

**FRANCHISE AGREEMENT
QWEST BROADBAND SERVICES, INC. D/B/A CENTURYLINK**

WHEREAS, this Franchise Agreement (“Franchise”) is made this ____ day of _____, 2016 between **SANDY CITY, UTAH** (the “City”) and **QWEST BROADBAND SERVICES, INC.**, d/b/a CenturyLink (“CenturyLink” or “Grantee”).

WHEREAS, the City is authorized to grant and renew cable franchises for the installation, operation, and maintenance of cable television systems and otherwise regulate cable communications services within the City boundaries by virtue of federal and state statutes, by the City's police powers, by its authority over its public rights-of-way, and by other City powers and authority;

WHEREAS, Qwest Broadband Services, Inc. d/b/a/ CenturyLink desires to provide cable communications services and to construct, operate and maintain a cable television system within the City; and

WHEREAS, the City hereby acknowledges that the financial, legal, and technical ability of CenturyLink is reasonably sufficient to provide services, facilities, and equipment necessary to meet the future cable-related needs of the community, and having afforded the public adequate notice and opportunity for comment, desires to enter into this Franchise with CenturyLink for the construction and operation of a cable system on the terms set forth herein.

Section 1. Definitions

For the purpose of this Franchise, the following terms, phrases, words, abbreviations, and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future; words in the plural include the singular and words in the singular include the plural. The word “shall” is always mandatory and not merely discretionary.

A. “Act” shall mean the Communications Act of 1934, including the Cable Communications Policy Act of 1984, as amended by the Cable Television Consumer Protection and Competition Act of 1992, and the Telecommunications Act of 1996.

B. “Cable Service” shall have the meaning provided under Federal law and regulations.

C. “Cable System” shall have the meaning provided under Federal law and regulations.

D. “Gross Revenue” shall mean any and all revenue of any kind or nature received directly or indirectly by a Grantee, its affiliates, parent and any person, firm or corporation in which the Grantee has a financial interest or which has a financial interest in the Grantee, arising

from or attributable to the Grantee's operation of its Cable System to provide Cable Services that requires the use of the City's Public Right-of-Way, including, but not limited to:

- (i) Revenue from all charges for Cable Service provided to Subscribers;
- (ii) Revenue directly derived and attributable to the sale of commercial advertising upon the Cable System;
- (iii) Revenue from all charges for the leased use of studios;
- (iv) Revenue from all charges for the use of or lease of leased access channels;
- (v) Monthly recurring revenue from all charges for the installation, removal, connection and reinstatement of equipment necessary for a Subscriber to receive Cable Services; and
- (vi) Revenue from the sale, exchange, use or cablecast of any programming developed for community use or institutional Subscribers.

“*Gross Revenues*” shall not include taxes or fees (except the Franchise Fee) collected by Grantee on behalf of any governmental authority; any increase in the value of stock, security or asset; any surcharges for underground conversion of cable plant costs; any increase in the value of any stock, security or asset; the value of complimentary service provided to the Grantee's employees; and dividends or other distributions made in respect of any stock or securities; value received by the Grantee or any of its affiliates through cooperative advertising; or revenues which cannot be collected by Provider and are identified as bad debt (provided, however, that if revenue previously representing bad debt is collected, that revenue shall be included in Gross Revenue for the collection period).

E. “Living Unit” means a distinct address as tracked in the QC network inventory, used by CenturyLink to identify existing or potential Subscribers. This includes, but is not limited to, single family homes, multi-dwelling units (e.g., apartment buildings and condominiums) and business locations.

F. “Person” shall mean any person, firm, partnership, association, corporation, company or organization of any kind other than the City.

G. “QC” means Qwest Corporation d/b/a CenturyLink (“QC”), an Affiliate of CenturyLink.

H. “Qualified Living Unit” means any Living Unit designated as qualified for Cable Service in QC's loop qualification network inventory.

I. “Service Area” shall mean the territory within the boundaries of the City, and shall include any legal additions thereto by annexation or other legal means.

J. “Street” and “Public Right-of-Way” shall have the meaning set forth in applicable City Code or rules as defined below.

K. “Subscriber” shall mean an authorized recipient lawfully receiving Cable Service provided by CenturyLink by means of or in connection with the Cable System, whether or not a fee is paid for such service.

