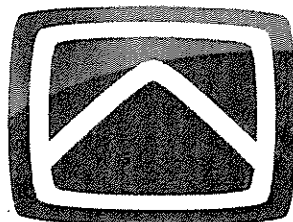


CABLE DIVISION
COMMERCE AND
CONSUMER AFFAIRS

2013 SEP -3 A 11: 48

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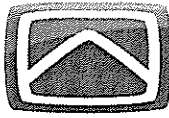
FILE_____



AKAKŪ MAUI
COMMUNITY
TELEVISION

**APPLICATION FOR DESIGNATION
AS THE PEG ACCESS ORGANIZATION FOR MAUI COUNTY**

**Filed with the State of Hawai'i
Department of Commerce and Consumer Affairs
Cable Division
September 3, 2013**



AKAKŪ MAUI
COMMUNITY
TELEVISION

September 3, 2013

Ms. Keali'i Lopez, Director
Catherine Awakuni, Cable Administrator
Department of Commerce and Consumer Affairs
King Kalakaua Building
335 Merchant Street, Room 101
Honolulu, Hawai'i 96813

Re: Akakū: Maui Community Television's Application
For Designation as the PEG Access Organization for Maui County

Dear Ms. Lopez and Ms. Awakuni,

In a world dominated by a handful of commercial media giants, we are fortunate to be living in a time and place where local community media, not tied to a commercial advertising model, is upheld as a public good. Akakū: Maui Community Television is Maui Nui's only electronic public media resource that regularly serves hundreds of Maui non-profits, businesses, schools, government agencies, institutions and individuals with a high level of innovation, civic engagement and professionalism. I am happy to report that Akakū has become an essential source of important community dialogue, information and communication for many of our residents and with the help of DCCA, will only get better in the years to come.

As the State of Hawai'i's Community Ascertainment and Related Activities Summary for the Oceanic Time Warner Cable Franchise Renewal recently revealed, the nearly universal support Akakū enjoys from the community and elected officials makes Akakū deserving of a PEG Designation Agreement that fits the needs of Maui County and guarantees a sustainable community media future for its residents.

It is with great pleasure that I submit this application for your review.

Sincerely,

Jay April
President and CEO
Akaku: Maui Community Television

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Executive Overview

Akakū: Maui County Community Television is honored to present to the Department of Commerce and Consumer Affairs its Application for Designation as the PEG Access Organization for Maui County. We applaud the Governor and State Legislature for protecting PEG access by statute and the DCCA for helping to make it happen.

Historically, Hawai'i is known for protecting and preserving its public land, and for more than twenty years, the State has safeguarded public electronic spectrum on cable as well. This has resulted in the establishment of successful PEG Access Channels on cable systems in each county, where anyone can come and talk story.

Akakū, despite its tiny budget and geographical challenge of serving some of the most remote, rural areas on earth, has become a national leader in PEG innovation. We have demonstrated leadership as a community anchor institution in bringing advanced mobile journalism and media literacy skills to our youth and have received widespread recognition for deploying new cellular bonding technology to transmit "live" video from remote locations for air on our channels. We can truly say with confidence that Akakū continues to be one of the best fully local independent community television organizations in the United States.

Today, these laudable programs, what is left of public media in general, and Hawai'i's local franchising authority itself, DCCA, are challenged by the immense legal and monopoly power of the incumbent cable and dominant wire line broadband provider, Oceanic Time Warner Cable. We are now at the crossroads of cable and broadband convergence, but due to gridlock in Washington, and the lobbying resources expended by the cable industry at the federal level, telecommunications reform is years away. DCCA has a unique opportunity right now to take decisive action to balance this incumbent cable monopoly influence with regulatory action in line with the founding principles of public access media in Hawai'i. Today's DCCA can make sure that there is significant public benefit for Maui Nui in exchange for Oceanic Time Warner Cable's use of our public rights of way and make the Governor's Hawai'i Broadband Initiative a reality for others in the nation to emulate.

We see this PEG designation process as a first step toward a public media renaissance in which Akakū and Hawai'i's PEGs, with the guidance of DCCA, are recognized as true community anchor institutions that can integrate broadband literacy programs and new media technology into our curricula; promote mobile journalism training and access to media across all platforms and devices; support live and local citizen reporting from the cameras we all carry in our pockets and establish a Hawaii C-SPAN and a statewide PEG network. We envision nothing less than an ***Integrated Community Media Framework for 21st Century Hawai'i, serving all residents of Hawai'i, with full participation from neighbor islands including the most remote areas of Hana, Moloka'i and Lana'i.***

Akakū has included in our Application for Designation for your consideration a draft PEG Access Organization Agreement and important franchise terms that impact the ability of the PEG Access Organization to serve the community, as well as terms that are essential for Maui County's future.

We are excited about our future and look forward to working with Director Keali'i Lopez, the Department and our new Cable Administrator, Catherine P. Awakuni in helping to keep our PEG stations on Maui and in Hawaii the very best for a very long time.

Mahalo Nui Loa,


Jay April
President and CEO
Akakū: Maui Community Television

**Application for Designation
as the PEG Access Organization for Maui County**

**Filed by Maui County Community Television, Inc.
d/b/a Akakū: Maui Community Television**

September 3, 2013

On September 2, 2011, the State of Hawai'i Department of Commerce and Consumer Affairs ("DCCA") established Guidelines to Designate PEG Access Organizations (the "Guidelines") to implement the requirements of Act 19 (SLH 2011) concerning the designation of "public, educational and governmental ("PEG") access organizations to oversee the development, operation, supervision, management, production, and broadcasting of programs of PEG access facilities and equipment"

In accordance with the Guidelines, Maui County Community Television, Inc., a Hawai'i non-profit corporation doing business as Akakū: Maui Community Television (Akakū), respectfully files this Application for Designation as a PEG Access Organization for Maui County.

1. Nonprofit Status

Akakū is a non-profit corporation organized under the laws of the State of Hawai'i, with tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. The following documents evidence Akakū's good standing, tax-exempt status, trade name registration, state and federal tax compliance, and DCCA and DLIR compliance. (Copies attached):

Articles of Incorporation filed June 19, 1992, as amended

Determination letter from the Internal Revenue Service dated June 28, 1994

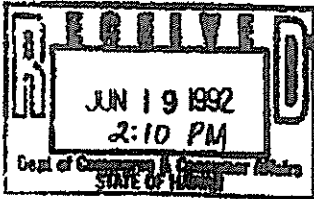
Certificate of Good Standing issued by DCCA on August 21, 2013

Certificate of Registration of Trade Name (Akakū: Maui Community Television)

State of Hawai'i State Procurement Office, Certificate of Vendor Compliance issued 8/5/13, confirming state and federal tax compliance, DCCA compliance and DLIR compliance

Nonrefundable Filing Fee: \$25.00
Submit Original and One True Copy

DOMESTIC NONPROFIT



STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division
1010 Richards Street
Mailing Address: P. O. Box 40, Honolulu, Hawaii 96810

ARTICLES OF INCORPORATION
(Section 415B-34, Hawaii Revised Statutes)

The undersigned, desiring to form a nonprofit corporation under the laws of the State of Hawaii, certify as follows:

The name of the corporation shall be: Maui County Community Television, Inc.

II

The address of the corporation's initial office is Maui Community College, 310 Kaahumanu Avenue, Kahului, Maui, Hawaii 96732.

III

The period of its duration is perpetual.

Section I. The purpose(s) for which the corporation is organized:

- a) The specific and primary purpose of the corporation is to promote the creation, production and cablecasting of programs by, for and about Hawaii.

Such programs will be aimed at the preservation, development and enhancement of the diversity of thought, culture and heritage within Hawaii. Through these activities the corporation will facilitate lifelong learning and the community's participation in the democratic process.

To this end the corporation shall:

- o maintain those cable channels dedicated to public use in a manner that is free of censorship and control of program content, except as necessary to comply with state or federal law,
- o provide a range of resources for program production for the users of these channels, and
- o develop and enforce such rules and policies that will ensure equitable access to these channels and production consistent with applicable State or Federal laws.

The number of directors shall be not less than three (3) and the number of directors constituting the Initial Board of Directors is eight (8). The following are the names and residence street addresses of the initial directors:

Directors (must be individuals)

Name and Address	Affiliation
Heidi Ballendorf 20 Hauli Street Kihei, HI 96753	President and CPO Maui United Way
David Deleon 517 S. Kamehameha Avenue Kahului, HI 96732	Executive Assistant Office of the Mayor County of Maui
Chris Gentsch 154 Waipulani Street Haiku, HI 96708	Director of Media Services Maui Community College
Donald Medeiros 44 Haiku Road Haiku, HI 96708	Deputy Director Maui Economic Opportunity, Inc.
Ricardo Medina 373 Liholiho Street Wailuku, HI 96793	Council member Maui County Council
James McBride 69 Hoana Street Waiehu, HI 96793	President and General Manager Hawaiian CableVision
Henry Meyer P. O. Box 272 Kula, HI 96790 (no street address)	District Education Specialist Maui District Office Department of Education
Ross Waggoner 3145 Waiea Place Kihei, HI 96753	President Chronicle Cablevision

VI

The officers of the corporation shall consist of a president, vice-president, secretary and treasurer. The following are the names and residence street addresses of the initial officers:

Officers (must be individuals)

<u>NAME</u>	<u>Residence Street Address</u> (number, Street, city, state, zip code)
-------------	--

President:

Don Medeiros	44 Haiku Road Haiku, HI 96793
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Vice-President:

Chris Gentsch	154 Waipulani Street Haiku, HI 96708
---------------	---

Secretary:

Henry Meyer	P. O. Box 272 Kula, HI 96790
-------------	---------------------------------

Treasurer:

Heidi Ballendorf	20 Hauli Street Kihai, HI 96753
------------------	------------------------------------

VII

The Corporation has no members

VIII

The corporation is nonprofit in nature, and shall not authorize or issue shares or stock. No dividends shall be paid and no part of the income or profit of the corporation shall be distributed to its members, directors, or officers, except for services actually rendered to the corporation, and except upon liquidation of its property in case of corporate dissolution.

We certify under the penalties of Section 415B-15B, Hawaii Revised Statutes, that we have read the above statements and that the same are true and correct.

Witness our hands this 15 th day of June, 1992.

Donald Medeiros
(Type/Print Name of Incorporator)

Donald Medeiros
(Signature of Incorporator)

Ross Waggoner
(Type/Print Name of Incorporator)

Ross Waggoner
(Signature of Incorporator)

Chris Gentsch
(Type/Print Name of Incorporator)

Chris Gentsch
(Signature of Incorporator)

James McBride
(Type/Print Name of Incorporator)

James McBride
(Signature of Incorporator)

David DeLeon
(Type/Print Name of Incorporator)

David DeLeon
(Signature of Incorporator)

Ricardo Medina
(Type/Print Name of Incorporator)

Ricardo Medina
(Signature of Incorporator)

Henry Meyer
(Type/Print Name of Incorporator)

Henry E. Meyer
(Signature of Incorporator)

(Type/Print Name of Incorporator)

(Signature of Incorporator)

Heidi Ballendorf
(Type/Print Name of Incorporator)

Heidi Ballendorf
(Signature of Incorporator)

(Type/Print Name of Incorporator)

(Signature of Incorporator)

STATE OF HAWAII

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

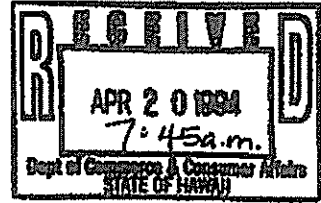


THE DIRECTOR'S OFFICIAL CERTIFICATION
APPEARS ON THE BACK OF THE FIRST PAGE OF THE
ATTACHED DOCUMENT.

Nonrefundable Filing Fee: ~~220.00~~ 10.00
Submit Original and One True Copy

DOMESTIC NONPROFIT
General Amendment

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division
1610 Richards Street
Mailing Address: P. O. Box 40, Honolulu, Hawaii 96810



ARTICLES OF AMENDMENT
(Section 415B-38, Hawaii Revised Statutes)

The undersigned, duly authorized officers of the corporation submitting these Articles of Amendment, certify as follows:

1. The name of the corporation is:
Maui County Community Television, Inc. et al.
~~Akaka Maui Community Television~~
2. The amendment adopted is attached.
3. If adoption of the amendment was by the members, complete the following:
 - A. A meeting of the members was held on _____
(Month Day Year)
A quorum was present at the meeting, and at least two-thirds of the members present at the meeting voted to adopt the amendment.
 - OR
 - B. The amendment was adopted by the written consent of all of the members of the corporation entitled to vote.
4. If adoption of the amendment was by the board of directors, complete the following:
 - A. A meeting of the directors was held on March 23, 1994
(Month Day Year)
 A quorum was present at the meeting, and a majority of the directors in office voted to adopt the amendment.
 - OR
 - B. The amendment was adopted by the written consent of all of the board of directors.
5. If the amendment was adopted by the board of directors, check only one of the following:
 The corporation has no members. OR There are no members entitled to vote.

We certify under the penalties of 415B-158, Hawaii Revised Statutes, that we have read the above statements, and that the same are true and correct.

Witness our hands this 14 day of April, 1994.

<u>Heidi B. Kenar / Treasurer</u> (Type/Print Name & Title)	<u>WAYNE N. HEDANI / PRESIDENT</u> (Type/Print Name & Title)
<u>Heidi B. Kenar</u> (Signature of Officer)	<u>Wayne N. Hedani</u> (Signature of Officer)

(See Reverse Side For Instructions)

D2 3
Rev 10/81

1138530

ATTACHMENT TO ARTICLES OF AMENDMENT

of
Maui County Community Television, Inc.
(Corporate Name)
d. b. a. Hakau: Maui Community Television

Fill in applicable blank(s) and insert text of the amendment.

Article IV, Section 1., Subsection b.
Paragraph one & two, ^(added) is amended to read as follows: (new subsection)

"This organization is organized exclusively for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code.

Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law) or (b) by a corporation contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue law)."

ATTACHMENT TO ARTICLES OF AMENDMENT

of

Maui County Community Television
(Corporate Name)
d.b.a. Akaku Maui Community Television

Fill in applicable blank(s) and insert text of the amendment.

Article VIII Section No section Subsection _____

Paragraph two is amended to read as follows: (adding new paragraph to existing Article)

"Upon the dissolution of this corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code (or corresponding section of any future tax code), or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed by the Circuit Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes."

