

S43A



County of Orange

**MEMO RECEIVED**

06 FEB 28 PM 4: 30

CLERK OF THE BOARD  
ORANGE COUNTY  
BOARD OF SUPERVISORS

**DATE:** February 28, 2006  
**TO:** Clerk of the Board  
**FROM:** Thomas G. Mauk   
County Executive Officer  
**SUBJECT:** Exception to the Rule 21

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**The County Executive Office is requesting a supplemental for the March 7, 2006 Board Hearing Meeting:**

**Board Meeting Date** March 7, 2006  
**Agenda Item #** ASR No.  
**Subject:** Approval of Cable Franchise with Time Warner Cable Inc and Cable Franchise Transfer with Time Warner Cable and Comcast Cable  
**Calendar:** Public Hearing  
**Districts:** All

**Reason for Supplemental:** To meet the deadline of Adelphia's Federal Bankruptcy Court case and to complete the cable franchise transfer.

**Concur:**

  
\_\_\_\_\_  
Chris Norby, Vice Chairman  
Orange County Board of Supervisors

cc: Rob Richardson  
Assistant to the County Executive Officer



RECEIVED SUPPLEMENTAL AGENDA ITEM AGENDA STAFF REPORT

S43A

06 FEB 28 PM 4: 30

ASR Control

CLERK OF THE BOARD ORANGE COUNTY BOARD OF SUPERVISORS

MEETING DATE: March 7, 2006
LEGAL ENTITY TAKING ACTION: Orange County Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): All
SUBMITTING AGENCY/DEPARTMENT: Resources and Development Management Department
DEPARTMENT CONTACT PERSON(S): Bob Wilson, 714-834-2830; Alicia Campbell, 714-834-2866

[Handwritten signature]

SUBJECT: Public Hearing and Consideration for Approval of 1) a Cable Television Franchise Agreement with certain subsidiaries of Time Warner Cable Inc.; and 2) a Transfer Agreement between C-Native Exchange, Comcast of Los Angeles and the County.

CEO CONCUR

COUNTY COUNSEL REVIEW

CLERK OF THE BOARD Public Hearing

[Handwritten signature]

Approved as to Form

Budgeted: Current Year Cost: Annual Cost:
Staffing Impact: # of Positions: Sole Source:
Current Fiscal Year Revenue:
Funding Source:

Prior Board Action:

RECOMMENDED ACTION(S)

- 1. Adopt Resolution to approve a Cable Television Franchise Agreement between the County and Time Warner Entertainment-Advance/Newhouse Partnership, TWE Holding I LLC, Time Warner NY Cable, LLC., CAC Exchange I, LLC, and C-Native Exchange I, LLC. (franchisee), subsidiaries of Time Warner Cable Inc.
2. Approve the transfer agreement between C-Native Exchange I LLC, Comcast of Los Angeles and the County of Orange.
3. Authorize the execution of the franchise agreement and transfer agreement by the Chairman of the Board.
4. Authorize the Resources and Development Management Director, or designee, to accept a letter of Credit in the amount of \$75,000 from Franchisee as a condition

of the new franchise agreement and return to Franchisee the security currently held by the County for the three prior and expired franchise agreements.

5. Authorize the Resources and Development Management Director, or designee, to return any security held by the County to Century-TCI California, Ft Myers Acquisition Limited Partnership and Comcast of Los Angeles upon written notice of the closure of the purchase and exchange agreements providing Franchisee ownership and control of the cable systems for which the security is required.

#### **SUMMARY:**

The Resources and Development Management Department (RDMD) requests approval of 1) a cable television franchise agreement between the County and Time Warner Entertainment-Advance/Newhouse Partnership, TWE Holding I LLC, Time Warner NY Cable, LLC., CAC Exchange I, LLC, and C-Native Exchange I, LLC (Franchisee)., subsidiaries of Time Warner Cable Inc. and 2) approval of a transfer agreement between C-Native Exchange, Comcast of Los Angeles and the County.

#### **BACKGROUND INFORMATION:**

On April 20, 2005, Adelphia Communications Corporation (Adelphia), Time Warner Cable Inc (Time Warner), and Comcast Corporation (Comcast) and certain subsidiaries of each company entered into several agreements. These agreements are a result of the sale of the assets of Adelphia due to its declaration of bankruptcy. The purpose of the agreements is for Time Warner and/or Comcast to acquire the cable television systems owned by Adelphia and for Time Warner or certain subsidiaries to exchange various systems with Comcast nationwide. The result of these transactions locally would be that Time Warner subsidiaries will eventually acquire all Adelphia and Comcast cable systems in Orange County.

Time Warner holds three franchises with the County that serve unincorporated area not involved in the purchase and exchange. These franchises have expired. A single new franchise agreement combining the three franchises was negotiated with Time Warner. The service areas that will be acquired by Time Warner subsidiaries through the transfers and exchanges are also included in this agreement to be effective upon the closure of the purchase and exchange. The end result will be that all franchise areas within the unincorporated area will have current franchise agreements and will be subject to regulation under the new County Ordinance adopted by the Board in December, 2002.

RDMD is not recommending Board action to approve or deny the transfer and exchange of the Adelphia systems. Under federal law, no action by the local franchise authority is deemed to constitute an approval. All transferee's are parties to the recommended franchise agreement. RDMD is proposing a transfer agreement for the Comcast exchange described below.

## Parties to the Transactions

The parties to the franchise agreement and the various transactions follow:

1. Time Warner Entertainment-Advance/Newhouse Partnership, a subsidiary of Time Warner holds a franchise to service the unincorporated area adjacent to the City of Orange. This subsidiary is not subject to any of the purchases or exchanges involving Adelphia or Comcast mentioned above. The recommended action will extend the term of the franchise under the terms of the new agreement.
2. Time Warner Cable Inc. holds two franchises to service 1) the unincorporated areas adjacent to the Cities of Garden Grove, Stanton and Westminster and 2) unincorporated area adjacent to the City of Los Alamitos known as Roosmoor. Time Warner plans to transfer this system to TWE Holding I LLC, a subsidiary which is a party to the proposed franchise agreement. The recommended action will extend the term of the franchises with Time Warner under the terms of the new agreement.
3. Fort Myers Acquisition Limited, a subsidiary of Adelphia holds a franchise to serve the following area on behalf of three subsidiaries as follows:
  - a. Cablevision of Orange County II, LLC serving the unincorporated areas adjacent to the cities of Buena Park and Placentia
  - b. Cablevision of Newport Beach, LLC serving the unincorporated area adjacent to the City of Costa Mesa and Newport Beach known as Santa Ana Heights
  - c. Cablevision of Seal Beach,, LLC serving the unincorporated area adjacent to the City of Huntington Beach known as Sunset Beach.

This franchise has expired. These systems are going to be purchased from Adelphia by Time Warner and Comcast and will be a part of the exchange with the ultimate ownership by Time Warner NY Cable, LLC, a subsidiary of Time Warner. Warner NY Cable, LLC is a party to the proposed franchise agreement.

4. Century-TCI-California, LP a subsidiary of Adelphia, holds three franchises with the County for unincorporated area as follows:
  - a. adjacent to the City of Anaheim
  - b. adjacent to the City of La Habra, and
  - c. adjacent to the City of Yorba Linda.

One of these franchises (Yorba Linda) has expired. The other two are current until 2010 and 2011. Comcast, holder of a 25% interest in these systems, will acquire a 100% interest which will be subject to the exchange with Time Warner. The ultimate owner of the system will be CAC Exchange I, LLC, a Time Warner subsidiary. CAC Exchange I, LLC is a party to the proposed franchise agreement.

5. Comcast of Los Angeles, Inc., a subsidiary of Comcast holds a franchise to serve an unincorporated area adjacent to the City of Tustin known as North Tustin. This franchise has expired. This system will be a part of the system exchange between Time Warner and Comcast with the ultimate ownership by C-Native Exchange I, LLC, a subsidiary of Time Warner. C-Native Exchange I LLC, is a party to the proposed franchise agreement.

The participation of Time Warner's subsidiaries in 3 through 5 above as parties to the recommended agreement ensures that franchises will be extended, operate under the new franchise agreement and will be subject to the terms of the new ordinance when the purchase and exchange agreements are finalized.

### Franchise Agreement

The proposed franchise agreement that has been negotiated and submitted for approval is similar in terms and conditions to the agreement governing the Cox Communications franchise in South County, with minor modifications. As multiple subsidiaries to Time Warner are the holders of the proposed franchise. The term "franchisee" will be used in the following description of the terms to the agreement. Major provisions follow:

Section 3. Designated Service Area: Maps showing the franchise area are contained in Exhibit B of the attached franchise agreement. The Agreement will initially include area currently served by franchisee that are not included in the purchase or exchange between Adelphia, Comcast and Time Warner. Systems will become a part of this agreement as each individual transaction is closed between the cable operators.

Section 8. Public, Educational and Governmental Access. Franchisee will perform as follows:

- A) Cablecast Board Meetings and other programming provided by the County or the Orange County Fire Authority on their governmental access channel unless overridden by city programming. Cablecasting, excluding Board meetings is to be limited to 110 hours per year.
- B) If a channel is not available, the County has the choice of providing programming directly to cities for cablecasting or cablecasting the programming on a basic service channel controlled by the franchisee.
- C) Cablecast six Public Service Announcements (PSA's) each per year for the County and the Orange County Fire Authority.
- D) Produce eight one-half hour programs and eight PSA's per year.

E) Continue to provide support to the Los Alamitos Television, a governmental access channel serving the City of Los Alamitos and the unincorporated Rossmoor area.

Section 9. Service to Public Facilities. Franchisee will provide cable service to public facilities (County facilities, fire stations, libraries) at no cost that are currently receiving service. Franchisee will install cable to public facilities currently not receiving service and at the County's request for facilities located within 150 feet of the franchisee's physical plant if the installation is above ground. Orange County Codified Section 5-6-118 is waived in the agreement for underground installations due franchisees concern about the potential cost of such installations.

Section 10. Fees. Time Warner will continue to pay a franchise fee of 5% of gross revenues

Section 11. Records and Reports. As Time Warner is a nationwide corporation, the County agreed to limit the requirements of Orange County Board of Supervisor Minute Order dated August 18, 1998, Child Support Enforcement, to residents of the State of California. The County will not require reportee's to provide their Social Security number.

Section 12. Customer Service Standards. Franchise will comply with customer service standards contained in state and federal law and the County Ordinance.

Section 14. Security. Franchisee will provide a \$75,000 letter of credit and insurance as required by the County Risk Manager.

Security (letters of credit or bonds) have been provided for each franchise. Due to the consolidation of all eight franchises into a single agreement, Franchisee is required as a condition of their franchise to provide a letter of credit in the amount of \$75,000. All security currently held by the County is to be returned to the respective parties when the County receives written notice of the closure of each transaction.

Section 18. Term. Franchise will terminate in six years from the effective date of the agreement.

### Transfer Agreement

Comcast of Los Angeles Inc, through the exchange agreement will be acquired by C Native Exchange I, LLC, a wholly owned subsidiary of Time Warner. Due to compliance issues regarding the franchise, RDMD recommends that the Board authorize the approval of a transfer agreement between the three parties.

RDMD hired a consultant to perform an inspection of Comcast's physical plant. Violations of the National Electric Code were found. RDMD is currently negotiating a compliance plan with Comcast to commence prior to the exchange of the system. The primary purpose of this transfer agreement is to commit C-Native Exchange I LLC, a Time Warner subsidiary, to comply with any agreement entered between Comcast and the County after the closure of the exchange of systems. Comcast is obligated to continue to comply with their franchise and notify the County of the closure of the exchange.

**CEQA**

The subject project is Categorical Exempt (Class 1) from the provisions of CEQA pursuant to Section 15301 of the CEQA guidelines.

**FINANCIAL IMPACT:**

**STAFFING IMPACT:**

**REVIEWING AGENCIES:**

**EXHIBIT(S):**

**ATTACHMENT(S):**

- Attachment A - Franchise Agreement
- Attachment B - Transfer Agreement



# Revision to ASR and/or Exhibits/Attachments

**Date:** March 3, 2006

**To:** Darlene J. Bloom, Clerk of the Board of Supervisors

**CC:** County Executive Office

**From:** Bryan Speegle, Director, RDMD

**RE:** Agenda Item(s) # S43A for the March 7, 2006 Board Meeting

**ASR Control #(s):** Supplemental

**Subject:** Approval of Cable Franchise with Time Warner Cable Inc and Cable Franchise

**Transfer with Time Warner Cable and Comcast Cable**

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ORANGE COUNTY  
BOARD OF SUPERVISORS

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**Explanation:**

Revision to attachments due to minor changes in the agreements.

Revised Recommended Action(s)

Make modifications to the:

Subject

Background Information

Summary

Revised Exhibits/Attachments (attached)

Both Attachment A and Attachment B are being replaced.

Additional Information and/or Correspondence (attached)

Attachment A

FRANCHISE AGREEMENT

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**EXHIBITS**

**Exhibit A. Ordinance**

**Exhibit B-F. Designated Service Areas**

**Exhibit G. Child Support Enforcement**

## Attachment A

### FRANCHISE AGREEMENT

This Franchise Agreement (hereinafter referred to as "Agreement") made and entered into by and between the County of Orange, California (hereinafter the "County") and Time Warner Entertainment-Advance/Newhouse Partnership, TWE Holding I LLC., Time Warner N Y Cable, LLC, CAC Exchange I LLC and C-Native Exchange I LLC, is to be effective \_\_\_\_\_.

WHEREAS, the County has adopted Sections 5-6-100 through 5-6-129 of the County Codified Ordinances (Ordinance) which regulates cable television franchises, including the construction, operation and maintenance of cable television systems; and

WHEREAS, Franchisee duly filed a notice requesting commencement of a franchise renewal proceeding under Section 626 of 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, amendments to the Communications Act of 1934 (47 U.S.C. Sec. 521 et seq.); and

WHEREAS, the County has determined that Franchisee's franchise should be renewed on the terms and conditions of this Agreement which were negotiated by the parties and which meet the future cable-related community needs; and

NOW THEREFORE, in consideration of the mutual agreement hereinafter set forth, County and Franchisee do hereby agree as follows:

#### 1. DEFINITIONS

For the purposes of this Agreement, the following terms, phrases, words, and abbreviations shall have the meanings set forth herein, the Cable Act of the Code of Federal Regulations and the Orange County Codified Ordinance, Section 5-6-100 through 5-6-129. When not inconsistent with the context, words used in the present tense include the future tense; words in the plural number include the singular number; and words in the singular number include the plural number.

The words "shall" and "will" are mandatory and the word "may" is permissive. Words not defined in this agreement shall have the same meaning as in the Cable Act and Title 47 of the Code of Federal Regulations (C.F.R.) and, if not defined therein, the definition contained in Exhibit A "Cable Television Ordinance" or their common or ordinary meaning shall apply. If specific provisions of Cable Act or Ordinance referred to herein are renumbered or retitled, then the reference or title shall be read to refer to the renumbered or retitled provision. References to laws mean those now in force or hereinafter enacted or amended.

Administrator or his/her Designee means the person who shall 1) be responsible for the administration of this agreement; 2) serve as the local point of contact for information regarding video services offered to subscribers within the County's jurisdiction; and 3)

## Attachment A

be responsible for the resolution of subscriber complaints and proposing any fines as set forth in the Ordinance.

Basic Service means the lowest service tier that includes the retransmission of local broadcast signals.

Cable Act means Title VI of the Cable Communications Act of 1934, as amended from time to time, 47 U.S.C. Section 521 et seq. also currently known as the Cable Communications Policy Act of 1984, as amended by the Cable Television Protection and Competition Act of 1992, as amended by the Telecommunications Act of 1996, and as amended by Congress in any future amendments to the act.

Cable Programming Service shall have the meaning provided in the Federal Communications Commission regulations as published in 47 C.F.R., Section 76.901 (b), as amended from time to time.

Designated Service Area means the discrete geographic area of unincorporated Orange County in which the Franchisee is authorized to operate a Cable System in accordance with this agreement.

Effective Date means the date on which this Franchise Agreement is approved by the County Board of Supervisors.

Federal Communications Commission or FCC means the Federal agency designated by Federal law to implement the Cable Act, or any successor agency created by the United States Congress.

Franchisee means Time Warner Entertainment-Advance/Newhouse Partnership, TWE Holding I LLC., Time Warner N Y Cable, LLC, CAC Exchange I LLC and C-Native Exchange I LLC.

Headend means the central portion of the system that receives signal from external sources or from within and transmits the signal throughout the system.

Homes Passed means those homes that are physically passed by Franchisee's cable system and are able to receive Franchisee's services.

Hub means a secondary signal processing location where signals are received from or sent to the headend and which is capable of combining locally generated signals for distribution to subscribers connected to the cable facility served by the hub.

Ordinance means the Cable Television and Customer Service Standard Ordinance of the Codified Ordinances of the County of Orange, California (Sections 5-6-100 through 5-6-129) governing cable television. The full text of the Ordinance is Exhibit A to this agreement.

## Attachment A

Premium Service means services offered on a pay-per-channel or pay-per-view basis.

Risk Manager means the person designated as the Manager of the insurance program within the County Executive Office.

System Service Area means the geographical area of one or more cities served off the same headend or hub, if any, for which subscribers generally have the same channel line up, rates and rate structure.

Unincorporated County Area means the geographical area governed by the Orange County Board of Supervisors.

### 2. GRANT OF FRANCHISE

Pursuant to Resolution No. \_\_\_\_\_, dated \_\_\_\_\_, \_\_\_\_\_, County hereby grants the renewal of the non-exclusive franchise to Franchisee to own, construct, improve, operate, and maintain a cable system within the Unincorporated County Area, in accordance with the Ordinance, and other applicable County Codified Ordinances, state and federal law.

Franchisee shall assume full responsibility for fulfilling all requirements of this Agreement, regardless of whether Franchisee exercises management and operational functions directly or through a subsidiary, contractor, agent or other entity.

### 3. DESIGNATED SERVICE AREA

A. The franchise includes certain real property located in the Unincorporated County Area shown in Exhibit B through F attached hereto and made a part thereof (hereinafter referred to as "Designated Service Area"). The Designated Service Area of each legal entity authorized under this agreement are:

- (1) Time Warner Entertainment-Advance/Newhouse Partnership-Exhibit B.
- (2) TWE Holding I LLC-Exhibit C.
- (3) Time Warner N Y Cable LLC- Exhibit D.
- (4) CAC Exchange I, LLC-Exhibit E.
- (5) C-Native Exchange I, LLC-Exhibit F.

The terms of the agreement shall not apply to the designated area described in 3 A (3) through 3 A (5) above until such time each entity has legal ownership of the assets associated with the operation of the cable television system within that entity's representative Designated Service Area.

B. The following qualifications apply to the Designated Service Area:

- (1) Any area annexed into a city or incorporated as a city that has granted a franchise to Franchisee is deleted from the Designated Service Area of this Agreement upon the

## Attachment A

Section, "hybrid fiber-coaxial" cable network shall mean a network architecture which employs a combination of fiber and coaxial cable.

The cable system shall meet all of the following requirements: 1) FCC rules and regulations in the current 47 C.R.F. 76 subpart K or as it is constituted in the future; 2) requirements of the National Electric Safety Code (latest edition); 3) all federal, state law and applicable County Codified Ordinances.

### B. Systems Improvements

In the event a city or cities in the same System Service Area require an upgrade or rebuild of the cable system, Franchisee shall complete a system upgrade or rebuild in any adjacent Designated Service Area in accordance with standards, and construction requirements set forth by the County, unless city's requirements are more stringent in which case the Franchisee and County will discuss and agree as to which standards and requirements will be utilized in the Designated Service Area being upgraded or rebuilt. Franchisee is not required to extend an upgrade or rebuild into the Designated Service Area should Franchisee verify in writing to the Administrator's reasonable satisfaction that the upgrade or rebuild requirement will be an economic infeasibility or otherwise result in unreasonable hardship to Franchisee.

Franchisee agrees to maintain a schedule of routine inspection of all wires, fixtures and equipment on public right of way and on easements. Throughout the term of the Agreement, Franchisee shall conduct the same comprehensive program of routine maintenance of the entire system. The Designated Service Area shall receive substantially the same maintenance, repairs and improvements, in a timely manner, as are provided to cities in the System Service Area, whether initiated by the Franchisee or at the request of the city. Upon the County's request, Franchisee is to notify County of any material system deficiencies found by any other franchise authority served within the same System Service Area.

In the event of an upgrade or introduction of new technology requiring an upgrade, Franchisee agrees to meet and confer with the Administrator to explain the planned upgrade at least three months before construction begins and shall provide such progress reports reasonably requested by the Administrator.

### C. Additional Requirements

Franchisee agrees to the following additional requirements:

- (1) Lockout. Franchisee agrees to make available to all subscribers a device, in accordance with the provisions of Section 624 (d) (2) of the Cable Act, which will prohibit the viewing of any service selected for lockout by the subscriber.
- (2) Emergency Alert System. Franchisee agrees to install an Emergency Alert System for use in transmitting Emergency Act Notifications and Emergency

## Attachment A

Act Terminations in local and state-wide situations as may be designated to be an emergency by the Local Primary, the State Primary and/or the State Emergency Operations Center, as those authorities are identified and defined within FCC Reg. Section 11.18. Franchisee's emergency alert system shall, at all times, comply with federal law.

- (3) Over-The-Air Signal Conversion. Franchisee agrees to lease or sell to Subscribers, upon request, an AB switch or other appropriate device that will permit access to over-the-air broadcast signals via the subscriber's home antennae.

