

Spectrum's past compliance with its obligations under its current Kaua'i Cable Franchise³.

In addition, DCCA held a series of meetings with various stakeholders and groups in the government, educational, and non-profit sectors having particularly strong knowledge, history, or interest in Spectrum's cable system in the County of Kaua'i. Merina also created and distributed a community questionnaire and customer satisfaction survey to the public through the public meetings and DCCA's website, as well as through other means. On August 26, 2015 and August 28, 2015, DCCA held public meetings in the County of Kaua'i (i.e., in Waimea and Lihue) to ensure that the public had ample opportunity to provide input on the renewal process. DCCA also solicited written comments from the public.

On April 5, 2016, Merina submitted to DCCA its "Community Ascertainment and Related-Activities Report", which represented Merina's description of the results of the principal ascertainment and related background study activities. After review and analysis of Merina's report, DCCA informed Spectrum on November 18, 2016 that the ascertainment process was completed.

Because DCCA and Spectrum were unable to finalize the renewal by December 31, 2016, as the deadline for the application for renewal of the Kaua'i Cable Franchise was not due until December 16, 2016, and the application for renewal had yet to be submitted, the parties mutually agreed by letter dated December 8, 2016 to extend the current franchise from December 31, 2016 to March 18, 2017 to allow time for the application to be filed and time for DCCA to make a decision on the application.

On December 16, 2016, Spectrum submitted its "Application for Renewal of Cable Television Franchise" for the County of Kaua'i and Exhibits "A" through "E", along with its application fee to DCCA.⁴ On December 30, 2016, DCCA accepted the Application. On January 26, 2017, DCCA sent a "Request for Clarification of Application" to Spectrum to obtain additional information necessary for DCCA to process the Application. On February 15, 2017, Spectrum filed its Response to DCCA's Request for Clarification.

Pursuant to HAR § 16-133-30, DCCA held a public hearing on the Application with respect to Spectrum's Kaua'i Cable System to afford the public the opportunity to submit oral or written data, views, or arguments on the Application. The public hearing was held on February 2, 2017, at the Kapa'a High School Library. Notice of the hearing

³ "Cable Franchise" means the authority issued by DCCA through a D&O or franchise order to operate a Cable System and provide Cable Service (as defined by HRS § 440G-3 and applicable Law and includes the video programming service provided by Spectrum) in a geographic region in the State.

⁴ "Application" means the Application for Renewal of a Cable Franchise for the County of Kaua'i submitted by Spectrum on December 16, 2016; along with supplemental materials filed thereafter by Spectrum.

was published in The Honolulu Star-Advertiser and The Garden Isle newspapers on January 12 and 19, 2017. Copies of the Application were made available for review during normal business hours at Spectrum's location in Lihue and also at CATV. The Application was also posted on DCCA's webpage. DCCA established February 17, 2017, as the deadline for receipt of public comments concerning the Application.

A second public hearing was held on May 29, 2024 at the Lihue Civic Center to provide the public with the opportunity to submit current and up-to-date comments on Spectrum's Application with a deadline of June 5, 2024 for the submission of written comments. Notice of the hearing was posted in The Garden Isle newspaper on May 3 and 10, 2024.

In order to provide time for the DCCA to review and consider the comments and information provided, as well as to discuss with Spectrum the components of a renewed franchise for Kaua'i, DCCA and Spectrum have mutually agreed at various times since March 18, 2017 to extend the expiration of the Kaua'i franchise and the deadline for DCCA to make a decision on the Application. The latest mutually agreed upon extension is until November 15, 2024.

III. ANALYSIS

A. Standard of Review

1. Federal Law

Federal franchise renewal guidelines are generally set forth in the Communications Act. Section 541 of the Communications Act allows a local franchising authority ("**LFA**") to award one or more Cable Franchises within its jurisdiction and also sets forth provisions and requirements that the LFA may impose on a franchisee.

2. State Law

The regulatory powers of the Director regarding Cable Franchises and cable operators are generally set forth in HRS chapter 440G (the Hawaii Cable Television Systems law), and specifically in HRS § 440G-10. Subchapter 3 of HAR chapter 16-133 sets forth the administrative rules regarding a Cable Franchise renewal application. Irrespective of the technology used to deliver its video programming service, Spectrum is a facilities-based provider of Cable Service pursuant to 47 USC § 522, and accordingly, is subject to regulation under HRS chapter 440G.

B. Financial Ability of Spectrum

Based on its past record of performance and an analysis of the unaudited financial statements contained in Charter's most recent filing with the Securities and Exchange Commission, DCCA concludes that Spectrum has demonstrated a sound financial base, maintained consistent profitable operating results, and met the financial

requirements for the renewal of its Kaua'i Cable Franchise. Among other things, Spectrum is and has been in a stable financial position with regard to maintaining its level of assets without incurring an appreciable amount of debt.

C. Technical Ability of Spectrum

Based upon an engineering review of Spectrum's Cable System design and a review of Spectrum's performance, DCCA concludes that Spectrum's Cable System on Kaua'i is technically sound. Spectrum's performance and quality levels are within FCC requirements. Furthermore, its operations, maintenance, and repair activities are well organized and performed with attention to detail and with long-term reliability as a priority.

Local, over-the-air programming carried on Spectrum's Cable System is captured/received by antennas and/or fiber links at Spectrum's headend in Mililani, and non-local mainland programming is also captured/received via satellite dishes at Spectrum's headend in Mililani and/or fiber links from the mainland. Inter-island content is carried to the County of Kaua'i over fiber optic cable that is exclusively used by Spectrum for its requirements. First used in 2005, the inter-island fiber provides two-way capabilities, supporting advanced services such VOD and high-speed data.

D. Operational Ability of Spectrum

DCCA concludes that Spectrum is capable of operating the Cable System authorized by this D&O. Spectrum has consistently demonstrated since 2002 its ability to operate its Kaua'i Cable System in accordance with its Cable Franchise obligations. None of the responses and comments received by DCCA questioned Spectrum's ability to operate the Cable System in the County of Kaua'i.

Since 2001, OTWC/Spectrum has conducted annual customer satisfaction surveys of its Subscribers⁵ in the State. The most recent survey results conducted in October 2023 indicated that its Subscribers (including Kaua'i Subscribers) were generally satisfied with Spectrum's services and Spectrum's product service performance.

E. Compliance with the Current Franchise Order

DCCA concludes that Spectrum is in substantial compliance with existing Franchise Orders and with applicable Law. In connection with the ascertainment process, Merina reviewed Spectrum's compliance with the terms and conditions contained in the various Cable Franchise and letter orders, as well as Spectrum's compliance with applicable Law. Based on this review, Merina determined that Spectrum was in full or substantial compliance with its Cable Franchise obligations. .

⁵ "Subscriber" shall mean any person who is authorized to receive Cable Service from Spectrum.

F. Customer Service

DCCA concludes that Spectrum has generally provided satisfactory customer service to Subscribers. However, there is always room for improvement. Spectrum provides Subscribers several means of gaining information, answering questions, placing orders, and reporting service trouble. Customers can access Spectrum through the telephone, via e-mail, and in person. Spectrum's front-line employees are provided with targeted answers and solutions to solve Subscribers' inquiries quickly and on the first call. While Spectrum is trying to handle service calls locally, Spectrum also utilizes the services of offshore (i.e., outside the State) call centers to handle overflow calls of a non-technical nature, and each call center has the means to route high call volumes to other call centers.

G. Spectrum's Proposal to Meet the Future Cable-Related Community Needs and Interests of Kaua'i Cable Subscribers

Finally, DCCA determines that Spectrum's proposal to meet the future cable-related community needs and interests of Kaua'i Subscribers, as modified in this D&O, is reasonable. In its Application, responses to information requests, and discussions with DCCA, Spectrum made various representations and/or commitments in order to address the future cable-related needs of Spectrum's Kaua'i Subscribers.

IV. TERMS AND CONDITIONS OF THE CABLE FRANCHISE

A. The Privilege of a Franchise

The grant of a Cable Franchise gives the recipient a non-exclusive right to use and occupy certain limited and scarce Public Places, Public Highways, and easements for the construction, use, operation, and maintenance of a Cable System for a fixed period. This D&O confers no right, title, or interest in any public right-of-way beyond those expressly conferred herein. The privilege of a Cable Franchise also carries with it associated obligations. Spectrum has acknowledged in its Application that there are certain responsibilities it assumes when issued a Cable Franchise. These include operating a Cable System that is reliable, responsive, and responsible to the public it serves, providing the widest possible diversity of information sources and services to its Subscribers at a reasonable cost, and enhancing communications capabilities for its communities by supporting interconnections of public facilities, public television, and PEG Access as requested by the Director.