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
2 CUPANIA CIRCLE
MONTEREY PARK, CA 91755-7406

DEPARTMENT OF THE TREASURY

Date: JUN 28 1992

MAUI COUNTY COMMUNITY TELEVISION
INC
C/O MCTV
333 DAIRY RD 104A
KAHULUI, HI 96732

Employer Identification Number:
99-0300906

Case Number:
953322011

Contact Person:
HUGH RAMIREZ

Contact Telephone Number:
(213) 727-7721

Accounting Period Ending:
June 30

Foundation Status Classification:
509(a)(2)

Advance Ruling Period Begins:
June 19, 1992

Advance Ruling Period Ends:
June 30, 1996

Addendum Applies:
No

Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in section 509(a)(2).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make a final determination of your foundation status.

Letter 1045 (DO/CG)

MAUI COUNTY COMMUNITY TELEVISION

If we publish a notice in the Internal Revenue Bulletin stating that we will no longer treat you as a publicly supported organization, grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social securities taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If you are required to file a return you must file it by the 15th day of

Letter 1045 (DO/CG)

MAUI COUNTY COMMUNITY TELEVISION

the fifth month after the end of your annual accounting period. We charge a penalty of \$10 a day when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty we charge cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. We may also charge this penalty if a return is not complete. So, please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should keep records to show that funds are spent only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), you must have evidence that the funds will remain dedicated to the required purposes and that the recipient will use the funds for those purposes.

If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

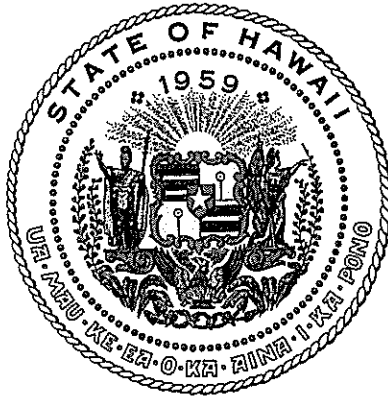
Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Richard R. Orosco
District Director



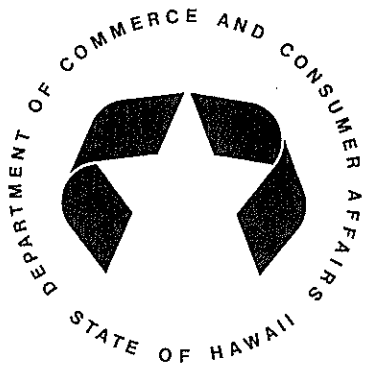
Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

MAUI COUNTY COMMUNITY TELEVISION, INC.

was incorporated under the laws of Hawaii on 06/19/1992 ; that it is an existing nonprofit corporation; and that, as far as the records of this Department reveal, has complied with all of the provisions of the Hawaii Nonprofit Corporations Act, regulating domestic nonprofit corporations.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: August 21, 2013

Director of Commerce and Consumer Affairs

FILED 05/19/2010 03:14 PM
 Business Registration Division
 DEPT. OF COMMERCE AND
 CONSUMER AFFAIRS
 State of Hawaii

STATE OF HAWAII
 DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
 Business Registration Division
 335 Merchant Street
 Mailing Address: P. O. Box 40, Honolulu, Hawaii 96810
 Phone No (808) 546 2727

FORM T-1
7/2008



OR 21 201020095

APPLICATION FOR REGISTRATION OF TRADE NAME

(Chapter 492, Hawaii Revised Statutes)

PLEASE TYPE OR PRINT LEGIBLY IN BLACK INK

- 1 Applicant's Name Maui County Community Television MAUI COUNTY COMMUNITY TELEVISION, INC.
 Applicant's Address 333 Dairy Road, Suite 104, Kahului, HI 96732
(including city, state and zip code)
- 2 Registration is (check one) New OR Renewal
- 3 Status of Applicant (check only one) Sole Proprietor Corporation Partnership LLC LLP
 Unincorporated Association OR Other (explain): _____
- 4 If applicant is an entity list state or country of incorporation/formation/organization Hawaii
- 5 Trade Name is Akaku: Maui Community Television
- 6 Applicant is (check one) Originator of name OR Assignee (name to whom name was assigned to by another)
- 7 Nature of business for which the trade name is being used Public Access Television Station

I certify under the penalties set forth in Section 482 J 5, Hawaii Revised Statutes that (check one) I am the applicant OR

I am the President/CEO of the applicant named in the foregoing application. I am authorized to sign this application, and that the above statements are true and correct to the best of my knowledge and belief

John April
(Print Name)

5/19/10
(Date)

SEE INSTRUCTIONS ON REVERSE SIDE: Application must be certified by the applicant if an individual. For corporations application must be signed by an authorized officer of the corporation. General or limited partnerships must be signed by a general partner. For LLC, must be signed and certified by a manager or a member of a manager managed company or by a member of a member managed company. LLP must be signed and certified by a partner

(DEPARTMENTAL USE ONLY)

Certificate of Registration No 4083947

CERTIFICATE OF REGISTRATION OF TRADE NAME

In accordance with the provisions of Chapter 492, Hawaii Revised Statutes, this Certificate of Registration is issued to secure the aforesaid applicant the use of the said TRADE NAME throughout the State of Hawaii for the term of five years from May 19, 2010 to May 18, 2015

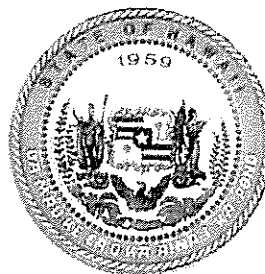
REGISTRATION OF A TRADE NAME WITH THE DEPARTMENT DOES NOT GRANT YOU OWNERSHIP OF THE TRADE NAME

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

Dated May 19, 2010

HAWAII
218 (04/07)

05/21/2010 0095



**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

CERTIFICATE OF VENDOR COMPLIANCE

This document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs (DCCA).

Vendor Name: MAUI COUNTY COMMUNITY TELEVISION, INC.

DBA/Trade Name: Akaku: Maui Community Television

Issue Date: 08/05/2013

Status: Compliant

Hawaii Tax#: W40446616-01
 FEIN/SSN#: XX-XXX0906
 UI#: XXXXXX1559
 DCCA FILE#: 88258

Status of Compliance for this Vendor on issue date:

Form	Department(s)	Status
A-6	Hawaii Department of Taxation	Compliant
	Internal Revenue Service	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Compliant
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

Status Legend:

Status	Description
Exempt	The entity is exempt from this requirement
Compliant	The entity is compliant with this requirement or the entity is in agreement with agency and actively working towards compliance
Pending	The entity is compliant with DLIR requirement
Submitted	The entity has applied for the certificate but it is awaiting approval
	The entity is not in compliance with the requirement and should contact the issuing agency for more information

2. Organizational Structure

In accordance with Akakū's Bylaws, the President/CEO is responsible for managing and operating the organization in accordance with the general policies and directions specified by its Board of Directors.

The President/CEO is supported by five department directors and two island facility directors. The Director of Administrative Services, Director of Programming, Director of Production, Director of Education and Director of Development manage eight additional full and part-time producers and facility staff. In addition, Akakū's technology development and implementation are supported by two outside technology consultants. Most staff members serve multiple roles; for example, almost all of the staff are involved in community education and outreach. (For more detailed information about Akakū's management, technical and organizational ability and staff, please see Section 7 below.)

The Akakū Board of Directors is comprised of at least nine and no more than fifteen directors, all of whom must be residents of Maui County. Board members serve three-year terms and must be generally reflective of the community and the access user groups, to the extent possible. At least a majority of the Board must be cable subscribers. Two directors are elected by community members certified to produce cablecasts. One director is named by the Department of Education, one director is named by the University of Hawai'i, and two directors are elected by the Board from nominees proposed by the Mayor of the Maui County and the Maui County Council. The remainder of the directors are elected by the Board from a slate proposed by its nominating committee.

The Board of Directors has three standing committees (the Executive Committee, Finance Committee and Audit Committee) and special committees as designated by the Board from time to time.

At present, there are fifteen members of the Akakū Board of Directors:

Gene Zarro, Chair

Gene Zarro serves as the Chair of the Akakū Board of Directors. Gene is the CEO of South Maui Learning Ohana, Inc. and chaired its Board of Directors for twelve years. Gene is one of the Founders of the Kihei Charter School Governance Board and serves as its Chair.

Gene graduated from Rutgers University, Newark, earning a BA in Economics with a minor in Business Administration. He has been a resident of Maui for almost 30 years, working in retail and sales management for over 25 years and in the mortgage industry for four years.

Gene is the Chair of the Maui County Grants Review Committee, a member (and past Chair) of the Maui County Board of Registration and a past President of the Hawaii Charter Schools Network.

Jay April, President/CEO (Board member ex officio)

Jay April has served as President/CEO of Akakū since January 2007 and previously served on Akakū's Board of Directors from 2001 to October 2006. Jay is a television producer, director, video journalist and artist whose work has been featured on many national networks and won awards from film festivals worldwide. Credits include special correspondent to CNN's Environmental Unit, the TODAY Show on NBC and the much acclaimed PBS series, The 90s. He was responsible for the successful start up of E! Entertainment Television as a founding producer, and he has produced, directed, written and shot hundreds of television segments and commercial spots in a variety of genres. His documentaries about ecology and American culture have been called, "prolific and passionate" by The Wall Street Journal, "poignant" by the LA Weekly, and "provocative" by The Los Angeles Times. In recent years, Jay has specialized in documentaries about Hawaiian culture and has been exploring the parameters of emerging digital video tools to make groundbreaking new media.

Jay is an experienced national cable television consultant with a specialty in telecommunications policy, cable regulation and community programming. Clients have included the State of Connecticut, the City of Los Angeles, municipalities, non-profits, universities, and cable television companies. He brought to Akakū eight years of managerial and administrative experience in PEG access; he was one of the pioneers of the PEG access concept in the United States and a founding member of the Alliance for Community Media.

Jay's awards include Hawaii International Film Festival (1999) San Francisco International Film Festival (1992, 1993), Chicago International Children's Film Festival (1993), American Film Institute National Video Festival (1980, 1991), Sony Visions of US (1993), Jackson Hole International Wildlife Film Festival (1993), International Wildlife Film Festival (1992, 2001), Advertising Club of New York City (1997) and a National Cable Ace Nomination (1989).

Jay has taught courses in video for social change at Yale University. He holds a B.A. in English and Education with a minor in Theatre Arts from Boston College. He also took graduate courses in Television Production at University of Connecticut.

Alberto Rojas, Vice Chair

Alberto Rojas received a B.A. in electronic media mass communications from the University of Texas and was a Las Vegas resident from 1999 – 2008. Alberto has been a Maui resident since 2008, is a Charter Member Valley Isle Sunset Rotary, was the President of the Board of Directors of Neighborhood Place of Wailuku from 2009 – 2010 and has been a Vice Chair of the Akakū Board of Directors since 2009.

Don Couch, Vice Chair

Councilmember Don Couch is a 22-year resident of Maui who has served the community in a variety of professional and volunteer positions. Prior to being elected to the Maui County Council, Don served the County of Maui as Deputy Planning Director (2006) and as an Executive Assistant to Mayor Alan Arakawa (2003-05), with a focus on issues affecting South and West Maui. Don's commitment to maintaining integrity in government led to a four-year stint volunteering on the Maui County Board of Ethics, two of which he served as the Board's Chair.

Don was the first Facilities Manager at Akakū and was a lead trainer for a number of years even after leaving the Akakū staff. As a television producer, he was the first on Maui to provide a public forum through his "Opinions:Maui" call-in show so the community was able to talk directly to local businesses, agencies and government officials about what is important. Don was recognized as a "Person Who Made a Difference" in Maui County for the year 1998 as a result. He also was part of the team that first televised the Maui County Council meetings. During his spare time, he developed a crew and process for doing live-to-tape multi-camera shoots of MIL football, baseball, basketball and volleyball games. After his time on Akakū's staff, Don became a professional videographer and was involved in national as well as local TV production.

Don maintains strong ties to the community through his association with Akakū: Maui Community Television, Boys & Girls Clubs of Maui, Maui Canoe Club, and the Kihei Community Association.

David Fisher, Secretary

David Fisher works as a business consultant, musician, and most recently a backyard farmer. He launched and operated the Small Business Development Center (SBDC) at the Maui Tech Park for 19 years working with many Maui entrepreneurs in both the for-profit and public sectors.

David grew up in a U.S. Foreign Service family living in Italy, Ethiopia, Barbados, and Thailand as well as the Northeast U.S. Mainland. He received an M.B.A from New York University and a B.A. from Yale University. One of the high points at Yale was working at the Yale Broadcasting Corporation (WYBC FM) where besides serving as a DJ and engineer/producer, he served as Treasurer and General Manager. It was at WYBC where he met his wife Jan Ryan. "Akakū has a very similar feel to WYBC: community service and media innovation, all in a welcoming can-do environment."

Michael Duberstein, Treasurer

M.J. Duberstein was born in Washington, D.C. and moved to Maui in 2005 when he retired after 25 years as Director of Research for the National Football League Players Association (AFL-CIO). In addition to serving as Treasurer of the Akakū Board of Directors, Michael serves on the Board of Directors of the Maui Tomorrow Foundation and

the Maui Group of the Hawai'i Sierra Club Chapter and as Chair of the Democratic Party of Hawai'i District Eleven (South Maui).

Michael was a Peace Corps Volunteer in Liberia and was awarded a Ford Foundation Fellowship for Returning Volunteers. He spent a decade working in the U.S. Congress, was proprietor of an old-time country store in West Virginia, and was Project Coordinator of the Appropriate Community Technology Fair & Conference (ACT-'79).

Tina Lia

Tina Lia is a Business Consultant specializing in accounting software, non-profit financials, grants, and media relations. She has served on the Board of Directors at Akakū since 2009 as Chair of the Audit Committee and a community producer representative from 2009-2012. With a degree in Visual and Performing Arts, Tina's background includes video production, graphic design, and fine art. She enjoys sharing her skills with non-profit organizations and helping coordinate events like the annual Art of Trash exhibit and fashion show.

Tina has worked alongside staff at Akakū on administrative, promotional, and fundraising projects. She is committed to supporting Akakū's mission and believes strongly in the importance of having public access and free speech in the community.

Debasis Bhattacharya

Dr. Debasis Bhattacharya is the Interim Vice Chancellor for Information Technology at University of Hawai'i Maui College and serves as the Akakū Board of Directors member appointed by the College. Before assuming the Interim Vice Chancellor's position at UH Maui College in August 2012, he served at University of Hawai'i Maui College as an Instructor in the Applied Business and Information Technology (ABIT) program. Prior to joining the College, Debasis worked for large software corporations including Microsoft and Oracle. Debasis has more than 20 years of experience in the software industry.