### 6. PROGRAMMING SERVICES

- A. The Franchisee agrees to provide the following broad categories of programming in its programming lineup: family programming, children's programming, news/weather, public affairs programming, cultural/arts programming and sports programming.
- B. Franchisee agrees to offer at a minimum a Basic Service Tier, Cable Programming Service Tier and Premium Services.
- C. Franchisee agrees to notify the County and its subscribers in writing of any change in the channel line-up at least thirty (30) calendar days before the change will become effective. In no event shall notice be provided more than sixty (60) calendar days before the channel line-up change will become effective. Such notice shall be provided to subscribers on their bills, in a separate notice included with subscriber bills or in a separate notice mailed to the subscribers. In the event that the reason for the change is beyond the control of the franchisee, the County may waive the 30 day notice requirement. Channel line-up cards shall at all times be accurate and shall be made available to subscribers upon request.

### 7. RATES AND REGULATIONS

#### A. Rates

All rates, fees, charges, deposits and associated terms and conditions to be imposed by the Franchisee for any cable service shall be in accordance with the FCC regulations. Except to the extent otherwise expressly permitted by applicable law, the Franchisee agrees to provide substantially the same cable service rates to each resident in the Designated Service Area in accordance with uniform rates and rate structures throughout the Service Systems Area unless the difference in such rate is due to a separate line item charge as set forth in FCC Regulations 76-985 or is included in franchisee's rate structure as an external cost as set forth in FCC Regulations 76-922 (f). The preceding requirement shall not prevent the Franchisee from using bulk rates, commercial rates, promotional rates, discounted rates and other rates in accordance with federal law.

## Attachment A

County acknowledges that, during the term of this Agreement, Franchisee may offer to its Subscribers, at a discounted rate, a bundled or combined package of services consisting of Cable Services, which are subject to the Franchise Fees and non-Cable Services that are not subject to the Franchise Fee. Franchisee shall not allocate revenue between Cable Services and non-Cable Services for the purpose or with the intent of evading or substantially reducing Franchisee's Franchise Fee obligations to County.

Upon written request by County, Franchisee will provide a full written explanation of any difference in rates or the calculations used to determine bundling discounts described above.

Subscriber's bills are to be fully itemized and are to reflect the published rate for each itemized item.

In addition to the requirements in the Ordinance, Franchisee agrees to notify the County and each subscriber in writing of any rate changes for basic service, cable programming service, premium service, equipment, installation or any service charge including, but not limited to, collection fees, late charges, insufficient fund fees, change of service, installation and reconnection fees at least thirty (30) calendar days before the fee or charge will become effective. In no event shall notice be provided more than sixty (60) calendar days before the fee or change will become effective. Such notice shall be provided to subscribers on their bills, in a separate notice included with subscriber bills or in a separate notice mailed to the subscribers. In the event that the reason for the change is beyond the control of the Franchisee, the County may waive the 30 day notice requirement.

Franchisee also agrees to provide notice to the County and each subscriber, at least once per year, of any applicable discounts such as senior citizen discounts, unless such discount is for limited-term promotional purposes.

### B. Access to Service

- (1) Served Areas. Franchisee's cable system shall pass every residential structure in the Designated Service Area. Service shall be available to each and every such residential structure at Franchisee's standard installation charge, if such residential structure is within one hundred fifty (150) feet of Franchisee's Distribution Plant. Any subscribers requesting installation in excess of one hundred fifty (150) feet may be charged on a time and materials basis. For the purposes of this Section, "Distribution Plant" shall be defined as that portion of Franchisee's Cable System to which subscribers are directly connected. Each subscriber shall be allowed to receive all available services as long as such subscriber meets the terms and conditions of his or her agreement with Franchisee. Franchisee shall not deny service or otherwise discriminate against any individual or group of actual or potential subscribers regarding access to or the rates, terms and conditions of receiving cable services because of income level, race, creed, color, sex, national origin, age, or marital status. Franchisee

## Attachment A

shall comply with all federal, state or local laws and regulations of general applicability relating to nondiscrimination.

### C. Systemwide Offering of Services and Benefits

In addition to those items specifically referenced in other sections of this franchise, residential subscribers in the Designated Service Area shall receive substantially the same categories of programming and activated channels as residential subscribers in the cities within the System Service Area served by the same headend. Any exceptions or exclusions are set forth in Section 8 below.

## 8. PUBLIC EDUCATIONAL AND GOVERNMENTAL (PEG) ACCESS

- A. Franchisee shall provide, where technically and economically feasible, to subscribers within the Designated Service Area the same PEG access channels, capacity or programming that is provided generally to Subscribers in the adjacent System Service Area. Upon written request by County, Franchisee will provide a full written explanation of any technical or economic reasons prohibiting the delivery of the same services described above.
- B. It is acknowledged by the parties that the PEG access channels and the programming thereon are provided simultaneously to subscribers in both the System Service Area and the Designated Service Area; however, certain Local Franchise Authorities (LFAs) within the System Service Area have taken or may take either full or partial control of one or more of the PEG channels within their jurisdiction and may limit the distribution of generally provided PEG programming on such channel or channels to programming of their own choosing and within the corporate limits of their jurisdiction and within portions of Designated Service Area.
- C. Franchisee shall cablecast County Board meetings and other programming provided by County including, but not limited to programming provided by the Orange County Fire Authority on its Governmental Access channel within its control between the hours of 8 a.m. and 12 a.m. within seven (7) days of receiving such programming. Nothing herein shall prevent Franchisee and County from meeting, conferring and agreeing on additional and/ alternative playback dates and times of such programming.
- D. In the event the franchisee does not control any Governmental Assess channel on the system, the County shall make all reasonable efforts to secure carriage of such programming from those LFA's which have full control of the Government Access channel in their jurisdiction.
- E. In the event that County is unable to secure carriage for such programming on the Government Access channel which is controlled by any LFA and notifies

## Attachment A

Franchisee in writing of this circumstance, Franchisee shall cablecast County and/or Orange County Fire Authority programming on any channel available to basic service subscribers.

- F. Carriage of County Board meetings shall take precedence over any other County and/or Orange County Fire Authority programming unless Franchisee is notified to the contrary in writing. Programming excluding County Board meetings shall not exceed an average of three (3) hours per week and 110 hours per year.
- G. Franchisee shall notify the County no fewer than thirty (30) days prior to any change in the PEG channel configuration that would affect subscribers in the Designated Service Area.
- H. Franchisee agrees to cablecast or cause to be cablecast Public Service Announcements (PSA's) provided by County and/or Orange County Fire Authority on its advertising insertion channels on a Run-of-Schedule basis. County and/or Orange County Fire Authority shall provide such PSA's in a format designated by Franchisee and within such technical and logistical requirements as set forth by Franchisee from time to time. Such carriage of PSA's shall be limited to six (6) announcements per year from the County and six (6) announcements per year from the Orange County Fire Authority, each PSA shall be run no less than five (5) times throughout a month. In the event that time is not available on an advertising insertion channel, PSA's may be cablecast on any channel available to basic service subscribers, as needed. Nothing herein shall prevent County and/or Orange County Fire Authority and Franchisee from mutually agreeing to the carriage of additional announcements on other mutually acceptable terms.
- I. Franchisee agrees to produce up to eight (8) one-half hour programs and eight (8) Public Service Announcements (PSA's) each year on behalf of County and upon request from the County and advance reasonable notice..
- J. Franchisee agrees to produce the Rossmoor Community Services District monthly meetings (total of 12 per year). Programs shall be of the same quality as were produced prior to January 1, 2006. This obligation will continue for the term of the agreement or until the Los Alamitos Television Corporation ceases operation of its governmental access channel, whichever is sooner.
- K. Franchisee shall make a monthly payment of one thousand ninety-four dollars (\$1,094.00) through June 30, 2006 to the Los Alamitos Television Corporation at City of Los Alamitos, 3191 Katella Ave, Los Alamitos, California 90720. Effective July 1, 2006 and each July 1, thereafter this monthly payment shall be increased by five percent (5%) each year. This obligation will continue for the term of the agreement

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- L. Franchisee agrees to meet the requirements outlined in Section 8J and 8K without additional line item charges on the subscriber bill.

### 9. SERVICES TO PUBLIC FACILITIES

Franchisee agrees to offer courtesy Basic Service and Cable Programming Service or their equivalent, whether it be via analog or digital transmission, and one free installation of one outlet to each and all County government buildings occupied for municipal purposes, fire stations and public primary and secondary schools within the Systems Service Area served by the Franchisee upon request of the County. If the public building is within 150 aerial feet of Franchisee's distribution cable system, service connection shall be offered at no cost to the County or governmental entity. Section 5-6-118 of the Ordinance is herein waived with regard to any requirement for underground installations at no cost to the entity. If the public building is farther than 150 aerial feet from Franchisee's distribution cable system, Franchisee shall conduct a site survey to determine the cost to deliver the service to the building and shall notify the requesting entity of such cost in advance of providing service. Franchisee shall work with the County in good faith to minimize the cost to provide connections to facilities that exceed the 150 foot aerial installation requirement. After reviewing the cost, should the requesting entity elect to have Franchisee complete the service drop beyond 150 feet, requesting entity shall reimburse Franchisee for its cost of time and materials for all construction, excavation or other work required to provide service beyond 150 aerial feet.

Franchisee agrees to wire additional outlets within building(s) to be served at its cost for time and materials, if requested by governmental entity. Franchisee agrees to provide technical assistance at its cost for time as needed if the governmental entity wires additional outlets within the building or hires a third party to wire additional outlets. Governmental entity shall assume all responsibility for any wiring of buildings not performed by Franchisee.

Franchisee agrees that these services, with the exception of the costs in excess of 150 feet for aerial installation and wiring costs as outlined above, shall be at no cost to the governmental entity. Franchisee reserves the right to charge for any equipment necessary to receive the programming services outlined herein. However, Franchisee will not charge the County for any equipment that is required by Franchisee to receive analog Basic Service.

### 10. FEES AND PAYMENTS

#### A. Franchise Fees

Consistent with Section 5-6-115 (a) of the Ordinance, Franchisee shall pay each quarter to the County a franchise fee in the amount of five (5%) of Gross Revenue for the preceding quarter. County acknowledges that franchisee follows Generally Accepted Accounting Principles.

## Attachment A

Any revenue whose source cannot be identified to specific subscribers shall be allocated based upon either: 1) the percentage of subscribers or 2) the percentage of subscriber revenue.

Franchisee shall submit to the County, with the quarterly franchise fee payment, a written report which contains an accurate statement of Franchisee's receipts for the quarter, itemizing receipts for each category of service or source of revenue. The report shall describe and contain the calculation for the allocation on non-subscriber revenues. The report shall be in a format determined by the Franchisee. The information contained in the report shall be verified as to accuracy by a designated financial representative of the Franchisee. Each report shall supply sufficient detail to enable the County to determine total Gross Revenues and to verify the accuracy of franchise fee payments made by the Franchisee.

Late payments shall be subject to late charges in accordance with Section 5-6-115 (c) of the Ordinance. Franchise fee payments shall be made to the Orange County Auditor-Controller, P.O. Box 567, Santa Ana, CA 92702 or any other address that may in the future be provided by the Administrator.

### B. Audits

Upon thirty (30) days written notice, during normal business hours, the County shall have the right to inspect the Franchisee's financial records that were used to calculate the County's franchise fees, in accordance with Section 5-6-116 (a) of the Ordinance.

In the event that an audit establishes that additional fees in excess of five (5) percent of the amount paid for any quarter are owed, the franchisee shall pay for the cost of the audit for the portion of the audit period in which underpayment exceeds 5%.

Late charges (Ordinance Section 5-6-115 (c)) shall be calculated for any payment owed County by Franchisee based on the findings of such audit.

## 11. RECORDS AND REPORTS

### A. Open Books and Records

Throughout the term of this Agreement, the Franchisee agrees that the County, upon thirty (30) day written notice, may review Franchisee's books and records regarding the operation of the cable system and the provision of cable service in the Designated Service Area as reasonably necessary to monitor Franchisee's compliance with the provisions of this Agreement and the Ordinance. Such review is to be conducted at the local Franchisee's business office, during normal business hours unless the County and Franchisee agree to another site and time. .

Information otherwise confidential by law and so designated by Franchisee, which is submitted to County, shall be retained in confidence by County and its

## Attachment A

authorized agents and shall not be made available for public inspection, to the extent the information is protected from disclosure under the California Public Records Act, including but not limited to Government Code 6254.15.

Notwithstanding the foregoing, Franchisee shall have no obligation to provide copies of documents to County which contain trade secrets of Franchisee or which are otherwise of a confidential or proprietary nature to Franchisee unless it receives satisfactory assurances from County that such information can and will be held in strictest confidence and protected by the County. To the extent possible, Franchisee may provide County with summaries of any required documents or copies thereof with trade secrets and proprietary matters deleted there from. The burden of proof shall be on Franchisee to establish the confidential nature of any information submitted, to the reasonable satisfaction of the County.

### B. Communications With Regulatory Agencies

Throughout the term of this Agreement, the Franchisee shall maintain at its business office, in a file available for public inspection during normal business hours, those documents required pursuant to FCC rules and regulations.

Franchisee shall provide to County, upon written request, copies of reports regarding compliance with customer service standards, overall system performance, rate setting, rate regulation or technical problems. If reports are not available for performance solely within the Designated Service Area, Franchisee shall provide reports covering the Systems Service Area.

### C. Performance Reports

It is understood that the County, in specifying the reporting requirements in this section, does not intend to create unduly burdensome record keeping, report preparation, and report monitoring procedures and expenditures for either the Franchisee or the County. With the exception of the Annual Gross Receipts Report, County shall only require such compliance reports, upon request, based on subscriber complaints, other reasonable evidence that a problem exists or to evaluate a request for a transfer of the franchise or a franchise renewal. Such reports will not be required if a copy of similar reports to any city in the same System Service Area includes the requested data and are provided to the County by the Franchisee.

- (1) Compliance Reports. Upon reasonable request of the Administrator, Franchisee shall make historic reports available to County for up to two (2) calendar years plus the current calendar year. In the event of alleged non-compliance, Franchisee shall provide historic or ongoing reports on a monthly or quarterly basis as requested by the Administrator until such time as the compliance issue is resolved or disproved. Reports may be requested in a paper or electronic format. Examples of reports that may be required follow:

## Attachment A

- (a) **Complaint Summary.** A list of complaints received from subscribers or referred by County, which shall contain, at a minimum, the name of the street or the subscribers account number, the nature of the complaint, remedial action taken, if any, and current status or disposition.
  - (b) **Telephone Response Time Summary.** At a minimum the total number of phone calls received, the total number of phone calls that were abandoned and the average answer time for a subscriber to be connected with a customer service representative.
  - (c) **Service Outage Reports.** List of all service outages within the Designated Service Area reflecting duration, cause, whether planned or unplanned by Franchisee, corrective action taken, area affected and estimated number of subscribers impacted.
  - (d) **Service Call Reports.** List of all non-installation service calls which shall contain, at a minimum, the name of the street or the subscribers account number, date request for service received, appointment date and time, date and time technician arrived at the appointment, reason for service call and action taken.
  - (e) **Installations.** List of all service calls to connect or reconnect service which shall contain, at a minimum, the name of the street or the subscriber's account number, date installation requested, appointment date and time, and date and time technician arrived at the appointment.
  - (f) **Refunds.** List of subscribers with disconnected service that are or were owed refunds, including the name of the street or the subscriber's account number, date disconnected and date refund mailed to the former subscriber.
  - (g) **The Administrator may annually request a count of homes passed and count of subscribers for the Designated Service Area**
- (2) **System Monitoring and Technical Reports.** Upon thirty (30) day written request, Franchisee shall provide a copy of the most recent annual performance test conducted on the cable system in accordance with FCC technical guidelines (Part 76, Subpart K beginning with Section 76.601 of FCC Rules and Regulations) (47 C. F. R. 76.601) as now or hereafter constituted.

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### D. Child Support Enforcement

Franchisee shall comply with County's Child Support Enforcement requirements approved by County Board of Supervisors by minute order on August 18, 1998 as set forth in Exhibit G of this Agreement.

## 12 CUSTOMER SERVICE STANDARDS

### A. Customer Service Criteria - General

Franchisee agrees to implement all Customer Service Standards set forth in the Cable Act, current and subsequent FCC Customer Service Obligations (Part 67.309); other FCC regulations, or as otherwise exist in state law or the Ordinance. Franchisee also agrees to the following to achieve service levels in compliance with Customer Service Standards.

- (1) Franchisee shall respond promptly to service interruptions on a twenty-four (24) hours a day, seven day a week basis.
- (2) Customer Service Representatives shall be trained to analyze subscriber complaints to distinguish between those that are system-related and those that are subscriber equipment-related.
- (3) Franchisee shall inform subscribers of the necessary steps to register service complaints. Franchisee shall maintain and have available for public review, written policies and procedures as to how Franchisee administers and responds to service complaints. Upon written request, Franchisee's written complaint procedure shall be made available to the County. Subscribers, upon their request, shall be connected with a supervisor or, if unavailable, a supervisor shall promptly return the subscribers call.

### B. Telephone/Office Access

The Franchisee agrees to manage one (1) or more conveniently located offices within the System Service Area which shall be open during normal business hours for the purpose of paying bills, receiving requests for service or complaints, resolving disputes regarding billing or service, returning or exchanging equipment and other similar matters.

The Franchisee shall have a telephone number listed in the telephone directory of the telephone companies serving the Designated Service Area, and shall receive subscriber complaints and requests for repairs on a twenty-four (24) hour basis. Such telephone number shall be available so that a resident of the Designated Service Area shall not be required to pay long distance call charges if the call center is outside the Zone Unit Measurement One (ZUM 1) area servicing the Designated Service Area.

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The customer service telephone system shall be so designed that when all customer service representatives are engaged, the caller shall receive a recorded message explaining that all representatives are busy and that the caller should wait for the first available representative.

A recorded message should also advise subscribers of any outage at a headend or an outage affecting one or more hubs.

### C. Installation/Repair

In addition to the requirements in the Ordinance, Franchisee agrees to:

- (1) Schedule normal installation service to any dwelling unit in Franchisee's service area within seven (7) business days from the date Franchisee's main business office is notified of the subscriber's service order, unless the subscriber requests a later date. This timeframe shall be reasonably extended if a permit from the County is required, an access agreement from the property owner cannot be obtained or if requested by the subscriber or if construction is required.
- (2) Respond to all requests for repair or maintenance service with a telephone call and, if the problem cannot be solved by phone, an on-site service call, from a service technician no later than the end of the following work day, unless subscriber requests an alternate date or time. Charges made to subscribers shall be in accordance with FCC regulations. Franchisee is to obtain a description of the problem so the subscriber can be advised in advance of the appointment whether or not a service charge will be made.

### D. Termination of Service by Subscriber

Franchisee agrees to promptly disconnect subscriber's cable service for any subscriber requesting termination of service. For billing purposes, the effective date of termination shall be the day after the day that the Franchisee receives a termination request from the Subscriber, whether in oral or written form. A refund check, if any, is to be issued no later than the subscriber's next billing cycle following the return of any equipment belonging to the Franchisee.

### E. Invoices

In order to identify the "local franchise authority" as the County of Orange; the name, address and phone number of the County office as provided by the Administrator is to appear on the portion of the bill retained by the Subscriber.

### F. Billing Cycle/Discontinuance of Service/Disputes

- (1) Franchisee shall comply with state law and the Ordinance and shall publish procedures for billing and service disconnection. Franchisee shall also have

## Attachment A

available for public review, the written policies and procedures setting forth for the time line and steps that must be taken by the franchisee before a subscriber can be disconnected.

### (2) Disputed Bills

- (a) In the event of a dispute between the subscriber and the Franchisee regarding any aspect of the bill, Franchisee agrees to respond to the subscriber within thirty (30) days of the receipt of the complaint. In the event the dispute is not resolved to the satisfaction of the subscriber, the Franchisee shall inform the subscriber of the complaint procedures of the County with respect to cable services.
- (b) The subscriber shall not be required to pay the disputed portion of the bill until the earlier of the following:
  - 1) Resolution of the dispute, or
  - 2) Fifty-five (55) days or more have elapsed from the date of billing, provided that the procedures established in subsection (a) above have been followed and the complaint was received from the subscriber prior to the due date of the disputed bill.
- (c) Pending resolution of the billing dispute before expiration of the fifty-five (55) day period referenced above, no late charges or termination of services will result because of the disputed amount nor shall any other collection procedures be initiated.

### (3) Referral of Accounts to Collection Agencies

- (a) Uncollected accounts may be referred to private collection agencies for appropriate action if a Subscriber's bill has not been paid by the fifteenth day following the date of involuntary termination.
- (b) If the account was voluntarily terminated, for any reason, the account may not be referred to a collection agency until at least fifteen (15) days following the rendering of the final bill.
- (c) In the case of billing dispute, if notification of a billing dispute is made prior to the due date of the bill, the Subscriber shall be required to pay only any undisputed amounts until the dispute is resolved. No collection procedures will be implemented on the disputed amounts until the dispute is resolved. Once the dispute is resolved, the subscriber shall be required to pay according to the terms of the resolution. If such payment is not made in accordance with such resolution, collection activity may begin in accordance with paragraph (a) of this section.

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### G. Late Fees

Late fees may be charged in accordance with applicable state or federal law.

### H. Subscriber Information

Franchisee agrees to provide the information required in Ordinance Section 5-6-121 (c), in writing, to each Subscriber at the time of installation of any service, at least once a year, and at any time upon the subscriber's request.

Customer Service Representatives are to provide potential subscribers with a description of all cable service tiers and their related prices at the time of inquiry and prior to creating a work order to install service.

At least once a year, Franchisee shall advise subscribers, in writing, of their right of appeal of any complaint to their franchise authority. Franchisee agrees to provide a copy of this annual notice to the County at the same time it is provided to the subscriber.

### I. Privacy

Unless otherwise provided by law, Franchisee shall not tap or monitor or permit any other person, company or organization to tap or monitor a line, signal, input device or subscriber facility for any purpose without written authorization of the subscriber. Franchisee may conduct tests or inspections for the purpose of verifying system integrity or for the purpose of checking for an illegal or unauthorized connection to the Franchisee's system. Franchisee shall verify and document evidence that an illegal or unauthorized connection exists before confronting the resident or disabling any connection to the residence.