L. “City Code” shall mean the code, rules and regulations adopted by Sandy City, from time-to-time.

M. “Reasonable Notice” shall mean the following: Unless otherwise defined herein, reasonable notice means the delivery of written notice to the other party at least thirty (30) days prior to the action proposed for the alleged defect, situation or default. In the event of any emergency that poses an immediate risk of harm to the health safety, welfare or property of the residents of the City, reasonable notice shall be construed to mean written or verbal notice of the action, condition or defect or situation as soon as practicable under the circumstances.

N. “Multiple Dwelling Unit” or “MDU” means any adjacent building(s) such as apartments under common ownership containing more than four dwelling units used as living quarters.

Section 2. Grant of Franchise

The nonexclusive Franchise is hereby granted to CenturyLink for the Term of five (5) years, and subject to the terms, conditions, and limitations hereinafter stated, to use the Streets or Public Rights-of-Way of the City now or hereafter laid out or dedicated, and all extensions thereof, and additions thereto, to construct, erect, operate and maintain in, upon, along, across, above, over, and under the aforementioned Streets and/or Public Rights-of-Way in the City, except where specifically prohibited by the City, wires, cables, underground conduits, manholes, and other conductors and fixtures necessary for the maintenance and operation in the City of a Cable System for the reception, sale, and distribution of Cable Service and for any and all other lawful purposes.

Any Affiliate of CenturyLink directly involved in the offering or delivery of Cable Services in the Service Area, or directly involved in the management or operation of the Cable System in the Service Area, shall comply with the obligations of this Franchise. However, the Parties acknowledge that Qwest Corporation d/b/a CenturyLink (“QC”), an Affiliate of CenturyLink, will be primarily responsible for the construction and installation of the facilities in the Streets/Public-Rights-of-Way which will be utilized by CenturyLink to provide Cable Service, including Cable Services utilizing QC’s Fiber-to-the-Premises Network or Fiber-to-the-node infrastructure utilizing facilities provided by QC. So long as QC does not provide Cable Services to Subscribers in the City, QC will not be subject to the terms and conditions contained in this Franchise. QC’s installation and maintenance of facilities in the Streets/Public-Rights-of-Way shall otherwise be subject to applicable laws and permit requirements. To the extent CenturyLink uses any third-parties (whether or not affiliated with CenturyLink) to fulfill its obligations under this Franchise, CenturyLink will insure such parties comply with the terms and

conditions of this Franchise. To the extent CenturyLink constructs and installs Facilities in the Streets/Public-Rights-of-Way, such installations and facilities will be subject to the terms and conditions contained in this Franchise.

Section 3. Area of Operation

A. Subject to the lawful exercise of the police power heretofore or hereafter granted to the City, CenturyLink shall have the right to construct, operate, and maintain, in, on, along and under the Streets and Public Rights-of-Way of the Service Area of the City, except where specifically prohibited by the City, wires, cables, remote terminal cabinets, underground conduits, manholes, and other conductors and fixtures necessary for the maintenance and operation in the City of a Cable System at such locations designated by CenturyLink.

B. CenturyLink shall provide Cable Services upon request from any Person in the Service Area who resides in a Qualified Living Unit.

C. Except as otherwise provided in this Franchise, CenturyLink shall provide Cable Services within seven (7) days of a request by any Person who resides in a Qualified Living Unit. A request shall be deemed made on the date of signing a service agreement, receipt of funds by CenturyLink or receipt by CenturyLink of a verified verbal or written request.

E. CenturyLink's use of Public Rights-of-Way shall be subject to all rules and policies adopted by the City from time to time, provided, such rules and policies do not materially change the terms of this Franchise.

Section 4. Effective Date; Term

The Franchise granted herein will take effect and be in full force from and after final approval by the City Council for a period of five (5) years (hereinafter the "Term").

Section 5. Conditions on use of Streets and Roads

A. **Trimming/Cutting Trees.** CenturyLink, upon consultation with the City's Public Works Department, shall have the right to trim and keep clear of its poles, wires, cables, underground conduits, manholes and other conductors and fixtures, the trees in and along the Streets. In the exercise of such right, CenturyLink shall not cut or otherwise injure any trees to any greater extent than is reasonably necessary. The City, at its sole discretion, may choose to trim/cut the trees using its own crews.