Originally from Calcutta (now called Kolkata) India, Debasis has an undergraduate degree from the Massachusetts Institute of Technology, a graduate degree from Columbia University, a law degree from Northwestern California University and a doctoral degree from the University of Phoenix Online.

Elle Cochran

Elle Cochran is a Native Hawaiian with English, Spanish and Okinawan ancestry and has been a life-long resident of West Maui. Growing up in an entrepreneurial family and as the owner of her own small business, Maui Surfboards, Elle understands the challenges of small business owners. Currently, Elle is serving in her second term as the West Maui representative on the Maui County Council.

Elle is an avid beachgoer and an active ally in the community through her participation in various organizations that promote sensible growth, protection of natural and cultural resources, jobs, and housing among others. These organizations include the Save Honolua Coalition, Maui Unite, both of which Elle is a founder, in addition to Faith Action for Community Equity Maui.

In her community, Elle serves on the board of directors for Waiola church and on their subcommittee Na Kia'i O Wainee, whose responsibility include the caretaking and maintenance of the royal tombs.

Elle has been an Akakū certified producer for four years, using her certification and the services provided by Akakū to provide outreach to the community.

DeGray Vanderbilt

DeGray is a longstanding supporter of Akakū and long-time member of the Akakū Board of Directors. DeGray has been a resident of Moloka'i for 30 years and has served on numerous state and county boards and commissions, including serving as Chairman of the Molokai Planning Commission for five years. DeGray owned a company involved in equipment leasing and also had a real estate development company. He is currently retired with seventeen grandchildren and continues to serve community interests. DeGray is a founder of Ka 'Ohana O Kalaupapa, the Native Hawaiian non-profit organization that advocates for the rights of the Kalaupapa residents who were exiled to the Kalaupapa peninsula on Moloka'i because of the government's policy on Hansen's disease (leprosy).

Mark Tracy

Born in Colorado, raised in Northern California, Mark Tracy attended Claremont McKenna College and Hawaii Pacific University. His work experience includes entertainment, media sales, transportation, textile sales and property management.

In 1976, Mark began working at Valley Isle Marine Center on Maui. Soon thereafter, he became an investor and helped incorporate the company and source the necessary start-up capital. By 1980, Mark had bought out most of the other shareholders and has since served as the corporation's Chief Executive Officer. The growing company represents major marine equipment manufacturers and serves ocean recreation industry, fisherman and recreational boaters across Hawaii and beyond. Valley Isle Marine Center is the oldest operating boat and marine dealership in the state of Hawaii.

Mark purchased commercial property in Keaau, Hawaii in 2008 and which now houses a branch store doing business as Hawaii Marine Center. He also owns Aloha Metal Roofing on the big island, one of three metal roofing manufacturers in the State of Hawaii. Mark believes that an independent media is essential to a healthy republic.

Eric Molina

Eric Molina has deep family roots in the local Maui community. Eric is an Event Manager at the Maui Arts & Cultural Center and was Vice President - Account Manager for Larry John Wright Hawaii Advertising Marketing and Public Relations; Farm Manager at Kula Vista Protea Farm, Maui Floral and at Protea of Hawaii; and Resource Forester for DLNR Division of Forestry and Wildlife. Eric worked for Hawaiian Commercial and Sugar and was a journeyman millwright.

Eric is also an actor and musician dedicated to the Maui arts community. He has been a disc jockey on Mana'o Radio 91.5 FM since 2002 and is the on-air host of Maui Live, Maui's Community Variety Show (mauiliveshow.com). Eric is a board member of Maui Academy of Performing Arts (MAPA) and a commissioner on the County of Maui Commission on Culture and the Arts. Eric was the Chair of the Mayor's Arborist Committee in 2002 - 2003 and a member of the board of Maui on Stage from 2009 - 2012.

Sylvia Ho

Sylvia Ho has been a member of the Akakū Board of Directors since 2010. Sylvia was educated in business studies in Australia and Hong Kong and is an Investment Consultant with CUSO Financial Services LP, Hawaii USA Federal Credit Union. She has aided multiple non-profit organizations on Maui and is widely known for taking on fundraising challenges and making them into success stories.

Sylvia is the Rotary Club of Maui Foundation Chair and the Group Study Exchange Maui Coordinator for the Rotary Club of Maui. She was the President of the Rotary Club of Valley Isle Sunset in 2010 - 2011 and achieved the Rotary District 5000 Small Club of the Year 2nd Place. As the International Service Chairperson for the Rotary Club of Maui from 2005 - 2010, Sylvia won a grants for rural school children in Honduras and to fund the drilling of a freshwater well in the Philippines. In 2007, Sylvia was the Rotary Club of Maui's 70th Anniversary Celebration Chairperson.

From 2006 - 2008, Sylvia was the annual Event Chairperson for the Central Maui - American Cancer Society - Relay For Life, recruiting 54 teams of volunteers to participate in a 12 hour fund raiser and managing a volunteer staff of 15, setting a fundraising record for the central Maui team with a total of \$152,000 in 2007.

Sylvia was a Special Events Fundraising Committee member for Hale Makua Nursing Home in 2008 and has been a trustee of the Maui Historical Society, assisting with fundraising and development.

Clarence Respicio

Clarence Respicio was born in the Philippines and raised on the island of Maui. He is best known for his listening skills and video work. Clarence is currently a Television Production Crew Chief for the Department of Education. His directorial work can be seen

daily on the DOE channels' A.P. Calculus show. Clarence has served on Akakū's Board of Directors for a number of years, as the Board member designated by the State of Hawaii Department of Education, Maui District. On occasion, he can be seen assisting the Maui High School video club on various shoots.

Jason Schwartz, Interim Director (Community Producer)

Jason Schwartz is a former D&B credit analyst and diamond broker and a licensed real estate agent since 1980. He is also a licensed life health and disability insurance agent and a director of the non-profit Dreammakers Foundation Maui, Maui Arts & Music Association, People Aligned in Positive A Toon (MAMA & PAPA).

Jason has produced more than 600 TV shows and is the former owner Energy Exchange, Solar Exchange in Los Angeles (1983 - 1988). He came to Maui in 1988 and was the 1994 Green Party candidate for Maui Mayor. Jason is a philanthropist, singer, actor and orator. He serves on the Akakū Board of Directors as an interim director representing the community producers.

Calvinwayne Kuamo'o, Interim Director (Community Producer)

Calvinwayne Kuamo'o was born and raised on the Big Island of Hawai'i. He is of Native Hawaiian descent. Calvin graduated from high school in 1965, and in 1966 he went to Alaska. He has traveled extensively, including crossing the equator and going to the North Pole. Calvin joined the military in 1969 - 1972 and re-enlisted in 1985 - 1992. Calvin joined Akakū in 2000 as a community producer, and to this day is still producing projects for Akakū. Calvin serves on the Akakū Board of Directors as an interim director representing the community producers.

3. PEG Access Services

The primary public, educational and governmental access services that Akakū will provide will include the following, subject to receiving adequate funding.

PEG Access Channels. Akakū will provide access to a minimum of six channels reaching all cable subscribers in Maui County, programmed with public, educational and governmental content. One of these channels will be programmed by University of Hawaii Maui College, and one will be programmed by the Hawaii State Department of Education, Maui District. PEG access programming by Akakū will include videos and shows produced by or submitted by Maui County community members, free of charge and with no restrictions on content (other than legal restrictions against obscenity, fraud, invasion of privacy, libel and slander, and commercial promotions) and will also stream on the Akakū website. PEG access content programmed by Akakū will continue to include a wide range of subjects of interest to the communities of Maui County, including many educational programs.

Media Training and Media Education. Akakū will provide media training and media education for the public, including youth; and for governmental agencies, non-profit organizations and teachers, some at no cost and some with reasonable, sliding-scale tuition. This includes training in studio production, field production, video editing, and introduction to public access community media, at reasonable fees, and youth media workshops and camps in television production and mobile video journalism, at reasonable or no cost. Akakū will also offer paid and unpaid youth internships, which have led to professional careers in video production for many Maui youth.

Akakū will also continue to work with non-profit organizations and government agencies in Maui County to increase their visibility and will provide training to support their own video production on behalf of their organizations. Akakū will continue to consult with the County of Maui on technical issues involving County Council productions and other technical needs, including interactive television.

Akakū will continue to offer Media Salons open to the public at minimal or no charge, highlighting various aspects of media and video production.

Media Production Facilities and Equipment. Akakū will provide state-of-the-art media production facilities and equipment for use by the public, including individuals, community groups and non-profit organizations. This includes production studios for live and recorded shows, produced and crewed by community members with technical assistance by Akakū staff at no charge, and daily "hot sets" for community members to record public service announcements, shout-outs and expressions of opinions at no charge. Akakū will also continue to provide professional quality equipment for video production in the field, available at no charge (other than a modest annual fee, currently \$35) for use by Akakū certified community producers who submit the videos they shoot for first-use distribution on Akakū's public access channels. Akakū will also continue to provide technical assistance and access to post-production software and edit bays for use by

certified community producers at no charge. Members of the community will also be welcome to use Akakū computers and wireless for internet access in accordance with Akakū policies and procedures.

21st Century Television Content Delivery. Akakū will support distribution of PEG content through television cablecasting and other types of electronic media such as multimedia design and development, electronic mail and internet access, as they may relate to such television cablecast programming and services. This is consistent with the current use of funds by HENC for the past thirteen years, pursuant to DCCA D&O 261 (pp. 12 – 13). Akakū will also offer video on demand for cablecast programs and utilize high-speed broadband internet for uploading and downloading PEG content from the community and from Akakū producers, and will support cablecast programming with mobile and new media platforms. Affordable high-speed broadband for Akakū is essential to our ability to serve the community in the 21st century media landscape.

Coverage of Community Events and Local Issues and Culture. Akakū will provide live and recorded coverage of community events and local issues, by Akakū's professional video producers at reasonable or no cost, often assisted by volunteer community producers and paid and unpaid student interns.

Akakū will also continue to provide coverage of important local issues such as the future of ocean resources and marine life; the health and education of keiki in Maui County; green energy initiatives and local food movements; and the integration of science, technology and broadband digital capabilities into the future of Maui County. Akakū will continue to be an important resource for the expression of Native Hawaiian culture through coverage of music, dance, paddling, the Hana Taro Festival and the Maui Native Hawaiian Chamber of Commerce and other community organizations, and by providing an important media outlet for community outreach and organizing. Akakū will continue to serve the many cultures of Maui County and to be a medium through which communities can share their cultures.

Akakū will also continue to provide dedicated election coverage, including candidate forums, meet-the-candidate spots at no charge for production, post-production and air time, and election night coverage with community commentators and visits by the candidates. Akakū will continue to provide gavel-to-gavel coverage of Maui County Council meetings and meetings of Boards and Commission, which is funded in part by Akakū and in part by a contract with the County of Maui. Akakū will also continue to support local non-profit organizations by providing production services at little or no cost, in so far as our resources allow.

Akakū will also continue the Annual Maui Walk of Heroes honoring and celebrating cultural practitioners, artists, community leaders and elected officials who have contributed significantly to the inspiration and well-being of the people of Maui County.

PEG Access Facilities, Equipment and Services on Moloka'i and Lana'i. Akakū expects to maintain PEG access facilities, equipment and services at Akakū media centers on Moloka'i and Lana'i, staffed by local community members and working in collaboration with local schools, non-profit organizations and community groups.

4. Additional Services

In addition to the PEG access services described above, Akakū expects to provide the following types of services, subject to receiving funding for these services.

Gavel-to-gavel coverage of Maui County Council meetings and meetings of Boards and Commissions, pursuant to a contract with the County of Maui. These production services are heavily subsidized by Akakū, with the County financing a portion of the total market value. These services may in the future include support for two-way communications between the County and members of the public, especially in remote areas of Maui County.

Akakū will also apply for grants and receive donations from community members so that Akakū can provide more services, more coverage, and more programs for the community.

Akakū will seek to assist Maui County with civil defense and emergency preparedness by enabling the deployment of live broadcasting capability for County officials in case of emergency.

On occasion, Akakū supports professional video production in Maui County by allowing producers to rent video equipment at market rates, primarily when a producer of a video shoot on Maui needs a piece of equipment that is not otherwise available when needed.

Akakū holds the FCC license for KAKU-LP FM 88.5, a popular low-power radio station that plays Hawaiian, Paniolo and country music, funded by monies other than access operating fees and capital funds.

Akakū provides DVD duplication services for community members at a reasonable charge.

Akakū provides live and recorded coverage of events at the Maui Arts and Cultural Center and other venues in Maui County, and coverage of community events, sometimes receiving funding to help offset the costs of production and post-production that it would not otherwise be able to support.

Akakū intends to provide closed captioning on the channels it programs, as soon as it become feasible and affordable to do so.