Franchisee shall provide Subscribers with a bill insert or separate annual notice of the laws governing the Franchisee regarding subscriber privacy.

### J. Subscriber Complaints to County

Upon any complaint from the Administrator on behalf of a Subscriber, Franchisee is to acknowledge receipt of the complaint to both the Subscriber and the Administrator within three (3) business days. Unless the County determines that the complaint is urgent, complaints will be sent to the individual designated by the Franchisee electronically via e-mail. Franchisee is requested to respond electronically to the message to develop a continuous or complete report of the complaint and the outcome of the investigation within the timeline contained in Section 5-6-122 (b) (2) of the Ordinance.

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### K. Subscriber Surveys

At the Administrators request, Franchisee agrees to provide County with the results of any subscriber surveys performed by the Franchisee or conducted by a third party on behalf of the Franchisee within the prior twelve months.

Franchisee understands that County may perform or commission, at any time at its sole cost, subscriber surveys.

### 13. TECHNICAL STANDARDS AND PERFORMANCE TESTING

County and Franchisee agree that technical standards contained in the FCC technical guidelines (Part 76, Subpart K beginning with Section 76.601 of FCC Rules and Regulations) (47 C. F. R 76-601) as is now or in the future constituted, shall be utilized to evaluate the quality of technical service performance of the cable system. At least once every year, Franchisee shall perform a system proof-of-performance test in accordance with FCC standards (Part 76, Subpart K beginning with Section 76.601 of FCC Rules and Regulations) (47 C. F. R 76-601), rules and regulations. At the County's option, a representative of the County may witness the test. Written tests reports shall be available to County upon request within thirty (30) days after completion. The County may, at its sole cost, conduct independent tests of the Cable System if Subscriber complaints, excessive outages or other reasonable grounds exist to support the position that the cable system is not meeting FCC technical standards, state regulations or the requirements under the Ordinance. In such instances, the Franchisee shall give its fullest cooperation.

If the tests of the system conducted by the Franchisee are found to not conform to federal standards, the Franchisee shall correct such deficiencies within the time frame provided by applicable federal laws and regulations. If such deficiencies are not remedied within the time frame provided for therein, County may consider the Franchisee in violation of the franchise agreement.

### 14. SECURITY

If not already provided, Franchisee shall provide to County, within 30 days of the effective date of this Agreement, a Letter of Credit in the amount of Seventy-five Thousand Dollars (\$75,000) for the faithful performance by the Franchisee for the terms and conditions of this Agreement and the Ordinance. The County shall be designated as the beneficiary in the Letter of Credit. The Letter of Credit shall be automatically renewable for a period of one year. The Letter of Credit shall be payable upon demand and shall allow for partial drawings. Franchisee shall not cancel the letters of credit held by the County prior to the effective date of this Franchise until the letter of credit required herein is provided. County agrees to execute any document necessary to effect the cancellation of the previously required letters of credit.

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15. INDEMNIFICATION

Franchisee agrees to indemnify the County as set forth in Section 5-6-114 of the Ordinance.

16. INSURANCE

A. Compliance with Ordinance:

Franchisee agrees to provide insurance and deposit same with the County as set forth in Section 5-4-112 of the Ordinance. Additionally, Franchisee agrees to comply with the following insurance requirements.

B. Required Coverage:

At all times during the term of this Agreement, including any time for removal of facilities or restoration, Franchisee shall, at Franchisee's sole expense, procure, maintain, and keep in force for the term of the Agreement all insurance required by the Ordinance and shall provide to the County satisfactory proof of the following coverage:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability with broad form property damage and contractual liability	\$2,000,000 combined single limit per occurrence \$4,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 combined single limit per occurrence \$1,000,000 aggregate
Workers' compensation	Statutory
Employer's Liability Insurance	\$1,000,000 per occurrence

C. Other Requirements:

Insurance certificates and endorsements in the form required in the Ordinance should be forwarded to the address listed in this Agreement and deposited with the County within thirty (30) days of the effective date of this Franchise. Certificates and endorsement certifying policy renewals shall likewise be deposited within thirty (30) calendar days prior to the expiration of any policy.

All certificates and endorsements are to be original documents and are to be sent to the County of Orange by the broker or agent.

The procuring of such required policy or policies of insurance shall not be construed to limit Franchisee's liability hereunder nor to fulfill the indemnification provisions and

## Attachment A

requirements of this Franchise.

Verification requirements and documents required by the Orange County Risk Manager may be modified during the term of the agreement as is consistent with contemporary insurance practices.

### 17. TERM

This Agreement will terminate six (6) years from the effective date of this Agreement unless lawfully terminated earlier by a majority vote of the Orange County Board of Supervisors at a public hearing or by a court of competent jurisdiction. County has the option of extending the Agreement an additional year.

### 18. FORCE MAJEURE

In the event Franchisee's performance of any of the terms, conditions, or obligations required by this Agreement or the Ordinance is prevented by a cause or event not within Franchisee's control or reasonably foreseeable by Franchisee, such inability to perform shall be deemed excused and no penalties or sanctions shall be imposed as a result thereof. For purposes of this Section, causes or events not within the control of Franchisee shall include, but are not limited to, acts of God, strikes, sabotage, riots or civil disturbances, restraints imposed by order of a governmental agency or court, public utility interruptions, inability to obtain permits, explosions, acts of public enemies, and natural disasters such as floods, earthquakes, landslides, and fires.

### 19. NOTICES

Notices shall be deemed sufficient if in writing and sent certified mail, return receipt requested as follows:

If to County:	Director Resources and Development Management Department 300 N. Flower Street P.O. Box 4048 Santa Ana, CA 92702-4048
With copy to:	Orange County Cable Television Franchise Coordinator Resources and Development Management Department Internal Services 300 N. Flower Street P.O. Box 4048 Santa Ana, CA 92702-4048

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If to Franchisee:            Executive Vice President            Time Warner Cable Inc.  
   959 South Coast Drive, Suite 300  
   Costa Mesa CA 92626

With copy to:                Time Warner Cable Inc.  
   Legal Department  
   290 Harbor Dr.  
   Stamford, CT. 06902-6732

or to such other addresses as the parties may designate by giving written notice to the other party.

All reports required herein, the letter of credit, insurance certificates and any other correspondence are to be transmitted to Cable Television Franchise Coordinator.

### 20. CONFLICT

This Agreement including all exhibits, embodies the entire understanding and agreement of the County and Franchisee with respect to the subject matter hereof.

In the event of a conflict or inconsistency between the provisions of the Ordinance and this agreement, excepting any subsequent amendment of the Ordinance pertaining to matters of the County's lawful exercise of its powers, the provisions of this agreement shall prevail.

### 21. AMENDMENT OF AGREEMENT

No alteration or variation of the terms of this agreement shall be valid unless made in writing and signed by the parties: no oral understanding or agreement not incorporated herein shall be binding on either of the parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on either party unless authorized by both parties in writing.

### 22. EXECUTION IN COUNTERPARTS

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

### 23. APPLICABLE LAW

The terms and conditions of this Agreement and the Ordinance are subject to all applicable laws, rules, and regulations, including without limitation, the provisions of the Cable Act. To the extent the Ordinance imposes obligations on Franchisee, which are in conflict with federal law; such obligations are null and void.

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### 24. VENUE

In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in or for the County of Orange, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court.

### 25. INDEPENDENT CONTRACTOR

Franchisee shall be considered an independent contractor and Franchisee, its employees, or anyone working under Franchisee shall not be considered an agent or an employee of County. Franchisee, its employees or anyone working under Franchisee shall not qualify for workers' compensation or other fringe benefits of any kind through County.

### 26. NON-DISCRIMINATION

In the performance of this Agreement, Franchisee agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any subcontractors to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. Franchisee acknowledges that a violation of this provision shall subject Franchisee to all the penalties imposed for a violation of Section 1720 et seq. of the California Labor Code.

### 27. SEVERABILITY

If any section, subsection, paragraph, sentence, clause or word of this Agreement is for any reason determined to be invalid, unconstitutional or unenforceable, the remaining portions of this Agreement shall continue in full force and effect.

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**IN WITNESS WHEREOF, the parties hereto certify that they have read and understand all the terms and conditions contained herein and have duly authorized and caused this Franchise Agreement to be executed as of the date first above written.**

**Signed and certified that a copy of this document has been delivered to the Chairman of the Board**

**County of Orange, California**

\_\_\_\_\_  
**Clerk of the Board of Supervisors of Orange County, California**

By \_\_\_\_\_  
**Chairman, Board of Supervisors**

**Approved as to form  
County Counsel  
Orange County, California**

By \_\_\_\_\_

Date: \_\_\_\_\_



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**EXHIBIT A**

**ORDINANCE**

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ORDINANCE NO. 02-009

AN ORDINANCE OF THE COUNTY OF ORANGE, CALIFORNIA ADDING  
SECTIONS 5-6-100 THROUGH 5-6-129, PERTAINING TO CABLE  
TELEVISION AND CUSTOMER SERVICE STANDARDS

The Board of Supervisors of the County of Orange, California does ordain as follows:

SECTION 1. Sections 5-6-100 through 5-6-129 of the Codified Ordinances of the County of Orange are hereby added to read as follows:

5-6-100. AUTHORITY; TITLE

(a) Pursuant to and in accordance with the Cable Act and state law, the Orange County Board of Supervisors has the power and authority to (1) grant franchises; (2) renew, extend, transfer, or amend a franchises; (3) authorize the use of the public right-of-way to install, operate and maintain a cable or open video system; (4) and administer customer service standards.

(b) This division provides regulations for granting and renewing franchises to cable operators utilizing public right-of-way to provide cable service to subscribers in unincorporated Orange County and provides customer service standards to be followed by cable operators. This division may be referred to as the Cable Television and Customer Service Standards Ordinance.

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5-6-101. OBJECTIVES

- (a) This Ordinance applies to all County cable operator agreements executed on or after January 1, 2003. The existing Cable Television Ordinance codified as Sections 5-4-1 through 5-4-38, shall continue to apply to all cable operator agreements executed before January 1, 2003, and until said agreements expire by law or are terminated by the County. One exception is that the Customer Service Standards (Section 5-6-121) which do not exist in the existing ordinance, will apply to all current and future franchises.
- (b) To authorize and to manage reasonable access to the County's public right-of-way and public property to cable operators on a competitively neutral and nondiscriminatory basis.
- (c) To obtain fair and reasonable compensation for the private use of the public right-of-way and public property.
- (d) To establish guidelines, standards and time frames for the regulation of customer service standards to be followed by cable operators.

5-6-102. DEFINITIONS

For the purposes of this division, the following terms, phrases, words, and abbreviations shall have the meanings set forth herein and the same meaning as in the Cable Act and Title 47 of the Code of Federal Regulations. When not inconsistent with the context, words used in the present tense include the future tense; words in the plural number include the singular number; and words in the singular number include the plural number. The words "shall" and "will" are mandatory and the word "may" is permissive. Words not defined in this division shall have the same meaning as in the Cable Act and Title 47 of the Code of Federal Regulations, and, if not defined therein, their common or ordinary meaning shall apply. If specific provisions of law referred to herein are renumbered or retitled, then the reference or title shall be read to refer to

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1 the renumbered or retitled provision. References to laws mean those now in force or hereinafter  
2 enacted or amended.

3 (a) Additional Franchise means a franchise granted to a person within a geographical area  
4 where another franchise has previously been granted.

5 (b) Administrative Hearing means a proceeding held before a hearing officer to provide the  
6 County and Franchisee a fair opportunity to present relevant evidence to determine the  
7 existence of facts required to enforce the provisions of this division.

8 (c) Administrator means the Director of the Public Facilities and Resources Department, or  
9 his/her designee. The Administrator shall: 1) be responsible for the administration of this  
10 division and any franchise agreement issued pursuant to this division; 2) serve as the local  
11 point of contact for information regarding video services offered to subscribers within the  
12 County's jurisdiction; and 3) be responsible for the investigation and resolution of  
13 consumer complaints and proposing any fines as set forth in this division.

14 (d) Affiliate, when used in relation to any person, means another person who owns or controls,  
15 is owned or controlled by, or is under common ownership or control with, such person.

16 (e) Applicable Law means all applicable federal, state, and local laws, codes, rules, regulations  
17 and orders, as may be adopted or amended from time to time.

18 (f) Applicant means any person or entity submitting a proposal or application for an initial  
19 franchise pursuant to this division.

20 (g) Basic Service means the lowest service tier that includes the retransmission of local  
21 broadcast signals as required by federal law and PEG channels, if any.

22 (h) Board means the Orange County Board of Supervisors.  
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- (i) Cable Act means the Communications Act of 1934 as amended by the Cable Communications Policy Act of 1984, as amended by the Cable Television Consumer Protection and Competition Act of 1992, as further amended by the Telecommunications Act of 1996, and as may be further amended in the future.
  
- (j) Cable Operator, means any person or group of persons:
  - (1) who provide cable service over a cable or open video system and directly or through one or more affiliates owning a significant interest in that cable or open video system;
  - or
  - (2) who otherwise controls or is responsible for, through any arrangement, the management and operation of such cable or open video system. For purposes of this division, a cable operator is a person who operates a cable system or opens video system and is required to obtain a franchise from the County in order to provide cable services. Cable operators issued franchises pursuant to this division are herein after referred to as Franchisees.
  
- (k) Cable Services, means the one-way transmission to subscribers of video programming, or other programming service: and, subscriber interaction, if any, which is required for the selection and use of such video programming or other programming services. A cable system or an open video system may provide cable services. Cable services shall include any other services to subscribers, which may be determined to be a cable service by federal law or a court of competent jurisdiction.
  
- (l) Cable System, means a facility consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designated to provide

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1 cable service which includes video programming and which is provided to multiple  
2 subscribers within a community, but such term does not include:

- 3 (1) a facility that serves only to retransmit the television signals of one or more television  
4 broadcast stations;
- 5 (2) a facility that serves subscribers without using any public right-of-way;
- 6 (3) a facility of a common carrier which is subject, in whole or part, to the provisions of  
7 Title II of the Communications Act of 1934, as amended, except that such facility  
8 shall be considered a cable system to the transmission of video programming directly  
9 to subscribers, unless the extent of such use is solely to provide interactive on-  
10 demand services;
- 11 (4) an open video system that complies with Section 653 of the Communications Act; or
- 12 (5) any facilities of any electric utility used solely for operating its electric utility system.
- 13

14 (m) Complaint means any notification by a subscriber to the County or a cable operator's  
15 customer complaint department disputing an action taken or not taken by the cable operator  
16 and asserting that the action or inaction is either unlawful or inconsistent with the cable  
17 operator's customer contract or franchise obligations. Complaints may concern, by way of  
18 example: the amount of a bill; the cable operator's billing procedures; a service call or lack  
19 thereof; an outage or degradation of picture quality; cable operators equipment; denial or  
20 disconnection of service; or by a citizen reporting damage to real or personal property due  
21 to an alleged act or omission by the cable operator.

22

23 (n) Control means the power to control the affairs and key decisions of another person, in  
24 whatever manner exercised, whether directly or indirectly.

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1 (o) County means the County of Orange and all Special Districts as governed by the Board or  
2 any designee acting within the scope of the Board's delegated authority except for  
3 functions required by this ordinance to be performed by the Board. County is also the  
4 grantor of franchises pursuant to this division.

5 (p) Customer Service Representative means any person utilized by a cable operator to assist or  
6 provide service to subscribers, whether by answering telephone calls, writing service or  
7 installation orders, answering subscriber questions, receiving and processing payments, or  
8 performing other customer-related services.

9 (q) Customer Service Standards means any standards set forth in federal or state law or  
10 contained in this division or in a franchise agreement that sets forth the standards of how  
11 cable operators are to conduct their business regarding their subscribers and prospective  
12 subscribers.

13 (r) Days mean calendar days unless otherwise stated in this division.

14 (s) FCC means the Federal Communications Commission and its designated representative(s)  
15 or any lawful successor.

16 (t) Facility or Facilities means any physical elements installed by the cable operator and used  
17 to provide cable services whether or not located in public right-of-way. Such facilities  
18 include but are not limited to pedestals, cabinets, ducts, conduits, transformers, lines, line  
19 extensions service drops, manholes, power supplies and generators, splice boxes, surface  
20 location markers, amplifiers, nodes, cables, fiber optics.

21 (u) Franchise means the authorization granted by the Board to a cable operator for the non  
22 exclusive right to occupy space or place facilities upon, across, beneath or over public  
23 right-of-way or other public property for the construction, operation and maintenance of a  
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Attachment A

1 cable or open video system. This authorization shall not supercede or preempt any  
2 requirement for a generally applicable, non-discriminatory permit or license to transact  
3 business with the County as may be required by any other generally applicable ordinance  
4 or law of the County.

5 (v) Franchise Agreement means the written contractual agreement and its attachments granting  
6 a franchise.

7 (w) Franchise Area means the geographical area for which the cable operator is authorized to  
8 provide cable service as defined in the franchise agreement.

9 (x) Franchise Fee means the maximum amount permitted by federal law to compensate the  
10 County for the use of public right-of-way by the cable operator. Franchise fees do not  
11 include any tax, fee, or assessment of general applicability. Franchise fees do not include  
12 any expenses of the cable operator to obtain a franchise or to comply with the terms and  
13 conditions of the franchise agreement except as outlined in federal law. Such expenses  
14 shall not be offset against any franchise fees owed the County unless expressly permitted in  
15 the franchise agreement or in law or regulation.

16 (y) Franchisee means any person who operates a cable or open video system and is awarded a  
17 franchise in accordance with this division, or that person's lawful successor, transferee, or  
18 assignee subject to approval by the Board.

19 (z) Gross Revenue means any and all revenue received by the Franchisee, of any kind, nature  
20 or form derived from the operation of a cable or open video system to provide cable service  
21 as determined in accordance with Generally Accepted Accounting Principles. Gross  
22 revenue include, by example but is not limited to, late fees and other subscriber charges,  
23 revenue from equipment sales or rental, franchise fees paid by subscribers, fee revenue or  
24 revenue from equipment sales or rental, franchise fees paid by subscribers, fee revenue or  
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1 commissions in any form received by the cable operator for carriage of advertising, and  
2 home shopping services. Gross revenue shall also include revenues from affiliates or any  
3 other person, including but not limited to, leased access providers or any other person  
4 leasing time on a cable channel or any portion of the cable operator's facility. Gross  
5 revenue does not include:

- 6 (1) taxes imposed by law on subscribers that the cable operator is obligated to collect and  
7 that are shown as a separate line item on subscribers' bills.  
8  
9 (2) bad debt; and  
10 (3) deposits for equipment paid by subscribers.

11 (aa) Material Breach means any substantial or repeated failure of the cable operator to comply  
12 with customer service standards or any other requirement set forth in the franchise  
13 agreement, this division or applicable law. A material breach also means any single breach  
14 of any term of the franchise agreement that has a substantial and significant effect on the  
15 rights of either party to the franchise agreement or to the subscribers in the service area  
16 described in the franchise agreement. A material breach shall also include any breach  
17 designated as material in the franchise agreement or this division.

18 (bb) Normal Business Hours, mean those hours during which most similar businesses in the  
19 community are open to serve customers. Normal business hours shall include some evening  
20 hours at least one night per week and/or some weekend hours.

21 (cc) Normal Operating Conditions, means those service conditions, which are within the  
22 control of the cable operator. Those conditions that are not within the control of the cable  
23 operator, including but are not limited to, natural disasters, civil disturbances, power  
24 outages, weather conditions. Those conditions, which are ordinarily within the control of  
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1 the cable operator, include, but are not limited to, special promotions, pay-per-view events,  
2 rate increases, regular peak and seasonal demand periods, and maintenance or upgrade of  
3 the cable or open video system.

4 (dd) Open Video System, means a facility of a set of transmission paths and associated signal  
5 generation, reception, and control equipment that is designed to provide cable service,  
6 which includes video programming, and which is provided to multiple subscribers within a  
7 community, provided that the Federal Communication Commission has certified that such  
8 a system complies with FCC regulations.

9  
10 (ee) PEG or PEG Access means channel capacity available on the cable or open video system,  
11 as specified in the franchise agreement, provided to agencies, groups, individuals,  
12 institutions, organizations, a city or the County, to distribute locally produced, non-  
13 commercial video programming which is not under the editorial control of the cable  
14 operator. PEG access includes:

- 15 (1) public access, on a non-discriminatory basis, granted to groups, individuals, or  
16 organizations;  
17 (2) educational access; granted to accredited public education institutions; or  
18 (3) governmental access, granted to governmental entities.

19  
20 (ff) Person means an individual, partnership, association, joint stock company, trust,  
21 corporation, or governmental entity.

22 (gg) Public Hearing means a hearing held before the Board at a duly noticed public meeting.

23 Testimony and written evidence may be submitted to the Board.  
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- 1 (hh) Public right-of-way means the whole right of way reserved for roadway purposes, the air  
2 space above and the area below any public street, and other public right-of-way or public  
3 place, including public utility easements.
- 4 (ii) Records means any documents, reports, financial records or statistical reports of  
5 Franchisee's that shall be available to the County for inspection.
- 6 (jj) Resident means any person residing in the franchise service area.
- 7 (kk) Security means a faithful performance bond or letter of credit.
- 8 (ll) Service Area means the geographical area in which a cable operator is authorized to  
9 provide service.
- 10 (mm) Service Center means a business office where a subscriber may go to conduct business with  
11 a customer service representative of the cable operator on a face to face basis.
- 12 (nn) Service Disruption means the degradation of the picture by wavy lines, flashing, snow or  
13 other abnormalities that renders the picture not viewable or noise interference such as static  
14 that will not permit the subscriber to understand the audio signal.
- 15 (oo) Service Interruption means the loss of picture or sound on one or more channels.
- 16 (pp) Service Tier means a category of cable services or other services provided by a cable  
17 operator for which a separate rate is charged. Per channel or per event programming are  
18 excluded from this definition.
- 19 (qq) Standard Installation means those installations of cable services that are located up to 125  
20 feet from the cable operator's existing distribution system.
- 21 (rr) Subscriber means a member of the general public who receives broadcast programming  
22 distributed by a cable television system and who does not further distribute the service.
- 23 (ss) Transfer means any transaction in which:  
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- (1) all or a portion of any facility or any right to use or operate facilities located in the public right-of-way are sold, conveyed, transferred, assigned, encumbered or leased, in whole or in part, directly or indirectly, by one or more transaction to another person, whether voluntarily or by operation of law or otherwise; or
- (2) there is any change, acquisition or transfer of control of the cable operator, or any person that controls the cable operator, including, without limitation, forced or voluntary sale, merger, consolidation, exchange, receivership; or
- (3) the rights or obligations under the franchise are sold, conveyed, transferred, assigned, encumbered or leased, in whole or in part, directly or indirectly, by one or more transactions to another person, whether voluntary or by operation of law or otherwise.