B. **Restoring Streets.** Subject to City Code, to include the Sandy City Standard Specifications and Details for Municipal Construction, CenturyLink shall restore, reconstruct, or repair any Street and Public Right-of-Way, and any sewer, gas, effluent, water main, pipe, or fire alarm disturbed or destroyed by the exercise of any right granted to CenturyLink by this Franchise in accordance with applicable City Code, as amended. In the event the City determines CenturyLink has not made such restoration, reconstruction or repair in a reasonably satisfactory manner, the City, after giving CenturyLink notice and opportunity to correct such

failure, shall have the right to carry out such restoration, reconstruction or repair, and CenturyLink shall reimburse the City in full for all reasonable expenses incurred by the City in carrying out all or part of such restoration, reconstruction or repair.

C. Safety. CenturyLink shall at all times employ ordinary care and shall install and maintain in use commonly accepted methods and devices for preventing failure and accidents which are likely to cause damage, injuries, or nuisances to the public. All structures and lines, equipment, and connections in, over, under, and upon the Streets, shall at all times be kept and maintained in a safe, suitable, substantial condition, and in good order and repair. Any opening or obstruction in the streets shall be guarded and protected at all times by placement of adequate barriers, fences, or boardings, the bounds of which will be clearly designated by warning lights.

D. Compliance with Applicable Laws. CenturyLink shall install and maintain its wire, cables, fixtures, and other equipment in accordance with applicable City Code, as amended, any building codes, or other construction standards imposed by the City, and the applicable sections of the National Electric Safety Code as revised during the Term and in such manner as shall not interfere with any installations of the City or of any public utility serving the City.

E. Temporary Moving of Wires. CenturyLink shall, on the request of any Person holding a building-moving permit issued by the City, temporarily relocate its facilities to permit the moving of buildings, water, effluent or sewer lines, or Streets and/or Public Rights of Way. The expense of such relocation shall be paid by the Person requesting the same, and CenturyLink shall have the authority to require such payment. CenturyLink shall be given not less than seven (7) business days' notice to arrange for such relocation.

F. Inspection. The City shall have the right to inspect all construction or installation work performed in, over, under and upon the Streets and public rights-of-way, subject to the provisions of this Franchise and make such inspections as it shall find necessary to insure compliance with the terms of this Franchise.

G. Location of Distribution Lines-Poles/Underground Cable. No poles or structures shall be erected by CenturyLink without prior approval of the City, through established permit procedure pursuant to applicable City Code, as amended. Location of any pole or structure shall be removed or modified by CenturyLink whenever the City determines that the public health, safety and welfare would be negatively affected. If the City requires the removal or relocation of part of the Cable System, such removal or relocation shall be solely at CenturyLink's expense.

H. Moving of CenturyLink Property. CenturyLink will, upon reasonable notice from the City, protect, support, temporarily disconnect or relocate its property in the Street or Public Right-of Way when required by the City or State by reason of traffic conditions, public safety, street closing or abandonment, highway or street construction, change or establishment of street grade, or any other types of structures or improvements. The City shall bear the cost to the extent such request for relocation or disconnection is for aesthetic purposes.

Section 6. Construction and Operation

A. All installation and maintenance of electronic equipment shall be in accordance with the applicable sections of the current edition of the National Electric Safety Code and all State as well as all applicable City codes.

B. All working facilities, conditions, and procedures, used or occurring during construction and maintenance of the Cable System shall comply with the standards of the Occupational Safety and Health Administration.

C. Construction, installation and maintenance of the Cable System shall be performed in an orderly and workmanlike manner, and in close coordination with public and private utilities serving the City following the Sandy City Standard Specifications and Details for Municipal Construction working through existing committees and organizations.

D. Any antenna structure used in the Cable System shall comply with construction, marking and lighting of antenna structures required by the United States Department of Transportation. CenturyLink shall obtain a special use permit from the City prior to the installation of any such antenna structure.

E. CenturyLink will not intentionally interfere with television reception of Persons not served by CenturyLink, nor will the Cable System interfere with, obstruct or hinder in any manner, the operation of the various utilities serving the residents within the confines of the City. Specifically, CenturyLink shall not interfere, obstruct or hinder in any manner, the City's communications systems, water system, sewer system, fire department system, police department system, public works systems or court system.

F. CenturyLink shall not be required to make Cable Service available to residents of an MDU project until a mutually acceptable agreement granting CenturyLink access to the MDU has been executed and delivered by CenturyLink and the property owner.