B. Grant of a Non-Exclusive Franchise

The Director has carefully considered Spectrum's representations in its Application and supporting materials. The Director has also considered the community needs assessment and comments received from the public, elected officials, and community members. Based on the foregoing, the Director has determined that:

- Spectrum has the requisite financial, legal, and technical ability to maintain a Cable System in the State;
- Spectrum has substantially complied with the material terms of its existing Cable Franchises and with applicable Law;
- Quality of Spectrum's service has been reasonable in light of community needs;
- Spectrum's proposal, as modified by this D&O, is reasonable to meet the future cable-related community needs and interests, taking into account the cost of meeting such needs and interests; and

As such, the Director hereby grants Spectrum's Application for the renewal of its non-exclusive Kaua'i Cable Franchise for a term of fifteen (15) years, subject to the terms, conditions, and requirements specified in the Franchise Agreement attached to this D&O as Exhibit A.

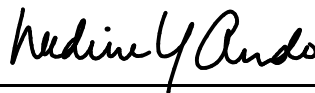
C. Director's Authority

The Director has the power and jurisdiction to supervise and regulate every cable operator within the State so far as may be necessary to carry out the purposes of HRS chapter 440G and the rules there under, and to do all things which are necessary and convenient in the exercise of this power and jurisdiction.

Therefore, the Director, from time to time, may adopt or issue such rules, D&Os, or other directives governing Cable Franchises as DCCA finds necessary or appropriate in the exercise of DCCA's police power; provided that any action taken by the Director shall comply with applicable Law. Spectrum shall comply with all rules, D&Os, and other directives adopted or issued by the Director.

In addition, the Director, at any time during the term of the Cable Franchise and in the Director's sole discretion, may commence formal or informal proceedings for the purpose of addressing developing technology, future PEG Access, and cable-related community needs and interests, and the Director may take any action the Director deems necessary or appropriate consistent with this D&O and applicable Law.

Dated: Honolulu, Hawai'i, November 15, 2024.



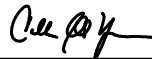
Nadine Y. Ando
Director of Commerce and Consumer Affairs

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **DECISION AND ORDER NO. 386** was served upon the following person at the address shown below by mail, postage prepaid, on this 15th day of November, 2024.

Claire Wong Black
Dentons US LLP
1001 Bishop Street, Suite 1800
Honolulu, Hawai'i 96813

Counsel for Spectrum Oceanic, LLC



Colleen M.S. Yuen
Administrative Assistant

EXHIBIT A

FRANCHISE AGREEMENT

This Franchise Agreement (“**Franchise**”) is between the State of Hawai‘i, Department of Commerce and Consumer Affairs (“**DCCA**”), hereinafter referred to as the “**Grantor**” and Spectrum Oceanic, LLC, f/k/a Oceanic Time Warner Cable, LLC, hereinafter referred to as the “**Grantee**.”

WHEREAS, the Grantee holds a franchise to operate a Cable System in the Franchise Area and has submitted an application for renewal of its franchise (“**Application**”);

WHEREAS, the Grantor finds that the Grantee has substantially complied with the material terms of the current franchise under applicable laws, and that the financial, legal, and technical ability of the Grantee is sufficient to provide services, facilities, and equipment necessary to meet the future cable-related needs of the community;

WHEREAS, having afforded the public adequate notice and opportunity for comment, Grantor desires to enter into this Franchise with the Grantee for the construction and operation of the Cable System on the terms set forth herein; and

WHEREAS, the Grantor and Grantee have complied with all federal and State-mandated procedural and substantive requirements pertinent to this Franchise renewal.

***NOW, THEREFORE**, the Grantor and Grantee agree as follows:*

SECTION 1 Definition of Terms

1.1 Terms. For the purpose of this Franchise the following terms, phrases, words, and their derivations shall have the meaning ascribed to them in the Cable Act, unless otherwise defined herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word “shall” is mandatory and “may” is permissive. Words not defined shall be given their common and ordinary meaning.

- A. “Access Channel” or “PEG Access Channel” means any Channel on the Cable System made available for PEG Access use.
- B. “Access Facilities and Equipment” or “PEG Access Facilities and Equipment” means PEG Access facilities, including but not limited to any leasehold or fee interests in real property (including community media centers or satellite offices) purchased with PEG Access Operating Fees and/or Capital Fund Payments; and equipment related to PEG Access and/or purchased with PEG Access Operating Fees and/or Capital Fund Payments.
- C. “Access Operating Fee” or “AOF” means the annualized portion of the Franchise Fee paid by Grantee to the State or Director’s Designee for PEG Access or other purposes specified by the Director.

- D. “Access Organization” or “PEG Access Organization” means any nonprofit organization: (a) designated or selected by the Director to oversee the development, operation, supervision, management, production, or cablecasting/broadcasting of programs on any Access Channel(s); and (b) that acquires and maintains Access Facilities and Equipment.
- E. “Accredited Educational Institutions” means the University of Hawai‘i, State Department of Education, and Hawai‘i Association of Independent Schools in the State.
- F. “Annual Fee” means the fee required to be paid by Grantee pursuant to HRS § 440G-15, HAR § 16-132-2, and applicable D&Os issued by DCCA, as such statutes, rules, and D&Os may be amended from time to time.
- G. “Applicable Law” includes, but is not limited to: the Cable Act; Communications Act; related federal rules and regulations; and HRS Chapter 440G and related rules and regulations.
- H. “Cable Act” shall mean the Cable Communication Policy Act of 1984, as amended, 47 U.S.C. §§ 521, *et. seq.*
- I. “Cable Service” shall have the meaning set forth in HRS § 440G-3, as amended, and Applicable Law, as amended, and includes all video programming service provided by Grantee that may be lawfully regulated pursuant to the Cable Act.
- J. “Cable System or “System” shall have the meaning set forth in HRS § 440G-3 and Applicable Law, as amended.
- K. “Capital Fund Payments” means capital contributions made by Grantee to the PEG Access Organization(s), Grantor, or the Director’s designee, to the extent permitted under the Communications Act, for PEG Access Facilities and Equipment.
- L. “Channel” shall mean a portion of the electromagnetic frequency spectrum which is used in a cable system and which is capable of delivering a television channel identified and selected by a Channel number or similar designation, and includes without limitation PEG Access Channels and Franchise Required Channels.
- M. “Communications Act” means the federal Communications Act of 1934, as amended (*e.g.*, by the Cable Consumer Protection Act of 1984, the Cable Communications Consumer Protection and Competition Act of 1992, and the Telecommunications Act of 1996), codified at 47 USC § 521, *et seq.*
- N. “County” means the County of Kaua‘i.
- O. “Director” means the Director of the Grantor.
- P. “DOE” means the State of Hawai‘i Department of Education, and shall include representation of State chartered school interests, whose interests and access shall

be no less than those afforded to any other State public school or collection of public schools.

- Q. “EAS” means Emergency Alert System, as required by section 624(g) of the Communications Act, as amended.
- R. “Effective Date” means the date a Decision and Order (“D&O”) approving this Franchise has been accepted by both Parties.
- S. “Emergency Authorities” means the Director of the Hawai‘i Emergency Management Authority (“HIEMA”); Deputy Director of HIEMA; Administrator of the Kaua‘i County Emergency Management Agency; Deputy Administrator of the Kaua‘i County Emergency Management Agency; and any other similar Person designated by the Director.
- T. “Facilities” shall mean any poles, wires, cable, fiber, wires, antennae, poles, supporting structures, underground conduits, amplifiers, instruments, appliances, manholes, and other conductors, fixtures, equipment, including real property, used for the maintenance and operation of physical facilities located in the Streets, including the Cable System.
- U. “FCC” shall mean the Federal Communications Commission and any successor governmental entity thereto.
- V. “Franchise” shall mean the non-exclusive rights granted pursuant to this agreement to construct operate and maintain a Cable System and Facilities in, on, along, under and over the Streets within the Franchise Area.
- W. “Franchise Area” shall mean the geographic boundaries of island of Kaua‘i.
- X. “Franchise Fee” shall have the meaning set forth in section 542 of the Communications Act, as amended. At the time of this Franchise, this term includes, but is not limited to, the Access Operating Fee, HPTF Fee, and the Annual Fee.
- Y. “Franchise Required Channels” means the Channels provided by Grantee pursuant to this Franchise for programming by governmental entities and Accredited Educational Institutions.
- Z. “Government Access” programming means any programming developed or offered by governmental entities (*i.e.*, city, county, State, and federal governments; including departments or agencies thereof), for potential distribution on a PEG Access Channel.
- AA. “Government Access Channel” means any Channel on the Cable System made available for government use.
- BB. “Gross Revenues” includes, subject to applicable federal and state law (as may be amended from time to time) and in accordance with generally accepted accounting