It shall be presumed for purposes of (2) above, that any transfer or cumulative transfer of a voting interest by a person or entity, of twenty-five percent (25%) or more of the Franchisee, or person who controls the Franchisee or any change in the managing general partners of the Franchisee, is a change of control.

5-6-103. FRANCHISE

- (a) Franchise Required. No cable operator may construct, install or operate facilities in the public right-of-way or use any facilities installed in the public right-of-way for the purpose of providing cable service without a franchise. Failure to obtain a franchise as required by this division may result in any or all of the following 1) forfeiture of the person's facilities located in the public right-of-way; 2) the removal at the person's expense any facilities from the public right-of-way; or 3) penalty or damage awards.
- (b) Franchise Rights. The granting of a franchise by the County awards the cable operator the right to use public right-of-way to build, operate and maintain a cable system or open video

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1 system. The rights granted under the franchise may not be subdivided or subleased by the  
2 cable operator without County approval.

3 (c) Non Exclusive Franchise. Any franchise issued pursuant to this division shall be  
4 nonexclusive. The County reserves the right to grant, at any time, such additional  
5 franchises for the construction, operation and maintenance of facilities to provide cable  
6 services, as it deems appropriate, subject to applicable law. The County may limit the  
7 number of additional franchises based on considerations set forth in California Government  
8 Code Section 53066.3 (a).

9  
10 (d) Franchise Form. The franchise shall be in the form of an agreement and shall be approved  
11 by resolution by the Board.

12 (e) Board Action Required. Any Board action to approve a franchise, terminate or revoke or to  
13 consider an appeal of fines or other penalties for non-compliance with the terms of the  
14 franchise shall be considered at a Public Hearing. The applicant or Franchisee shall be  
15 provided a minimum of 30 days advance written notice of the time, date and location of the  
16 hearing, along with an explanation of the purpose of the hearing, unless the 30 days notice  
17 is waived by the applicant or Franchisee. The Board shall also consider any transfer,  
18 extension of a franchise term or service area, the surrender of the franchise or any  
19 amendment to a franchise agreement.

20  
21 (f) Term. The term of a franchise shall commence on an effective date to be determined by the  
22 Board and shall continue and remain in full force and effect for a term up to fifteen (15)  
23 years unless: 1) Franchisee surrenders the franchise; or 2) the Board revokes the franchise  
24 for noncompliance or abandonment by the Franchisee.

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1 (g) Additional Franchises. The County shall consider the application for an additional  
2 franchise at a public hearing. The Board shall issue a finding that all considerations  
3 contained in applicable state law have been addressed. A final determination of whether to  
4 grant an additional franchise is to be made within six months of the date of the application  
5 unless the ability to make such determination is beyond the control of the County.

6 (h) Existing Franchises. A Franchisee of a franchise existing as of the effective date of the  
7 enactment of this division, in addition to all the obligations and duties prescribed in the  
8 terms of the existing franchise and the ordinance under which the existing Franchise was  
9 issued, shall be subject to the Customer Service Standards set forth in Section 121 of this  
10 division. Nothing herein is intended to invalidate an existing franchise or to waive any  
11 obligations imposed by such a franchise.

12 (i) Expired Franchises. Should County, for any reason, be unable to complete the renewal  
13 proceeding prior to the expiration of a franchise, Franchisee shall have the right to continue  
14 to provide cable service utilizing public right-of-way. As long as the Franchisee is making  
15 a good faith effort to renew the franchise and upon the approval of the Director of the  
16 Public Facilities and Resources Department, the franchise shall continue on a month to-  
17 month basis for a maximum of twelve (12) months under the same terms and conditions as  
18 the existing franchise. No later than 12 months after the expiration of a franchise, the Board  
19 shall extend the franchise, terminate the franchise or renew the franchise pursuant to a new  
20 franchise agreement.  
21  
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23 5-6-104. ANNEXATIONS AND INCORPORATIONS

24 (a) Any area served by an existing franchise annexed to a city or incorporated into a city will  
25 be deleted from the franchise area of the franchise granted by the County upon the effective

1 **Attachment A**

2 date of the annexation or incorporation. If the city has not granted a franchise to the  
3 Franchisee, the franchise granted by the County will inure to the city.

4 (b) The County, in the event of an annexation or incorporation, will require no amendment to  
5 the franchise issued by the County. In the event that the entire service area of the franchise  
6 is annexed or incorporated, the franchise will terminate with the County.

7 (c) Within sixty (60) days of receipt of a written notice of the effective date of an annexation  
8 or incorporation, the Franchisee shall update all records to assure proper payment of  
9 franchise fees to the city acquiring the franchise area.

10 **5-6-105. CHANGE OF SERVICE AREA**

11 (a) Extension of Franchise Area. An extension of the franchise area of an existing franchise  
12 requires an amendment to the existing franchise agreement.

13 (b) Deletion of Franchise Area. Any deletion of franchise area from an existing franchise for  
14 any reason other than annexation or incorporation requires an amendment to the franchise  
15 agreement.

16 **5-6-106. APPLICATION FOR A NEW FRANCHISE**

17 (a) Any interested person may apply to the County for an initial franchise. The following  
18 information shall be submitted to the County:

- 19 (1) Identity of the applicant;
- 20 (2) List of partners, general or limited, if a partnership, or percentage of stock owned or  
21 controlled by each stockholder having a ten percent (10%) interest or more, if a  
22 corporation;
- 23 (3) List of officers and directors of the applicant and a resume of each person;
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- 1 (4) Names and addresses of any parent corporation or affiliates directly involved in the  
2 operation of the proposed cable or open video system;
- 3 (5) Copy of FCC Form 1275, Notice of Intent filed under 47 GFR 76-1503 (b) (1) in  
4 accordance with Section 653 (a) (1) of the Communications Act if the applicant is an  
5 open video service provider;
- 6 (6) Description of the geographical area or areas within and outside of unincorporated  
7 Orange County that the applicant proposes to serve;
- 8 (7) Description of services to be offered;
- 9 (8) Description of transmission medium to be used;
- 10 (9) Information to establish applicants technical qualifications, experience and expertise  
11 to operate a cable or open video system;
- 12 (10) Financial statement prepared in accordance with generally accepted accounting  
13 principles and verified by a Certified Public Accountant which demonstrates  
14 applicant's ability to 1) construct, operate, maintain and remove any proposed  
15 facilities; and 2) pay franchise fees as set forth in this division;
- 16 (11) Pro Forma showing capitol expenditures and income and other expenditures for the  
17 first five years of operation;
- 18 (12) Map showing the location of facilities the applicant intends to use, purchase, lease or  
19 build;
- 20 (13) Preliminary engineering plans and construction schedule for any new facilities;
- 21 (14) Statement that applicant will comply with all applicable ordinances, rules, and  
22 regulations of the County and pay all required processing or permit fees; and  
23 (15) Any additional information required by Administrator.  
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1 (b) Upon determination that the application is complete, the Administrator will notify the  
2 applicant in writing that the applicant and County may begin negotiation of a franchise  
3 agreement setting forth any terms and conditions, in addition to or in lieu of the  
4 requirements of this division, for the operation of a cable or open video system.

5 (c) To determine if an additional franchise can be awarded the County may consider:

- 6 (1) Applicant's record in other jurisdictions including signal quality, response to  
7 subscriber complaints, billing practices and compliance with applicable law.  
8 (2) Applicant's financial, legal and technical ability to operate a cable or open video  
9 system.  
10 (3) Applicant's willingness to meet future cable-related needs of the community.  
11 (4) Whether issuance of the franchise is in the public's interest.  
12 (5) Other matters the County is required or authorized to consider.  
13

14 **5-6-107. RENEWALS**

15 (a) Consistent with federal law and regulation, within six (6) months of the receipt of the  
16 Franchisee's written request for a renewal of a franchise, the Administrator shall 1) identify  
17 the cable-related needs of the County; and 2) review the performance of the Franchisee  
18 under its existing franchise. The Administrator shall prepare a report for the Board of  
19 findings with 1) a recommendation to negotiate a renewal of the franchise pursuant to  
20 terms and conditions consistent with the findings; or 2) issue a request that the Franchisee  
21 provides the County with a proposal. Within four (4) months of the submittal of the  
22 Franchisee's proposal, a preliminary decision is to be made by the Administrator of  
23 renewal or non-renewal.  
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1 (b) The Board shall hold a Public Hearing to determine whether or not to renew the franchise.

2 This determination shall be based on whether or not the Franchisee:

3 (1) Has substantially complied with material conditions of the franchise and applicable  
4 law;

5 (2) Provided a reasonable quality of service with respect to signal quality, response to  
6 subscriber complaints and billing practices;

7 (3) Has the legal, technical and financial expertise and financial qualifications to provide  
8 services, facilities and equipment specified in the proposal; and

9 (4) Provided a proposal that reasonably meets future cable-related needs of the  
10 community taking into account the cost of meeting such needs.

11  
12 (c) Nothing in this section prohibits the Franchisee and the Administrator from agreeing in  
13 writing to suspend the renewal process set forth in this section and to develop a mutually  
14 agreeable renewal process. Such suspension shall be conditioned that either party, upon  
15 thirty days written notice, may request that the procedure described in this section shall be  
16 followed. At the Administrator's discretion, the Franchisee may be required to complete an  
17 application.

18 **5-6-108. TRANSFERS**

19 (a) Any transfer (as defined in Section 5-6-102 (ss)) of a franchise issued pursuant to this  
20 division requires the approval of the Board. Failure of the transferor and transferee to  
21 obtain consent is a material breach of the franchise agreement and may result in the  
22 termination of the franchise and the franchise agreement.

23  
24 (b) To initiate the transfer approval process, transferor shall submit to the County written  
25 notification of any proposed transfer at least 120 days before the transfer is to be

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1 completed. Transferor shall submit such written notice to the County whether or not it  
2 submits FCC Form 394 or its successor form to the County. Documentation to be submitted  
3 with FCC Form 394 shall include; 1) information or documentation required by state or  
4 federal law and 2) relevant portions of the sales agreement or equivalent.

5 (c) The Administrator may request additional information within thirty (30) days of the  
6 notification of the proposed transfer. Unless the law expressly prohibits the disclosure of  
7 such information to reasonably determine if the transferee possesses the legal, technical and  
8 financial qualifications to provide cable services and will comply with all franchise  
9 requirements for the term of the franchise, the transferee shall provide any requested  
10 additional information within ten (10) days.

11 (d) The County may, at its sole discretion, initiate the following actions prior to requesting  
12 Board action on the transfer:  
13  
14 (1) Audit of transferor's payment of franchise fees;  
15 (2) Review of transferor's compliance with applicable technical and safety code  
16 standards;  
17 (3) Review of transferor's compliance with customer service standards; and  
18 (4) Review of transferor's compliance with all other terms and conditions of the franchise  
19 agreement.

20 (e) Transferor shall be given an opportunity to cure any deficiencies or the transferee shall  
21 agree to cure any deficiencies.

22 (f) Board approval of the transfer will be in the form of an agreement between the County,  
23 transferor and transferee.

24 (g) County may deny the transfer request if it finds any of the following:  
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- 1       (1) The transferee will not agree to comply with the Franchise Agreement;
- 2       (2) The transferee will not agree to resolve any existing or outstanding compliance
- 3             issues;
- 4       (3) Information is not provided to reasonably determine if the transferor is in substantial
- 5             compliance with this division or the franchise agreement;
- 6       (4) Information is not provided to reasonably determine if the transferee has the legal,
- 7             technical and financial qualifications to operate the cable system or open video
- 8             system;
- 9       (5) The County has determined that transferee does not meet legal, technical and
- 10            financial qualifications to operate a cable system or open video system.
- 11       (6) Any other reason the Board determines to be in the public's interest or in accordance
- 12            with applicable law.
- 13

14       Approval of a transfer shall not be unreasonably withheld.

- 15       (h) Nothing in this Section prohibits the transferor and/or transferee and the County from
- 16            agreeing in writing to extend the 120-day transfer approval period.
- 17       (i) Approval of a transfer does not waive or release any rights of the County against the
- 18            transferor under this division, applicable law or the franchise agreement whether such
- 19            rights arose before or after the approval of the transfer.
- 20       (j) Within thirty (30) days of the approval of a transfer, transferee shall provide the County
- 21            with a letter of credit and evidence of insurance as required by this division or a written
- 22            statement that existing security and insurance will remain valid.
- 23

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**5-6-109. WAIVERS**

An applicant for a new franchise or a franchise renewal may request the Board to consider waiving any requirement of this division if the Applicant or Franchisee can demonstrate that the requirement: 1) has been preempted by applicable state or federal law; 2) will result in a significant increase in the amount charged to subscribers; or 3) will be overly burdensome to the applicant or Franchisee in conducting the business of operating a cable or open video system.

Any waiver granted by the Board to an additional Franchisee shall be available to the current Franchisee upon request provided that the above criteria are met. Such waiver shall be in the form of an amendment to the franchise agreement granted by the Board.

**5-6-110. SERVICES OFFERED**

Franchisee shall provide broad categories of programming in order to meet community needs. PEG is to be available to the extent it is provided to adjacent jurisdictions served by the same cable or open video system on the basic service tier. The County and unincorporated County residents shall have access to PEG that may otherwise be made available by the Franchisee either voluntarily or as a required in a franchise with another jurisdiction served by the same cable or open video system.

**5-6-111. SECURITY**

(a) At all times during the term of the franchise agreement and within thirty (30) days of the approval of a franchise or effective date of a transfer, Franchisee shall furnish the County an irrevocable letter of credit for a minimum amount of \$75,000 issued by a financial institution approved by the County.

(b) The letter of credit shall incorporate wording approved by the Administrator to enable the County to draw such sums the County determines to be owed to the County, including but

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1 not limited to: 1) fines or penalties levied upon Franchisee by County; 2) costs incurred by  
2 the County to repair damage to the public rights-of way caused directly or indirectly by the  
3 Franchisee, if such repairs are requested and are not made; 3) cost incurred by County to  
4 remove Franchisee's facilities from the public rights-of way or other County property; and  
5 4) monies due the County, including but not limited to payment of franchise fees in  
6 connection with the franchise agreement or this division. The County shall provide a 10-  
7 day written notice to the Franchisee and the letter of credit issuer in the event of any default  
8 or to meet any payment due the County. No demand shall be filed until after the County  
9 has issued a demand or invoice for such funds and Franchisee has not made payment by the  
10 required deadline.  
11

12 (c) Franchisee shall replenish the letter of credit to its original amount within thirty (30) days  
13 after receiving written confirmation from the letter of credit issuer that the County has  
14 drawn against the letter of credit. Failure to replenish the letter of credit shall be deemed a  
15 material breach of the franchise agreement.

16 (d) Under the franchise agreement, the County may require an additional letter of credit or  
17 performance bond as a condition of the franchise to be in effect during the period of any  
18 new construction, upgrade or rebuild of the Franchisee's facilities.

19 (e) Neither the provisions of this section, nor the provisions of any security accepted by  
20 County pursuant thereto, nor any damages recovered by County thereunder shall be  
21 construed to excuse unfaithful performances by Franchisee or to limit the liability of  
22 Franchisee under this division. The rights reserved to the County with respect to the  
23 security are in addition to all other rights of the County and no action, proceedings, or  
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1 exercise of a right with respect to such security shall affect any other rights the County may  
2 have.

3 5-6-112. INSURANCE

4 (a) Franchisee shall provide to the County, prior to the provision of services under the  
5 franchise agreement and for the term of the franchise agreement, a Certificate of Insurance,  
6 and all required endorsements which evidence required insurance coverage. Franchisee  
7 shall provide the County with a minimum of 30-days notice in the event that any required  
8 insurance policy is cancelled, except for cancellation for non-payment of premiums, for  
9 which such notice shall be ten (10) days. Franchisee shall also provide the County with a  
10 Certificate of Insurance including all required endorsements immediately upon the change  
11 of any insurer providing coverage, or if there is a change in the amount of coverage. All  
12 sub-contractors performing work on behalf of the Franchisee to provide cable services, or  
13 when performing work of any kind for any reason within the public right-of-way or on  
14 public property shall be covered under the Franchisee's insurance or shall obtain insurance  
15 subject to the same terms and conditions as set forth for the Franchisee. The policy or  
16 policies must be issues by an issuer licensed to do business in the State of California. The  
17 insurer must carry a rating of A-VIII or better with Best's Key Rating Guide/Property-  
18 Casualty/United States or any other alternative rating service approved by the County.  
19

20  
21 (b) The terms, conditions and amounts of insurance coverage required to be provided by the  
22 Franchisee will be contained in the franchise agreement, and will be subject to review and  
23 adjustment by either party at five-year intervals during the term of the agreement if a  
24 change in marketplace or risk assessment justifies an adjustment.

25 (c) Endorsements are to be provided to the County containing the following provisions:

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- 1 (1) An endorsement that waives of all rights of subrogation against the "County of  
2 Orange California", its elected and appointed officials, officers agents, volunteers and  
3 employees when in the scope of their employment or appointment, and any Board or  
4 Commission governed by the Board, except with respect to liability arising from their  
5 gross negligence or misconduct;
- 6 (2) An endorsement that names the "County of Orange, California" as an additional  
7 insured for Commercial General and Automobile Liability insurance;
- 8 (3) A Severability of Interests endorsement in favor of the "County of Orange,  
9 California" for General Liability; and
- 10 (4) A primary/non contributing endorsement that states that any insurance maintained by  
11 the "County of Orange, California" will apply in excess of, and not contribute with,  
12 insurance provided by Franchisee's policies.
- 13 (d) Any deductible or self-insurance retention for General Liability over \$25,000, or any  
14 deductible over \$5,000, or self-insured retention for Automobile Liability is subject to the  
15 approval by the County Risk Manager.
- 16 (e) A certificate of self-insurance issued by California Department of Motor Vehicles must be  
17 submitted if the automobile liability is self-insured or there is a self-insured retention on a  
18 commercial insurance policy.
- 19 (f) The County Risk Manager retains the right to allow a Franchisee to use a captive insurer or  
20 to self-insure based on Franchisee's financial assets. If this right is granted by the County  
21 Risk Manager, Franchisee must agree to following conditions:
  - 22 (1) the duty to defend the County from any liability claim or suit to which this franchise  
23 agreement applies, is broader than the Franchisee's duty to indemnify;  
24  
25

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1 (2) Franchisee shall have the right and duty to defend the County from any and all  
2 liability claims or suits if there is any potential for indemnity under the franchise  
3 agreement on any conceivable theory; and

4 (3) the provisions of California Civil Code, Section 2860 shall apply to any action which  
5 is covered by the duty to defend in this franchise agreement and said provisions shall  
6 be interpreted as though Franchisee was an insurer and the County was the insured.

7 (g) The procuring of such required policy or policies of insurance shall not be construed to  
8 limit Franchisee's liability or to fulfill the indemnification provisions and requirements of  
9 this division or the franchise agreement.

10 (h) Final approval of any proof of insurance coverage, its form or amount and any waivers to  
11 the insurance requirements of this division or the franchise agreement shall be the  
12 responsibility of the County Risk Manager, and such approval shall not be unreasonably  
13 withheld or delayed.

14 (i) Failure of the Franchisee to comply with the insurance requirements of this section or the  
15 franchise agreement, and to provide proof of coverage by submitting to the County original  
16 certificates and endorsements in the form required by the County within thirty (30) days of  
17 receipt of notice to the Franchisee and to maintain current coverage as set forth in this  
18 Section or the franchise agreement may be considered a material breach of the franchise  
19 agreement.  
20 agreement.

21 5-6-113. NO COST PROVISION

22 Franchisee shall pay all costs required to meet the requirements of Section 5-6-111 and 5-6-112  
23 and no cost shall be charged to the County.  
24

1 **Attachment A**  
2 **5-6-114. INDEMNIFICATION**

3 (a) County shall not at any time be liable for injury or damage occurring to any person or  
4 property from any cause, which may arise out of or be in any way connected with the  
5 construction, installation, operation, maintenance or condition or due to the dismantling of  
6 the facilities used to provide cable services or the Franchisee's failure to comply with any  
7 federal, state, or local law, statute division or regulation, except in the event of gross  
8 negligence or willful misconduct by the County or its employees or agents. Franchisee  
9 voluntarily assumes all such liability.

10 (b) Franchisee shall at its sole cost and expense indemnify and hold harmless the County and  
11 its employees from and against:

12 (1) Any and all liability, obligation, damages, penalties, claims, liens, costs, charges,  
13 losses and expenses (including, without limitation, reasonable fees and expenses of  
14 attorneys), whether legal or equitable, which may be imposed upon, incurred by or be  
15 asserted against the County by reason of any act or omission of the Franchisee, its  
16 officers personnel, employees, agents, contractors, subcontractors.

17 (2) Any claim asserted or liability imposed upon the County for personal injury or  
18 property damage to any individual person by reason of any act or omission of the  
19 Franchisee, its officers personnel, employees, agents, contractors, or subcontractors.