G. CenturyLink will at all times fully comply with all City requests regarding its work within the Public Rights-of-Way.

Section 7. Customer Service

A. CenturyLink shall obtain and maintain sufficient telephone lines and staffing so as not to delay unreasonably the answering of any telephone call, and shall adjust its staffing, as necessary, with respect to special events which may reasonably be expected to increase call volume. In any event, CenturyLink shall comply at all times with the customer service provisions set forth in 47 Code of Federal Regulations Parts 76.309, 76.1602 and 76.1603.

B. Grantee shall comply with all applicable federal and State privacy laws, including Section 631 of the Cable Act and regulations adopted pursuant thereto.

C. The Grantee shall issue refund checks promptly but no later than either the Customer's next billing cycle following resolution of the request or within thirty (30) days, whichever is earlier, or the return of the equipment supplied by the Grantee if service is terminated. Credits for service will be issued no later than the Customer's next available billing cycle following the determination that a credit is warranted.

Section 8. Channel Capability

A. CenturyLink shall use reasonable efforts to provide a minimum of two hundred (200) channels. CenturyLink shall provide broad categories of services. Suggested broad categories of video programming are:

1. Educational programming;
2. News and information;
3. Sports programming;
4. General entertainment (including movies);
5. Children's programming;
6. Family programming;
7. Culture and performing arts;
8. Science/documentary;
9. Weather information;
10. Ethnic programming; and,
11. Governmental affairs.

CenturyLink shall carry the signals of local broadcast stations in the Salt Lake City Metropolitan area that have indicated to CenturyLink their "must carry" designation as well as broadcast stations that have executed "retransmission consent" agreements with CenturyLink in accordance with FCC regulations and federal law.

B. Upon request by the City, with at least 180 days notice, CenturyLink shall make available one (1) channel to be used for educational and governmental cablecast programming. When first-run programming on the first educational and governmental access channel occupies fifty percent of the hours between 11:00 a.m. and 11 p.m., for any twelve consecutive weeks, the City may request and CenturyLink shall provide the use of one additional channel for the same purpose. The additional channel must maintain programming twenty-five percent of the hours between 11:00 a.m. and 11:00 p.m. for twelve consecutive weeks. If this level of programming is not maintained, the channel will return to CenturyLink for its use. CenturyLink also reserves the right to program designated educational and governmental channels during the hours not used by the City or other governmental entities. If programming time is not used by City and is available for sharing, the channels may be shared with other municipalities receiving programming from the common head-end-receive-site location. The City shall agree to indemnify, save and hold harmless CenturyLink from and against any liability resulting from the use of the aforementioned educational and governmental channels by the City, except for liability resulting from program time shared with other municipalities. CenturyLink shall not have to provide any channel capacity beyond that provided by any other franchised cable provider in the City.

C. At any time during the term of this Franchise the City may require that CenturyLink provide a “Capital Contribution,” during the remaining term of the Franchise, to be used specifically for educational and governmental access. The City shall give CenturyLink ninety (90) days written notice of such a requirement. The amount of the Capital Contribution payable by CenturyLink to the City shall not exceed ten cents per month, per Subscriber, to be remitted annually. The payment shall be due no later than forty-five (45) days after the end of the calendar year. All amounts paid as the Capital Contribution may be separately stated on Subscribers’ bills as permitted in 47 C.F.R. 76.985. The Capital Contribution will be payable by CenturyLink to the City after a) the approval of the City, if required, to the inclusion of the Capital Contribution on Subscribers’ bill, including any required approval pursuant to 47 C.F.R. 76.933; b) notice to CenturyLink’s Subscribers of the inclusion; and c) the collection of the Capital Contribution by CenturyLink from its Subscribers. The “Capital Contributions” are not to be considered in the calculation of Franchise Fees pursuant to this Franchise. CenturyLink shall never be required to pay a different rate or fee than being charged by the incumbent cable provider to its subscribers to pay a monthly per-subscriber capital contribution.

D. CenturyLink may make all PEG channels available on a mosaic display, and the location of the channel will be mutually agreed upon by the City and CenturyLink.