5. Short-Term and Long-Term Plans for PEG Access Service in Maui County

Short-Term Plans for PEG Access Service in Maui County

- Program emphasis on “live and local” video production to create greatest good for widest span of viewers and users of Akakū services and facilities.
- Facilitate remote submission of videos to channels
- Complete PEG designation process with DCCA
- Complete renovation and upgrade of studio and production facility
- Build-out space for new administrative offices , education department and media lab
- Upgrade media lab and equipment
- Finish installation and test of new HD playback system
- Obtain dedicated HD signal carriage for all PEG channels programmed by Akakū
- Rebranding of Akakū Channels 53, 54 and 55 and related websites
- Continue staff reorganization to improve, creativity, efficiency and accountability
- Conduct Board and staff training
- Conduct annual financial review and audit by independent accountants
- Participate in upcoming franchise renewal
- Deploy cell phone bonding technology for live broadcast
- Train & recruit pilot community correspondents from remote geographical locations across Maui County
- Increase outreach and media training for community organizations
- Enable deployment of live broadcasting capability for County officials in case of emergency
- Explore possibilities for collaborative mobile journalism training at UH Maui College and Kihei Charter School
- Increase on-air presence of community non-profit organizations

- Offer separate classes for beginning, intermediate and advanced Final Cut Pro X
- Add non-traditional mobile journalism and new media classes to Akakū curriculum
- Revise educational programs to engage outside faculty to offer diverse classes
- Add cameras to media lab and radio station for simulcast and program flexibility
- Continue to seek funding to support and develop the Akakū Youth Broadband Education and Mentoring Program (YBEAM) to replace expired federal grant
- Seek additional underwriting support and grants
- Offer additional media salons and lecture series for air
- Continue to support and highlight Moloka'i and Lana'i programming
- Produce a daily live show with real time content from Maui Nui
- Continue to fund MENC (UH Maui and MDOE) with 25% of Access Operating Fees received by Akakū
- Develop improved internship and volunteer program
- Produce targeted marketing spots for community media advocacy and education
- Updated existing Policies and Procedures

Long-Term Plans for PEG Access Service in Maui County

- Build added capacity for live and mobile video broadcasting from remote locations
- Assure that Akakū retains adequate channel capacity (bandwidth and spectrum) for PEG media use
- Continue to produce election year packages and opportunities for candidates, with in-depth local election night coverage in 2014
- Develop and deploy online survey instruments
- Work with Maui County to facilitate testimony from remote locations
- Obtain access to INET for public use, as contemplated by original DCCA D&O's when the INET was created

- Support collaboration with Lana'i community organizations to increase media literacy and youth programs on Lana'i
- Work with Native Hawaiian groups including Hawaiian immersion programs and Maui Native Hawaiian Chamber of Commerce to increase visibility of Native Hawaiian cultural values and issues
- Exploit use of social media for outreach and interface with on-air programming
- Develop cable-related Internet applications to test and acquire programming for cablecasting
- Establish Akakū satellite locations on West Side and in South Maui and Hana
- Help facilitate broadband adoption education and access to Internet from remote, underserved or unserved areas of Maui Nui
- Research and develop new media applications for cable
- Cablecast instant lost pet alerts and announcements of public interest and importance
- Continue to develop ocean education and awareness assets
- Increase "live and local" television from diverse sources
- Deploy live broadcasting apps for public officials, non-profit organizations and community contributors
- Develop program exchange and sharing of live broadcasting with sister PEG stations
- Develop a statewide PEG Network
- Refine searchable archive database and video on demand
- Support cablecast transmissions by sourcing and delivering video content to and from any screen and/or device with emphasis on live and local content
- Grow community producers with frequent gatherings, tutorials and more opportunities for collaboration
- Continue to increase outreach to rural and underserved audiences
- Provide closed captioning on channels programmed by Akakū, as soon as it become feasible and affordable to do so.

6. Financial Capability

Akakū provides outstanding services and facilities to benefit the communities of Maui County, using its funding to maximize the quality and range of PEG access services and facilities while keeping administrative costs in line. Akakū invests the AOFs and capital fund payments in its programs. The equation is simple, and the benefit is direct: the more resources Akakū has, the more services and facilities it can provide for the community.

Akakū's most recent audited financial statements, for the fiscal year ending June 30, 2012, show net assets of \$110,737. In addition, Akakū is the sole member of Akakū Holdings, LLC, a Hawai'i limited liability company ("Holdings"), which owns the building and is the ground lessee for Akakū Center, located at 333 Dairy Road in Kahului with net assets of \$716,533 as of the end of fiscal 2012. Holdings recently refinanced the mortgage on Akakū Center and obtained funds for improvements that it expects will result in increase net rents, so that in the future Holdings may be able to provide additional financial support by distributions to its sole member, Akakū.

Financial Management and Independent Audits

Akakū's Director of Administration, Terrie Roberts, has been performing bookkeeping and payroll services for more than fourteen years. In addition, Akakū has retained Melanie Devereux, CPA, as an independent contractor to assist with internal accounting and preparation of financial statements.

Akakū's financial statements are audited annually by an independent accounting firm, Carbonaro DeMichele CPAs. The audits have been conducted in accordance with accounting standards generally accepted in the United States of America and were issued with "clean" opinions with no deficiencies in internal controls or management advisory comments.

In addition to external audits, financial oversight is provided by the Finance Committee and the Audit Committee of the Akakū Board of Directors.

The Finance Committee is headed by Michael Duberstein, former Director of Research for the National Football League Players Association (AFL-CIO) and includes Mark Tracy, CEO of Valley Isle Marine Center and owner of Aloha Metal Roofing; David Fisher, who launched and operated the Small Business Development Center (SBDC) at the Maui Tech Park for 19 years and has an M.B.A from New York University; and Gene Zarro, CEO of South Maui Learning Ohana, Inc. and Chair of the Kihei Charter School Governance Board.

The Audit Committee is chaired by Tina Lia, a business consultant specializing in accounting software, non-profit financials, grants, and media relations and includes Elle Cochran, small business owner and Maui County Council member; and DeGray Vanderbilt, retired businessman and dedicated community leader on Moloka'i.

7. Management, Technical and Organizational Capability and Staff

Facilities

Akakū maintains a centrally located, state-of-the-art media center with production, programming and educational capabilities in Kahului, plus additional media centers on Moloka'i and Lana'i, staffed by video professionals who are integral members of the local communities.

The Akakū facilities are located at:

333 Dairy Road, Kahului

40 Ala Malama, 2nd Fl., Kaunakakai

Old Dole Administration Building, Suite 127, Lanai City

Technical Capabilities

Akakū sends its signal on an analog path to the Oceanic Time Warner Cable (OCTW) headend by first modulating the baseband video and audio to RF and then sending baseband video with modulated audio to a Radiant fiber modulator to the OWTC headend.

Most of Akakū's in-house and lending production cameras are fully HD (high definition) for digital acquisition. Akakū's post-production editing systems are all HD capable with Final Cut Pro X, non-linear editing software and can output digital files to our internal servers.

Akakū's production studio and control room are fully HD compliant and can send full HD to the digital recorders. Akakū's master control currently has an HD digital server for playback on three cable channels. Akakū has recently upgraded the playback server to full HD resolution, completing the transition to a full digital HD facility from acquisition to distribution. Akakū is ready to deliver HD PEG content to Maui County cable subscribers as soon as Oceanic Time Warner Cable installs the necessary equipment at their headend.

Akakū currently streams two video channels on its website.

Akakū has acquired new bonded cellular technology made by LiveU Corporation that allows live transmission of full HD television signals from remote locations. This technology also allows the use of cellular phones for live video transmission.

Akakū is also developing cable-related internet applications and mobile units, working with Maui County youth to test and acquire programming for cablecasting.

Management, Organizational Capability and Staff

Akakū's work is supported by a highly-trained staff of experienced media professionals. President and CEO Jay April works with five department directors, who manage a staff of six additional producers and one facility coordinator. Almost all staff members serve multiple roles in production and community education and outreach. In addition, the Akakū facilities on Moloka'i and Lana'i are managed by facility directors from the communities there. Akakū's technology development and implementation is supported by two outside technology consultants. (For the biography of Jay April, President and CEO, please see [Section 2](#) above.)

Stephen Luksic, Director of Production. Stephen was introduced to interactive video design and production in 1985 and by age 17 was the Assistant Director at WHYY-TV 12 in Philadelphia. He has designed and executed multimedia shows all over the world and has been a freelance editor and video technician on Maui since 1994. Stephen came to Maui after five years with The American Film Institute in Los Angeles. In his first three years with AFI, he was the Video Operations Coordinator at the Sony Video Center, which produced over 150 thirty-minute student films a year. He then became AFI's Technical Director for Advanced Technology Programs, managing a media lab with twenty workstations and thirty software applications associated with filmmaking. Stephen began supporting Akakū in 1999 as a volunteer and produced a community news show on Akakū in 2001. Stephen joined Akakū's staff in 2009 as its Technical Director, becoming Director of Production in 2013. Stephen has taught courses in studio and field production and editing and led video workshops and summer camps for kids. He continues to teach advanced classes in editing with Final Cut Pro X.

Shawn Michael, Director of Programming. Shawn has been supporting public access television with Akakū since 2002. He began in the Production Department, shooting County Council Meetings, live shows and events, and editing. He then moved into the Programming Department, creating schedules and maintaining the broadcast library. In 2012, Shawn became Akakū's Director of Programming and immediately began making enhancements to the visual presence of the PEG channels.

Shawn plans to expand Akakū's mission of empowering the community's voice through access to media to include voices from all types of communication media, from videos to Twitter, Facebook, blogs, pictures, Instagram and whatever else becomes the norm in daily life. By creating dynamic ways to incorporate the community's voice, Shawn envisions social network TV, empowering the community to share images and messages on the screen. Shawn also plans to have as much live and real-time content from the community on the PEG channels as possible, utilizing the many tools and feeds available to everyone.

Kat Tracy, Director of Education. Kat came to Akakū in 2012 as the director of Akakū's innovative new media youth program, YBEAM (Youth Broadband Education Awareness and Mentoring). Kat developed the YBEAM curriculum that leads to becoming a

Certified Youth Mobile Journalist and facilitated the month-long program throughout Maui Nui. Kat also maintains the program site, MauiTube.org, which hosts YBEAM program content and community stories produced by program youth. Kat continues to be instrumental in beta testing both the VeriTV and VeriLocal video hosting sites developed by leading new media journalism pioneers VeriCorder. Furthering the research and work of YBEAM, Kat looks forward to helping Akakū integrate mobile journalism tools and workflow into the greater community, expanding the organization's mission to empowering Maui's voice through access to media.

Kat's freelance video production company, Kat Tracks Hawaii, has been in business since 2000. Kat has worn a variety of hats as a supporting crewmember on numerous movie and TV productions, nationally and internationally. Kat produced two award-winning documentaries, "Passing the Gift" and "The Road to Hana Clean-Up". Kat also served as the Media Director for the Professional Kiteboard Riders Association until 2005, writing press releases and sending video content worldwide. Additionally, Kat taught media production skills to Maui youth through the Paia Youth and Cultural Center's 'Venture Media' program.

Kat has a degree in Electronic Technology Engineering with a minor in Communications. Kat has been on Maui since 1988 and came to Hawaii to learn more about her mother's Hawaiian roots and to learn to surf, windsurf and kite. Kat has successfully raised three daughters.

Terrie Roberts, Director of Administrative Services. As a long time kama'āina, Terrie has a large extended family in Hawai'i. In 1987, Terrie became a partner in Sunset Tropicals, a company that ships tropical flowers throughout Hawai'i and the United States. Terrie has been performing bookkeeping and payroll services for more than fourteen years and began working at Akakū as a part-time Executive Administrative Assistant in 2008. Terrie became Akakū's Director of Administrative Services in 2012. Terrie enjoys playing tennis in the USTA Hawaii League with a 3.5 rating and also loves being a team player with all the staff members of Akakū.

Suki Halevi, Director of Development. Suki is dedicated to community outreach on behalf of Akakū and working with organizations, agencies and funders in Hawai'i and beyond. Suki also assists with organizational development and strategic planning and acts as special counsel to Akakū.

Suki was a community consultant with Pasifika Foundation Hawai'i, is a coordinator for the Maui Film Festival at the Maui Arts and Cultural Center, and has taught Sunday School at Congregation Beit Shalom in Kihei. As a volunteer in Massachusetts years ago, Suki organized a social action committee and community events and also facilitated consensus decision-making with non-profit organizations in transition. Suki is a member of the bar of Hawai'i and Massachusetts and has training in mediation. As an attorney, Suki argued First Amendment cases before the U.S. District Court for the District of Hawaii and the Ninth Circuit Court of Appeals. Before arriving on Maui in 2007, Suki worked for a law firm that specializes in employee-owned businesses and as an outreach representative for

the Cooperative Fund of New England. Suki graduated from Vassar College, Tufts University and Duke University School of Law.

Sayble Bissen, Production and Programming. Sayble was born and raised on Maui and attended Kamehameha Schools Maui. Sayble graduated from Santa Clara University with a BA in Communication and also had the opportunity to travel to countries around the Mediterranean. Sayble began working at Akakū as an intern when she was in high school and returned to join the production department after college. In 2013, Sayble began assisting in the programming department while continuing as a key member of the Akakū production team.

Chivo Ching-Johnson, Producer. Chivo joined Akakū as Productions Specialist in August 2008, bringing to the team his extensive experience in radio and video media, but it is not his first time with the organization. More than a dozen years ago, Chivo helped build Akakū from the ground up by piloting government access television for Maui County.

Chivo's career in multimedia began more than 15 years ago as a radio newscaster. After years of writing radio copy, he learned that it translated well into scripting and storyboarding, leading his career from voice only to combined imagery of video production. Video credits include cameraman for E! Entertainment, CNN, NBC, CBS, ESPN, FOX, Extreme Sports, Mercedes Championship in Kapalua, Maui, Inside Edition, and Entertainment Tonight. Produced and Co-produced several documentary films. On Maui, Chivo ran his own video production business, specializing in event videography that focused on weddings, conventions, network news, documentary films, voice-overs, and narration. He has produced more than 1,500 weddings in the past 6 years and is a creative editor proficient in digital post-production. Chivo is schooled in telecommunications and has taken numerous classes and seminars in digital production and editing. He has also completed four separate specialty tracks offered by University of Southern California and The Hawaii Film Initiative.

Daniel Emhof, Moloka'i Media Center Director. Daniel is the director of the Akakū: Molokai Media Center. He has been honing his media skills through dedicated service to the people of Molokai since 2004. Serving to empower the Molokai community with video literacy training, cultural productions, coverage of local governance, and community building outreach projects. "Working at Akakū has filled my world with possibilities and opportunities. Possibilities to learn new skills every day, and opportunities to help make the place I live better every day".

Anthony Kaauamo Pacheco, Lana'i Media Center Director. Anthony was born and raised on the island of Lana'i. Graduating from Lana'i High School in 2003, he left for the University of Nevada, Las Vegas to study English. After taking a film production class as an elective, he changed majors and transferred to the University of Hawai'i, Manoa to attend the Academy for Creative Media. He earned his bachelor's degree in film production and then worked on numerous commercials, television shows and feature films as a production assistant. Returning to Lana'i with Akakū, Anthony helps his community understand and

utilize the tools and methods of visual communication to share their stories with the wider world.

Linda Dorset, Production Specialist. After Linda and her son took a couple of classes at Akakū, Linda became a community producer, creating “Pet Files,” a show for the Maui Humane Society. Recognizing her skill and dedication, Akakū invited Linda to join the Akakū staff in the Production Department. Linda has spent many hours in the control room at the County building, capturing meetings of the Maui County Council and Boards and Commissions.

