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Via Email

April 20, 2011

The Honorable Sam Adams
Mayor of the City of Portland
City Hall
1221 S.W. 4th Avenue
Portland, OR 97204

Re: Municipal Franchise and Revocable Permit

Dear Mayor Adams:

Astound Broadband, LLC ("Astound") has concluded negotiations and reached agreement with the City of Portland on the terms and conditions of a temporary, revocable permit for use of the streets. The terms and conditions of this permit have been negotiated between representatives from Astound with the Office of Cable Communications and Franchise Management and the City Attorney's Office.

In order to meet system operational deadlines and, Astound is committed to begin construction no later than May 6, 2011. In view of this schedule, Astound respectfully requests that the City Council proceed with considering the issuance of a temporary, revocable permit allowing Astound to proceed with the installation of its facilities subject to the terms and conditions negotiated with City staff.

Astound would be most appreciative of allowing the company to proceed with construction and understands the risks of constructing before a franchise becomes effective. However, Astound is willing to assume such risk in order to bring competitive telecommunications services to the City of Portland as soon as possible. In assuming this risk, Astound acknowledges that no expenditure of money hereunder, lapse of time, or other act or thing shall operate as an estoppel against the City of Portland, or be held to give Astound any vested or other right. Upon revocation or expiration of the permit by the Council, Astound shall, within 90 days, remove the installed facilities and restore the street area as required by and to the satisfaction of the City Engineer.

Astound further acknowledges that the City Engineer shall jointly determine the exact location of the facilities, together with Astound within ninety (90) days after the Council authorizes the permit.

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In undertaking the proposed use of the City streets, Astound acknowledges that it shall hold the City of Portland, its officers, agents and employees free and harmless from any claims for damages to persons or property, including legal fees and cost of defending any actions or suits, which may result from the use of the streets. Astound acknowledges that the permit shall not become effective until such time as Astound provides the City with proof of insurance providing coverage meeting the maximum requirements for liability of a public body as set forth in ORS 30.270 or as it may be required by subsequent amendment and naming the City, its officers, agents and employees as additional insured. Said insurance to be kept in full force and effect at all times during the term of the permit, and the permit shall be automatically revoked without further action by the Council if the insurance is permitted to lapse, is cancelled, or for any other reason becomes inoperative.

If you have any questions or comments, please do not hesitate to contact me.

Very Truly Yours,



James A. Penney
Executive Vice President
Business and Legal Affairs

cc Steve Schneider (via email)
Mark Trincherro (via email)