E. Cable System Functionality. The Cable System shall have a bandwidth capable of providing the equivalent of a typical 750 MHz Cable System. Recognizing that the City has limited authority under federal law to designate the technical method by which Grantee provides Cable Service, as of the effective date of this Franchise, Grantee provides its Cable Service utilizing two different methods: first, using a PON platform, the Grantee provides Cable Service to some Qualified Living Units by connecting fiber directly to the household (“FTTP”); second, the Grantee provides Cable Service to some Qualified Living Units by deploying fiber further into the neighborhoods and using the existing copper infrastructure to increase broadband speeds (“FTTN”). Generally speaking, when Grantee deploys FTTN, households located within 4,000 cable feet of a remote terminal shall receive broadband speeds capable of providing Cable Service. In both the FTTP and FTTN footprint, a household receiving a minimum of 25Mbps shall be capable of receiving Cable Service after Grantee performs certain network grooming and conditioning. Grantee shall determine in its discretion where to upgrade its network to convert these households to Qualified Living Units.

F. Grantee shall operate, maintain and construct the Cable System so as to continue the provision of high quality signals and reliable delivery of Cable Service.

Section 9. Conduct of Operations

A. CenturyLink will render efficient Cable Service, make repairs promptly, and interrupt Cable Service only for good cause and for the shortest time possible. CenturyLink will use reasonable efforts to assure that such interruptions will occur during periods of minimum system use.

B. CenturyLink shall comply with all applicable Federal Communications Commission rules and regulations, both present and future.

Section 10. Indemnification

A. The City shall in no way be liable or responsible for any loss or damage to property or any injury to, or death of, any person that may occur in the construction, operation or maintenance by CenturyLink of its Cable System.

B. CenturyLink shall indemnify, hold harmless and defend the City, its officers, agents and employees from and against all claims, demands, suits, costs, liens, liabilities, injuries and damages of whatsoever kind resulting directly or indirectly from, or arising out of: 1) any acts or omissions of or by CenturyLink, its agents, representatives, officers, employees, or subcontractors in connection with CenturyLink's use of the Public Rights-of-Way within the City; or 2) CenturyLink's failure to inspect, discover, correct or otherwise address any defect, dangerous condition or other condition created by or resulting from CenturyLink's use of the Public Rights-of-Way within the City. CenturyLink agrees that its duty to defend and indemnify the City under this Franchise includes reasonable attorney's fees, litigation and court costs, and expert witness fees.

C. Notwithstanding any provision hereof to the contrary, CenturyLink shall not be obligated to indemnify, defend or hold the City harmless to the extent any claim, demand, suit, cost, lien, liability, injury or damage arises out of or in connection with any negligent or willful act or failure to act of the City or any of its officers, agents or employees.

Section 11. Franchise Fee

A. CenturyLink will pay to the City quarterly, within ninety (90) days following the end of each quarter, an amount equal to five percent (5%) of CenturyLink's quarterly Gross Revenues ("Franchise Fee"). The Franchise Fee will be deemed to reimburse the City for the rights granted herein and/or all costs of regulation and administration of the Franchise. CenturyLink shall not have to pay a Franchise Fee in a percentage amount beyond that provided by any other franchised cable provider in the City.

B. Each payment shall be accompanied by a written report to Grantor, containing an accurate statement in summarized form, as well as in detail, of Grantee's Gross Revenues and the computation of the payment amount. An officer of the Grantee may designate someone to prepare a certified statement to accompany the quarterly reports, containing an accurate statement in summarized form, as well as in detail, of Grantee's Gross Revenues and the computation of the payment amount.

C. On an annual basis, upon thirty (30) days' prior written notice, Grantor shall have the right to conduct an independent audit of Grantee's records reasonably related to the administration or enforcement of this Franchise, in accordance with generally accepted accounting principles. The City may hire an independent certified public accountant or other

consultant to audit the Grantee's financial records, in which case the Grantee shall provide all relevant records to the certified public accountant. If the audit shows that Franchisee fees have been underpaid by greater than five percent (5%) or more, Grantee shall pay the reasonable cost of the audit up to \$5,000.

D. Notwithstanding any provision to the contrary, CenturyLink shall, in addition to the Franchise Fee described above, pay the required charges, taxes and fees lawfully established in a code or ordinance properly adopted by the City. CenturyLink shall be entitled to pass such charges, taxes and fees directly to its subscribers in the City.