principles (“GAAP”), for the purpose of calculating the Franchise Fee, revenue from charges billed to and collected from Subscribers for Cable Service in the Franchise Area. Such charges shall include Subscriber billings and collections for installation, connection, reconnection, and reinstallation of equipment necessary for the utilization of the Cable System. “Gross Revenues” shall exclude revenue from charges and collections for non-subscription or non-Subscriber related sources such as advertising sales, home shopping commissions, revenue from non-Cable Service sources; Franchise Fees passed through to Subscribers; and uncollected debt, provided that such debt shall be included subsequently as part of Gross Revenues at such time as it is collected. In the case of a Cable Service that is packaged, bundled, or functionally integrated with other services, capabilities, or applications, Grantee shall not allocate discounts in bundled packages for the purpose of evading the Franchise Fee, and Gross Revenues for the purpose of computing the Franchise Fee shall be determined based on a pro rata allocation of the package discount, that is, the total price of the individual classes of service at published rates compared to the package price, among all classes of service comprising the package. For purposes of determining Gross Revenues, Grantee shall use the same method of determining revenues under GAAP as that which Grantee uses in determining revenues for the purpose of reporting to federal and state regulatory agencies. Further, Grantee shall provide on a confidential basis to DCCA, upon the request of the Director, sufficient documentation to demonstrate that each of the above requirements is being met.

- CC. “HAR” means the Hawai‘i Administrative Rules.
- DD. “Kaua‘i” means the County government or geographic boundaries of the Island of Kaua‘i, but excludes the Island of Ni‘ihau, where Grantee does not provide Cable Service.
- EE. “HD” means high-definition Cable Service.
- FF. “Ho‘ike” means Ho‘ike: Kaua‘i Community Television, Inc., a Hawai‘i non-profit corporation, and refers to the current PEG Access Organization for Kaua‘i as of the date of this renewal.
- GG. “HPTF” means the Hawai‘i Public Television Foundation.
- HH. “HPTF Fee” means the annualized portion of the Franchise Fee paid by Grantee to HPTF for HPTF-related services as may be directed by the Director.
- II. “HRS” means the Hawai‘i Revised Statutes.
- JJ. “INET” means the institutional network that is used by State and County of Kaua‘i government and educational authorities and agencies, and other public educational institutions for broadband communications purposes.
- KK. “INET Connection” or “INET connection” means an INET connection to a specific site, or an INET related service (e.g., reconfiguration, upgrades, etc.).

- LL. “Local Origination Programming” means programming of local interest produced by Grantee employees or contractors, or by other locally based program producers, professional or amateur, but does not include PEG Access programming.
- MM. “PEG Access” means any access service by the public, education, or government to create non-commercial public, educational or governmental programming for distribution on a PEG Access Channel.
- NN. “PEG Access Channel” means any Channel on the Cable Systems made available by cable operator(s) for noncommercial public, educational or governmental programming.
- OO. “PEG Access Organization” means any nonprofit organization: (a) designated or selected by the Director to oversee the development, operation, supervision, management, production, or cablecasting/broadcasting of programs on any PEG Access Channel(s); and (b) that acquires and maintains PEG Access Facilities and Equipment.
- PP. “Person” shall mean an individual, partnership, association, organization, corporation, trust, or governmental entity.
- QQ. “Public Highways” shall have the meaning set forth in HRS § 264 1, as amended.
- RR. “Service Area” shall mean the portion of the Franchise Area described in Section 5.1 hereto.
- SS. “Standard Installation” shall mean installations to residences and buildings that are located up to 125 feet from the point of connection to Grantee’s existing Cable System.
- TT. “State” shall mean the State of Hawai‘i, including its political subdivisions.
- UU. “Street” shall include each of the following located within the Franchise Area: Public Highways, roadways, highways, bridges, land paths, boulevards, avenues, lanes, alleys, sidewalks, circles, drives, easements, rights of way and similar public ways and extensions and additions thereto, including but not limited to public utility easements, dedicated utility strips, or rights-of-way dedicated for compatible uses now or hereafter held by the Grantor in the Franchise Area, which shall entitle the Grantee to the use thereof for the purpose of installing, operating, extending, repairing and maintaining the Cable System.
- VV. “Subscriber” shall mean any Person who is authorized and receives Cable Service from the Grantee in Kaua‘i but shall not include any Person who is not authorized or who receives complimentary Cable Service.
- WW. “UH” means the University of Hawai‘i.

SECTION 2
Grant of Franchise

2.1 Grant. Pursuant to HRS § 440G-10, the Grantor hereby renews the nonexclusive Franchise that authorizes the Grantee to erect, construct, extend, operate and maintain in, upon, along, across, above, over and under the Streets, now in existence and as may be created or established during its terms, all Facilities, including the Cable System in the Franchise Area. The privilege of a Franchise also carries with it associated obligations. Grantee has acknowledged in its Application that there are certain responsibilities it assumes when issued a Franchise. These include operating a Cable System that is reliable, responsive, and responsible to the public it serves, providing the widest possible diversity of information sources and services to its Subscribers at a reasonable cost, and enhancing communications capabilities for its communities by supporting interconnection of public facilities, public television, and PEG Access all as set forth in this Franchise. Nothing in this Franchise shall be construed to prohibit the Grantee from offering any service over its Cable System that is not prohibited by federal or State law.

2.2 Term. The Franchise and the rights, privileges and authority hereby granted shall be for a term of *of fifteen (15) years*, commencing on the Effective Date of this Franchise.

2.3 Police Powers. The Grantee agrees to comply with the terms of any lawfully adopted, generally applicable D&O, law or regulation necessary to the safety, health, and welfare of the public. By accepting renewal of its Franchise and subject to Section 15.11 of this Franchise, Grantee acknowledges that the Director, from time to time, may adopt or issue such rules, D&Os, or other directives as the Director finds necessary or appropriate in the exercise of its police power; provided that any action taken by the Director shall comply with Applicable Law. This Franchise is a contract and except as to those changes which are the result of the Grantor's lawful exercise of its general police power, the Grantor may not take any unilateral action that materially changes the mutual promises in this contract.

SECTION 3
Indemnification and Insurance

3.1 Indemnification. The Grantee shall, by acceptance of the Franchise granted herein, defend the Grantor, its officers, boards, commissions, agents, and employees for all claims for injury to any Person or property caused by the negligence of Grantee in the construction or operation of the Cable System and in the event of a determination of liability shall indemnify and hold Grantor, its officers, boards, commissions, agents, and employees harmless from any and all liabilities, claims, demands, or judgments growing out of any injury to any Person or property as a result of the negligence of Grantee arising out of the construction, repair, extension, maintenance, operation or removal of its Facilities of any kind or character used in connection with the operation of the Cable System, provided that the Grantor shall endeavor to give the Grantee written notice of its obligation to indemnify the Grantor within fifteen (15) days of receipt of a claim or action pursuant to this section. In the event any such claim arises, the Grantor shall tender the defense thereof to the Grantee and the Grantee shall have the right to defend, settle or compromise any claims arising hereunder and the Grantor shall cooperate fully herein. If the Grantor determines in good faith that its interests cannot be represented by the Grantee, the Grantee shall be excused from any obligation to represent the Grantor. Notwithstanding the foregoing, the Grantee shall

not be obligated to indemnify the Grantor for any damages, liability or claims resulting from the willful misconduct or negligence of the Grantor or for the Grantor's use of the Cable System, including any PEG Channels.

3.2 Insurance.

A. The Grantee shall maintain throughout the term of the Franchise insurance in amounts at least as follows:

Workers' Compensation	Statutory Limits
Commercial General Liability	\$1,000,000 per occurrence, \$2,000,000 General Aggregate
Auto Liability including coverage on all owned, non-owned hired autos	\$1,000,000 per occurrence Combined Single Limit
Umbrella Liability	\$1,000,000 per occurrence

B. The Grantor shall be added as an additional insured, arising out of work performed by Charter, to the above Commercial General Liability, Auto Liability and Umbrella Liability insurance coverage.

C. The Grantee shall furnish the Grantor with current certificates of insurance evidencing such coverage upon request.

SECTION 4
Service Obligations

4.1 No Discrimination. Grantee shall not deny Cable Service, deny access, or otherwise discriminate against Subscribers, Channel users, or general citizens on the basis of race, color, religion, national origin, age, or sex. Grantee also shall not deny Cable Service to any group of potential subscribers because of the income of the residents of the local area in which such group resides, provided the local area otherwise meets the definition of Service Area provided in Section 5.1 below.

