

(2) Franchise Review.

(a) A review of the franchise performance may be undertaken upon agreement of the Grantee and the commission.

(b) A limited review of the franchise may be initiated by the Grantee, the Grantor or the commission any time at least 36 months after the completion of a prior review of the franchise. The limited review may consider any or all of the following matters:

(i) The need for additional channels;

(ii) Service extension policies set forth in Section 7, including, but not limited to, changes in urban service boundaries affecting areas to be served by Grantee;

(iii) Technical adequacy of the system, including, but not limited to, picture quality, two-way transmission capacity, and compliance with standards set forth in Section 8;

(iv) Changes in the Federal Act or FCC authority, rules, or regulations which affect the franchise;

(v) The franchise fee and payments set forth in Section 10 and financial support for public, education, and governmental access; and

(vi) The franchise term extension.

(c) Any additions to or modifications of services, or system design shall be conditioned upon their technical practicality and commercial feasibility.

(d) The grantee shall be represented during review negotiations by a representative of the corporation authorized to speak on behalf of the head office of the corporation on questions of corporate practice, policy, and plans.

(e) Any matters within the categories enumerated in Subsection 16(2)(b) above, on which agreement is not reached after good faith negotiation shall be submitted to binding arbitration pursuant to Section 15 herein, without need of further agreement to arbitrate, as otherwise required in Subsection 15(4). Upon decision of the arbitrator(s) or of the court on appeal, this ordinance shall be amended to the extent necessary to implement said decision.

(f) Anytime between May 1, 2005 and October 31, 2005, upon reasonable demonstration by Grantee to commission that Grantee is in substantial compliance with the material terms of the franchise as it then exists, the commission shall renew the franchise for an additional ten year term commencing July 1, 2008. A denial of renewal by the commission shall be made if it reasonably initially determines that the Grantee has not substantially complied with the material terms of the franchise. In the event of such a denial, the commission shall also immediately proceed under Section 626 of

the Federal Act. If the commission conducts the hearing required in subpart 626(c)(2) of the Federal Act, a decision by the commission to deny the renewal or Grantee's proposal shall be the final decision of the franchising authority.

(3) Termination.

(a) The Grantor reserves the right to terminate this franchise and all rights and privileges pertaining thereto, in the event that:

(i) The Grantee violates any material provision of this franchise, except where such violation is without fault, or occurs by reason of excusable neglect;

(ii) The Grantee deliberately fails to operate the system without prior approval of the commission or without just cause; or

(iii) The Grantee intentionally evades any of the provisions of this franchise, or is found to have practiced any fraud or deceit upon the Grantor.

(b) Prior to any termination proceedings under this section, the Grantee shall be given 60 days of notice in writing, which notice shall state with particularity the grounds upon which the Grantor relies. If, at the end of the 60-day period, the Grantee has not cured the matter which provides grounds for termination, or if said default cannot be cured within 60 days and Grantee has failed to promptly notify Grantor of a date certain by which the default shall be cured or fails to initiate the remedy and proceed with all reasonable dispatch to cure the default, the franchise shall be subject to termination.

(c) Termination under this subsection shall be accomplished only by the passage of an ordinance after proceedings affording Grantee due process of law and a full opportunity to be heard consistent with the hearing procedures set forth in Eugene Code Sections 2.391-2.400 as such procedures exist at the time this ordinance is adopted. Any such ordinance shall not take effect sooner than 30 days after passage and shall be subject to judicial review.

Section 17. Change of Ownership.

(1) Transfers and Assignments.

(a) This franchise shall not be assigned or transferred, either in whole or in part, or leased, sublet, or mortgaged in any manner, nor shall title hereto, either legal or equitable, or any right, interest, or property therein, pass to or vest in any person without the prior written consent of the Grantor. However, without the commission's consent Grantee may transfer or assign the franchise to an affiliate of Grantee provided the transferee or assignee is wholly-owned by Grantee or by Grantee's owner. The proposed assignee must show financial responsibility as determined by the Grantor and must agree to comply with all provisions of the franchise.