Section 12. Services to Public Buildings

CenturyLink, upon request of the City, shall install and furnish, at its sole cost, a standard installation and one outlet of basic cable (this includes one set-top box) to those administrative buildings owned and occupied by the City, provided that such City buildings are designated as Qualified Living Units and no other cable service provider is providing such Cable Services at such location at no charge to the City. The Cable Service provided shall not be distributed beyond the originally installed outlet without authorization from CenturyLink. The Cable Service provided shall not be used for commercial purposes, and such outlets shall not be located in areas open to the public. The City shall take reasonable precautions to prevent any use of CenturyLink's Cable System in a manner that results in any damage to the Cable System. CenturyLink shall indemnify and defend the City, its officers, employees, agents, contractors, subcontractors and volunteers from all damages, costs or expenses in law or equity, including reasonable attorney's fees, that may at any time arise or be set up because of damages to property, bodily injury or personal injury received by reason of or in the course of performing services which may be occasioned by any willful, negligent or wrongful acts or omissions of CenturyLink, any of its employees or any subcontractor, except to the extent caused by the willful or negligent act of the City, its officers, agents, employees or contractors.

Section 13. Rates

All of CenturyLink's rates and charges shall be published (in the form of a publicly-available rate card) in accordance with applicable State and Federal law, and shall be nondiscriminatory as to all persons and organizations of similar classes, under similar circumstances and conditions. CenturyLink shall apply its rates in accordance with governing law, with similar rates and charges for all subscribers receiving similar cable service, without regard to race, color, familial, ethnic or national origin, religion, age, sex, sexual orientation, marital, military or economic status, or physical or mental disability. Nothing herein shall be construed to prohibit CenturyLink from:

A. The temporary reduction or waiving of rates or charges in conjunction with valid promotional campaigns;

B. The offering of reasonable discounts to senior citizens or economically disadvantaged citizens;

C. The establishment of different and nondiscriminatory rates and charges and classes of service for commercial customers, as well as different nondiscriminatory monthly rates for classes of commercial customers as allowable by federal law and regulations; or

D. The establishment of different and nondiscriminatory rates and charges for residential Subscribers as allowable by federal law and regulations.

Section 14. Records and Reports

A. Copies of all petitions, applications and communications submitted by CenturyLink and directly related to CenturyLink's Franchise to the Federal Communications Commission, Securities and Exchange Commission or any other agency having jurisdiction in respect to any matters affecting cable television operations authorized pursuant to this Franchise, shall be submitted to the City upon written request.

B. The City shall have the right, at its own expense, one (1) time during any calendar year and at other times for good cause, and upon at least thirty (30) working days prior written notice, to inspect at CenturyLink's offices during normal business hours, all books and records directly related to this Franchise to ensure compliance with the terms of this Franchise. To the extent such information is protected by State or Federal law, the City will not disclose to the public or to competitors of CenturyLink any commercial or financial information reviewed by the City pursuant to this Franchise. If any books or records of CenturyLink are not kept in a local office and if the City determines that an examination of such records is necessary or appropriate for the performance of any of the City's duties, administration or enforcement of this ordinance, then all reasonable travel and related expenses incurred in making such examination shall be paid by CenturyLink.

C. Throughout the term of the Franchise, CenturyLink shall provide the City with an annual report of its operations of the Cable System in the Service Area, including the number of Subscribers, the anticipated construction and maintenance of its facilities and its general plans to increase availability in the following year. CenturyLink shall not be required to disclose any protected or confidential information as part of this annual report. CenturyLink also agrees to meet with the City on an annual basis upon fifteen (15) days prior written request from the City. Matters to be discussed include, but are not limited to, Customer service, System performance, technical issues and other matters related to CenturyLink's operation of the Cable System.

Section 15. Franchise Renewal

Any renewal of this Franchise shall be in accordance with the renewal provisions of the Cable Act as codified at the time of the renewal and any relevant provisions of the City Code.

Section 16. Transfer of Franchise

A. Any franchise granted under this chapter cannot be sold, transferred, leased, assigned or disposed of, in whole or in part, either by forced or involuntary sale or by voluntary sale, merger, consolidation or otherwise without the prior consent of the City, and then only under

such reasonable conditions as may be prescribed by the City, in accordance with applicable law. Such prior approval of the City shall be required where there is an actual change in control. The term "control," as used in this subsection, is not limited to major stockholders but includes actual working control in whatever manner exercised. Such consent is not needed if it is from Grantee to a company controlling, controlled by or under common control of Grantee.