4.2 Privacy. The Grantee shall fully comply with the privacy rights of Subscribers as contained in state Law, FCC regulations, and in the Cable Act Section 631 (47 U.S.C. § 551).

SECTION 5
Cable Service Availability

5.1 Service Area. The Grantee shall continue to make Cable Service distributed over the Cable System available to every residence within the Franchise Area that is capable of receiving Cable Service from a Standard Installation as of the Effective Date. The Grantee shall extend the Cable System to provide Cable Service to new areas within the Franchise Area where residences are not already capable of receiving cable service from another provider and where there is a minimum density of at least twenty-five (25) residences per linear strand mile of aerial

cable. The Cable Service will be provided at Grantee's published rate for standard installations if such residence is a Standard Installation. Notwithstanding the foregoing, the Grantee shall have the right, but not the obligation, to extend the Cable System into any portion of the Franchise Area where another operator is providing Cable Service. Grantee shall not be obligated to provide Cable Service to any location within the Franchise Area where it is financially or technically infeasible to do so. Grantee shall provide Cable Service to newly eligible areas within twelve (12) months of Grantee receiving notice that an area has met its twenty-five (25) homes per linear mile requirement, or Grantee's extension policy in place at the time, and the feasibility provisions. Grantor is aware, however, that once an area meets the twenty-five (25) homes per mile requirement it may take time for Grantor to provide Cable Service to that area due to scheduling, manpower, resource limitations, and/or circumstances that may be out of Grantee's direct control. Grantor acknowledges that such factors may lead to reasonable delays in providing Cable Service to customers in newly eligible areas. If Grantee cannot provide Cable Service within twelve (12) months to newly eligible areas, Grantee shall provide an explanation as to why building to the newly eligible area within twelve (12) months is not feasible and an anticipated timeline(s) as to when Cable Service will be provided, with subsequent reports of any changes to the anticipated timeline(s).

5.2 Subscriber Charges for Extensions of the Cable System. No Subscriber shall be refused Cable Service arbitrarily. However, if an area does not meet the density requirements of Section 5.1 above, the Grantee shall only be required to extend the Cable System to Subscribers in that area if the Subscribers are willing to share the capital costs of extending the Cable System. The Grantee may require that payment of the capital contribution in aid of construction borne by such potential Subscribers be paid in advance. Subscribers shall also be responsible for any Standard/non-standard Installation charges to extend the Cable System from the tap to the residence.

SECTION 6 **Construction and Technical Standards**

6.1 Compliance with Codes. All construction practices and installation of equipment shall be done in accordance with all applicable sections of the National Electric Safety Code.

6.2 Construction Standards and Requirements. All of the Grantee's Facilities shall be installed, located, erected, constructed, reconstructed, replaced, removed, repaired, maintained, and operated in accordance with good engineering practices and performed by experienced maintenance and construction personnel.

6.3 Safety. The Grantee shall at all times employ ordinary care and shall use commonly accepted methods and devices preventing failures and accidents which are likely to cause damage.

6.4 Network Technical Requirements. The Cable System shall be designed, constructed, and operated so as to meet those technical standards adopted by the FCC relating to Cable Systems contained in part 76 of the FCC's rules and regulations as may be amended from time to time.

6.5 Technology Upgrade Plans. Grantee's Cable Service in the Service Area shall be reasonably equivalent to its Cable Service offerings in other parts of the State, provided that nothing herein shall prohibit Grantee from making upgrades or improvements to its systems incrementally over different parts of the State over a reasonable period of time.

Throughout the Term of this Franchise, and in the manner required under D&O No. 368, as may be amended, Grantee shall continue to submit to Grantor a statewide technology upgrade plan (hereafter referred as "technology upgrade plan") to DCCA every five (5) years, that includes upgrade plans for the Kaua'i Island Cable System. When submitting a statewide technology upgrade plan, Grantee shall: clearly indicate to which franchise area the plan applies and the applicable D&Os; note any exceptions; and fully comply with all other aspects of the technology upgrade plan requirement, as set forth in D&Os for all its Cable Franchises in the State, and as the Director may further and reasonably require from time to time.

SECTION 7 **Conditions on Street Occupancy**

7.1 General Conditions. Grantee may utilize existing poles, conduits, and other facilities whenever possible, and shall not construct or install any new, different, or additional poles, conduits, or other facilities on public property provided Grantee is able to access existing poles, conduits, or other facilities on reasonable terms and conditions.

7.2 Underground Construction. The Facilities of the Grantee shall be installed underground in those Service Areas where existing telephone and electric services are both underground at the time of Cable System construction. In areas where either telephone or electric utility facilities are installed aerially at the time of Cable System construction, the Grantee may install its Facilities aerially with the understanding that at such time as the existing aerial Facilities are required to be placed underground by the Grantor, the Grantee shall likewise place its Facilities underground. In the event any other utility is directly or indirectly reimbursed for placement of facilities underground or the movement of facilities, Grantor shall, if requested by Grantee, work cooperatively to help facilitate Grantee's receipt of similar reimbursement.

7.3 Construction Codes and Permits. Grantee shall obtain all legally required permits before commencing any construction work, including the opening or disturbance of any Street within the Franchise Area, provided that such permit requirements are of general applicability and such permitting requirements are uniformly and consistently applied by the Grantor and/or the County as to other public utility companies and other entities operating in the Franchise Area. The Grantor shall cooperate with the Grantee in granting any permits required, providing such grant and subsequent construction by the Grantee shall not unduly interfere with the use of such Streets.

7.4 System Construction. All transmission lines, equipment and structures shall be so installed and located as to cause minimum interference with the rights and reasonable convenience of property owners and at all times shall be kept and maintained in a safe, adequate, and substantial condition, and in good order and repair. The Grantee shall, at all times, employ ordinary care and use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injuries, or nuisances to the public. Suitable barricades, flags, lights, flares, or other devices shall be used at such times and places as are reasonably required for the safety of all

members of the public. Any poles or other fixtures placed in any public way by the Grantee shall be placed in such a manner as not to interfere with the usual travel on such public way.

7.5 Restoration of Public Ways. Grantee shall, at its own expense, restore any damage or disturbance caused to the Streets, as a result of its operation, construction, or maintenance of the Cable System to a condition reasonably comparable to the condition of the Streets immediately prior to such damage or disturbance.

7.6 Tree Trimming. Grantee or its designee shall have the authority to trim trees on or protruding over public property at its own expense as may be necessary to protect its wires and facilities.

7.7 Reimbursement of Costs. If funds are available to any Person using the Streets for the purpose of defraying the cost of any of the foregoing, Grantee shall be eligible for reimbursement in the same manner in which other Persons affected by the requirement are reimbursed.

7.8 Other Rules and Regulations. The provisions in this Section notwithstanding, Grantee shall comply with all applicable state and local rules and regulations when taking actions subject to this Section.

SECTION 8 **Cable Service and Rates**

8.1 Customer Service. Grantee shall comply with the customer service standards set forth in Sections 76.1602 and 76.309 of the Regulations of the FCC and such other customer services standards established by the laws and regulations of the State.

8.2 Reporting. Unless further ordered by the Director, Grantee shall continue to provide reports to the Director applicable to the Franchise Area as set forth in the Letter Order – Modifications to Monthly and Quarterly Reporting from the Director dated March 12, 2021, except that Grantee shall no longer be required to submit quarterly progress reports to the Director regarding its efforts to provide local help desk support for high speed Internet access services for Kaua‘i County, as that requirement is no longer applicable. Grantee shall also report any disciplinary or corrective administrative investigations or proceedings by regulatory agencies (*e.g.*, the FCC or the State Public Utilities Commission) relating to this Franchise to the Director within ten (10) calendar days of notification.

8.3 Customer Service.

A. **Customer Service Office.** Grantee shall maintain and operate within this Franchise Area at least one (1) customer service office to accept payments from Subscribers, returns of equipment, and to receive and resolve all complaints (including without limitation those regarding Cable Service, Cable Service equipment malfunctions, or billing and collection disputes). Grantee shall maintain an adequate staff or procure adequate support staff to provide such Cable Services in a timely, efficient, professional, and courteous manner.

B. **Penetration Rate.** In the event Grantee's Cable Service penetration in the Service Area drops below forty percent (40%), Grantee may submit a request to the Director to be relieved of the commitment to maintain a customer service office based on evidence that continuing to provide an office is unfeasible. In the event Grantee's Cable Service penetration in the Service Area drops below thirty percent (30%), Grantee will no longer be required to maintain a customer service office in that Franchise Area and may close such customer service office(s) at Grantee's discretion. Grantee's penetration rate shall be calculated by dividing the number of Grantee's Cable Service Subscribers in the Service Area by the number of homes serviceable by Grantee in the Service Area.