Dana Fulton, Production Specialist. Born on Maui and raised in Kihei, Dana graduated Kihei Charter High School in 2009 and enrolled at Soka University of America in Aliso Viejo, California, at the age of 17. In January 2010, Dana went on a filmmaking trip with twelve other students to Sao Paulo, Brazil to investigate the Japanese-Brazilian immigration. That summer, Dana became an Akakū intern and continued returning to Akakū each summer thereafter. In the spring of 2012, Dana did a semester abroad in Barcelona, Spain, completing a cross-cultural comparison study of the Native Hawaiian and the native Catalonian people, which earned her special recognition by her Catalonian professors. Dana decided to pursue community television work post-graduation, and during her senior year, she added extra-curricular coursework in social networking, media communications, website building and grant writing. Dana graduated in May 2013 from Soka University of America a bachelor’s degree in Social Behavioral Sciences and has proudly joined the Akakū production team.

Christopher (“Chris”) Dack, Production Specialist. Chris first discovered his dad's camcorder at the age of four and became enamored with video production and editing in junior high school. Chris was an intern at Akakū in the summer of 2008, after completing his studies at Maui High School. He is a 2011 graduate of Leeward Community College on O’ahu, with an Associate's Degree in TV and video production. Chris returned to Akakū as a Production Specialist in 2013.

Peter King, Kahului Facility Coordinator. Peter graduated from the University of Hawai’i at Manoa with a degree in communication and video production. He has worked on the Morning Show on KHON Channel 2, along with ‘Ōlelo community television and the UH Media lab as an equipment technician. Peter manages the front desk at Akakū’s Kahului facility and is responsible for all equipment used by the public. Peter also films many local and community events on Maui.

Shanti Berg, Production Specialist (YBEAM). Shanti has been a freelance television and video producer on the island of Maui since 1998. He has travelled extensively and gained international television experience producing shows for professional sports organizations throughout the world. His work has aired on networks such as Eurosport, Sky News Network, Telemundo, Fox Sports, TNN and many more. Currently, Shanti is pursuing a Bachelor of Applied Science degree at University of Hawai’i Maui College in Sustainable Science Management. This gives Shanti a unique perspective on television production and new media development in our island state.

Dolores ("Dee") Perreira, Media Access Coordinator. Dee was born and raised on the island of Maui by her parents, Alfredo Sr. and Claudia Manuel. Dee helps Akakū stay organized, as well as helping to plan gatherings and events. Dee enjoys spending time with her family, including her wonderful husband, Norman Perreira, their sons Kodi and Kori, and Dee's seven brothers and sisters, 17 nieces and nephews, and nine grand-nieces and nephews. Dee also enjoys watching sunsets and traveling; her philosophy in life is to live life to the fullest and love what you have.

Technology Consultant, Lou Di Liberto. Lou is an Emmy Award winning lighting director, director of photography, camera operator, editor, technical director and video engineer. His two decades in the entertainment industry include virtually all aspects of television production for ABC, CBS, NBC, FOX, PBS, ESPN, HBO and many others. He is a two-time Cable Ace Award winner who shot almost every West Coast assignment for MTV in its early days and went on to become one of the more versatile and sought-after camera-DP-editors in Los Angeles. Lou is Director of Photography at the much-acclaimed Artifact Studios on Maui. He continues to be an innovator on the cutting edge of his field, experienced in working with high definition digital television technology, Internet and New Media. Lou's media career began in public access television in St. Johnsbury, Vermont. He has now completed the circle by working as a technology consultant for Akakū.

IT Consultant, Juerg Greider. Juerg has worked as an IT specialist for the past twenty years in various capacities. He started his career at Synchronic Studios on Maui as the IT Director and has since worked for Maui Global, a local internet service provider, the Maui High Performance Computing Center in Kihei and currently works for Disney in Burbank, California, where he was initially hired to help develop their IT workflow. Juerg continues to support the Maui media community with IT consulting for Akakū.

8. Prior Experience Providing PEG Access Services; Other Cablecast and Telecommunications Experience

Akakū has been managing and operating PEG access finances, facilities and equipment for Maui County since Akakū was founded in 1992.

In 1998, DCCA entered into an agreement with Akakū regarding PEG access services, which was followed by a subsequent agreement between DCCA and Akakū dated June 17, 1999 (the "1999 Agreement"). Under the 1999 Agreement, Akakū is responsible for managing the channels allocated for PEG in Maui County; providing production facilities and equipment; training educational, governmental and community organizations and the general public to use the production facilities and equipment; marketing and promoting the access center and the PEG access channels and programs; and providing support services to users of PEG access facilities and equipment, including production assistance and support of special projects. The 1999 Agreement was automatically renewed in accordance with its terms until June 30, 2004. Since then, there has been a series of supplemental agreements extending the 1999 Agreement, which is still in effect.

Akakū currently programs three cable access channels serving approximately 53,000 subscriber homes in Maui County. In addition, Akakū continues to be responsible for the two educational access channels managed and programmed by University of Hawai'i Maui College and the State of Hawai'i Department of Education, Maui Division DOE-Maui and UH-Maui College. Akakū also holds a low-power, non-commercial license from the FCC to broadcast on radio station KAKU-LP FM 88.5. Akakū also fulfills production contracts with Maui County Council and the Mayor's Office for gavel-to-gavel coverage of meetings of the Maui County Council and Boards and Commissions.

Akakū provides media education and training for youth, non-profit organizations and governmental agencies. This has included media education and training for students from Boys & Girls Clubs, charter schools, local high schools and middle schools on Maui, Moloka'i and Lana'i, Kamehameha Schools, and Queen Lili'uokalani Children's Center, Maui Economic Opportunity, Inc. and Hana Youth Center, among others, and media training for the Maui Fire Department and numerous community non-profit organizations.

Akakū also provides state-of-the-art media production facilities and equipment for use by the public, including individuals, community groups and non-profit organizations. This includes production studios for live and recorded shows and daily "hot sets" for community members to record public service announcements, shout-outs and expressions of opinions at no charge; professional quality equipment for video production in the field, available at no charge (other than a \$35 annual fee); and access to Final Cut Pro X software and edit bays for use by certified community producers at no charge, with technical assistance with editing and post-production from Akakū staff.

Akakū also provides live and recorded coverage of many local community and government events, such as the Maui County Agricultural Festival sponsored by the Maui Farmers Bureau, Maui town parties sponsored by the County of Maui, the annual Charity

Walk sponsored by the Maui Hotel and Lodging Association, visits by Hawai'i elected officials, DLNR press conferences, hurricane preparedness and alerts from County officials, and a recent Hawai'i Supreme Court hearing held at Baldwin High School. In collaboration with 'Ōlelo Community Media and the Office of the Governor, Akakū cablecast live coverage of the lying in state ceremony in honor of U.S. Senator Daniel K. Inouye at the State Capitol in 2012.

Akakū has also supported local non-profit organizations by providing production services at little or no cost, insofar as our resources allow, including support for Maui Economic Development Board, the Maui Humane Society, the Maui Arts and Cultural Center and the Hawaii Farmers Union. In election years, Akakū has provided dedicated election coverage, including candidate forums, meet the candidate spots at no charge for production, post-production and air time, and election night coverage with community commentators and visits by the candidates. In 2010, Akakū worked together with UH Maui College, Maui Economic Development Board (MEDB) and Hawai'i Public Radio to provide live statewide coverage of a gubernatorial debate utilizing the HITS network.

The Akakū Media Center on Moloka'i has provided coverage of local cultural events such as Ka Molokai Makahiki, explored the Kamakou Preserve with The Nature Conservancy, trained students from Moloka'i schools in video production, and worked with Moloka'i youth and community groups (including public safety officials) to produce the stunning "Last Pa'ina," a moving dramatization of the consequences of teenage drinking and driving, which is used by the Hawai'i State Judiciary in its driver education program. Akakū provides a weekly slot dedicated to Moloka'i programming. The Akakū Media Center on Lana'i has provided local candidate coverage during elections, coverage of the Charity Walk on Lana'i and of Maui County Boards and Commissions meetings on Lana'i, as well as video production training for Lana'i High School students.

Akakū has received grants to support community media initiatives, including a grant of federal Broadband Technology Opportunity Program (BTOP) funding as part of ZeroDivide's Generation ZD Digital Literacy Program for community anchor institutions. This support helped Akakū launch its Project YBEAM (Youth Broadband Education & Awareness Mentoring), which trains Maui youth in mobile video journalism.

Akakū's management and staff have decades of experience as professionals in television and video production and telecommunications, in the community and in the commercial sector, which gives Akakū extraordinary capacity as a community resource for Maui Nui. (For detailed descriptions of the professional experience of Akakū's management and staff, please see Section 7 above.)

Akakū's service as the PEG access provider for Maui County has been recognized with numerous awards and expressions of appreciation, including:

Bank of Hawaii
Mike Lyons Maui Community Award, 2013

Letters of congratulations from United States Senators Brian Schatz and Mazie Hirono, 2013

Mayor Alan Arakawa
Proclamation honoring Akakū, 2012

Maui Arts & Cultural Center
2011 Pundy Yokouchi Visionary Arts Award

Governor Linda Lingle
Proclamation honoring Akakū

Alliance for Community Media
2001 Hometown Video Festival Winner

Maui County Office of the Mayor
Project Impact Partner 1999

Special Olympics Maui
Award to Akakū as 1996 Organization of the Year

9. Funding for PEG Access Services

As the current PEG access organization in Maui County, Akakū receives (i) three per cent (3%) of the cable franchisee's "Gross Revenue" as Access Operating Fees ("AOFs") and (ii) an annual capital fund payments from the cable franchisee equal to \$3.00 per cable subscriber in Maui County. In order to adequately serve the community media needs of Maui Nui, including its diverse cultural communities and remote areas such as Hana, Kaenae and Kipahulu; Moloka'i and Lana'i, and to expand service in West Maui, Akakū needs to increase its resources and capacity. In addition, the transition to digital technology that is transforming the television media landscape requires capital equipment that is much more expensive than the analog technology that it is replacing.

For these reasons, Akakū recommends increased funding for PEG access above the level of the current AOFs and capital funds. We respectfully suggest that DCCA collect from Oceanic Time Warner Cable the full 5% franchise fee permitted under federal law; restore the definition of "Gross Revenue" to what it was prior to 2000; and substantially increase the amount of capital funds.

In 2000, DCCA radically altered the definition of "Gross Revenue" for purposes of calculating AOFs. Pursuant to D&O 261, issued in 2000, "Gross Revenue" is "revenue from charges billed and collected from Subscribers."

Prior to 2000, "Gross Revenue" meant:

all cash, credits, property of any kind or nature or other consideration derived directly or indirectly by TWE, its affiliates, subsidiaries, parents, and any other person or entity in which TWE has a financial interest or which has a financial interest or which has a financial interest in TWE arising from or attributable to operation of the Lahaina System, including but not limited to:

- (a) Revenue from all charges for entertainment and non-entertainment services provided to Subscribers;
- (b) Revenue from all charges for the insertion of commercial advertisements upon the Cable System.
- (c) Revenue from all charges for the leased use of studios or Channels;
- (d) Revenue from all charges for the installation, connection and reinstatement of equipment necessary for the utilization of the Cable System and the provision of Subscriber and other service; and
- (e) Revenue from the sale, exchange or use or cablecast of

any programming developed for community use or institutional users.

Gross Revenues shall include, valued at contract price levels, the value of any goods, services, or other remuneration in non-monetary form, received by TWE or others described above in consideration of performance by TWE or others described above of any advertising or other service in connection with the Lahaina System.

This change in 2000 radically decreased the amount that TWE (now OTWC) was required to pay in exchange for its use of public rights of way in its cable business.

TWE/OTWC has enjoyed a 95% share of Hawai'i's video market, although this is beginning to shift now that Hawaiian Telcom has entered the O'ahu market. During the years that TWE/OTW was the sole provider of cable services in Hawai'i, consumers' monthly bills for expanded basic cable service nationally have increased at nearly three times the rate of inflation.

In recent years, cable companies such as Time Warner Cable, Inc. have had to pay more for programming; this year (2013) consumers watched on the sidelines as media giants Time Warner Cable, Inc. and CBS took turns accusing each other of unreasonable and ruthless negotiating tactics. As programming costs rise and consumers look for alternatives, cable companies have two methods for keeping their lucrative operating margins steady.

First, cable companies increase consumers' monthly cable bills for video service; Time Warner Cable's video revenues jumped from \$69 billion to \$84 billion between 2007 and 2012. Even this substantial price increase was not enough to keep its video operating margins from declining, from 30% to 24%. However, Time Warner Cable makes enormous profits on its unregulated internet business, which sends data over the same cables that transmit video, across the same public rights of way. Profit margins of a whopping 97% on existing internet services¹ further offset the effect of declining video operating margins, so that between 2007 and 2012, while the United States struggled through a deep recession, Time Warner Cable's total company operating margins increased from 36% to 37%.

Again, the secret to Time Warner Cable's success is to keep subscriber fees high, which is easy to do when you are the only cable provider in the state. In its Hawaii Broadband Strategic Plan, DCCA concluded that "comparative pricing with selected cities around the world reflects that the cost for broadband in Hawaii is very high for the speed of service received."² For \$32/month, a resident of Honolulu gets a maximum download speed of 3 Mbps from OTWC, while residents of Seoul enjoy download speeds of 100 Mbps for the same cost, and residents of San Francisco can obtain speeds of 200 Mbps for

¹ <http://www.technologyreview.com/news/510176/when-will-the-rest-of-us-get-google-fiber/>

² Hawaii Broadband Strategic Plan, p.44

\$38/month. With 666 fewer subscribers in 2011 than in 2007, OTWC pulled more than \$65 million out of Maui County in 2011, compared to \$53 million in 2007.

When it was granted the Maui County franchise in 1999, "TWE . . . proposed to provide advanced interactive cable services such as broadband Internet access and digital services to subscribers within the cable franchise areas whenever such services became technically, economically or otherwise feasible." [D&O 317 (2005), p.5] Over the years, it became clear that such services would never be "feasible" for certain areas of Maui County as far as TWE was concerned. Finally, DCCA prevailed upon TWE to act on behalf of the public interest. "The Department requested TWE to provide this service to Hana as soon as possible, as opposed to having Hana subscribers wait until the service became technically and economically feasible based on TWE's business plan." *Id.* p.6 When DCCA stood up for underserved areas of Maui County, TWE had no choice but to deliver improved service even when they claimed it was not "feasible."

