject to the approval of the Cable Administrator.

G. A description of the Grantee's internal audit and monitoring system that must be integrated with the Grantee's normal personnel, budgetary and management systems and used for purposes of measuring the effectiveness of the Grantee's MBE/WBE programs. Said description shall:

1. Set forth specifically the steps the Grantee will take to identify and award contracts to MBEs and WBEs;
2. Detail the methods the Grantee will use for monitoring its MBE/WBE programs;
3. Be consistent with the MBE/WBE⁴ counting methods set forth below:
 - a) The total dollar value of the contract awarded to the MBE/WBE is counted toward the applicable MBE/WBE goals.
 - b) The total dollar value of a contract with an MBE/WBE owned and controlled by both minority males and non-minority females is counted towards MBE or WBE goals respectively, in proportion to the percentage of ownership and control of each group in the business.
 - c) The total dollar value of a contract with an MBE-owned and controlled by minority women is counted toward either the applicable MBE goal or the WBE goal, but not toward both. The Grantee may choose the goal to which the contract value is applied.
 - d) The portion of the total dollar value of a contract with an eligible joint venture that is equal to the percentage of ownership and control of the MBE/WBE partner in the joint venture may be counted towards the applicable MBE/WBE goals.
 - e) Only expenditures to MBEs/WBEs that perform a "commercially useful function" in the performance of a contract may be counted towards the applicable MBE/WBE goals. An MBE/WBE is considered to perform a "commercially useful function" if it is responsible for the execution of a distinct element in the performance of a contract and carries out its responsibilities by actively performing, managing and supervising the job.
 - f) The portion of the total dollar value of a sub-contract performed by an MBE/WBE is counted towards the applicable MBE/WBE goals.

4. MBEs/WBEs must be certified in accordance with standards established by the City.

g) Materials and supplies obtained from MBE/WBE suppliers and manufacturers may be counted towards the applicable MBE/WBE goals; provided that the MBE/WBE assumes the actual and contractual responsibility for the provision of materials or supplies. In cases where the MBE/WBE exercises the exclusive role of a distributor, broker or agent for the obtaining of materials or supplies, then only the commission, markup or fee earned by the MBE/WBE may be counted towards the applicable MBE/WBE goals.

EXHIBIT G – VIDEO ON DEMAND

The CAC and City agree to follow the standardized procedures all commercial systems use for uploading VOD content to the Grantee's system. The CAC and City are responsible for providing all Metadata information when uploading the VOD content and that the content will be provided in an MPEG 2 transcoding.

The Metadata information will, if available, include, but is not limited to:

- The asset title
- Description
- Director and actors
- Show run time
- Rating
- Expiration date of the asset

Grantee will provide an interface to enter each asset in a user-friendly manner.