Grantee shall provide at least ninety (90) days written notice to Grantor and Subscribers in the affected Franchise Area prior to the closure of any customer service office as permitted in this Section. Upon the closure of a customer service office, Grantee shall ensure its Subscribers have reasonable alternative methods to receive comparable services that would otherwise be accomplished at a retail location.

C. **Phone Service.** The Grantee shall maintain a toll-free telephone number and a phone service operated to receive complaints, service modifications, and requests for repairs or adjustments at any time.

8.4 Billing.

A. **Subscriber Bill Information.** Subscriber bills shall be clear, concise, and understandable. Bills shall be fully itemized, with itemizations including but not limited to the programming tier charges, and equipment charges. The bills shall also clearly delineate all activity during the billing period (including optional charges, rebates, credits, and Franchise Fee itemizations) and any other information requested by the Director.

1. All Subscriber bills shall itemize rates and charges to the extent permitted by Applicable Law.
2. To the extent feasible and unless otherwise specified under Applicable Law, Grantee shall provide at least thirty (30) calendar days' advance written notice to Subscribers and to DCCA before implementing any rate or service change. When the change involves the addition or deletion of Channels, each Channel added or deleted must be separately identified. If the change involves only the addition of a Channel and no other change in rates or service, Grantee may launch the Channel less than thirty (30) calendar days after providing the notice.
3. Notice of all programming, service changes and itemization of all rates and charges is to be provided to Subscribers at the time of initial subscription, and when services and/or rates are changed, or upon request.
4. Late fees may not be imposed upon consumers for delinquent payments related to Cable Services until sixty (60) calendar days after an invoice's due date.

5. Grantee shall include a notice on Subscriber's next bill if previous payment has not been received. Grantee's bill statements will indicate that the balance is past due and due immediately, and the assessed fees shall be presented under account activity detail.
- B. **Billing Disputes.** In the case of a billing dispute, Grantee shall respond to a complaint from a Subscriber within thirty (30) calendar days.
- C. **Refunds.** Refund checks to Subscribers, if applicable, shall be issued promptly, but no later than either: (1) the Subscriber's next billing cycle following resolution of the request or thirty days, whichever is earlier, or (2) the return of the equipment supplied by Grantee if Cable Service is terminated.
- D. **Credits.** Credits for Cable Service shall be issued no later than the Subscriber's next billing cycle following the determination that a credit is warranted.

8.5 Complaints. Grantee shall endeavor to resolve customer complaints within thirty (30) calendar days of receipt. Additionally, for customer complaints communicated through the DCCA, Grantee shall provide an update to the DCCA within ten (10) business days after receiving notification from the DCCA of the complaint. For complaints that are unresolved after ten (10) business days, Grantee shall continue to provide the DCCA with periodic updates until the complaint is resolved.

8.6 Customer Satisfaction Survey. Unless the Director instructs otherwise, Grantee shall submit to the Director the results of an annual customer satisfaction survey for the island of Kaua'i, conducted by an independent marketing company and submitted by December 31st of each year. Prior to conducting the survey, Grantee shall submit the proposed questionnaire to the Director for review and approval.

8.7 Notification of Service Procedures. The Grantee shall furnish each Subscriber at the time Cable Service is installed, written instructions, which may be provided by electronic means, that clearly set forth information concerning the procedures for making inquiries or complaints, including the Grantee's name, address, and local telephone number. Grantee shall give the Grantor notice of any changes in rates, programming services or Channel positions in accordance with Applicable Law.

8.8 Rate Regulation. Grantor shall have the right to exercise rate regulation to the extent authorized by law, or to refrain from exercising such regulation for any period of time, at the sole discretion of the Grantor. If and when exercising rate regulation, the Grantor shall abide by the terms and conditions set forth by the FCC. Nothing herein shall be construed to limit the Grantee's ability to offer or provide bulk rate discounts or promotions.

8.9 Continuity of Service. It shall be the right of all Subscribers to continue receiving Cable Service insofar as their financial and other obligations to the Grantee are honored.

8.10 Emergency Use. Grantee shall comply with 47 U.S.C. 544(g) and all regulations issued pursuant thereto with respect to an EAS. Grantee shall maintain its direct feed from the Lihue facility of the Kaua'i County Emergency Management Agency ("KEMA"). Grantee will

maintain its Cable System such that Emergency Authorities can unilaterally override, simultaneously by remote control, all audio and video signals on all Channels. The override capability shall permit Emergency Authorities to transmit voice and/or messages (through an on-screen crawl) on all Channels. The video display or message crawl shall permit Emergency Authorities to include State, Civil Defense, or other appropriate official emblems with such communications. Emergency Authorities shall have the sole discretion to determine when to activate and the manner of its use of this emergency override capability.

8.11 Service to Public Buildings. Upon request of Grantor, Grantee offers to provide, without charge and on a voluntary basis, one outlet of and equipment for basic service, as is customarily made available to all Subscribers and service tiers, to the public K-12 schools, County public libraries, County facilities used by first responders, and State civil defense facility within its Service Area, the current recipients of which are listed in Exhibit A, and provided that the locations are capable of being served with a Standard Installation. Grantee will provide at least ninety (90) days' advance notice of any decision to modify or discontinue the service provided pursuant to this Section.

SECTION 9 **Franchise Fee**

9.1 Amount of Fee. Subject to applicable federal and state laws, Grantee shall pay a Franchise Fee in an amount up to five percent (5%) of the annual Gross Revenue, as directed by the Director. Franchise Fees may be passed through to Subscribers as a line item on Subscriber bills or otherwise as Grantee chooses, consistent with federal law. The amount of the Franchise Fee shall be no higher than the amount of the franchise fee in any other cable franchise or authorization to provide video service granted by Grantor within this Franchise Area.

In the event any other cable franchisee authorized by the Director to provide video service in the Franchise Area is subject to a lesser Franchise Fee than this Franchise, Grantee's obligation to pay a Franchise Fee under this Section 9.1 shall be reduced by an equivalent amount. The payment period and the collection of the Franchise Fees that are to be paid to the Grantor pursuant to the Franchise shall commence on the Effective Date of the Franchise as set forth in Section 15.12. In the event of a dispute, the Grantor, if it so requests, shall be furnished a statement of said payment, reflecting the Gross Revenues and the applicable charges.

9.2 Retention of Fee. As set forth in Section 12 below, starting in the year 2025 and annually thereafter, Grantee shall be permitted to retain from the Franchise Fee payment(s) the greater of \$200,000 or one percent (1%) of Gross Revenues ("Retained Amount"), to address the marginal cost of any and all operational, maintenance, and repair expenses that may be incurred by Grantee in making available existing and any additional INET connections to the State during the term of the Franchise as set forth in Section 2.2.

9.3 Payment of the Franchise Fee. Subject to the Retained Amount under Section 9.2, the payment of the remainder of fee due to the Grantor shall be made by Grantee on an annual basis, no later than February 15th of each year and payment of the fee shall be made as follows, unless otherwise specified by the Director in writing:

For the first year of this Franchise renewal, the payment of Franchise Fee due for the year 2025 shall be:

- A. **Access Operating Fee.** Three percent (3%) of the Gross Revenues, less one-third (1/3) of the Retained Amount, shall be dedicated for support of PEG Access purposes and/or any other public purpose(s) as determined by the Director in the Director's sole discretion and paid by the Grantee to the Director or the Director's designee(s).
- B. **HPTF Fee.** One percent (1%) of the Gross Revenues, less one-third (1/3) of the Retained Amount, shall be dedicated to support public broadcasting and paid by the Grantee to HPTF or the Director's designee(s).
- C. **DCCA Annual Fee.** One percent (1%) of the Gross Revenues, less one-third (1/3) of the Retained Amount, shall be paid by the Grantee to the Director or the Director's designee(s) as the Annual Fee.

Beginning for the year 2026 and annually thereafter, the payment of the fee shall be:

- A. **Access Operating Fee.** Three percent (3%) of the Gross Revenues, less one-half (1/2) of the Retained Amount, shall be dedicated for support of PEG Access purposes and/or any other public purpose(s) as determined by the Director in the Director's sole discretion and paid by the Grantee to the Director or the Director's designee(s).
- B. **HPTF Fee.** One percent (1%) of the Gross Revenues, less one-half (1/2) of the Retained Amount, shall be dedicated to support public broadcasting and paid by the Grantee to HPTF or the Director's designee(s).
- C. **DCCA Annual Fee.** One percent (1%) of the Gross Revenues owed by Grantee shall be paid by the Grantee to the DCCA or the Director's designee(s) as the Annual Fee.