The technological landscape is changing, and in many places across the United States, cable companies have swallowed up community access media. Hawai'i was a leader of public access media in the 1980s, and it has the opportunity to regain its leadership role now. It is still possible to negotiate a good deal for the public and for community access media from subsidiaries of Time Warner Cable, Inc. (such as Oceanic Time Warner Cable) if the local franchising authority requires it as a condition for franchise renewal. In 2011, the local franchising authority in Manhattan required Time Warner NY Cable LLC to make substantial grants to the local community access organization for the duration of the franchise term. These grants are in addition to the 5% franchise fees that the cable company pays to the local franchising authority, calculated using a generous definition of "Gross Revenues" that includes many of the elements included in the Maui County definition prior to 2000. To see what is possible, we respectfully request that DCCA consider what the OTWC affiliate agreed to in Manhattan, where the local franchising authority made strong support for public access a condition of franchise renewal.

As funding for PEG access services in Maui County, Akakū proposes to receive a minimum of 3.5% of Oceanic Time Warner Cable's Gross Revenue from Cable Service, with the definition of "Gross Revenue" restored to what it was in Maui County prior to 2000.

Akakū also proposes to receive capital funds from OTWC in the amount of \$9.00 per subscriber in the first year of the contract term, increased by 4% each year.

If during the term of the franchise, the amounts payable by OTWC to Akakū decrease as a result of any legislative, regulatory or technological change, OTWC shall continue for the duration of the term of the franchise to pay the Akakū an amount equal to the greater of: (a) the amount it paid in the last calendar year ending before the calendar year in which the decrease first occurred or (b) the average annual amount of paid by OTWC over the term of the franchise before the beginning of the calendar year in which the decrease first occurred. This amount will be adjusted annually for inflation using the Gross National Product Price Index.

If a cable franchise for Maui County (or any part of Maui County) is granted to any entity other than OTWC, that franchisee will agree to the same or better terms regarding the Akakū and PEG access channels as those in the agreement with OTWC.

Funds received by Akakū from OTWC may be used for any cable-related purpose. Looking to what OTWC's sister company agreed to in Manhattan in 2011, funds can be used by the community access organization "in its discretion for public access costs . . . as may be determined by [the community access organization] and its Board of Directors."

OTWC will pay Akakū the amount of any increased expenses or costs to Akakū as a result of the transition to digital, including without limitation the cost of (i) internet connection and equipment costs, (ii) PEG conversion of NTSC signal to digital, (iii) upgrades for high definition and enhanced services and (iv) additional staff and operating costs. OTWC will also pay the cost of interconnection of PEG access channels to the OTWC cable network, IPTV system and carriers.

If OTWC is required by law or regulation to meet any technical standards not currently necessary for the production and distribution of Akakū's content, and adhering to these standards requires new equipment not currently contemplated by the parties, OTWC will make such equipment available to Akakū at no cost.

OTWC's payment obligations will be the same whether or not Akakū fully allocates or spends the funds received.

OTWC will provide high speed broadband internet of at least 1 gigabit-per-second symmetrical download and upload speeds for all Akakū facilities, to support Akakū's ability to download video from community producers and to send video over the internet to other PEG facilities in Hawai'i. At present, Akakū is required to use some of the AOFs received from OTWC to pay OTWC high retail costs for slow internet.

10. Ability to Provide Reports, Audits and Information to DCCA

Akakū is able to provide all reports, audits and information requested by DCCA. As the PEG access organization for Maui County, Akakū provides detailed reports required by the current PEG access agreement. A copy of the reporting requirements in the current PEG access agreement (pp. 4 - 6) is attached.

In addition, Akakū cooperates fully with DCCA's outside auditor in detailed performance audits, which are submitted to DCCA.

6. **Insurance.** Procure and maintain appropriate levels of insurance coverage for workers' compensation, general liability (including property damage and bodily injury), broadcasters' liability, equipment and facilities, and any other insurance coverage required by law.

C. **Akaku's Reporting Requirements.** In order that the Director may monitor Akaku's compliance with the provisions of this Agreement, Akaku shall file with the Director the following:

1. Amendments to the articles of incorporation and by-laws no later than 30 days after approval by the board of directors.

2. A roster of the board of directors and officers and their respective term of office no later than 30 days after Akaku's annual meeting or no later than 30 days after a change in board membership when the change occurs other than at the annual meeting.

3. Annual financial statements no later than 90 days following the close of each calendar year.

4. Annual audited financial statements no later than 30 days after acceptance by the board of directors.

5. The 1999 annual operational plan and budget upon execution of this Agreement. For each year thereafter an annual operational plan and budget shall be due on or before June 1, e.g., the 2000 annual operational plan and budget shall be due on or before June 1, 2000. Notwithstanding the generality of the foregoing, Akaku shall also develop and periodically update a strategic or long-range planning document for a period not less than three years, and shall submit a copy of such document no later than 30 days after acceptance by the board of directors.

6. Complete equipment inventory upon execution of this Agreement, and thereafter an annual update on or before June 1 of each year.

7. An annual activity report no later than 30 days following the close of each calendar year which shall include, but not limited to, the following information:

- a. **Public Access Programming:**
 - i. **Total hours of programming;**
 - ii. **Total hours of locally produced original programming;**
 - iii. **Total hours of repeat programming; and**
 - iv. **Total hours of programming submitted but not aired and reasons therefor.**

- b. **Governmental Programming:**
 - i. **Total hours of programming;**
 - ii. **Total hours of locally produced original programming;**
 - iii. **Total hours of repeat programming; and**
 - iv. **Total hours of programming submitted but not aired and reasons therefor.**

- c. **Educational programming:**
 - i. **Total hours of programming;**
 - ii. **Total hours of locally produced original programming;**
 - iii. **Total hours of repeat programming; and**
 - iv. **Total hours of programming submitted but not aired and reasons therefor.**

- d. Summary of all channel outages from maintenance records including total hours and reasons therefor.
- e. Facility Use:
 - i. Number of new users; and
 - ii. Number of repeat users.
- f. Training:
 - i. Number of persons certified to use the access equipment; and
 - ii. Number of persons who failed to be certified or did not complete certification to use the access equipment.
- g. Summary of complaints including the nature of the complaints and the actions taken.
- h. Summary of outreach and marketing efforts.
- i. Summary of revenues from sources other than TWE Maui and TWE Hawaiian including the amounts, sources, and purpose of funds.

Notwithstanding the generality of the above, quarterly reports for items described in subparagraphs a through i of paragraph C7 above shall be available for review and inspection by the Director or the Director's designee upon request.

8. Akaku shall submit the 1998 year end activity report on or before September 30, 1999. For each year thereafter Akaku shall submit an annual year end activity report no later than 90 days after the close of each annual year, e.g., the 1999 year end activity report shall be due on or before September 30, 2000. Akaku shall set benchmarks for the indicators listed in paragraph C 7 hereof based on its annual operational plan and budget.

9. Notwithstanding any provision to the contrary, the Director may require Akaku to provide any additional information that the Director deems necessary.

11. Commitment to Expanding the Marketplace of Ideas and to the Public's Expression of First Amendment Rights

Akakū's mission is "Empowering Our Community's Voice through Access to Media" and one of Akakū's slogans is "Be Heard". Akakū's commitment to expanding the marketplace of ideas and to the public's expression of First Amendment rights is written into its Articles of Incorporation:

The specific and primary purpose of the corporation is to promote the creation, production and cablecasting of programs by, for and about Hawaii.

Such programs will be aimed at the preservation, development and enhancement of the diversity of thought, culture and heritage within Hawaii. Through these activities the corporation will facilitate lifelong learning and the community's participation in the democratic process.

Articles of Incorporation, Maui County Community Television, Inc., Art. IV, Sec. 1(a).

For more than 20 years, Akakū has stood as a beacon of free speech in Maui County, just as PEG access media has held strong in Hawai'i despite nationwide attempts by all of the cable companies to weaken or shut down community media. In the 21st century, PEG access media has become the last bastion of unfiltered, local free speech, diversity of viewpoint, media literacy training and electronic democracy not tied to a commercial advertising model. People sometimes ask, "Why do you need PEG when there's YouTube?" YouTube, Vimeo, Instagram and Facebook are not local, and they are not non-profit organizations dedicated to a public purpose. Now that these services are maturing as commercial entities, and with the decline of journalism, "Empowering Our Community's Voice through Access to Media" may be more relevant today than ever.

Akakū remains committed to expanding the marketplace of ideas and the public's expression of First Amendment rights by:

- Outreach to the many communities and cultures of Maui Nui to promote media literacy and diversity of viewpoints and opinions
- Maintaining and supporting media centers on Moloka'i and Lana'i
- Empowering Maui youth to tell the stories of their communities in their own words, using the latest media tools and modes of expression
- Keeping the PEG access channels and community media resources fully accessible to everyone in Maui County

- Cablecasting content from the community with no editorial control or censorship (other than legal restrictions against obscenity, fraud, invasion of privacy, libel and slander, and commercial promotions)
- Providing access to media-rich tools, skills and ideas
- Supporting a strong network of community producers providing a wide range of content
- Continuing to provide coverage of Maui County government, to support civic engagement by County residents

We believe these endeavors are worth our and DCCA's best efforts to ensure that First Amendment principles are preserved in the future, regardless of changes in technology.

12. Support for Educational Entities

Akakū entered into an Agreement dated April 7, 2005, as amended by the Supplemental Agreement dated February, 2006, among Akakū, Maui Community College (now known as University of Hawai'i Maui College) ("UHMC") and the State of Hawaii Department of Education – Maui District ("MDOE" and together with UHMC, "MENC"). This Agreement requires Akakū to provide channels and funding to MENC for accredited educational services and programs and requires MENC to explore whether private accredited schools are interested in educational programming on cable television.

In accordance with this agreement, Akakū remits to MENC 25% of the Access Operating Fees paid by Oceanic Time Warner Cable to Akakū.

In addition to this direct financial support for UHMC and MDOE, Akakū provides media education and training for youth from charter schools, high schools and middle schools on Maui, Moloka'i and Lana'i and is continuing to develop collaborative, supportive relationships with educational entities across Maui Nui. Akakū's PEG access channels also include educational programming submitted by community members, such as instruction on gardening and yoga and discussions of civic issues of interest to the community.

13. Prior Dealings and Relationship with the State

As the sole provider of PEG access facilities and services in Maui County for more than 20 years, Akakū has a long-standing relationship with the State. As described in Section 10 above, Akakū provides extensive and detailed reports and information to the State on an annual basis and participates in external performance audits required by DCCA. In addition, Akakū is an active participant in the legislative and administrative process as it relates to community media and broadband in Maui County. Akakū cares deeply about community media in Maui County and supports the democratic process as the State shapes its media and telecommunications policies for the 21st century.

Akakū also provides media coverage of state elections and candidates, from the perspective of the Maui County community. When the Governor and members of his cabinet held community meetings on Maui, when the Hawai'i Supreme Court was in session at Baldwin High School on Maui, and when key members of the Hawai'i State Legislature and federal government visit Maui, Akakū provides television coverage so that the larger community has access to these events.

Akakū enjoys excellent relationships with the Mayor of Maui County and his office, the Maui County Council, all elected officials representing Maui County in the Hawai'i State Legislature, with Governor Abercrombie and Lt. Governor Shan Tsutsui, United States Senators Brian Schatz and Mazie Hirono, and Congresswoman Tulsi Gabbard.

14. Contract Terms

Included with this Application as Appendix A is a draft PEG Access Organization Agreement between DCCA and Akakū. The proposed contract will have a term of fifteen years or the duration of the franchise, whichever is longer. To safeguard public access media in Maui County from the changing tides of politics, and to ensure that First Amendment rights are not chilled by the possibility of losing access to media, the contract can only be terminated for cause, after a reasonable opportunity for cure. The proposed contract retains reporting and record-keeping requirements similar to those in the 1999 Agreement and requires Akakū to continue to support UH Maui College and MDOE by providing PEG access channels and 25% of the Access Operating Fees received by Akakū.

Attached to the proposed contract are key terms that Akakū respectfully requests DCCA to include in OTWC's franchise, which have direct consequences for the designated PEG access organization and significantly affect the future well-being of the residents of Maui County.

15. Ownership of PEG Access Facilities and Equipment

AOFs and Capital Fees Not Expended During the Term of the New Contract

Akakū proposes that upon termination of the new designation contract, it will transfer to DCCA or its designee the remaining balance of any Access Operating Fees (“AOFs”) and capital funds paid to Akakū during the term of its new contract with DCCA (the “New Contract”) which were not expended by Akakū in fulfilling the terms of the New Contract.

AOFs and Capital Fees Received Prior to the New Contract

Any unspent AOFs and capital funds received prior to the execution of the New Contract will be used to support PEG access media in the same way that unspent AOFs and capital contributions continue to be available from year to year during the term of the 1999 Agreement, and will be available from year to year during the term of the New Contract. The New Contract will supersede the 1999 Agreement, but it also continues the designation of Akakū as the PEG access organization for Maui County.

PEG Access Facilities and Equipment Purchased with AOFs or Capital Fees

Although some government grants include a reversionary interest, this is not required by Hawai'i law, and many types of grants are made without any reversionary interest. Moreover, AOFs and capital funds from the cable company are not government grants. They are funds collected from cable subscribers in Maui County and paid by the cable company as relatively a modest rent for use of public rights of way in Maui County from which the cable company derives enormous revenues and profits. This rent is required to be paid to a designated non-profit organization serving the public interest by acquiring facilities and equipment that empower community members and community organizations in Maui County to produce and distribute their own media content. This non-profit mission would continue even if the designation contract were terminated.

In addition to AOFs and capital funds paid to the PEG access organization, DCCA will most likely continue to require the cable company to provide funds to PBS Hawaii as a condition of franchise renewal, but PBS Hawaii is not required to surrender program equipment purchased with cable franchise fees, which are used to support its mission. Finally, a reversionary interest that would result in the surrender of the PEG access organization's capital assets could be used by the State to threaten or control the PEG access organization, chilling the expression of First Amendment rights and free speech in Maui County and creating potential liability for the State.

For these reasons, we respectfully propose that upon termination of the New Contract, any unspent AOFs and capital funds received by Akakū as the designated PEG

For these reasons, we respectfully propose that upon termination of the New Contract, any unspent AOFs and capital funds received by Akakū as the designated PEG access organization for Maui County will be remitted to DCCA or its designee, and all other assets held by Akakū will be retained for the continued fulfillment of its non-profit mission in service to the people of Maui County.