B. The Grantee shall promptly notify the City of any proposed change in or transfer of or acquisition by any transfer or acquisition of control of the Grantee, and shall make the franchise subject to cancellation unless and until the City shall have consented thereto.

C. In seeking the City's consent to any change in ownership or control, the Grantee shall, at a minimum, be required to show to the satisfaction of the City that the proposed transferee is legally, technically, and financially qualified to maintain and operate the cable system for the remaining term of the franchise under the existing franchise terms. Any pending franchise violations must be cured to the City's satisfaction prior to transfer approval. In addition, the transferee shall indicate in writing its willingness to be bound by all terms of any existing franchise agreement and this chapter.

Section 17. Termination; Cancellation

A. In addition to all other rights and powers pertaining to the City by virtue of this Franchise or otherwise, the City reserves the right, after reasonable notice to CenturyLink and after reasonable opportunity of CenturyLink to cure any alleged Franchise Violation, to terminate and cancel this Franchise and all rights and privileges of CenturyLink hereunder in the event that CenturyLink:

1. Willfully fails to reasonably carry out any provision of this Franchise or any rule, order, or determination of the City pursuant to this Franchise; or
2. Becomes insolvent, unable or unwilling to pay its debts, or is adjudicated bankrupt.

Section 18. Periodic Review

Beginning on a date established by the City, if requested, and then annually thereafter, if requested, the City may on its own initiative, and shall at the request of the Grantee, schedule a public meeting for the purpose of identifying the cable-related community needs and interests, and reviewing the performance of the Grantee under the Franchise. The City shall provide at least fifteen (15) days notice of the time and place of such meeting, and provide the Grantee with an opportunity to be heard. The public shall be afforded appropriate notice and opportunity for comment. Within four months of such meeting, the City shall provide Grantee with a written copy of its findings.

Section 19. Force Majeure

With respect to any provision of this Franchise, the violation or noncompliance with which could result in the imposition of a financial penalty, forfeiture or other sanction upon CenturyLink, such violation or noncompliance shall be excused where such violation or noncompliance is the result of Acts of God, war, civil disturbance, work stoppage, strike, or other events, the occurrence of which was not reasonably foreseeable by CenturyLink, and is beyond CenturyLink's reasonable control.

Section 20. Miscellaneous

A. The right is hereby reserved by the City to adopt, in addition to the provisions contained herein and in existing applicable ordinances, such additional regulations, as it shall find to be in the best interests of the City in the exercise of its lawful police powers.

B. If any section, subsection, sentence, clause, phrase or portion of the Franchise is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof.

C. City acknowledges that acceptance of the terms and conditions of this Franchise will not constitute, or be deemed to constitute, a waiver, either expressed or implied, by CenturyLink of any constitutional or legal right which CenturyLink may have or may be subsequently determined to have, either by current or subsequent legislation or court decisions. The City acknowledges that CenturyLink hereby reserves its rights under applicable Federal and State constitutions and law.

D. This Franchise shall be governed by the laws of the State of Utah.

E. In the event of a conflict between this Franchise, the City Code or applicable regulations of the City, the express provisions of this Franchise shall govern.

F. All notices or correspondence to be served upon the City or CenturyLink by the other party shall be in writing and delivered by first class mail, postage prepaid or by facsimile or by a national express mail service.

Notices or correspondence to the City shall be addressed as follows:

Sandy City
Attention: Byron Jorgenson, CAO
10000 Centennial Parkway
Sandy, UT 84070

Notices or correspondence to CenturyLink shall be addressed as follows:

Qwest Broadband Services, Inc. d/b/a CenturyLink
Attention Public Policy
1801 California Street, 10th Floor
Denver, CO 80202

With a copy to: CenturyLink
Attention: Public Policy
250 East 200 South, 16th Floor
Salt Lake City, UT 84111

The City or CenturyLink may designate such other address or addresses from time to time by giving written notice to the other as set forth above.

SANDY CITY

**QWEST BROADBAND SERVICES,
INC., DBA CENTURYLINK**

Tom Dolan, Mayor
Date signed _____

By: _____

Title: _____

ATTEST

Print name: _____

Date signed _____

Sandy City Recorder

ATTEST:

Title: _____

Print Name: _____