The Director shall have sole discretion to change the allocation, recipient(s), and timing of the payments of the Franchise Fees set forth in, and limited only to, Section 9.3, and to change, suspend, reduce, or terminate the AOF, HPTF Fee, and/or the DCCA Fee for any reason upon written notice to Grantee.

9.4 Accord and Satisfaction. No acceptance of any payment by the Grantor shall be construed as a release or as an accord and satisfaction of any claim the Grantor may have for additional sums payable as a Franchise Fee under this Franchise.

9.5 Limitation on Recovery. The period of limitation for recovery of any Franchise Fee payable hereunder shall be five (5) years from the date on which payment by the Grantee was due.

9.6 Fee Reports. On January 31st of each year during the Franchise Term, Grantee shall submit to the Director copies of all Franchise Fee payments paid to the State or the Director's

designee(s), during the prior calendar year, together with its Gross Revenues statement, and any other supporting information requested by the Director. Grantee shall provide a sworn statement as to the accuracy and completeness of these reports.

9.7 Reconciliation by Grantee. Grantee shall provide a reconciliation of the amounts paid in Franchise Fees no later than March 31st of each year, and shall provide Grantor with its calculations and supporting documentation. If Grantee's calculations show an overpayment or underpayment of Franchise Fees, or an overcollection or undercollection of Franchise Fees for prior year(s), Grantee's submission to Grantor shall include Grantee's plan for reconciling the discrepancy. The reconciliation by Grantee shall be subject to an audit or financial review as required by the Director. Following such an audit or review, and at the Director's sole discretion, the Director may require Grantee to make reasonable adjustments to its reconciliation plan required to resolve any undisputed audit findings.

SECTION 10 **Inspection of Records**

Grantee shall permit any duly authorized representative of the Grantor, upon receipt of advance written notice, to examine during normal business hours and on a non-disruptive basis any and all of Grantee's records maintained by Grantee as is reasonably necessary to ensure Grantee's compliance with the material terms of this Franchise. Such notice shall specifically reference the subsection of the Franchise that is under review so that the Grantee may organize the necessary books and records for easy access by the Grantor. The Grantee shall provide the requested records within thirty (30) days of receipt of such notice. The Grantee shall not be required to maintain any books and records for Franchise compliance purposes longer than five (5) years. The Grantee shall not be required to provide Subscriber information in violation of Section 631 of the Cable Act. The Grantor agrees to treat as confidential any books, records or maps that constitute proprietary or confidential information to the extent Grantee makes the Grantor aware of such confidentiality. If the Grantor believes it must release any such confidential books, records, or maps in the course of enforcing this Franchise, or for any other reason, it shall advise Grantee in advance so that Grantee may take appropriate steps to protect its interests. Until otherwise ordered by a court or agency of competent jurisdiction, the Grantor agrees that, to the extent permitted by State and federal law, it shall deny access to any of Grantee's books, records, or maps marked confidential, as set forth above, to any Person.

SECTION 11 **Public Education and Government (PEG) Access**

11.1 PEG Access Channels. Grantee currently carries the following PEG Access Channels on its cable system in the Service Area: Ho'ike Government Access and Ho'ike Public Access. Subject to the terms of this Franchise and Applicable Law, Grantee shall continue to carry these PEG Access Channels, or alternative PEG Access Channels as designated by the Director, on its Cable System and made available to all Subscribers, in the Franchise Area without charge to the Grantor or Director's designee for the term of the Franchise. Grantee shall provide and/or continue to maintain a connection for purposes of permitting the Director's Designee to monitor the PEG Access Channels.

11.2 Reclaimed Channels/Unused Time. With the approval of the Director, which approval shall not unreasonably be withheld, Grantee may reclaim any of these Channels if unused. Any such reclaimed Channel or an equivalent Channel capacity, however, shall be restored for PEG Access programming at the direction of the Director upon a finding by the Director that such restoration is justified by the demonstrated cable-related needs of the Kaua'i community.

11.3 Director's Designee. The Director shall have the sole discretion to designate, or to select, one or more entities ("Director's designee") to manage and operate the PEG Access Facilities and Equipment and the PEG Access Channel and receive the Access Operating Fee and Capital Fund Payments.

11.4 Franchise Required Channels.

- A. Grantee currently carries the following educational and statewide channels in the Service Area: UHTV Educational, Hawai'i Government Public Network On Demand, Public Ōlelo On Demand, and UH Distant Learning On Demand. Subject to the terms of this Franchise and Applicable Law, Grantee shall continue to carry these Channels without charge to the Grantor or the Director's designees and shall make the Franchise Required Channels available to all Subscribers and service tiers. Grantor acknowledges that Grantee's only obligation is to carry these Channels, provided that the operators of these Channels continue to program them and provide the appropriate signal for Grantee to receive and distribute them without charge.
- B. Within a reasonable time after receipt of a written Letter Order of the Director, Grantee shall make available the following Franchise Channels:
 - 1. State Government. One (1) digital Franchise Required Channel for governmental programming for the Legislature (Senate and House of Representatives) and the Executive Branch (Governor's Office and Lieutenant Governor), collectively. Grantee shall provide a connection to its headend from the State Capitol for the transmission of governmental programming on this Channel, provided, however, that if no such connection exists as of the date of the Letter Order, Grantee may charge to the requesting State entity the costs associated with the construction, operation, and maintenance of this connection. Grantee and the Director shall meet to discuss additional terms, such as channel number and whether the channel will be carried in standard definition or HD, under which the State Government channel will be added to the Cable System.
 - 2. Additional PEG Channels. Upon reasonable request and supported by sufficient justification, the Director may request that Grantee provide additional PEG Channels. After requesting and reviewing input from relevant stakeholders, the Director shall have the sole discretion to determine whether to request any additional Franchise Required Channels.

Grantee and the Director shall then meet to discuss the terms under which the additional PEG Channels may be added to the Cable System.

11.5 PEG Channel Placement. All PEG Access Channels shall be used for PEG Access and shall be transmitted to all Subscribers unless otherwise permitted by this Franchise or directed by the Director. Although DCCA acknowledges that Grantee may determine Channel placement at its sole discretion, Grantee recognizes that the terms of D&O No. 372 will continue to be in effect and agrees to continue to assign each PEG Access Channel in accordance with the terms of D&O No. 372. Upon the expiration of D&O No. 372, Grantee further agrees that it will continue to comply with the terms of D&O No. 372 concerning placement of PEG Access Channels until December 31, 2039.

11.6 Program Guides. Grantor and Grantee acknowledge that Grantee may contract with a third-party vendor to display on-screen TV guide information and online channel listings. Grantee shall, if requested, assist Grantor and/or the Director's designees with making arrangements for their programming to be made available on the on-screen TV guide and online program guide and channel lineup. Grantee shall not charge for displaying Franchise Required Channels and PEG Access Channels on its managed and administered on-screen TV guide and online program guide, this includes specific information regarding program titles, content and other detailed information normally supplied in such guides; however, a third-party vendor who provides such service to Grantee may charge a reasonable fee applicable to other PEG Access providers who provide content on cable systems operated by Grantee or its affiliates for displaying programming information regarding program titles, content and other specific information normally supplied in such guides.

11.7 PEG Capital Fund. Grantee shall make Capital Fund Payments equal to three dollars (\$3.00) per Subscriber to the designated Kaua'i PEG Access Organization each year for the duration of the term of this Franchise. The Capital Fund Payments shall be based upon the number of Subscribers as of December 31st of the prior year. Grantee shall make its annual Capital Fund Payment on or before January 31st of each year to the Kaua'i PEG Access Organization, subject to further order of the Director. The Director reserves the authority to change the recipient(s) of the Capital Fund Payments for any reason, or to adjust the above Capital Fund Payments to the Director or the Director's designee(s). The Capital Fund may be adjusted, at the discretion of the Director, to lower than three dollars (\$3.00), but no higher than three dollars (\$3.00).

11.8 PEG in HD. Upon written request by the Director or the Director's designee, Grantee shall provide capability for the Ho'ike Government Access Channel and/or Ho'ike Public Access Channel to be broadcast in HD in a timeline agreed upon between the Director's designee and Grantee. The PEG Access Organization shall be responsible for the actual cost incurred by Grantee for the necessary capital and equipment to upgrade the PEG Access Channels to HD, but the Grantee shall not charge the PEG Access Organization for the cost of transporting PEG programming from the PEG Access Organization to Grantee's hubsite or headend.