20 (3) Franchisee shall undertake and assume for its officers, personnel, employees, agents,  
21 contractors, subcontractors, all risk of dangerous conditions, if any, on or about any  
22 County-owned or controlled property, including public right-of-way, and Franchisee  
23 shall indemnify and hold harmless the County against and from any claim asserted or  
24

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1 liability imposed upon the County for personal injury or property damage to any  
2 individual person.

3 (4) In the event any action or proceeding shall be brought against the County by reason  
4 of any matter for which the County is indemnified under this section, Franchisee shall  
5 upon notice from the County, at the Franchisee's sole expense, defend the County.  
6 Franchisee shall not admit liability in any matter on behalf of the County without the  
7 written consent of the County. County reserves the right to approve Franchisee's  
8 counsel and settlement of any legal proceeding.

9 (5) County shall give Franchisee prompt notice of any claim or commencement of any  
10 action, suit or other proceeding covered by the provisions of this section. Nothing  
11 herein shall be deemed to prevent the County from cooperating with the Franchisee  
12 and participating in the defense of any litigation by the County's own counsel at the  
13 County's expense.  
14

15 **5-6-115. FRANCHISE FEES**

16 (a) In consideration of the costs which must be incurred by the County in regulating the  
17 franchise and for the use of the public right-of-way for the construction and operation of a  
18 cable system or open video system, Franchisee shall pay quarterly the amount of 5% of the  
19 Franchisee's gross revenues. Payment shall be payable to the County of Orange and shall  
20 be submitted to the Auditor-Controller.  
21

22 (b) Payment shall be received within thirty (30) days of the close of the Franchisee's calendar  
23 or tax quarter for which revenue was received. Payment shall be accompanied by a report  
24 showing the basis of the computation and any relevant information that may be reasonably  
25 requested by the Administrator or required in the franchise agreement.

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- 1 (c) If any payment specified in this section is not paid to the County within ten (10) days after  
2 the due date, a late charge of one (1) percent of the payment due and unpaid from the due  
3 date plus a one time charge of twenty-five dollars (\$25) shall be added to the payment and  
4 the total shall become immediately due and payable to the County. An additional charge of  
5 one (1) percent of said payment shall be added for each additional month that said payment  
6 remains unpaid.
- 7 (d) If the FCC, federal law or other legislative body with appropriate authority or court of  
8 competent jurisdiction changes the maximum franchise fee from the five percent (5%), the  
9 County's franchise fee shall change accordingly upon Board approval. Franchisee shall  
10 pass on any increase or decrease in franchise fee to subscribers as provided by law.
- 11 (e) No acceptance of any payment by the County shall be construed as a release or as an  
12 accord and satisfaction of any claim the County may have for further or additional sums  
13 payable as a franchise fee under this division or for the performance of any other obligation  
14 of the Franchisee.  
15

### 16 5-6-116. PERIODIC AUDIT

- 17 (a) Upon thirty (30) days written notice from the Administrator, the County shall have the right  
18 to inspect, examine or audit Franchisee's records that are necessary to verify that the  
19 Franchisee or any affiliates has paid the correct amount with respect to the Franchisee's  
20 payment of franchise fees consistent with this division, the franchise agreement, and  
21 applicable federal and state law.
- 22 (b) Franchisee shall keep and preserve for a period of three (3) calendar years plus the current  
23 calendar year, all records necessary to determine the amount of franchise fee owed the  
24 County. A transferor, in the event of a transfer, or a Franchisee of a franchise that has  
25

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1 terminated shall retain such records for three (3) calendar years after the effective date of  
2 the transaction or date of termination.

3 (c) In the event that an audit establishes that additional fees in excess of five (5) percent of the  
4 amount paid for any quarter are owed, the Franchisee shall pay for the actual documented  
5 cost of the audit for each quarter in the audit period in which underpayment exceeded 5%.

6 (d) Penalties for underpayment of franchise fees are set forth in Section 5-6-115 (c) above of  
7 the division entitled "Franchise Fees".

8 (e) In the event the Franchisee establishes that it overpaid franchise fees to the County, the  
9 Franchisee may file a claim with the County.  
10

11 **5-6-117. PROCESSING FEES**

12 (a) A non refundable processing fee, as established by the Board through County Ordinance  
13 or Resolution pursuant to California Government Code Section 66016 and 66017, shall be  
14 paid by an applicant or Franchisee when requesting franchise approval, transfer, extension  
15 of the term or service area, surrender or amendment, to reimburse the County's processing  
16 costs.

17 (b) This non-refundable processing fee is in addition to franchise fees, permit fees, taxes and  
18 other assessments, which maybe owed by Franchisee.

19 **5-6-118. SERVICE TO PUBLIC BUILDINGS**

20 Franchisee shall provide, at its own expense upon request of the Administrator, one cable  
21 installation of up to 125 feet whenever the Franchisee's facilities pass the property line of any  
22 County facility, fire station, public library, public school or educational administrative site.  
23 Monthly service shall include basic service and any satellite or expanded tiers excluding  
24  
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1 premium services. Any portion of the installation exceeding 125 feet may be billed at  
2 Franchisee's cost to the recipient of the service.

3 5-6-119. RECORDS

4 (a) Upon thirty (30) days written notice, County has the right to inspect, or review any  
5 documents, reports, financial records or statistical reports retained by the Franchisee  
6 pertaining to Franchisee's compliance with the franchise agreement or this division. This  
7 right includes records related to the management of the cable or open video system in the  
8 possession of an affiliate, contractor or subcontractor. Records are to be made available at  
9 the Franchisee's local office, during normal business hours, or at such location as is  
10 mutually agreed by the County and Franchisee. If Franchisee determines records are too  
11 voluminous or for security reasons can not be moved to the Franchisee's local office for  
12 inspection, Franchisee shall pay travel costs to permit inspection at the site designated by  
13 the Franchisee. Any records Franchisee considers to be proprietary shall be so identified.  
14 County will make every effort to avoid copying such records and secure records while in  
15 County's possession, return records to the Franchisee or will notify Franchisee in advance  
16 if County is required under law to release such records to a third party. Records requested  
17 by the County shall be provided at the Franchisee's sole expense. County may have the  
18 inspection or review of Franchisee's records conducted by a third party on the County's  
19 behalf, provided that the third party first executes a confidentiality agreement reasonably  
20 acceptable to the Franchisee prohibiting any unauthorized use or disclosure of the  
21 Franchisee's proprietary information. Franchisee's acceptance of the confidentiality  
22 agreement with the third party shall not be unreasonably withheld. County's access to  
23  
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records of the Franchisee shall at all times be subject to federal and state laws concerning subscriber privacy.

(b) The following records shall be kept current and be made available for a period of at least two (2) calendar years plus the current calendar year unless a shorter period is specified in the franchise agreement:

(1) Subscriber complaints identifying the subscriber's name and address, date complaint was received, description of complaint, description of action taken by Franchisee to resolve the complaint and date complaint was resolved.

(2) Service interruptions effecting more than one subscriber identifying the location, time service interruptions was first reported, time service was restored, duration and cause.

(3) Service installations and service call appointments for any other reason identifying the date service requested, date and time of appointment, date and time Franchisee's representative arrived for the appointment or fact and reason that appointment was not kept.

(4) Telephone response statistics reflecting the length of time to answer each call after the initial message and the length of time the caller is put on hold after customer services representative answers the call.

(c) County may request additional records related to the County's right under this division or under the franchise agreement to carry out its regulatory responsibilities under federal, state and local law. Franchisee's refusal to retain accurate records required by this division may be a material breach of the franchise agreement.

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1 5-6-120. REPORTS AND INFORMATION

- 2 (a) Franchisee shall mail to the County mandatory notices as set forth in state and federal law  
3 that are periodically mailed to all subscribers in the franchise area including but not limited  
4 to rate increase notices, privacy notices, annual notices, channel line-up changes, system-  
5 wide promotional materials.
- 6 (b) Franchisee shall provide all reports required by its franchise agreement or as requested by  
7 the Administrator in response to complaints, alleged non-compliance with the franchise  
8 agreement or this division or as otherwise related to the County's rights and responsibility  
9 to carry out its regulatory responsibilities under federal, state and local law.
- 10 (c) If Franchisee is convicted of defrauding or attempting to defraud the County or subscribers,  
11 or intentionally submits false or misleading information or withholds information requested  
12 by Franchisee, such action may be deemed a material breach of the franchise agreement.

14 5-6-121. CUSTOMER SERVICE STANDARDS

15 (a) Accessibility

- 16 (1) Franchisee shall maintain a local, toll-free or collect telephone access line, which will  
17 be available to its subscribers, 24 hours a day, seven days a week. Under normal  
18 operating conditions during normal business hours, telephone answer time by a  
19 knowledgeable, qualified, trained customer service representative, including wait  
20 time, shall not exceed (30) seconds after the initial message. If the call needs to be  
21 transferred, transfer time shall not exceed (30) seconds. These standards shall be met  
22 no less than ninety (90) percent of the time measured quarterly.
- 24 (2) Franchisee shall provide conveniently located service centers offering in person bill  
25 payment, equipment exchange, service change requests and subscriber inquiry

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2 services and shall arrange for picking up equipment at the subscribers residence in the  
3 event of a disconnection or exchange of Franchisee's equipment.

- 4 (3) Franchise shall post a sign at each service center stating its hours of operation and a  
5 toll free telephone number where a customer service representative can be  
6 immediately contacted.

7 **(b) Installations, Outages and Service Calls**

- 8 (1) An employee, contractor, subcontractor, or agent of Franchisee who contact  
9 subscribers outside the service center shall be clearly identified as associated with the  
10 Franchisee. Any vehicle used to provide service to a subscriber shall clearly bear the  
11 name of the Franchisee.

- 12 (2) Franchisee shall complete all standard installations within seven (7) business days  
13 after the order has been placed, unless the subscriber has requested a later date for  
14 installation. Under normal operating conditions, this standard is to be met no less than  
15 ninety-five (95) percent of the time measured quarterly. In the event of a non-standard  
16 installation, the Franchisee shall provide the subscriber in advance with an installation  
17 cost estimate and the estimated date of installation.

- 18 (3) Excluding conditions beyond the Franchisee's control, Franchisee shall respond to a  
19 complete outage (loss of reception on all channels) of the subscriber's service within  
20 24 hours of the reporting of such outage by the subscriber. Response consists of the  
21 arrival of the Franchisee's representative at the outage location. Franchisee must  
22 begin action to correct service interruptions, service disruptions or other service  
23 problems no later than the next business day after the subscriber has reported the  
24

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1 problem. Under normal operating conditions, this standard is to be met no less than  
2 ninety-five (95) percent of the time measured quarterly.

3 (4) Franchisee shall provide subscribers with the right to schedule an appointment  
4 window in four (4) hour increments, during normal business hours, when scheduling  
5 an appointment for installation or service or any other reason for which the  
6 subscriber's presence is required. This does not prohibit Franchisee from scheduling  
7 an appointment outside of normal business hours for the convenience of a subscriber.  
8 If the appointment is not commenced within the four-hour period, except for  
9 unforeseen or unavoidable occurrences beyond the control of the Franchisee,  
10 Franchisee may notify the subscriber of the delay and schedule an appointment at a  
11 mutually agreeable time within a two-hour period. Subscribers may seek remedies  
12 under applicable law for missed appointments. Under normal operating conditions,  
13 this standard is to be met no less than ninety-five (95) percent of the time measured  
14 quarterly.  
15

16 (c) Subscriber Information

17 Franchisee shall:

- 18 (1) Provide subscribers, at the time of installation and at least annually, written notice  
19 containing:  
20  
21 a. Description of all levels or service tiers of programming service including  
22 premium services;  
23 b. Prices and options for each level of programming service and conditions of  
24 subscription to programming and other services;  
25 c. Telephone number and office hours of Franchisee's service center;

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- d. Billing and complaint procedures including address and telephone number of County as provided by Administrator.
- e. Rights and remedies available to subscriber if Franchisee does not meet its customer service standards;
- f. Installation, disconnection, termination, service, repair, maintenance, policies and Franchisees policy for imposing late fees;
- g. Instructions on how to use the service;
- h. Channel positions of programming, commonly referred to as a channel line-up; and
- i. Statement citing sections in federal and/or state law dealing with customer service standards and Franchisee's intent to comply with applicable standards.

- (2) Provide a minimum of 30 days written notice to subscribers and the County of any changes in rates, programming services or channel positions of programming if such change is within the control of the Franchisee.

(d) Billing Procedures

Franchisee shall:

- (1) Provide subscriber's bills that are clear, concise, accurate and understandable. Bills must be fully itemized including, but not limited to, basic service and premium service charges and equipment charges. Bills are to clearly delineate all activity during the billing period, including credits. Bills are to include the address and telephone number as provided by the Administrator;
- (2) Allow subscribers 15 days from the date the bill for service is mailed to pay the bill unless otherwise agreed to pursuant to a residential rental agreement. The bill must

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1 clearly show the date payment is due which is no earlier than 10th day of the service  
2 period for which the bill is issued;

3 (3) Promptly post payments;

4 (4) Terminate service for nonpayment of a subscriber's bill only after the Franchisee has  
5 furnished written notice of termination at least 15 days before such termination. Such  
6 notice shall not be mailed until the 16<sup>th</sup> day after the date the bill for services was  
7 mailed to the subscriber. Information contained on Franchisee's notice of termination  
8 shall include:

9 a. Name and address of subscriber whose account is delinquent;

10 b. The amount of the delinquency;

11 c. The date by which payment is required in order to avoid termination of service;

12 d. The telephone number of a representative of the Franchisee who can provide  
13 information, handle complaints or initiate an investigation concerning the  
14 service and charges in question;

15  
16 (5) Terminate service only on days in which the subscriber can reach a customer service  
17 representative of the Franchisee either in person or by telephone;

18 (6) Restore service at no cost to the subscriber for any service terminated without good  
19 cause. Good cause includes, but is not limited to, failure to pay, payment by check for  
20 which there are insufficient funds, theft of service, abuse of equipment or system  
21 personnel, or other similar subscriber actions;

22 (7) Assess a late charge no earlier than the 27th day after the bill's due date. In no event  
23 shall the late charge be assessed on a balance of \$10.00 or less and exceed the amount  
24 established by applicable law;  
25

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- 1 (8) Return any monies owed a subscriber whose service has been terminated either  
2 voluntarily or involuntarily, no later than the subscriber's next billing cycle or 30  
3 days, whichever is earlier or upon return of equipment supplied by the Franchisee.  
4 Under normal operating conditions, this standard is to be met no less than ninety-five  
5 (95) percent of the time measured quarterly; and  
6  
7 (9) Issue a credit for service no later than the subscriber's next billing cycle following a  
8 determination that a credit is warranted.

9 Franchise fees paid by subscribers and in turn paid by the cable operator to the County are  
10 to be applied to the subscribers bill after any discount or credits due the subscriber have  
11 been deducted from the cable operators charges for the service being provided.

12 (e) Privacy

13 Franchisee shall not:

- 14 (1) Disclose the name and address of a subscriber for commercial gain to be used in  
15 mailing lists or for other commercial purposes not reasonably related to the conduct  
16 of the business of the Franchisee or its affiliates, unless the Franchisee has provided  
17 to the subscriber a notice, separate or included in any other subscriber notice, that  
18 clearly and conspicuously describes the subscriber's ability to prohibit the disclosure.  
19 Franchisee shall provide an address and toll free telephone number for the  
20 subscriber's use to prevent disclosure of the subscriber's name and address;  
21  
22 (2) Monitor cable signals in order to determine a subscriber's individual viewing patterns  
23 or practices without the prior written consent of the subscriber unless such monitoring  
24 is for the purpose of determining programming viewed by the subscriber for the  
25 purpose of billing for services rendered; and

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2 (3) Require a subscriber to provide any personal information that is not necessary to open  
3 and maintain the subscriber's account.

4 Franchisee shall comply with the provisions of 47 USC Section 551 or its successor, as  
5 currently written or amended in the future; however, consistent with state law, Franchisee  
6 shall provide information from subscriber's billing records or other information necessary  
7 to permit the County to enforce this division or the franchise agreement, and obtain  
8 information to determine if the Franchisee is meeting community needs. Failure by  
9 Franchisee to provide such information may be a material breach of the franchise  
10 agreement.

11 (f) Non-Discrimination

12 Franchisee shall not:

- 13 (1) Deny service except for good cause as set forth in federal or state law; or  
14 (2) Discriminate in between or among subscribers in availability of service, its rates or  
15 charges or from granting any subscriber or group of subscribers a more favorable or  
16 different rate or charge than rates or charges offered to subscribers as a whole.

17 Promotional offers made on a temporary basis to attract or maintain subscribers may  
18 be offered as long as such promotions are offered on a non-discriminatory basis.

19 Franchisee may offer discounts to senior citizens, disabled persons, the economically  
20 disadvantaged, bulk rate under contract to apartments, condominiums or homeowners  
21 associations or other such discounted rates permitted by federal law as long as such  
22 discounts are applied in a uniform and consistent manner. All rates must be published  
23 and be available for inspection at Franchisee's service center or be provided over the  
24 telephone.  
25

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2 **(g) Treatment of Property**

3 Franchisee shall:

4 (1) at its own expense, restore any private property and landscaping to its original or  
5 comparable condition, which was disturbed or damaged during construction,  
6 installation, maintenance, facility removal or service installation/disconnection;

7 (2) comply with County ordinances when trimming trees or shrubs from public right of  
8 way or easements and remove all trimming from the property;

9 (3) except in the event of an emergency, make every reasonable effort to notify residents  
10 before entering private property and provide at least a (24) hour notice in the event of  
11 new construction or planned maintenance; and

12 (4) clean all areas surrounding any work site and ensure all materials have been disposed  
13 of properly.

14 **(h) Continuity of Service**

15 In the event of a transfer or in the event that Franchisee provides notice of intent to  
16 terminate or not renew a franchise, Franchisee shall act to ensure that all subscribers  
17 receive service as long as the franchise remains in effect. Franchisee shall make all  
18 reasonable efforts to provide continuous, uninterrupted service during any transition period  
19 following franchise termination or expiration.

20 **(i) Periodic Review**

21 (1) The County may periodically evaluate Franchisee's compliance with customer  
22 service standards provided by Franchisee to subscribers:

23 a. In conjunction with any performance review provided for in any franchise  
24 agreement;  
25

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- 2 b. Based on the number of complaints received from subscribers; or  
3 c. Based on other information obtained by the County through its own  
4 investigation.

5 (2) In the event of such a review, Franchisee shall provide information necessary for the  
6 County to substantiate or refute allegations regarding Franchisee's non-compliance  
7 with customer service standards, provided the Franchisee has not previously provided  
8 such information to the County.

9 (3) Upon 30 days written notice from the County, Franchisee shall respond to any request  
10 for information necessary to evaluate Franchisee's compliance with customer service  
11 standards required in this section. Franchisee shall provide sufficient information to  
12 permit County to verify Franchisee's compliance with customer service standards.

13 (4) If Franchisee's performance of any of the requirements of this division is prevented  
14 by a cause or event not within Franchisee's control or which can not be reasonably be  
15 foreseen by Franchisee, such inability to comply with this division shall be deemed  
16 excused and no penalties or sanctions shall be imposed as a result thereof. The burden  
17 of proof of such inability to comply rests with the Franchisee.

18 5-6-122. SUBSCRIBER COMPLAINT PROCEDURE

19 (a) Complaints to Franchisee

20 (1) Franchisee shall establish a written procedure for receiving, acting upon and resolving  
21 subscriber's complaints and publish such procedure at its own expense.

22 (2) This procedure shall set forth the method that subscribers may submit both written  
23 and oral complaints to the Franchisee.  
24  
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1 (3) Subscribers submitting oral complaints to Franchisee must receive a written or oral  
2 response within 30 days of the receipt of the complaint stating the results of the  
3 Franchisee's investigation and proposed action.

4 (4) Subscribers submitting written complaints to Franchisee must receive a written  
5 response within 30 days of the receipt of the complaint stating the results of the  
6 Franchisee's investigation and proposed action.

7  
8 (b) Complaints to County

9 (1) Written or oral subscriber complaints received by the County may be forwarded to  
10 Franchisee for resolution.

11 (2) Franchisee shall acknowledge receipt of any such complaint within the next three (3)  
12 business days. The County shall receive a written response stating the resolution of  
13 the complaint within ten (10) business days. If Franchisee can not resolve a complaint  
14 within 10 business days, Franchisee is to provide County a progress report every 10  
15 business days unless the County establishes a longer reporting interval or determines  
16 the complaint is resolved. A subscriber may appeal the decision as set forth (c) below.

17 (c) Administrative Hearing

18 (1) In the event that an administrative hearing is requested by a prospective, current or  
19 former subscriber, the Administrator shall give a minimum of fifteen (15) days  
20 advance written notice to Franchisee setting forth the nature of the complaint and the  
21 right of the Franchisee to be present at the hearing to provide relevant evidence on the  
22 issue. The notice from County shall set forth the time and place for the hearing. At the  
23 time and place so specified, evidence shall be submitted as to the facts of any  
24  
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2 complaint. A hearing officer shall determine whether the facts substantiate a  
3 complaint over which the County has jurisdiction.

4 (2) A decision by the hearing officer shall be made in writing and shall be transmitted to  
5 the subscriber and Franchisee within a reasonable time. Such decision shall be final  
6 within ten (10) business days of transmittal to Franchisee.

7 (3) In the event the decision requires the Franchisee the take an action to resolve the  
8 complaint and the Franchisee does not take this action within the timeframe set forth  
9 in the decision, the Administrator may determine that a violation of the franchise  
10 agreement has occurred and pursue remedies set forth in Section 5-6-125 of this  
11 division.