16. References

Maui County community leaders whom DCCA may contact as references for Akakū include the following people:

Mayor Alan Arakawa
Kalana O Maui Building, 9th Floor
200 South High Street
Wailuku, Hawai'i 96793
Phone: (808) 270-7855

Gladys Baisa
Council Chair
Maui County Council
Kalana O Maui Building
200 South High St., 7th Floor
Wailuku, Hawai'i 96793
Phone: (808) 270-7939

Jeanne Unemori Skog
President & CEO
Maui Economic Development Board, Inc.
1305 North Holopono Street, Suite 1
Kihei, Hawai'i 96753
Phone: (808) 875-2300

For Governor Abercrombie's remarks regarding Akakū's contributions to Maui County, please see the following interview, conducted and videotaped by Project YBEAM youth mobile journalists in August, 2013:

<http://ybeam.mauitube.org/video/abercrombie-2013-woh>

APPENDIX A

PEG ACCESS ORGANIZATION AGREEMENT

This PEG Access Organization Agreement dated as of _____, 2013 (as from time to time in effect, this "**Agreement**") is by and between the State of Hawai'i Department of Commerce and Consumer Affairs ("**DCCA**") and Maui County Community Television, Inc., a Hawai'i non-profit corporation doing business as Akakū: Maui County Community Television (the "**PEG Access Organization**").

RECITALS

.At present, there are two cable franchises in Maui County: one for East Maui, Lana'i and Moloka'i (the "**Tri-Island Franchise**") and another for certain areas of West Maui and Lahaina (the "**West Maui Franchise**"). In 1995, DCCA approved the transfer of the West Maui Franchise to Time Warner Entertainment Company, L.P., a Delaware limited partnership ("**TWE**"), pursuant to DCCA Decision & Order ("**D&O**") No. 174 dated October 2, 1995. In 1999, DCCA approved the transfer of the Tri-Island Franchise to TWE, pursuant to D&O No. 241 dated May 10, 1999. Also in 1999, DCCA extended the term of the West Maui Franchise to December 31, 2013.

In D&O 261 dated August 11, 2000, DCCA approved the transfer of the Tri-Island Franchise and the West Maui Franchise, which occurred as a result a change of control of TWE upon the merger of America Online, Inc. and Time Warner Inc.

In D&O 317 dated March 28, 2005, DCCA extended the term of the Tri-Island Franchise to December 31, 2013.

In D&O 355 dated September 21, 2012, DCCA approved the transfer of the Tri-Island Franchise and the West Maui Franchise to Oceanic Time Warner Cable LLC, a Delaware limited liability company ("**OTW**"), as part of a corporate restructuring of TWE and its affiliates.

DCCA and the PEG Access Organization entered into an Agreement dated February 23, 1998 (the "**1998 Agreement**"), pursuant to which DCCA designated the PEG Access Organization to manage and operate public, education and government ("**PEG**") access channels, facilities, equipment and finances for Maui County. The 1998 Agreement was superseded by an Agreement dated May 26, 1999 between DCCA and the PEG Access Organization (the "**1999 Agreement**"), pursuant to which the PEG Access Organization continues to manage and operate the PEG access channels, facilities and equipment for Maui County. The term of the 1999 Agreement has been extended by a series of supplemental agreements, the most recent of which is Supplemental Agreement No. 24 dated June 14, 2013 (the "**Supplemental Agreement**"), which extended the term of the 1999 Agreement to December 31, 2013.

In accordance with the 1999 Agreement as extended by the Supplemental Agreement, the PEG Access Organization receives the funds required to be paid by OTW to support PEG access operations, facilities and equipment, consisting of (i) payments for operating funds pursuant to D&O 174 and D&O 241 and (ii) payments for facilities and equipment, pursuant to

D&O 174 and D&O 241, as supplemented by D&O 321 dated August 4, 2005.

The PEG Access Organization entered into an Agreement dated April 7, 2005, as amended by the Supplemental Agreement dated February, 2006 (the "Education Agreement"), among the PEG Access Organization, Maui Community College (now known as University of Hawai'i Maui College) ("UHMC") and the State of Hawaii Department of Education – Maui District ("MDOE" and together with UHMC, the "Maui Educational Network Consortium" or "MENC"). The Education Agreement requires the PEG Access Organization to provide channels and funding to MENC for accredited educational services and programs and to remit to MENC 25% of the access operating funds paid by OCTW to the PEG Access Organization.

On June 2, 2011, TWE notified DCCA of its intent to renew the Tri-Island Franchise and the West Maui Franchise and also requested that DCCA consolidate the two franchises into a single Maui County franchise.

The PEG Access Organization has applied to DCCA to be designated as the PEG access organization for Maui County pursuant to a new agreement between DCCA and the PEG Access Organization, which shall supersede the 1999 Agreement, and DCCA has determined to grant this application, subject to the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, DCCA and the PEG Access Organization hereby agree as follows.

1. Definitions. The following terms shall be used in this Agreement as defined below:

"Existing D&O's" shall mean, collectively, all of the D&O's referred to in the Recitals to this Agreement.

"Franchise D&O" shall mean the D&O, issued by DCCA to renew the cable franchise(s) for Maui County held by OTW.

"Access Operating Fees" shall mean the PEG access operating funds and PEG operating funds referred to in the Existing D&O's; provided, however, that upon issuance of the Franchise D&O, the term "Access Operating Fee" shall be used herein as defined in the Franchise D&O.

"Capital Fund Payments" shall mean the PEG capital contributions, capital funds, and contributions of capital for PEG facilities and equipment referred to in the Existing D&O's; provided, however, that upon issuance of the Franchise D&O, the term "Capital Fund Payments" shall be used herein as defined in the Franchise D&O.

"PEG Access Facilities and Equipment" shall mean the facilities and equipment and PEG facilities and equipment referred to in the Existing D&O's; provided, however, that upon issuance of the Franchise D&O, the term "PEG Access Facilities and Equipment" shall be used herein as defined in the Franchise D&O.

"PEG Access Channels" shall mean the public, education and government channels referred to in the Existing D&O's; provided, however, that upon issuance of the

Franchise D&O, the term "PEG Access Channel" shall be used herein as defined in the Franchise D&O.

2. Services by PEG Access Organization. The PEG Access Organization shall provide the following services during the term of this Agreement.

2.1. PEG Access Channels. The PEG Access Organization shall manage and operate the PEG Access Channels for public, education and government programming purposes and any other charitable, non-profit purpose or other similar purpose, including without limitation the generation of revenues by activities reasonably related to such uses and purposes; provided, however, that MENC shall program the PEG Access Channels allocated to it.

2.2 Community Media Access Centers. The PEG Access Organization shall manage video and digital media production facilities at the locations specified on Exhibit A hereto and at such other locations in Maui County as the PEG Access Organization may from time to time determine (the "PEG Media Centers").

2.3 PEG Access Facilities and Equipment. The PEG Access Organization shall provide facilities and equipment for the production and programming of video and digital media to be distributed on the PEG Access Channels and any other media platform.

2.4 Access to Channels, Facilities and Equipment; Policies and Procedures. The PEG Access Organization shall provide non-discriminatory access to the PEG Access Channels and the PEG Access Facilities and Equipment for all members of the Maui County community who request access, subject to written policies and procedures adopted by the Public Access Organization (as from time to time in effect, the "Policies and Procedures"). The Policies and Procedures shall be available for review at each facility operated by the Public Access Organization and on its website.

2.5 Training and Support. The PEG Access Organization shall provide community members and educational, governmental and community organizations with training and technical advice in support of video production and post-production and the use of the PEG Access Facilities and Equipment.

2.6 Playback/Cablecast. The PEG Access Organization shall provide for the playback/cablecasting of programs on the PEG Access Channels in accordance with the Policies and Procedures; provided, however, that the PEG Access Channels designated for use by MENC pursuant to the Education Agreement shall be programmed by MENC. The PEG Access Organization shall cablecast an average of five hundred (500) hours of local, original, replayed and outside programming per week.

2.7 Maintenance of Equipment. The PEG Access Organization shall be responsible for maintenance of all equipment and facilities purchased or leased by it with funds received pursuant to this Agreement and/or donated or loaned to the PEG Access Organization by TWE and shall provide regular maintenance and repair of such equipment and facilities as needed in the ordinary course of its operations. The PEG Access Organization may dispose of or replace any such equipment in the ordinary course of its operations.

2.8 Promotion. The PEG Access Organization shall organize ongoing community outreach to promote the use and benefits of the PEG Access Channels and the PEG Access Facilities and Equipment.

2.9 Other Activities. The PEG Access Organization may undertake other PEG-related video and media production, programming and distribution activities and services as it from time to time deems appropriate to serve the needs of the communities of Maui County, and may engage in any other lawful activities consistent with its Articles of Incorporation.

2.10 Community Anchor Institution. DCCA recognizes that its activities on behalf of the communities of Maui County qualified the PEG Access Organization as a community anchor institution.

4. Additional Covenants.

4.1 Open Access. The PEG Access Organization shall keep the PEG Access Channels open to all members of the community, regardless of viewpoint or content, subject however to the Policies and Procedures and applicable laws and regulations. Neither DCCA, nor the State of Hawai'i, nor OTW or any of its affiliates, shall directly or indirectly control the content of programming on the PEG Access Channels (other than the PEG Access Channels programmed by MENC pursuant to the Education Agreement). Notwithstanding the foregoing provision, the PEG Access Organization, DCCA, the State of Hawai'i, OTW and its affiliates may produce, sponsor or underwrite programs or promote the production of programs or use of the PEG Access Channels by particular groups within the community, subject to the Policies and Procedures and applicable law and regulations.

4.2 Ownership. The PEG Access Organization shall own the copyright to all content which it may from time to time create. The copyright to content produced by any other person or entity shall be determined by applicable law.

4.3 Reporting Requirements; Audits. The PEG Access Organization shall file the following documents with DCCA:

(a) All amendments to the Articles of Incorporation or Bylaws of the PEG Access Organization, no later than thirty (30) days after approval by the Board of Directors of the PEG Access Organization (the "Board of Directors").

(b) A list of the names of the members of the Board of Directors and the officers of the PEG Access Organization, no later than thirty (30) days after the annual meeting of the PEG Access Organization and no later than thirty (30) days after a change in board membership or officers if the change occurs at any time other than the annual meeting.

(c) The PEG Access Organization's annual financial statements, no later than ninety (90) days after the end of its fiscal year.

(d) The PEG Access Organization's annual audited financial statements, no later than thirty (30) days after acceptance by the Board of Directors.

(e) An annual operational plan and budget for the next fiscal year, on or before June 1 of each year.

(f) An annual update of the equipment inventory on file with DCCA, on or before June 1 of each year.

(g) A strategic or long-range plan for a period of not less than three (3) years and periodic updates thereto, no later than thirty (30) days after acceptance by the Board of Directors.

(h) Prior to September 1 of each year, an annual activity report containing the following information for the most recently ended fiscal year of the PEG Access Organization:

(i) For public access programming on the PEG Access Channels (other than those programmed by MENC): The total number of hours of (A) public access programming; (B) locally produced original public access programming; (C) repeat public access programming; and (D) public access programming submitted but not aired and the reasons therefore.

(ii) For governmental programming on the PEG Access Channels (other than those programmed by MENC): The total number of hours of (A) governmental programming; (B) locally produced original governmental programming; (C) repeat governmental programming; and (D) governmental programming submitted but not aired and the reasons therefore.

(iii) For educational programming on the PEG Access Channels programmed by MENC (provided, however, that this information is furnished to the PEG Access Organization by MENC in a timely manner for inclusion in the annual activity report): The total number of hours of (A) educational programming; (B) locally produced original educational programming; (C) repeat educational programming; and (D) educational programming submitted but not aired and the reasons therefore.

(iv) A summary of all outages on the PEG Access Channels, including the total hours and reasons therefor.

(v) For the video production and post-production equipment in the PEG Media Centers: the number of new users and the number of repeat users.

(vi) For training in the use of video production and post-production equipment in the PEG Media Centers: the number of people certified to use equipment and the number of people who began the certification process but did not complete it or failed to meet the certification requirements.

(vii) Summary of complaints received by the PEG Access Organization and the actions taken.

(viii) Summary of the PEG Access Organization's outreach and marketing efforts.

The PEG Access Organization shall make available for review by the Director or the Director's designee during ordinary business hours of the PEG Access Organization the information described in paragraph (h) above for any fiscal quarter of the PEG Access Organization within the then current or immediately preceding fiscal year; provided, however, that DCCA shall give the PEG Access Organization at least sixty (60) days prior written notice that DCCA wishes to review such information.

In addition to the reports required to be filed by the PEG Access Organization pursuant to this Agreement, the Director, in the Director's sole discretion and at DCCA's sole expense, may require an audit of the PEG Access Organization's accounts during the PEG Access Organization's normal business hours by an auditor or accountant designated by the Director; provided, however, that there may not be more than one such audit in any twelve-month period.

4.4 Records. The PEG Access Organization shall maintain the following documents at its principal office and shall submit copies to the Director upon request:

(a) Evidence of workers' compensation, general liability, cablecaster's liability, and equipment and facilities insurance coverage and any other insurance policies relating to the responsibilities of the PEG Access Organization under this Agreement.

(b) Operating policies and procedures, as the same may be amended from time to time amended.

(c) Training schedules and manuals, as the same may be revised from time to time.

4.5 Compliance with Laws, Rules and Regulations. The PEG Access Organization shall comply in all material respects with the Existing D&O's as long as they are in effect (and when issued, the Franchise D&O) and all laws, rules and regulations applicable to the PEG Access Organization and its operations and properties, including without limitation the American with Disabilities Act (ADA).

4.6 Tax-Exempt Status. The PEG Access Organization shall maintain its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986 and the rules and regulations thereunder, as from time to time in effect.

5. Designation and Funding. The PEG Access Organization is hereby designated as the entity that shall receive Access Operating Fees and Capital Fund Payments in accordance with the Existing D&O's (and once it is issued, the Franchise D&O).

This designation shall remain in effect for the duration of the term of this Agreement. DCCA agrees that the amount of Access Operating Fees and Capital Fund Payments payable to the PEG Access Organization during the term of this Agreement shall not be less than the amounts set forth in the Existing D&O's as of the date hereof and in the Franchise D&O as of the date on which it is issued. In addition, DCCA shall include in the Franchise D&O the terms attached hereto as Exhibit B, regarding the PEG Access Organization, Access Operating Fees, Capital Fund Payments, PEG Access Channels and PEG Facilities and Equipment.