Subject to FCC regulations, the Cable System shall be so constructed and operated that, to the extent within Grantee's control, there is no significant deterioration in the quality of Access Channel signals or leased access Channels signals resulting from the transportation of the video

signal, either upstream or downstream, as compared with any other Channel on the Cable System. Deterioration refers to any signal problem, including but not limited to ghost images, sync or frame loss, signal dropouts, and other interference and distortions and delays.

11.9 Promotional Public Service Announcements. In addition to any public service announcements (“PSAs”) that Grantee may be required to provide pursuant to any State, federal, or county law or agreement, Grantee shall, upon request, cablecast on its cable Channels, without charge to the State or the Director’s designees, at least 2,000 PSAs per calendar year (or a pro rata portion for a partial year), each thirty (30) seconds in length. The beneficiaries of the PSAs shall work collaboratively to maximize the use of the allocated spots, which must be used by no later than March 31st of the year following the year that the PSAs were allocated for (meaning the 2,000 PSAs allocated for 2026 must be used by March 31, 2027 at which point the unused portion of the 2026 allocation expires). The airing of the PSAs shall be on any Channel that Grantee has ad insertion capabilities and is permitted to insert commercial or promotional segments and otherwise in a manner consistent with Grantee’s public service announcement policy. Grantee shall have the sole discretion to determine on which Channel(s) to air the PSAs. The promotional PSAs shall be allocated as follows:

- A. The Director or Director’s designee(s) – 600 PSAs;
- B. Executive Branch – 200 PSAs (Governor’s Office) and 200 PSAs (Lieutenant Governor’s Office);
- C. Legislature – 200 PSAs (Senate) and 200 PSAs (House of Representatives);
- D. County of Kaua’i – 100 PSAs (Mayor’s Office) and 100 PSAs (Kaua’i County Council);
- E. DOE – 100 PSAs;
- F. UH – 100 PSAs; and
- G. Kaua’i PEG Access Organization – 200 PSAs.

SECTION 12 **Institutional Network**

Grantee shall continue to provide all of its existing INET connections in Kaua’i County. Grantee further agrees to provide additional INET connections, the locations and capabilities of which will be mutually agreed upon by the parties on an ongoing basis, as long as Grantee is compensated for its actual, expenses, including labor and materials, incurred in the construction and installation of such additional INET connections. The cost of these connections shall not be deducted or offset against the Franchise Fee. The INET, including requests for any new INET connections shall only be for non-commercial, public uses. To address the marginal cost of any and all operational, maintenance, and repair expenses that may be incurred by Grantee in making the existing and any additional INET connections available to the State during the Term, Grantee shall be permitted to retain from its Franchise Fee payment(s) the Retained Amount (*i.e.*, the

greater of \$200,000 or one percent (1%) of Gross Revenues), as may be adjusted from time to time as set forth herein.

Following the Effective Date of this Franchise, Grantee and DCCA shall meet and establish the number of existing INET miles dedicated for and in use in Kaua'i County, which shall be known as the "Initial INET Miles." Commencing on January 31, 2026, and on January 31st of each year thereafter, Grantee shall submit to the Director a report identifying the "Adjusted INET Miles," which shall identify the number of miles of INET dedicated for and in use in the Franchise Area at the start of the reporting year, plus the number of additional miles built, minus the number of miles terminated by the Director or the Director's authorized representative and no longer dedicated for its use.

If during the term of the Franchise the Adjusted INET Miles becomes less than the Initial INET Miles, then the Retained Amount shall be reduced by multiplying the Retained Amount by the ratio of the Adjusted INET Miles to the Initial INET Miles. If the Adjusted INET miles later increases to greater than the initial INET miles, or if the Adjusted INET Miles never becomes less than the Initial INET Miles, the Retained Amount shall remain \$200,000 or one percent (1%) of Gross Revenues.

Example: Grantee and DCCA agree that the Initial I-NET Miles is 100. On January 31, 2026, Grantee reports that the Adjusted INET Miles is still 100. The Retained Amount will not change. If on January 31, 2027, Grantee were to report that the Adjusted INET Miles has changed to 80, the Retained Amount would be adjusted by multiplying the Retained Amount (*i.e.*, the 1% Franchise Fee or the \$200,000 minimum) by 80/100, resulting in an Adjusted Retained Amount of 0.8% of gross revenues, or \$160,000, whichever is greater. Alternatively, if Grantee were to report that the Adjusted INET Miles as of January 31, 2027, were 100 miles or greater, the Retained Amount would remain \$200,000 or 1% of Gross Revenues, whichever is greater.

If, during the term of the Franchise (in any subsequent January 31st report) the Adjusted INET Miles reflects an increase of twenty-five percent (25%) or more than the Initial INET Miles, the parties will meet to determine a reasonable adjustment to the Retained Amount to reflect the additional operation, maintenance and repair costs associated with the INET. If the parties are not able to reach an agreement on a reasonable adjustment to the Retained Amount, Grantee shall continue to provide all INET connections dedicated for and in use at that time, but Grantee shall be relieved of any obligation to install any further INET locations in Kaua'i County until such agreement is reached provided, however, that Grantee shall complete any INET builds for which Grantee has already accepted a purchase order, or similar notice, at the time Grantee initiates a request to meet pursuant to this paragraph.

SECTION 13 **Community Support**

13.1 Local Origination Programming. Grantee airs locally produced original programming that currently addresses such subjects as local news, surf conditions, weather, cooking, pet care, beauty contests, healthy living, and craft demonstrations, and are subject to change. Grantor encourages Grantee to continue and expand its reach and coverage of local high

school and college sporting events, mostly in HD programming. Grantee also supports local producers and communities for the production of concerts and special programs. The Director recognizes that Local Origination Programming is a significant benefit to the community, providing for diversity in programming with an emphasis on local issues and concerns. Grantee has made a commitment to continue Local Origination Programming, although the extent of its Local Origination Programming content, the type and mix of programming content and the number of hours and scope of Local Origination Programming is in Grantee's discretion and subject to change. The Director commends Grantee for its efforts to deliver a broad range of diverse entertaining, informative, and educational programming by supporting Local Origination Programming, and urges Grantee to continue to provide Local Origination Programming as a public interest benefit of the grant of this Franchise to Grantee.

13.2 Low Income and Kupuna Discounts. The Director recognizes that Cable Service is often the only way low income and/or kupuna (elderly) residents have to connect to the outside world. Under 47 USC § 543(e)(1), cable operators may offer discounts for Cable Service to senior citizens. Grantee is encouraged to develop and implement discounts for bulk Subscribers serving senior citizens or other economically disadvantaged individuals, such as retirement communities and long-term care facilities located in the County of Kaua'i. Grantee shall periodically inform DCCA as to any actions taken in this regard.

SECTION 14 **Enforcement or Revocation**

14.1 Notice of Violation. If the Director believes that the Grantee has not complied with the terms of the Franchise, the Director may first informally discuss the matter with Grantee. If these discussions do not lead to a timely resolution of the problem, or the Director chooses to only issue a written notification, the Director shall notify the Grantee in writing of the exact nature of the alleged noncompliance (the "Violation Notice").

14.2 Grantee's Right to Cure or Respond. The Grantee shall have thirty (30) days from receipt of the Violation Notice to (i) respond to the Director, contesting the assertion of noncompliance, or (ii) to cure such default, or (iii) if, by the nature of default, such default cannot be cured within the thirty (30) day period, initiate reasonable steps to remedy such default and notify the Director of the steps being taken and the projected date that they will be completed.

14.3 Public Hearing. If the Grantee fails to respond to the Violation Notice received from the Director, or if the default is not remedied within the cure period set forth above, the Director shall schedule a public hearing if it intends to continue its investigation into the default. The Grantor shall provide the Grantee at least twenty (20) days prior written notice of such hearing, which specifies the time, place and purpose of such hearing, notice of which shall be published by the Grantor in accordance with Section 15.7 (Public Notice). At the hearing, the Director shall give the Grantee an opportunity to state its position on the matter, present evidence, and question witnesses, after which it shall determine whether or not the Franchise shall be altered or revoked or whether some other enforcement measure will be employed. The public hearing shall be on the record. The decision of the Director shall be made in writing and shall be delivered to the Grantee.

The Grantee may appeal such determination first through the applicable administrative process channels and then to an appropriate court. The Grantee may continue to operate the Cable System until all legal appeals procedures have been exhausted.