12 **5-6-123. CONSTRUCTION STANDARDS**

13 **(a) General Requirements**

14 (1) Construction, maintenance, or repair of the facilities located in the public right-of-  
15 way is not permitted unless Franchisee has a valid franchise to operate a cable or  
16 open video system and the following conditions are met:

- 17 a. All required permits have been obtained and fees have been paid;
- 18 b. Franchisee has provided proof of insurance, which meets any generally  
19 applicable County's requirements and/or are specified in the franchise  
20 agreement or as a condition of the permit ;
- 21 c. Franchisee has provided any security generally required by the County or  
22 required herein or as a condition of the permit; and

23  
24 (2) Construction shall be performed in compliance with all laws, codes, ordinances ,  
25 County rules, regulations as currently written or as in the future constituted and

1 **Attachment A**

2 common practices and must be in constructed to assure compliance with applicable  
3 federal or state law.

4 (3) Franchisee's facilities shall pass and be able to serve all residences in the service area  
5 unless this requirement is waived in the franchise agreement.

6 (b) Maps and Plans

7 Franchisee shall maintain current, accurate plans and record drawings showing, the location  
8 of trunk and distribution facilities constructed in the public right-of-way. Such plans and/or  
9 drawings shall be made available to the County within ten (10) days of written request or  
10 immediately in the event of an emergency

11 (c) Above Ground Construction

12 Reasonable effort shall be made to construct or install all above ground facilities in a safe  
13 location and to be as unobtrusive as possible. Hanging, unsecured, or loose wires or cables  
14 are to be promptly repaired. Above ground facilities such as amplifiers and pedestals shall  
15 be of such design and size as to blend with the existing surroundings and shall be located so  
16 as to not unreasonably interfere with the use of the property of any person or be hazardous  
17 to the public or to any property owner. In the event, that constructed facilities are  
18 determined to be unsafe, or interfere with the use of property, the Franchisee may be  
19 required to remove such facility at its own cost.

20 (d) Underground Construction

21 (1) Franchisee must place facilities, with possible exception of active electronics such as  
22 pedestals, amplifiers and power supplies underground in areas where all existing  
23 utilities are located, consistent with generally applicable County requirements. The  
24 County shall assure that in new construction areas, Franchisee is afforded opportunity  
25

1 Attachment A

2 to make arrangements with developers to utilize a joint trench with other utilities  
3 when installing its facilities.

- 4 (2) In the event that above ground utilities are relocated underground by a utility, the  
5 Franchisee must relocate its facilities underground at the same time and at its own  
6 expense, consistent with general County requirements.

7 (e) Underground Field Location

8 Any Franchisee that places facilities underground shall comply with California  
9 Government Code Section 4216. Upon request by the County, the Franchisee shall identify  
10 the location of its facilities to the County at no cost to the County.

11 (f) Relocation, Disconnection, or Removal

- 12 (1) Franchisee shall at its own expense and upon reasonable advance written notice,  
13 which in no event shall be less than ten (10) business days, temporarily disconnect,  
14 relocate or remove its facilities as specified by the County to permit public work. In  
15 the event of an emergency, the County may relocate, disconnect, or remove  
16 Franchisee's facilities without notice and charge the Franchisee for expenses incurred  
17 to permit public work.

- 18 (2) To accommodate construction, repair or operation of facilities of other persons  
19 authorized to use public right-of-way, upon written notice the Franchisee shall  
20 temporarily relocate, disconnect, or remove its facility and be reimbursed by the  
21 person making such request. The Administrator may resolve any dispute arising about  
22 the cost of such work.  
23

24 ///

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1 **Attachment A**  
2 **(g) Abandonment**

3 A Franchisee may abandon any facility located in public-rights-of way upon written notice  
4 to and approval by the County. Notice shall include a map including street names, the size  
5 and description of the facilities and the exact location of the facilities. If a Franchisee  
6 discontinues use of any facility within the public right-of-way for a continuous period of  
7 twelve (12) months, the facilities may be considered abandoned. If the County determines  
8 such abandonment represents an adverse affect on the public right-of-way, the County can  
9 order removal of such facilities by a specified time or may arrange for the removal by a  
10 third party, the expense of which will be borne by the Franchisee. The County may also  
11 require that the ownership of such facilities be transferred to the County at no cost to the  
12 County.

13 **(h) Repair of Public Right-of Way**

14 Any public right-of-way or public property disturbed or damaged during any construction,  
15 operation, repair, maintenance, relocation of Franchisee's facilities by the Franchisee or its  
16 contractors shall be promptly repaired and restored to the satisfaction to the County or to a  
17 condition as good or better than before the disturbance or damage occurred. All work in the  
18 public right-of way shall be in compliance with the conditions of the permit issued by the  
19 County and shall be subject to inspection and approval by the County.

20 **(i) Interconnection**

21 Upon written request by the County, Franchisee shall initiate negotiations with Franchisees  
22 of adjacent systems within Orange County to determine the feasibility of interconnecting  
23 the Franchisee's systems to permit the carriage of programming of public, educational and  
24 governmental access channels on the facilities of more than one Franchisee. The Franchisee  
25

1 **Attachment A**

2 shall report to the County the results of such negotiations no later than sixty (60) days after  
3 the receipt of the County's request. Franchisee shall cooperate with County personnel or  
4 any consultant hired by the County to determine the feasibility of system interconnection.  
5 Interconnection shall not be required if the Franchisee and the owners of adjacent systems  
6 determine the cost of the interconnection would cause an unreasonable or unacceptable  
7 increase in subscriber rates or such interconnection is not technically feasible.

8 **5-6-124. TECHNICAL STANDARDS**

9 (a) Compliance

10 The cable or open video system within the franchise service area shall at all time meet or  
11 exceed FCC technical standards or any other applicable law. Franchisee is to perform tests  
12 required by the FCC to assure compliance with applicable standards and are to take prompt  
13 action to achieve compliance in the event standards are not met. Retesting shall be  
14 performed after corrective action is taken to assure compliance has been achieved.

15 (b) Preventative Maintenance Program

16 Franchisee shall implement a preventative maintenance program to ensure that there is no  
17 degradation of the cable or open video system, which would affect the health, or safety of  
18 residents or result in a degradation of the quality of services. Procedures followed by the  
19 Franchisee in performing such maintenance shall be made available to the County upon  
20 request.

21 (c) Systems Tests

22 Franchisee shall perform all systems tests as required by the FCC and shall make the results  
23 of these tests available to the County upon request. Franchisee shall also cooperate with  
24 County if County hires a third party to provide technical assistance to the County to  
25

1 **Attachment A**

2 perform system tests on the Franchisee's system. Such testing shall be at the County's  
3 expense unless material, substantial non-compliance with technical and performance  
4 standards is confirmed. In the event of such material, substantial non-compliance upon  
5 initial testing or upon retesting, Franchisee shall reimburse the County reasonable expenses  
6 incurred by the County. Such payment to the County by Franchisee shall not be credited  
7 against franchise fees owed the County or passed on to Subscribers.

8 **(d) Penalties**

9 Failure to meet FCC technical standards may result in the County imposing a requirement  
10 that the Franchisee rebate each subscriber a pro rata share of subscriber's monthly fee for  
11 the period the signal falls below the FCC technical standards. Repeated and verified failure  
12 to maintain FCC technical and performance standards may constitute a material breach of  
13 the franchise agreement. Franchisee may be subject to penalties as further described in  
14 Section 5-6-125 (c) of this division if FCC technical standards or standards of other  
15 applicable law are not met.

16 **(e) Service interruptions or disruptions.**

17 Franchisee shall provide rebates to subscribers, upon subscriber's request, for service  
18 interruptions or disruptions except for acts of God, or other acts beyond the control of the  
19 Franchisee as follows:

- 20  
21 (1) A pro rata rebate of monthly fees shall be issued to subscribers for any one hour to  
22 eight hours for each day during the month that a service interruption or disruption  
23 occurred;

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Attachment A

1 (2) 10% of monthly fees shall be issued to subscribers for any eight or more consecutive  
2 hours to for a total of 24 to 48 hours during the month that a service interruption or  
3 disruption occurred; and

4 (3) 20% of monthly fees shall be issued to all Subscribers, whether or not a refund was  
5 requested, for any period in excessive of 48 or more total hours during the month that  
6 a service interruption or disruption occurred.

7 Franchisee shall interrupt service only for good cause and for the shortest period of time  
8 feasible. Routine testing and planned maintenance shall be performed during times  
9 Franchisee determines shall be the lowest usage of the system.

10 Franchisee shall promptly begin work to correct any unplanned service interruption.

11 Nothing in this section is to preclude the Franchisee from issuing credits on a voluntary  
12 basis in the amount to be determined by the Franchisee under any circumstances.

14 5-6-125. FRANCHISE VIOLATIONS

15 (a) Notice of Violation.

16 In the event of Administrator's determination of Franchisee's failure to comply with any  
17 term of this division, the franchise agreement or applicable law, County shall provide the  
18 Franchisee written notice of the alleged violation or breach of the franchise agreement and  
19 the County's proposed penalties as listed in (c) below. This section may also apply to any  
20 Franchisee who 1) willfully refuses to provide the County with information necessary to  
21 determine Franchisee's compliance with the provisions of this division or the franchise  
22 agreement or 2) willfully provides incorrect information necessary to demonstrate that an  
23 applicable violation has not has not occurred. The Franchisee shall be allowed 30 days  
24 from the receipt of the notice to: 1) remedy the alleged violation; 2) in the event that, by the  
25

1 **Attachment A**

2 nature of the alleged violation, it can not be cured within the thirty (30) day period, initiate  
3 reasonable steps to remedy such violation and notify the Administrator of the steps being  
4 taken and the projected date that they will be completed: or 3) appeal the Administrator's  
5 determination and the proposed penalty in writing. If Franchisee takes no action, as  
6 described in this section, the Administrator's decision will become final.

7 (b) Appeal Process

- 8 (1) Upon receipt to a written appeal, the Administrator will provide a minimum of thirty  
9 (30) days advance written notice to the Franchisee of the time and date of an  
10 administrative hearing at which time the Franchisee can present evidence to a hearing  
11 officer.
- 12 (2) At the administrative hearing, the Franchisee shall be provided a fair opportunity for  
13 full participation, and to introduce relevant evidence. A complete verbatim record or  
14 transcript shall be made of such hearing.
- 15 (3) The hearing officer shall issue a written decision on the findings and remedies  
16 ordered. If a payment to the County is imposed the Franchisee shall make payment  
17 within 30-days of the date of the invoice from the County. If payment is not made by  
18 the due date, the invoice will be referred to collections and interest will be assessed at  
19 the same rate as set forth for late payment or underpayment of franchise fees as set  
20 forth in Section 5-6-115 (c) of this division.
- 21 (4) In the event the Franchisee does not comply, the Franchisee and County may pursue  
22 any other remedy available under applicable law.
- 23

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1 **Attachment A**  
2 **(c) Penalties**

3 Any one or a combination of the following penalties may apply:

4 (1) Order payment to the County as follows:

- 5 a. For the first occurrence in a 12 month period, a minimum of \$200 each day or  
6 each occurrence of the breach not to exceed \$600;  
7 b. For the second occurrence in a 12 month period, a minimum of \$400 each day  
8 or each occurrence of the breach not to exceed \$1,200;  
9 c. For the third occurrence in a 12 month period, a minimum of \$1,000 each day or  
10 each occurrence of the breach not to exceed \$3,000;

11 (2) Order to rebate or credit subscribers;

12 (3) Order Franchisee to correct or remedy the violation within a stated timeframe; and/or

13 (4) Recommend that the Board revoke the franchise.

14 **5-6-126. REVOCATION**

15 The Board shall have the power to revoke a franchise in the event that the Franchisee 1) fails to  
16 perform the material obligations of this division and the franchise or 2) is convicted of  
17 defrauding the County or subscribers. The Franchisee shall be provided 30 days written notice  
18 and opportunity to cure. Thereafter, in the event Franchisee fails to cure or initiate a cure,  
19 Franchisee shall be provided thirty (30) days written notice of a Public Hearing at which the  
20 Board will consider revocation. In the event of revocation, the Franchisee shall have 30 days to  
21 conclude all operations unless the Board grants additional time. Nothing herein precludes the  
22 Board from providing Franchisee a minimum of 30 days to seek remedies to resolve that reason  
23 for the proposed revocation. An opportunity to cure may not be afforded Franchisee in the event  
24 Franchisee fails to provide services, transfers the franchise without the County's consent, repeats  
25

**Attachment A**

violations or does not cure violations based on prior notices and procedures set forth in Section 5-6-125 of this division. Franchisee shall have the right to appeal any such decision to a court of competent jurisdiction as long as such appeal shall be made within sixty (60) days of Franchisee's receipt of written notice of the determination of the Board.

**5-6-127. NONRENEWAL**

In the event the Franchisee does not request the renewal of a franchise for which the term has expired, the franchise may be terminated. The Board shall make a determination of such termination.

**5-6-128. DISPOSITION OF FACILITIES**

(a) Upon revocation or termination of a franchise, the County may acquire ownership or effect a transfer of the facilities, or any portion thereof, for which the Franchisee shall be compensated, consistent with applicable law.

(b) Upon written notice of the County's intent to purchase the facilities, Franchisee shall execute all appropriate documents to transfer title to the County and shall assign all other contracts, leases, licenses, permits, franchises, and other rights necessary to maintain continuity of service to the subscriber. Franchisee shall cooperate with the County, or with other personnel authorized or directed by the County to operate the facilities for a reasonable interim period while transfer of the system is being arranged. The net earnings or losses during this period are the responsibility of the County and the Franchisee shall maintain such accounting records as are necessary to report such earnings or losses. These records are subject to audit by the Auditor-Controller of the County or their designee.

County's right to purchase the facilities shall not be construed as a waiver of any other rights the County or Franchisee may have.

1 **Attachment A**  
2 **5-6-129. SEVERABILITY**

3 If any section, subsection, paragraph, sentence, clause, word of this division is for any reason  
4 determined to be invalid, unconstitutional or unenforceable, the remaining portions of this  
5 division shall continue in full force and effect.

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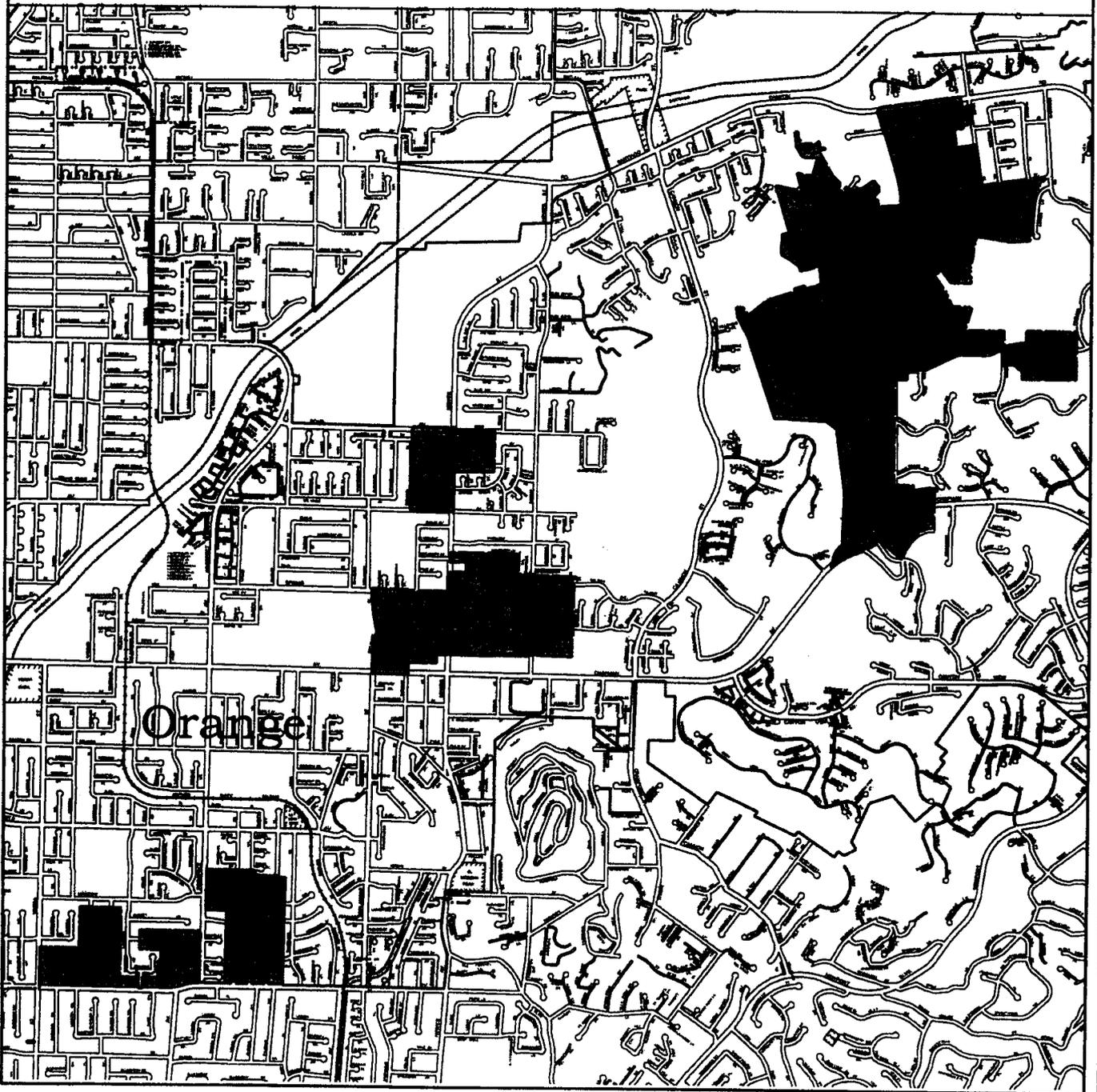
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Attachment A