Access Operating Fees may be used by the PEG Access Organization in its discretion for cable related expenses, local PEG access programming development and other PEG access

costs as may be determined by the PEG Access Organization and its Board of Directors; provided, however, that the PEG Access Organization shall remit 25% of the Access Operating Fees received by it to MENC in accordance with the Education Agreement

Capital Fund Payments may be used by the PEG Access Organization in its discretion for any PEG access facilities and equipment, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, computer hardware and software, internet costs, information technology services and equipment, cameras, office equipment, and renovation or construction of PEG access channel facilities.

The PEG Access Organization shall deposit and maintain all funds received pursuant to this Agreement in interest-bearing accounts in any federally insured financial institution(s) authorized to do business in the State of Hawai'i. The PEG Access Organization shall maintain separate accounts for Access Operating Fees and for Capital Fund Payments and shall not commingle Access Operating Fees and Capital Fund Payments without prior written consent from the Director. Any funds received by the PEG Access Organization pursuant to this Agreement not expended in the fiscal year in which they were received may be carried over into succeeding years during the term of this Agreement.

The designation of the PEG Access Organization pursuant to this Agreement shall not limit or prevent the PEG Access Organization from receiving additional funds from other sources during the term of this Agreement, which it may spend or invest for any lawful purpose consistent with its Articles of Incorporation. Such sources of funds may include without limitation class tuition, video and/or media production contracts (including without limitation contracts to provide services to government entities), rents, "social enterprise" initiatives, grants, non-profit fundraising, and any other lawful source of funds.

6. Term. This Agreement shall have a term of fifteen (15) years, beginning on _____, 2013 and ending on _____, 2028, unless sooner terminated in accordance with the following Section of this Agreement; provided, however, that if the Maui County franchise(s) granted to OTW pursuant to the Franchise D&O is for a period longer than fifteen (15) years, this Agreement shall automatically be extended for such longer period, unless sooner terminated in accordance with the following Section of this Agreement.

7. Termination. DCCA shall have the right upon one hundred twenty (120) days written notice to the PEG Access Organization to terminate this Agreement if the PEG Access Organization breaches any provision of this Agreement and fails to cure such breach within ninety (90) days after receiving written notice of the breach from DCCA, or such longer period of time as may be reasonable given the nature of the cure.

Upon termination of this Agreement, the PEG Access Organization shall remit to DCCA the remaining balance of all Access Operating Fees and Capital Fund Payments received by the PEG Access Organization pursuant to this Agreement and not expended as of the date of termination.

8. Indemnification.

The Public Access Organization shall indemnify, defend and hold harmless the State of Hawai'i and its departments, officers, employees and contractors from and against any and all

claims, actions, losses, expenses, damages or liability to person or property arising out of or resulting from any breach of this Agreement, or any negligent or unlawful act in connection with the performance of this Agreement, by the Public Access Organization or any of its officers, employees, agents or contractors. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or termination of this Agreement.

The State of Hawai'i shall indemnify, defend and hold harmless the Public Access Organization and its directors, officers, employees and contractors from and against any and all claims, actions, losses, expenses, damages or liability to person or property arising out of or resulting from any breach of this Agreement, or any negligent or unlawful act in connection with the performance of this Agreement, by the State of Hawai'i or any of its departments, officers, employees, agents or contractors. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or termination of this Agreement.

9. No Joint Venture. Nothing in this Agreement shall be interpreted to create or imply a partnership or joint venture between the State of Hawai'i and the PEG Access Organization, or that any party hereto is the agents or assignee of the other.

10. Assignment. Neither this Agreement nor any interest herein shall be assigned by either party hereto without the prior written consent of the other party.

11. No Waiver. No failure or delay of either party to require performance of any term or condition under this Agreement shall constitute a waiver of such term or condition or of any breach thereof. No waiver of any term or condition under this Agreement shall be effective unless in writing and signed by the party entitled to enforce such term or condition. No such waiver shall constitute or be deemed to be a waiver of any other term or condition of this Agreement or any subsequent breach of the same term or condition.

12. Applicable Law. This Agreement shall be governed by and interpreted in accordance with federal law and the laws of the State of Hawai'i without regard to conflicts of laws principles.

13. Notices. All notices required to be given by either party shall be given in writing by United States mail, postage prepaid and addressed as follows (or at such other address as either party may specify by written notice to the other):

If to DDCA, to:

DCCA-CATV
P.O. Box 541
Honolulu, Hawai'i 96809
Attn: Director

If to the PEG Access Organization, to:

Akakū: Maui Community Television
333 Dairy Road, Suite 104
Kahului, Hawai'i 96732
Attn: President/CEO

14. Separability. If any term or provision of this Agreement is determined to be illegal, invalid or unconstitutional by a final order of any court of competent jurisdiction or by a final order of any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other term or provision hereof, all of which will remain in full force and effect for the term of this Agreement.

15. Ratification of Education Agreement. The PEG Access Organization hereby ratifies and confirms that the Education Agreement is in full force and effect on and as of the date hereof and is not amended or superseded by this Agreement.

16. Termination of 1999 Agreement; Entire Agreement; Amendments; Counterparts. The 1999 Agreement shall automatically terminate when both parties have executed and delivered this Agreement. This Agreement is the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior negotiations and agreements, whether written or oral. This Agreement may be amended only in a written document signed by both parties. This Agreement may be executed in counterparts, each of which shall be deemed an original and which together shall constitute one and the same instrument.

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

**STATE OF HAWAII
DEPARTMENT OF COMMERCE
AND CONSUMER AFFAIRS**

Keali'i Lopez
Director

**MAUI COUNTY COMMUNITY
TELEVISION, INC., d/b/a/
AKAKŪ: MAUI COMMUNITY TELEVISION**

Jay April
President and CEO

LOCATIONS OF FACILITIES

333 Dairy Road
Kahului, Hawai'i 96732

40 Ala Malama, 2nd Floor
Kaunakakai, Hawai'i 96748

Old Dole Administration Building, Suite 127
Lana'i City, Hawai'i 96763

FRANCHISE TERMS

PEG Access Funding

*Raise franchise fees to the maximum allowed by law (5% of OTW Gross Revenue from Cable Service), with a minimum of 3.5% paid to the PEG Access Organization.

**“Gross Revenue” shall mean (as it did in Maui County prior to 2000):

all cash, credits, property of any kind or nature or other consideration derived directly or indirectly by OTW, its affiliates, subsidiaries, parents, and any other person or entity in which OYW has a financial interest or which has a financial interest or which has a financial interest in OTW arising from or attributable to operation of the Cable System, including but not limited to:

- (a) Revenue from all charges for entertainment and non-entertainment services provided to Subscribers;
- (b) Revenue from all charges for the insertion of commercial advertisements upon the Cable System.
- (c) Revenue from all charges for the leased use of studios or Channels;
- (d) Revenue from all charges for the installation, connection and reinstatement of equipment necessary for the utilization of the Cable System and the provision of Subscriber and other service; and
- (e) Revenue from the sale, exchange or use or cablecast of any programming developed for community use or institutional users.

Gross Revenues shall include, valued at contract price levels, the value of any goods, services, or other remuneration in non-monetary form, received by OTW or others described above in consideration of performance by OTW or others described above of any advertising or other service in connection with the Cable System.

*PEG Access Organization will receive capital fees in the amount of \$9.00 per subscriber in the first year of the contract term, increased by 4% each year.

*If during the term of the franchise, the amounts payable by OTW to the PEG Access Organization decrease as a result of any legislative, regulatory or technological change, OTW

shall continue for the duration of the term of the franchise to pay the PEG Access Organization an amount equal to the greater of: (a) the amount it paid in the last calendar year ending before the calendar year in which the decrease first occurred or (b) the average annual amount of paid by OTW over the term of the franchise before the beginning of the calendar year in which the decrease first occurred. This amount will be adjusted annually for inflation using the Gross National Product Price Index.

*If a cable franchise for Maui County (or any part of Maui County) is granted to any entity other than OTW, that franchisee will agree to the same or better terms regarding the PEG Access Organization and PEG access channels as those in the agreement with OTW.

*OTW will pay the PEG Access Organization the amount of any increased expenses or costs to the PEG Access Organization as a result of the transition to digital, including without limitation the cost of (i) internet connection and equipment costs, (ii) PEG conversion of NTSC signal to digital, (iii) upgrades for high definition and enhanced services or (iv) additional staff and operating costs. OTW will also pay the cost of interconnection of PEG access channels to the OTW cable network, IPTV system and carriers.

*If OTW is required by law or regulation to meet any technical standards not currently necessary for the production and distribution of the PEG Access Organization's content, and adhering to these standards requires new equipment not currently contemplated by the parties, OTW will make such equipment available to the PEG Access Organization at no cost.

PEG Access Channels

*OTW shall provide the PEG Access Organization with bandwidth equivalent to a minimum of six analogue channels: one to be programmed by Maui DOE, one to be programmed by UHMC; and four to be programmed by the PEG Access Organization. Additional PEG access channels shall be available if all of the initial access channels are providing original, non-text, non-duplicative programming for at least 80% of the time between 6:00 AM and 12:00 AM for six consecutive months.

*PEG access channels must be carried in the same format and with the same signal quality as all local commercial channels and repeated on all of the same tiers as local commercial channels.

*PEG access channels will not be more difficult for viewers to find than local commercial channels and will not take longer to load or view.

*PEG access channels must remain on all tiers that are available to all subscribers and must not be moved from analogue to digital tiers or require additional equipment, fees or charges without consent of DCCA and the PEG Access Organization.

*No change in channel placement of PEG access channels on any service tier without consent of DCCA and the PEG Access Organization.

*No reduction of electronic spectrum allocated to PEG access channels (including without limitation reduction of electronic spectrum as part of the migration from analogue to digital) without consent of DCCA and the PEG Access Organization.

*PEG access channels on digital tiers must be able to be closed captioned, at OTW's expense.

*PEG access channels must be recordable and able to work with DVR recording devices.

*OTW shall have no ownership rights to any PEG access programming. OTW shall have no editorial or content control over any PEG access programming or distribution of services over any PEG access channel.

Connection and Transmission

*OTW shall maintain at its sole expense the connection of its cable systems to the PEG Access Organization's master control headend(s).

*OTW shall provide, install and maintain in good working order the equipment necessary for transmitting the PEG access channel signals from the connection sites to its customers.

*OTW will provide a HD/ASI connection to its cable system at each programming injection site managed by the PEG Access Organization (Kahului, Wailuku (Maui County Building), Moloka'i, Lana'i) and at any additional sites where the PEG Access Organization opens facilities (West Maui, Hana, South Maui). All of the public access channels must be carried on OTW's system in HD format. As further enhancements in cablecast quality are adopted by OTW, OTW will provide connections to the PEG Access Organization, and will carry all of the PEG access channels, in that format.

Services

*OTW will provide the PEG Access Organization without charge one service outlet for basic service at each PEG access media center (Kahului, Moloka'i, Lana'i, and in the future West Maui, Hana and South Maui).

*OTW will include in its VOD programming at least 25 hours of PEG access programming selected by the PEG Access Organization. The PEG Access Organization will have the option to increase the number of hours during the contract term by 5 additional hours per month at the end of each five year period; provided, however, that if at any time any public access facility in the United States has more hours per month of video on demand capability than the Maui County PEG Access Organization, the Maui County PEG Access Organization's monthly video on demand capability shall be increased to that greater amount.

*OTW will provide live upstream transmission capability and high speed broadband service to the PEG Access Organization at each of its locations in Maui County, with a minimum of 15 megabit symmetrical broadband service by June, 2014; a minimum of 50 megabit symmetrical broadband service by June, 2016; and a minimum of 1 gigabit symmetrical broadband service by June, 2018, all at affordable rates.

Subscriber Outreach

*OTW will provide 100 cross-channel promotional spots ("avails" or listings of spots) per month for the PEG Access Organization to use for promotional or public interest purposes.

*When OTW installs cable TV service, it must provide the subscriber with a Welcome Kit including a listing of the current PEG access channels; a description of the purposes and uses of PEG access channels; and general information about how to obtain further information about PEG access channels. The PEG Access Organization will pay for the production of these materials, and OTW will pay for their copying and distribution. OTW shall also make the same information available on its website. At the request of the PEG Access Organization, OTW will also copy and mail on an annual basis materials produced by the PEG Access Organization regarding PEG access programming and activities and include these materials in the Welcome Kit.

*OTW shall display PEG access channel program content titles in electronic on-screen channel listings in the same manner as it designates all other programming.

Viewership

*To the extent permitted by law, OTW will provide the PEG Access Organization with monthly reports of aggregate data regarding subscriber use of the PEG Access Organization's programming on the OTW VOD platform.

*If OTW collects for itself specific standalone public access viewership information, OTW shall make such specific information available to the PEG Access Organization at the PEG Access Organization's cost and expense subject to any limitation of applicable law including without limitation 47 U.S.C. § 551 regarding protection of subscriber privacy.

*Viewership numbers will not be the primary metric in reviewing PEG services under this contract, because PEG access is a narrowcast medium providing programming to underserved populations.

*PEG Access Organizations in Hawai'i shall be designated as community anchor institutions.

Broadband Services for Maui County

*To prevent a "digital divide" in Maui County, OTW will make fast, affordable internet available to all Maui County residents. OTW will offer a minimum of 15 megabit symmetrical broadband service by June, 2014; a minimum of 50 megabit symmetrical broadband service by June, 2016; and a minimum of 1 gigabit symmetrical broadband service by June, 2018, all at affordable rates (no more than \$32 per month).

*OTW will provide live upstream transmission capability and free high speed broadband service to all community anchor institutions including without limitation Maui County public libraries, public and private schools, hospitals, government buildings and community media centers (including the PEG Access Organization), and other locations designated by Maui County or DCCA.

*OTW will provide bandwidth symmetry (upload and download speeds are the same) for the duration of the franchise and any renewals of the franchise.

*OTW will provide free public WiFi in all Maui County parks, recreation facilities and community

centers.

*OTW will set aside a minimum of 10% of its electromagnetic spectrum for non-commercial use and use by community anchor institutions.

*Whenever OTW installs commercial fiber after the date of the new franchise agreement, it will also install public and I-net fiber alongside the commercial fiber.

*In reviewing OTW's franchise renewal application, DCCA shall consider the effect of net metering, deep packet inspection, filtering of content, bandwidth, data speed, network symmetry and net neutrality. OTW will maintain net neutrality (open internet—no filtering or altering of content) for the duration of the franchise and any renewals of the franchise.

Additional Terms

*OTW franchise will be revocable for cause after notice and due process.

*The PEG Access Organization will be named as a third-party beneficiary of the franchise agreement.

*Maui County, as well as DCCA, shall have the authority to enforce the terms of the franchise.