14.4 Enforcement. Subject to applicable federal and State law, in the event the Grantor, after the hearing set forth in subsection 14.3 above, determines that the Grantee is in default of any provision of the Franchise, the Grantor may:

- A. Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages; or
- B. Commence an action at law for monetary damages or seek other equitable relief; or
- C. Impose fines or sanctions as allowed under existing federal and State law; or
- D. In the case of a substantial default of a material provision of the Franchise, seek to revoke the Franchise itself in accordance with subsection 14.5 below.

14.5 Revocation. Pursuant to HRS § 440G-9, and subject to Applicable Law, the Director shall have the authority, in the Director's reasonable discretion, to revoke, alter, or suspend this Franchise on any of the following grounds: (1) making material false or misleading statements in, or material omissions from, any application or proposal or other filing made with the Department; (2) failure to maintain signal quality under the standards prescribed by the Director; (3) any sale, lease, assignment, or other transfer of its cable franchise without consent of the Director; (4) except when commercially impracticable, unreasonable delay in construction or operation or for unreasonable withholding of the extension of Cable Service to any person in the Service Area; (5) violation of the material terms of this Franchise; (6) failure to comply with HRS Chapter 440G or any rules or orders prescribed by the Director pursuant to Applicable Law; (7) violation of any filed schedule of terms and conditions of Cable Service; and (8) engaging in any unfair or deceptive act or practice as prohibited by HRS § 480-2. Alteration may include a reduction in the term of this Franchise, provided that, Grantee shall be allowed adequate time to provide notice of the commencement of renewal proceedings pursuant to 47 USC § 546(a), as may be amended.

Prior to taking action to revoke, alter, or suspend this Franchise: (1) the Director shall immediately notify Grantee in writing of the alleged grounds for revocation, alteration, or suspension and its intent to revoke, alter, or suspend this Franchise; and (2) Grantee shall have sixty (60) calendar days from receipt of the notification to object in writing, stating its reasons for such objection and providing any explanation, to cure the alleged noncompliance, or to provide a reasonable plan to cure the alleged noncompliance to the reasonable satisfaction of the Director. During the sixty (60) calendar day period, Grantee shall continue to comply with the requirements of this Franchise.

If Grantee fails to object in writing, stating its reasons for such objection and providing any explanation, to cure the alleged noncompliance, or to provide a reasonable plan to cure the alleged noncompliance to the reasonable satisfaction of the Director, within the sixty (60) calendar day period, the Director may seek to revoke, alter, or suspend this Franchise after a contested case hearing, in accordance with HRS Chapter 91, as required by HRS § 440G-9, provided that Grantee

shall be given at least thirty (30) days prior written notice of such contested case hearing, specifying the time and place of such hearing and stating the Director's intent to revoke the Franchise. Upon revocation of this Franchise, Grantee shall sell, remove or abandon the Cable System in place as determined by the Director. Notwithstanding the above provisions, Grantee reserves all of its rights under federal law or regulation.

The provisions of this subsection may be suspended for such period of time as Grantee may elect to voluntarily perform its obligations under this Franchise; provided that Grantee provides prior written notice to the Director of such voluntary performance.

SECTION 15 **Miscellaneous Provisions**

15.1 Compliance with Laws. Grantee shall conform to all applicable state and federal laws and rules regarding Cable Service as they become effective. Except as otherwise provided in this Franchise, Grantee shall also conform with all generally applicable Grantor resolutions, rules, and regulations heretofore or hereafter adopted or established during the entire term of the Franchise.

15.2 Force Majeure. The Grantee shall not be held in default under, or in noncompliance with the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by circumstances reasonably beyond the ability of the Grantee to anticipate and control. This provision includes, but is not limited to, severe or unusual weather conditions, fire, flood, or other acts of God, strikes, work delays caused by failure of utility providers to service, maintain or monitor their utility poles to which Grantee's Cable System is attached, as well as unavailability of materials and/or qualified labor to perform the work necessary.

15.3 Minor Violations. The parties hereby agree that it is not the Grantor's intention to subject the Grantee to forfeitures or revocation of the Franchise for violations of the Franchise where the violation was a good faith error that resulted in no or minimal negative impact on the Subscribers within the Franchise Area, or where strict performance would result in practical difficulties or hardship to the Grantee which outweighs the benefit to be derived by the Grantor and/or Subscribers.

15.4 Action of Parties. In any action by the Grantor or the Grantee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld.

15.5 Change in Law. Notwithstanding any other provision in this Franchise, in the event any change to state or federal law occurring during the term of this Franchise eliminates the requirement for any person desiring to provide video service or Cable Service in the Franchise Area to obtain a franchise from the Grantor, then the parties shall confer regarding the right to terminate this Franchise and operate the system under the terms and conditions established in Applicable Law, if any.

15.6 Notices. Unless otherwise provided by federal, State, or local law, all notices pursuant to this Franchise shall be in writing and shall be deemed to be sufficiently given upon delivery to a Person at the address set forth below, or by U.S. certified mail, return receipt requested, nationally or internationally recognized courier service such as Federal Express or electronic mail communication to the designated electronic mail address provided below. As set forth above, notice served upon the Grantor shall be delivered or sent to:

Grantor: Cable Television Administrator
335 Merchant Street, Room 101
Honolulu, HI 96813

Email: cabletv@dcca.hawaii.gov

Grantee: Rebecca Lieberman
Director, State Government Affairs
151 Pali Street
Mililani, HI 96789

Email: Rebecca.Lieberman@charter.com

Copy to: Charter Communications
Attn: Vice President, Local Government Affairs &
Franchising
601 Massachusetts Ave NW
Suite 400W
Washington, DC 20001

15.7 Public Notice. Public notice of any public meeting or hearing relating to this Franchise shall be in accordance with HRS Chapter 440G.

15.8 Governing Law. Except as otherwise provided under federal law, the validity of this Franchise and any of its terms, conditions, or requirements, as well as the rights and duties of the Director and Grantee, shall be governed by the laws of the State of Hawai‘i, except to the extent preempted by federal law, including but not limited to the Cable Act, Communications Act, and related regulations, rules, and orders. Any action at law or in equity to enforce or interpret the provisions of this Franchise shall be brought in a state or federal court of competent jurisdiction in Honolulu, Hawai‘i, unless federal law requires the filing of a certain cause of action in another forum.

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

15.10 Entire Agreement. This Franchise and any Exhibits hereto constitute the entire agreement between Grantee and the Grantor and unless otherwise indicated herein, they supersede all prior or contemporaneous agreements, representations or understandings (whether written or oral) of the parties regarding the subject matter hereof.

15.11 Administration of Franchise. This Franchise is a contract and neither party may take any unilateral action that materially changes the mutual promises and covenants contained herein, unless permitted by the terms set forth herein. Any changes, modifications or amendments to this Franchise must be made in writing, signed by the Grantor and the Grantee. Any determination by the Grantor regarding the interpretation or enforcement of this Franchise shall be subject to de novo judicial review.

15.12 Effective Date. The Franchise granted herein will take effect and be in full force from such date of acceptance by Grantee recorded on the signature page of this Franchise.

15.13 No Third Party Beneficiaries. Nothing in this Franchise is intended to confer third-party beneficiary status on any person other than the parties to this Franchise to enforce the terms of this Franchise.

Considered and approved this 15th day of November, 2024.



Nadine Y. Ando
Director of Commerce and Consumer Affairs

Accepted this 15th day of November, 2024, subject to applicable federal and State law.

**Oceanic Spectrum, LLC,
By: Charter Communications, Inc., its Manager**



Paul Abbott
Vice President, Local Government Affairs and
Franchising

EXHIBIT A

Locations currently receiving voluntary free Cable Service pursuant to Section 8.11:

Fire Station, Lihue; 4223 Rice St, Lihue, HI 96766

Fire Department, Kaiakea; 4-1881 Kuhio Hwy, Kapaa, HI 96746

Kapaa Public Library; 4-1464 Kuhio Hwy, Kapaa, HI 96746

Fire Station, Waimea; 9835 Kaumualii Hy, Waimea, HI 96796

Library Waimea; 9750 Kaumualii Hy, Waimea, HI 96796

Hanapepe Public Library; 4490 Kona Rd, Hanapepe, HI 96716

Police Sub Stn; Waimea; 4590 Ola Rd, Waimea, HI 96796

Fire Station, Hanalei F; 54390 Kuhio Hy, Princeville, HI 96722

Waimea Canyon Middle School; 9555 Huakai Rd, Waimea, HI 96796

Koloa Public & School Library; 3451 Poipu Rd, Koloa, HI 96756

Princeville Library; 4343 Emmalani Dr, Princeville, HI 96722

Kids School; 1346 Inia St, Kapaa, HI 96746

Fire Station, Kapaa; 4-757 Kuhio Hwy, Kapaa, HI 96746