**EXHIBIT B THROUGH F**

**DESIGNATED SERVICE AREA MAPS**

DESIGNATED SERVICE AREA

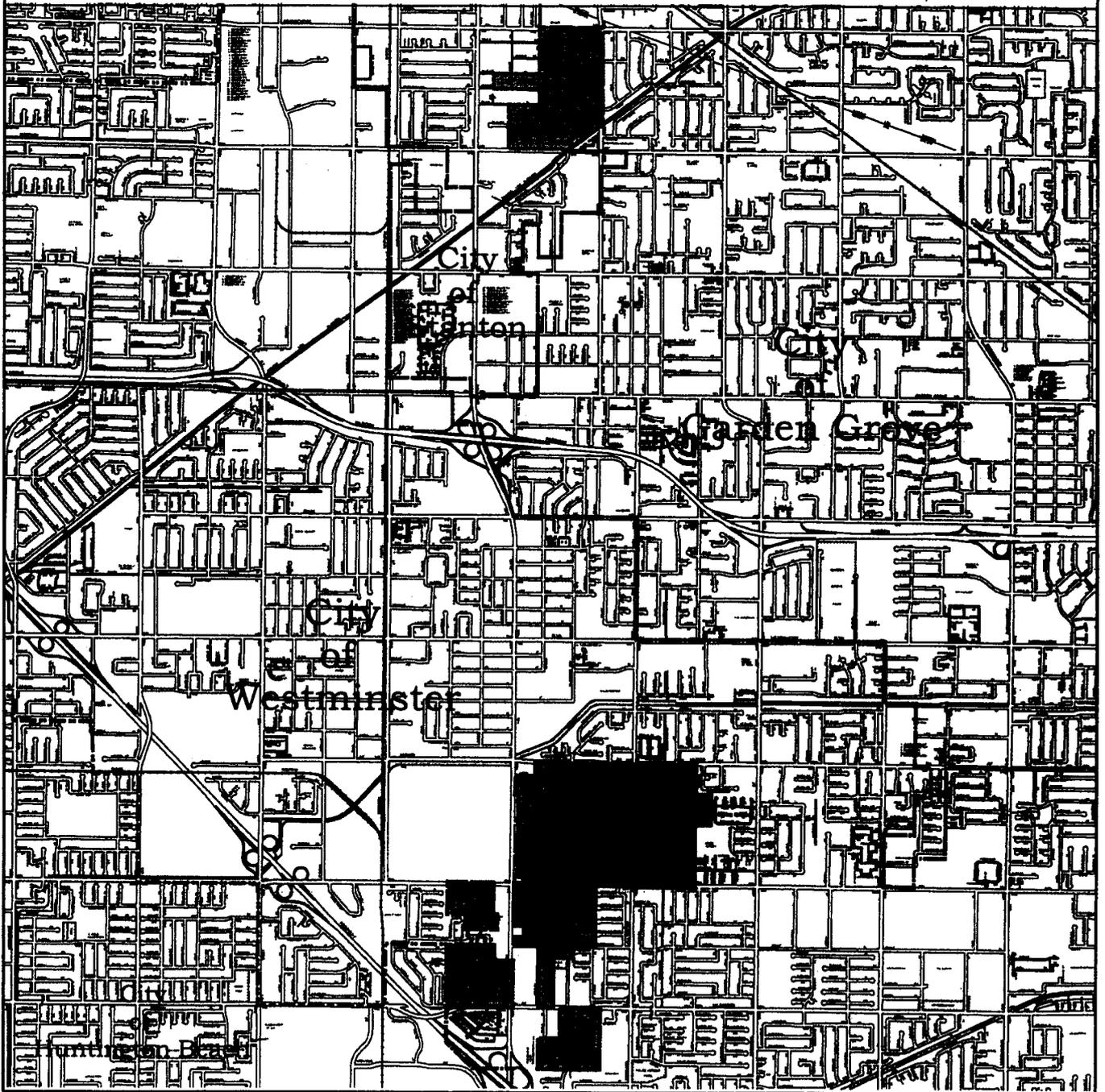


Unincorporated Area Adjacent  
to the City of Orange

Attachment A

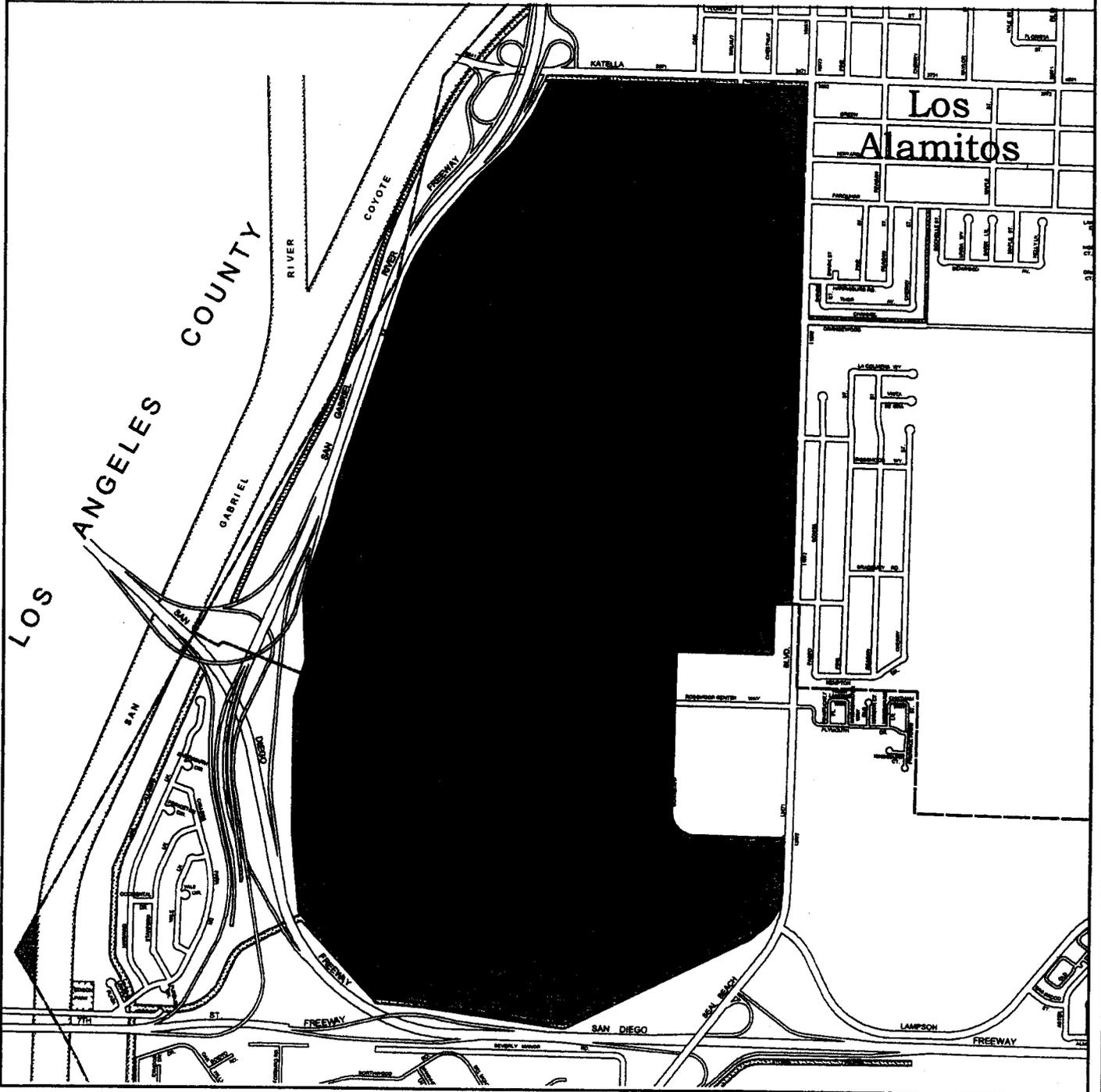
TWE Holding I LLC  
a subsidiary of  
Time Warner Cable  
DESIGNATED SERVICE AREA

Exhibit C - 1



Unincorporated Area Adjacent to the Cities  
of Garden Grove, Stanton, and Westminster

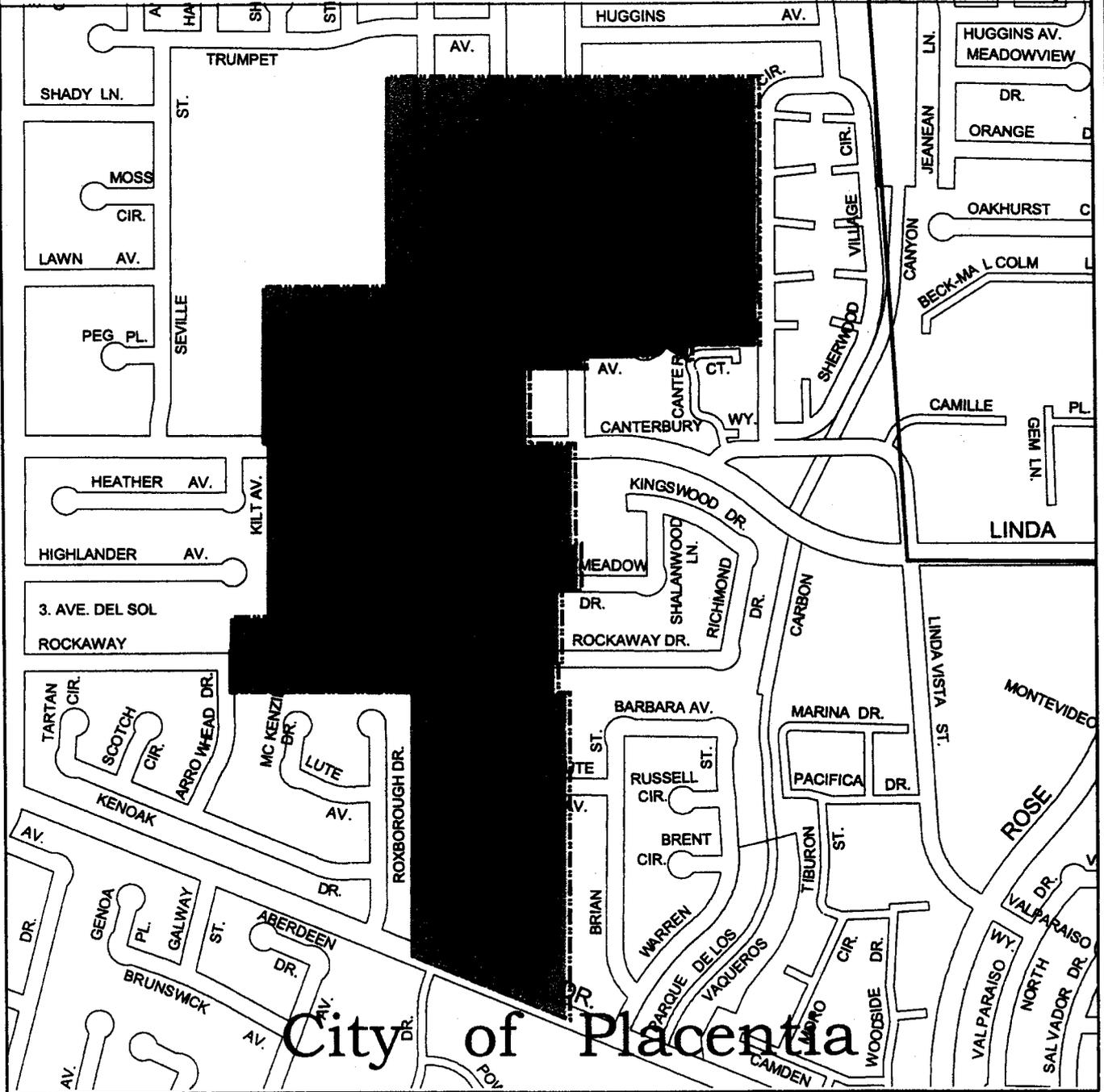
TWE Holding I LLC  
a subsidiary of  
Time Warner Cable  
DESIGNATED SERVICE AREA



ROSSMOOR AREA

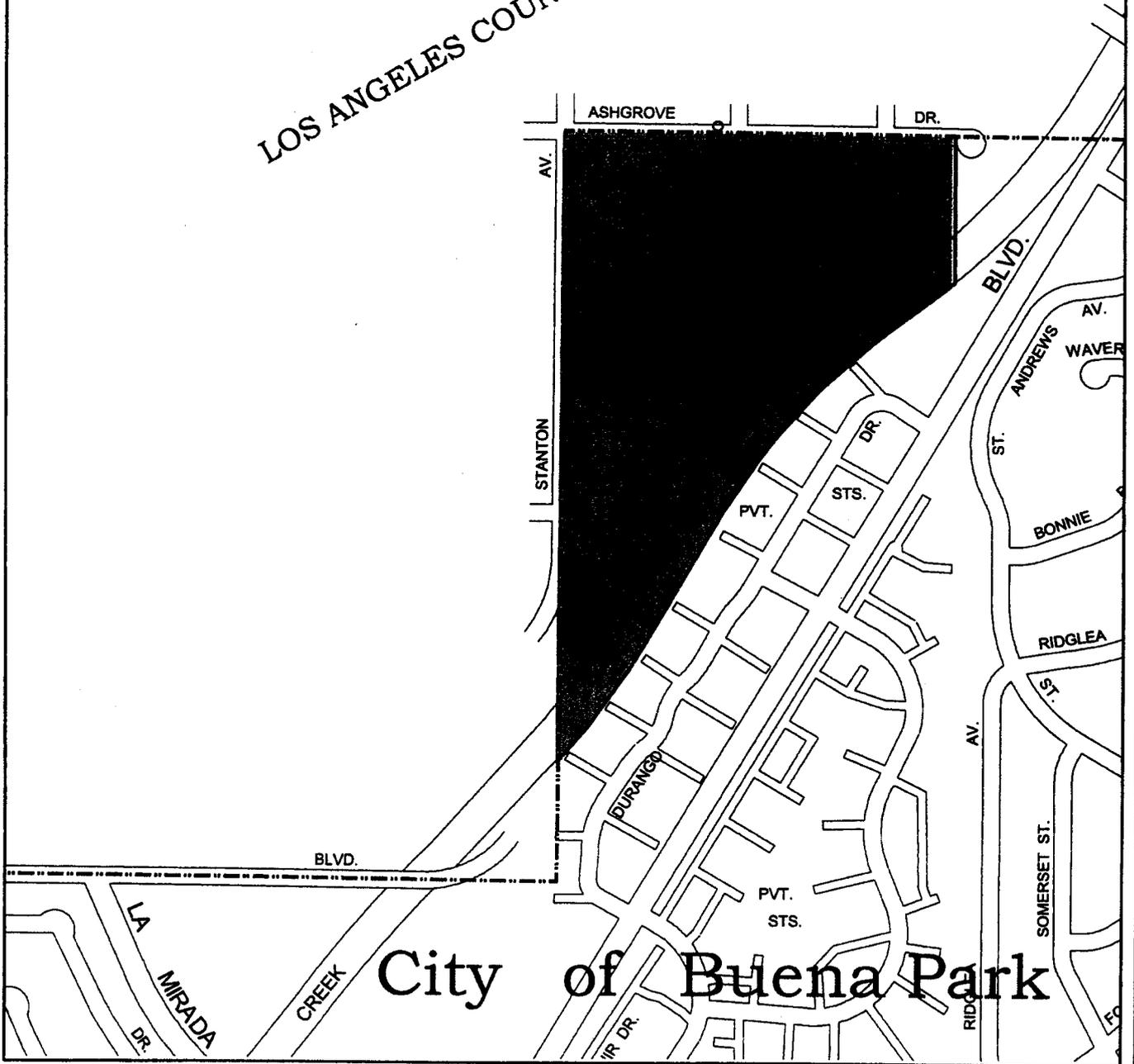
Attachment A Time Warner N Y Cable LLC  
a subsidiary of Time Warner Cable  
DESIGNATED SERVICE AREA

Exhibit D - 1

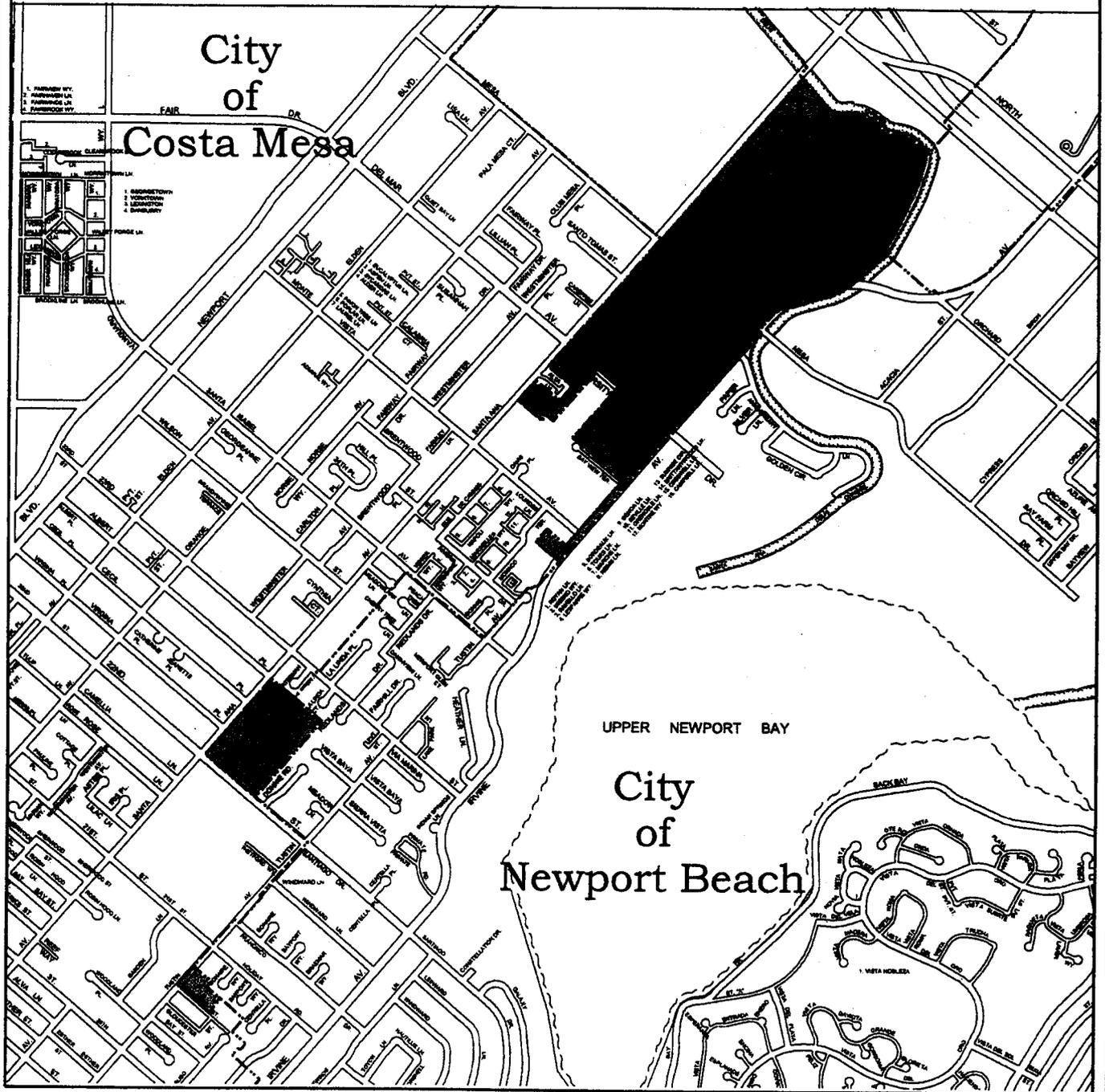


UNINCORPORATED AREA ADJACENT  
TO THE CITY OF PLACENTIA

LOS ANGELES COUNTY



UNINCORPORATED AREA ADJACENT  
TO THE CITY OF BUENA PARK



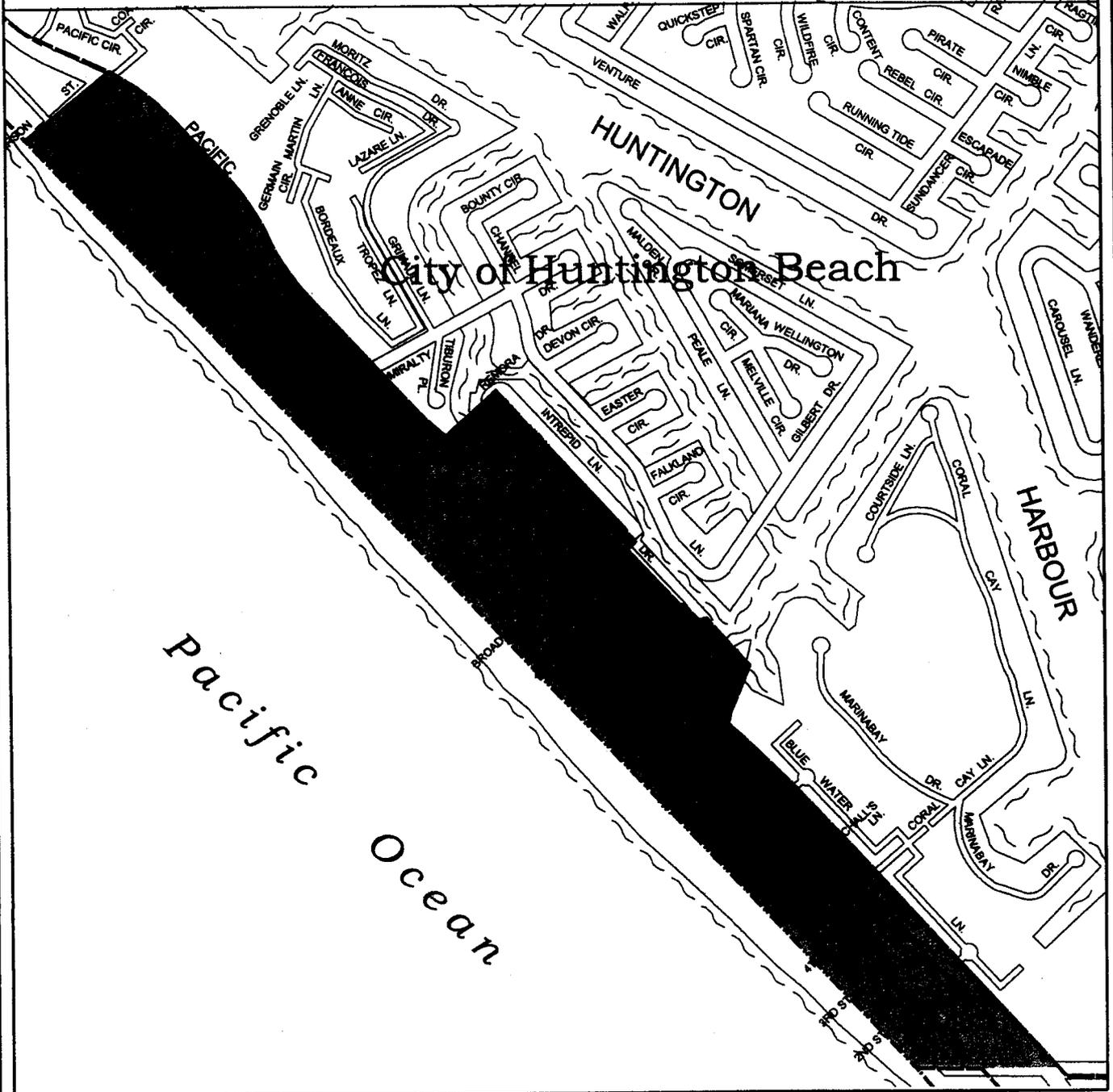
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UNINCORPORATED AREA ADJACENT TO THE  
CITIES OF COSTA MESA AND NEWPORT BEACH

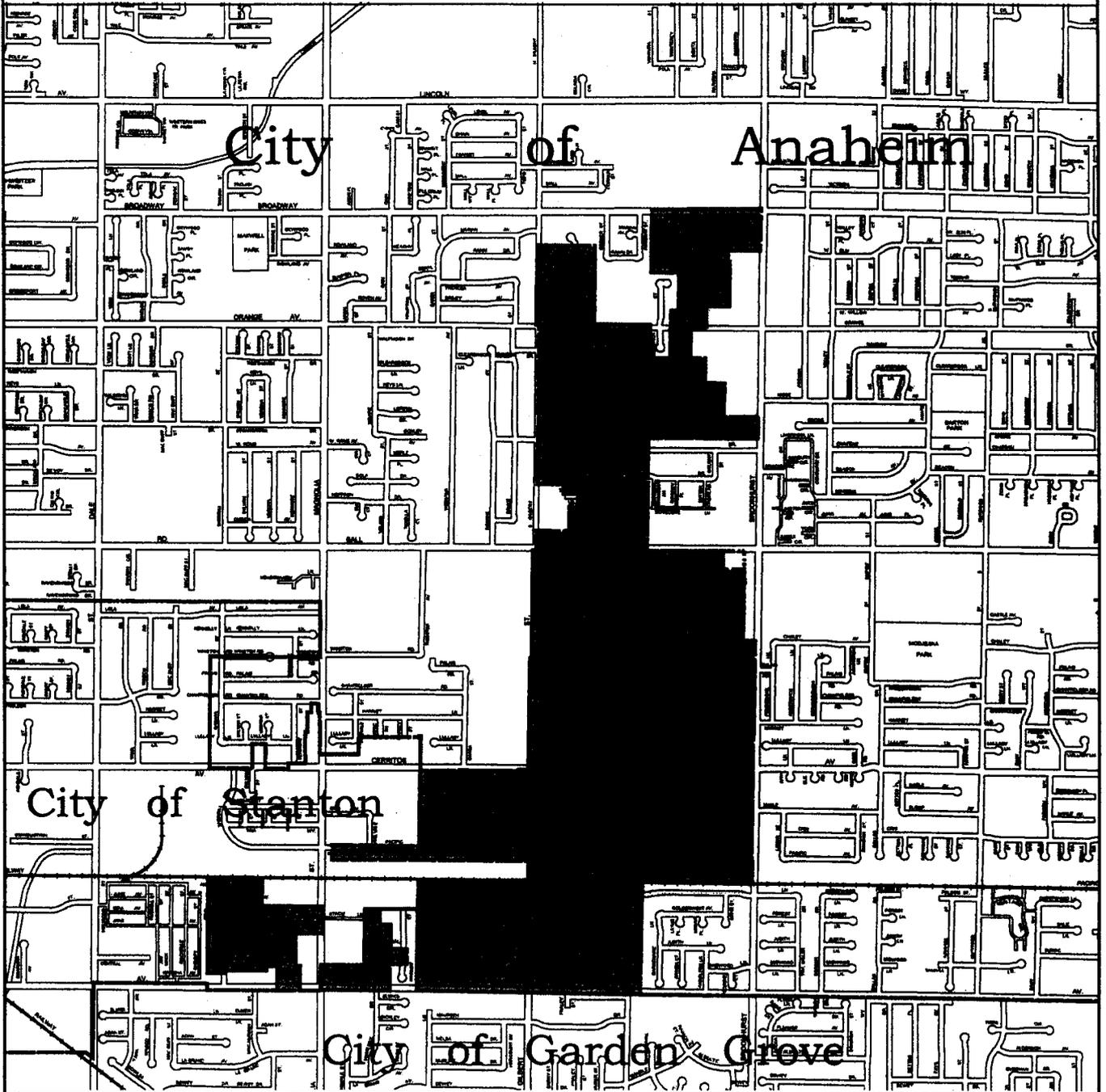
Attachment A Time Warner N Y Cable LLC  
a subsidiary of Time Warner Cable  
DESIGNATED SERVICE AREA

Exhibit D - 4



UNINCORPORATED AREA ADJACENT TO  
THE CITY OF HUNTINGTON BEACH

CAC Exchange I, LLC  
a subsidiary of Time Warner Cable  
DESIGNATED SERVICE AREA



City of Stanton

City of Anaheim

City of Garden Grove

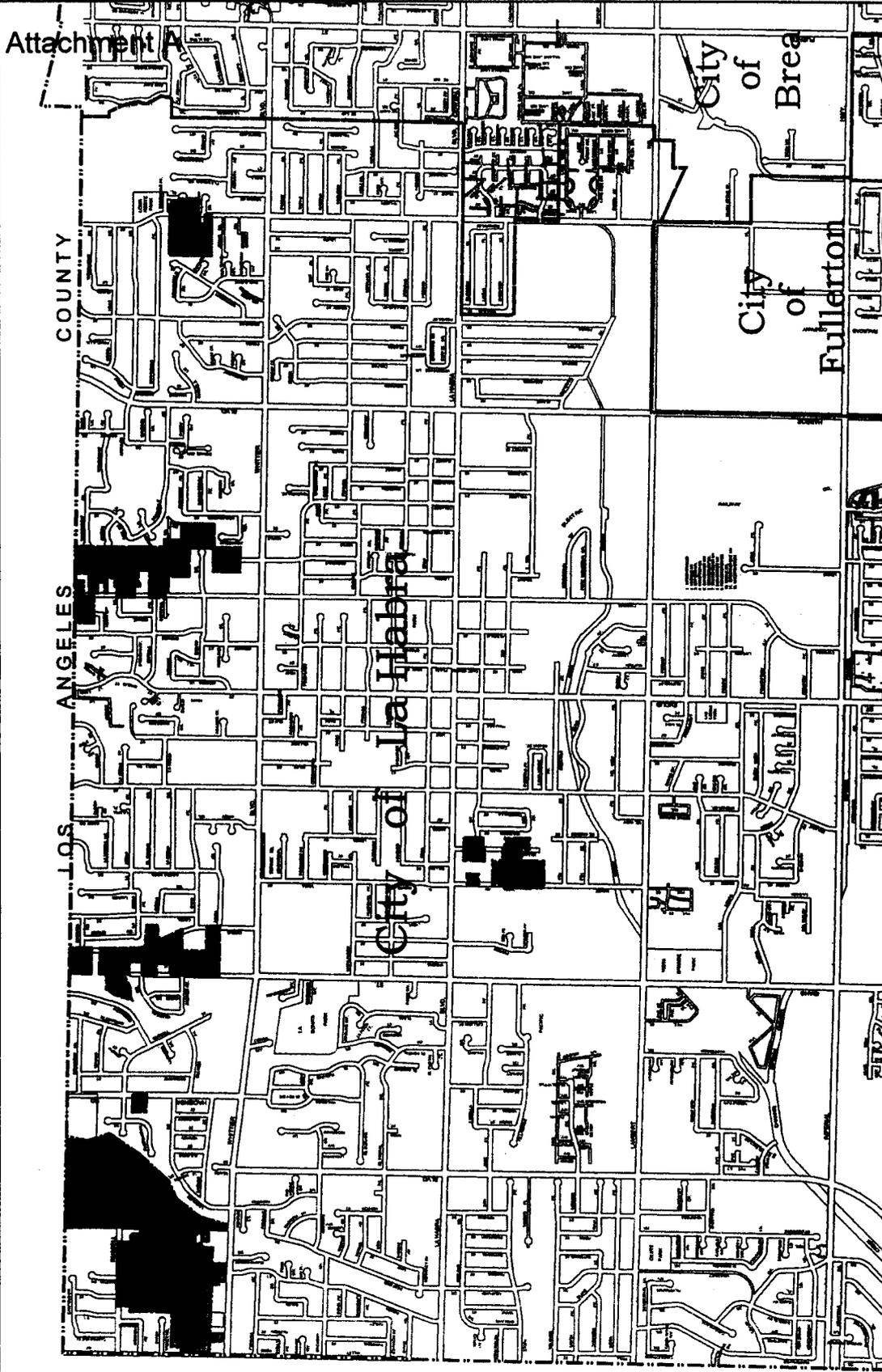
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UNINCORPORATED AREA ADJACENT  
TO OR WITHIN THE CITY OF ANAHEIM

CAC Exchange I, LLC a subsidiary of Time Warner Cable  
DESIGNATED SERVICE AREA

Exhibit E - 2



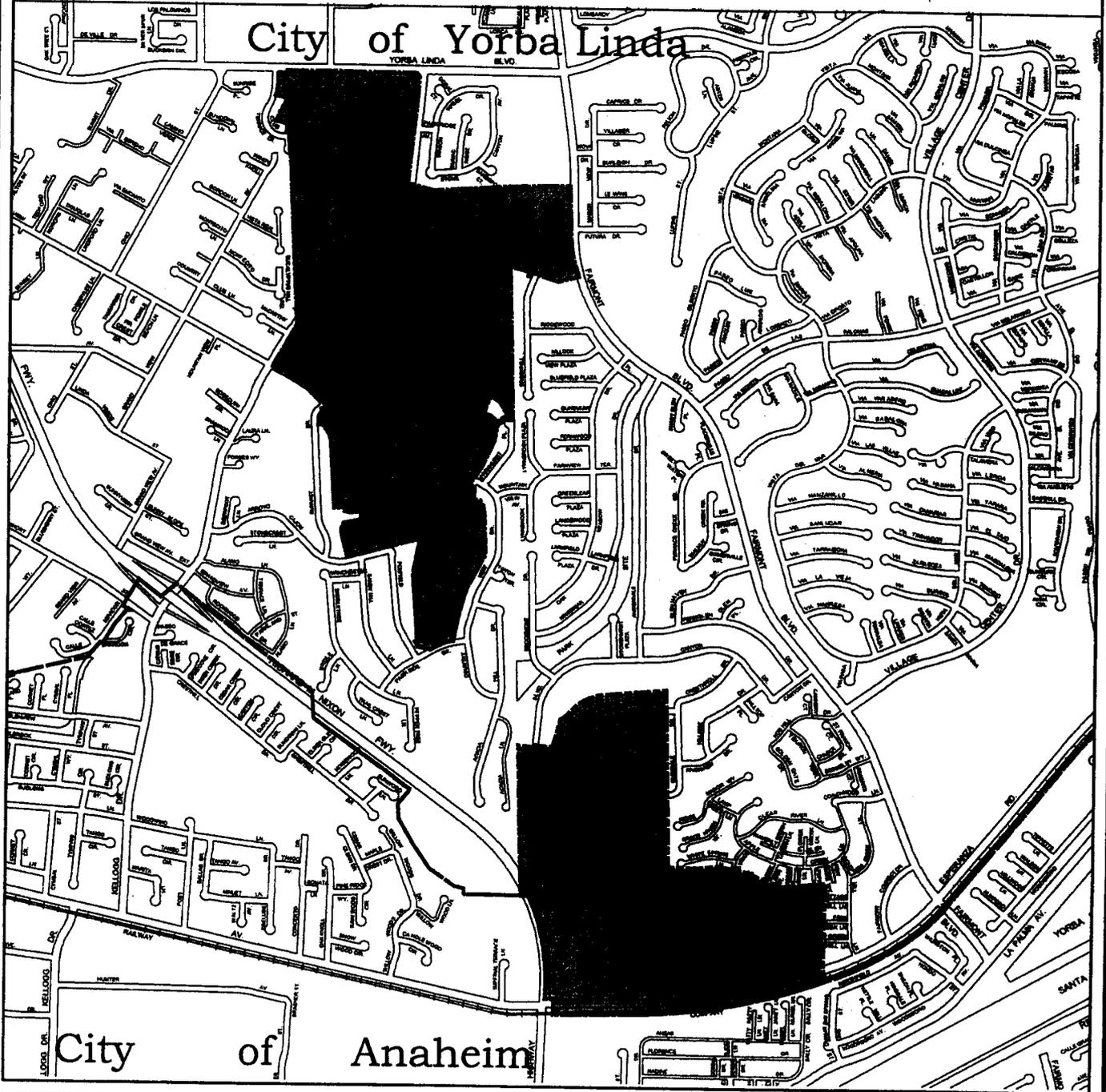
89 of 94

UNINCORPORATED AREA ADJACENT  
TO OR WITHIN THE CITY OF LA HABRA

Attachment A

CAC Exchange I, LLC  
a subsidiary of Time Warner Cable  
DESIGNATED SERVICE AREA

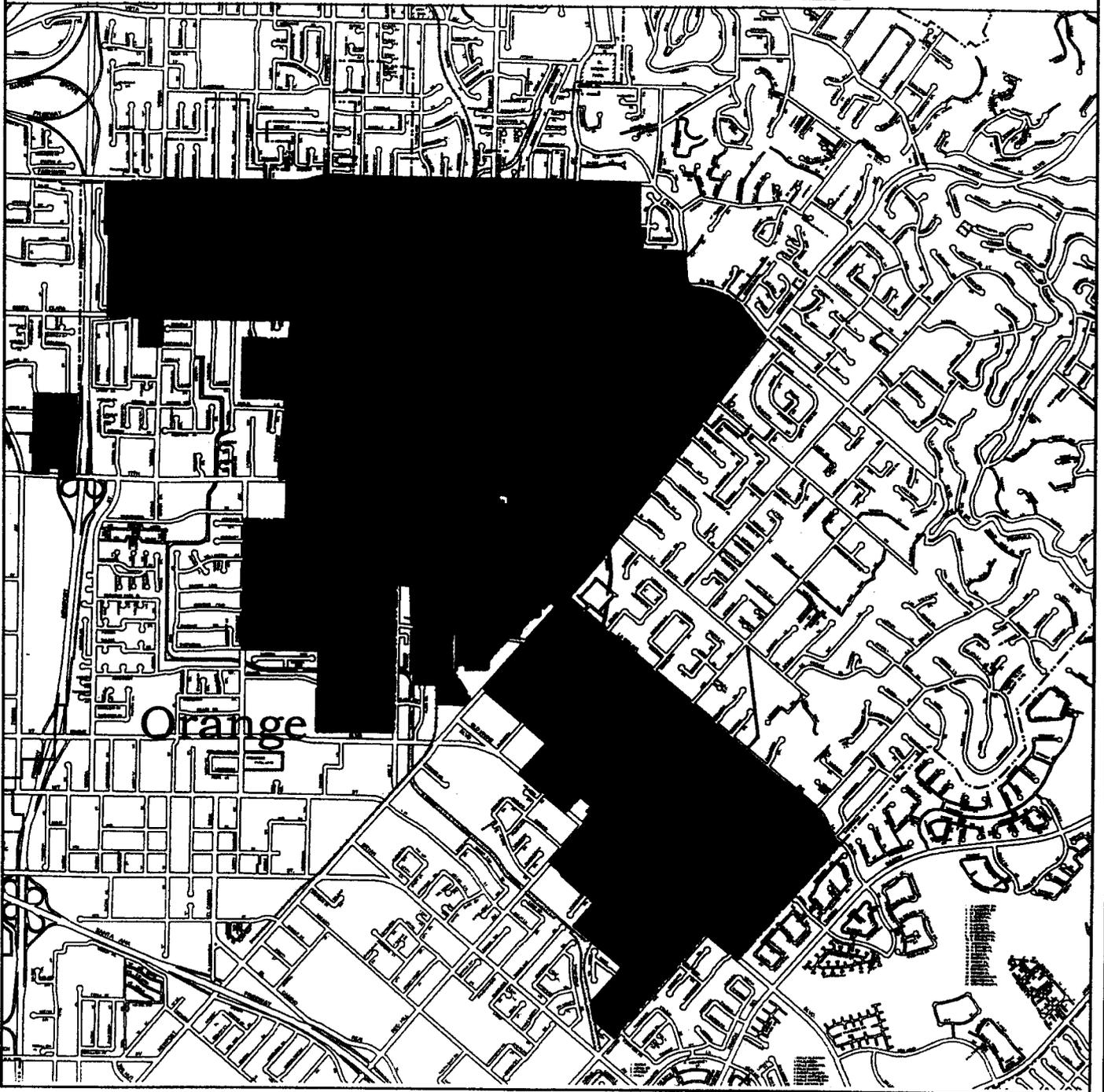
Exhibit E - 3



UNINCORPORATED AREA ADJACENT TO OR WITHIN  
THE CITY OF YORBA LINDA

C - Native Exchange I, LLC  
Attachment A a subsidiary of Time Warner Cable  
North Tustin Area  
ORANGE COUNTY FRANCHISE AREA

Exhibit F



N



Unincorporated Area Adjacent  
to the City of Tustin

Attachment A

**EXHIBIT G**

**Child Support Enforcement**

Within 30 days of award of approval of the franchise, Franchisee agrees to furnish to the Administrator:

- a. In the case of an individual Franchisee, his/her name, and date of birth. In the case of a Franchisee doing business in form other than as an individual, the name and date of birth of each individual who owns an interest of 10 percent or more in the contracting entity and resides in the State of California;
- b. A certification that the Franchisee has fully complied with all applicable federal and state reporting requirements regarding its employees; and

It is expressly understood that this data will be transmitted to government agencies charged with the establishment and enforcement of child support orders and for no other purposes.

Attachment A

**ORANGE COUNTY CHILD SUPPORT ENFORCEMENT  
CERTIFICATION REQUIREMENTS**

A. In the case of an individual contractor, his/her name and date of birth:

Name: \_\_\_\_\_

D.O.B.: \_\_\_\_\_

B. In the case of a Contractor doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of 10 percent or more in the contracting entity:

Name: \_\_\_\_\_

D.O.B.: \_\_\_\_\_

Name: \_\_\_\_\_

D.O.B.: \_\_\_\_\_

Name: \_\_\_\_\_

D.O.B.: \_\_\_\_\_

(Additional sheets may be used if necessary)

Attachment A

**CERTIFICATION**

"I certify that \_\_\_\_\_ (Contractor's name) \_\_\_\_\_ is in full compliance with all applicable federal and state reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignments, Orders and Notices of Assignments and will continue to be in compliance through the term of 1) Contract \_\_\_\_\_ (Contract #) \_\_\_\_\_ or 2) the contractor for \_\_\_\_\_ (Contract Description) \_\_\_\_\_ with the County of Orange. I understand that failure to comply shall constitute a material breach of the contract and that failure to cure such breach within 60 calendar days of notice from the County shall constitute grounds for termination of the contract without cost to the County."

---

Authorized Signature

Name

Title

ATTACHMENT B

**FRANCHISE TRANSFER AGREEMENT**

This Franchise Transfer Agreement ("Agreement") is made and entered into by and between the County of Orange, California, (the "County"), and Comcast of Los Angeles Inc. ("Transferor") which is a subsidiary of Comcast of Georgia, Inc., and C-Native Exchange I, LLC ("Transferee") which, upon the close of the transaction referenced herein will be an indirect subsidiary of Time Warner Cable Inc.

**RECITALS**

WHEREAS, Transferor is the duly authorized holder of a franchise authorizing the operation and maintenance of a cable television system ("Cable System") serving that portion of unincorporated Orange County adjacent to the City of Tustin, California; and

WHEREAS, pursuant to an Exchange Agreement between Time Warner Cable Inc., Comcast Corporation and certain related entities, Comcast will cause the Transferor to assign the cable system and franchise serving portions of the County to C-Native Exchange I, LLC (the "Transaction"); and

WHEREAS, Transferee has requested approval of the Transaction by filing FCC Form 394, "Application for Franchise Authority Consent to Assignment or Transfer of Control of Cable Television Franchise" as required by the Communications Act of 1934 Sec.617 (47 U.S.C. 537) with the County for the purpose of transferring the Franchise; and

NOW THEREFORE, the Orange County Board of Supervisors hereby accepts the above described transfer of franchise and the parties do hereby agree as follows:

**AGREEMENT**

**1. Existing Franchise**

The Transferee will operate and maintain the Cable System pursuant to a Franchise Agreement between the County and Transferor which became effective \_\_\_\_\_ . The date of the transfer of the Franchise to Transferee will be as of the date of the notice by Transferee to County of the effective date of the closing of the Transaction. Transferor shall inform County of the closing of the Transaction within sixty (60) days thereof. In the event the service area of the system covered by this Agreement as shown on Exhibit A to this Agreement is included in a new franchise agreement between the county and the transferee, the terms of this transfer agreement shall still apply unless expressly stated to the contrary.

**2. Franchise Documents**

Transferee will comply with the terms of the franchise agreement between Transferor and the County and any other contractually binding documents.

**3. Assumption of Responsibilities**

The Transferee agrees to assume abide by the terms of the Franchise and all other contractually binding documents from and after the close of the Transaction entered into by the County and Transferor or the County and transferee.

**4 Federal Law and Federal Communications Commission (FCC) Rules**

Transferee agrees to comply with the lawful terms and conditions of the Cable

Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992, the Telecommunications Act of 1996, and other relevant Federal statutes and FCC Rules.

IN WITNESS WHEREOF, the parties hereto certify that they have read and understand all the terms and conditions contained herein and have duly authorized and this Transfer Agreement.

Signed and certified that a copy of this document has been delivered to the Chairman of the Board

County of Orange, California

By \_\_\_\_\_  
Chairman, Board of Supervisors

\_\_\_\_\_  
DARLENE J. BLOOM  
Clerk of the Board of Supervisors  
of Orange County, California

Transferor:  
Comcast of Los Angeles Inc.

Approved as to form  
County Counsel  
Orange County, California

By \_\_\_\_\_

Title: \_\_\_\_\_

By \_\_\_\_\_

Date: \_\_\_\_\_

Dated: \_\_\_\_\_

3-7-06 # 543A



# COUNTY OF ORANGE

RESOURCES & DEVELOPMENT MANAGEMENT DEPARTMENT

Bryan Speegle, Director  
300 N. Flower Street  
Santa Ana, CA

P.O. Box 4048  
Santa Ana, CA 92702-4048

Telephone: (714) 834-2300  
Fax: (714) 834-5188

February 28, 2006

Mr. Del Heintz  
Director, Governmental Affairs  
Comcast  
200 Paularino Ave.  
Costa Mesa, CA 92626

Subject: Notice of Public Hearing

Dear Mr. ~~Heintz~~: <sup>Del</sup>

A public hearing to consider the renewal of the cable television franchise between the County of Orange and certain subsidiaries of Time Warner Cable Inc. and the transfer of a franchise from Comcast of Los Angeles to C-Native Exchange I will be held on March 7, 2006. The hearing will be in the Board of Supervisors Hearing Room located at 10 Civic Center Plaza in Santa Ana, California.

A representative of Time Warner is asked to attend this meeting at 9:30 a.m. in the event there are any questions. If you have any questions, please contact either Alicia Campbell at 714-834-2866 or Vicki Gray at 714-834-2115.

Very truly yours

Bob Wilson, Director  
Internal Services

CC: ✓ Darlene Bloom, Clerk of the Board  
Dan Shephard, Deputy County Counsel  
Vicki Gray, Cable Television Franchise Coordinator  
Alicia Campbell, Chief, Special Services

CATV649

3-7-06 # 543A



# COUNTY OF ORANGE

RESOURCES & DEVELOPMENT MANAGEMENT DEPARTMENT

Bryan Speegle, Director  
300 N. Flower Street  
Santa Ana, CA

P.O. Box 4048  
Santa Ana, CA 92702-4048

Telephone: (714) 834-2300  
Fax: (714) 834-5188

February 28, 2006

Mr. Phil Urbina  
Regional Governmental Affairs Manager  
Adelphia Communications  
P. O. Box 344  
Carlsbad, CA 92018

Subject: Notice of Public Hearing

Dear Mr. Urbina: *Phil*

A public hearing to consider the renewal of the cable television franchise between the County of Orange and certain subsidiaries of Time Warner Cable Inc. will be held on March 7, 2006. The hearing will be in the Board of Supervisors Hearing Room located at 10 Civic Center Plaza in Santa Ana, California.

A representative of Adelphia is asked to attend this meeting at 9:30 a.m. in the event there are any questions about the transfer of Adelphia franchises to Time Warner and Comcast. If you have any questions, please contact either Alicia Campbell at 714-834-2866 or Vicki Gray at 714-834-2115.

Very truly yours

Bob Wilson, Director  
Internal Services

CC: ✓ Darlene Bloom, Clerk of the Board  
Dan Shephard, Deputy County Counsel  
Vicki Gray, Cable Television Franchise Coordinator  
Alicia Campbell, Chief, Special Services

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