SUPPLEMENTAL AGREEMENT NO. 39 TO AGREEMENT FOR PUBLIC, EDUCATIONAL, AND GOVERNMENTAL ACCESS SERVICES

RECITALS

WHEREAS, the STATE and CONTRACTOR previously entered into an "Agreement" on December 24, 1998 for, among other things, the management and operation of public, educational, and governmental ("**PEG**") access facilities, equipment, and channels for the island of Oahu;

WHEREAS, the term of the Agreement was automatically extended each year for one (1) year terms until December 31, 2003;

WHEREAS, the STATE and CONTRACTOR entered into Supplemental Agreement No. 1 on December 29, 2003, and extended the Agreement to April 30, 2004;

WHEREAS, the STATE and CONTRACTOR thereafter entered into Supplemental Agreement Nos. 2 to 38 and continuously extended the Agreement;

WHEREAS, the Agreement is currently extended to December 31, 2024;

WHEREAS, on July 1, 2011, Act 19 (SLH 2011) ("**Act 19**") took effect and authorizes the DIRECTOR to designate PEG access organizations; provided that such designations shall be exempt from Hawaii Revised Statutes ("**HRS**") chapter 103D;¹

WHEREAS, on September 2, 2011, the STATE issued Guidelines to Designate PEG Access Organizations Pursuant to Act 19;

¹ Act 93 (SLH 2014), signed into law on June 16, 2014, removed the sunset provision in Act 19, thereby permanently allowing the Director to designate access organizations to oversee PEG channels. The Director's authority to designate access organizations to oversee PEG channels is codified under HRS § 440G-8.3.

WHEREAS, on October 25, 2011, the CONTRACTOR submitted an Application to Provide PEG Access Services for the island of Oahu ("Application") to the DIRECTOR;

WHEREAS, the State and Contractor acknowledge that the Federal Communications Commission's ("FCC") conclusion in its 2019 order, Implementation of Section 621(a)(1) of the Cable Communications Policy Act, Third Report and Order, MB Docket No. 05-311, FCC 19-80, 84 Fed. Reg. 44725 (August 27, 2019), and related judicial appeals and orders, that cable related inkind contributions required by a cable franchise agreement are franchise fees subject to the statutory five percent (5%) cap on franchise fees, will affect the STATE's ability to provide funding to CONTRACTOR at levels similar to previous terms of this Agreement;

WHEREAS, the STATE is presently reviewing the CONTRACTOR's Application, supporting documentation, intervener's testimony, and public comments, and in light of the ongoing proceedings, the STATE needs additional time for review and to consider all factors; and

WHEREAS, to allow the uninterrupted provision of PEG access services to cable television subscribers, and to provide time to complete the selection and designation process for a PEG access organization on Oahu, the STATE and CONTRACTOR desire to enter into another Supplemental Agreement to further extend the Agreement from December 31, 2024 to December 31, 2025.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the STATE and the CONTRACTOR hereby agree as follows:

1. Term of the Agreement

Paragraph A. of the Agreement ("Term") is replaced in its entirety with the following:

- "a. The Agreement shall be extended from December 31, 2024 to December 31, 2025.
- b. Thereafter, the parties may enter into another Supplemental Agreement to further extend the Agreement."

2. Termination

a. Paragraph M.3. of the Agreement ("Termination") is replaced in its entirety with the following:

"3. The DIRECTOR may, when the interests of the STATE so require, terminate this Agreement for the convenience of the STATE. The DIRECTOR shall give at least sixty (60) calendar days' prior written notice of the termination to the CONTRACTOR."

b. New Paragraph M.4 is added:

"4. In the event the CONTRACTOR is designated as a PEG access organization for Oahu by the DIRECTOR, and the CONTRACTOR and the DIRECTOR subsequently enter into a new agreement for the management and operation of PEG access facilities, equipment, and channels for the island of Oahu prior to the expiration of this Agreement, this Agreement shall terminate upon the effective date of the new agreement."

3. Execution

- a. This Supplemental Agreement No. 39 may be executed utilizing electronic signature (also known as "digital signature" and "esignature").
- b. This Supplemental Agreement No. 39 may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

The remainder of this page is left intentionally blank.

4. Other Provisions of the Agreement

Deputy Attorney General

Except as otherwise provided herein, the remaining provisions of the Agreement shall continue to remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Supplemental Agreement No. 39 on <u>January 8, 2025</u>

STATE OF HAWAII	'ŌLELO COMMUNITY TELEVISION, DOING BUSINESS AS 'ŌLELO COMMUNITY MEDIA and formerly known as 'ŌLELO: THE CORPORATION FOR COMMUNITY TELEVISION
By:	By:
DEAN I HAZAMA	ROGER MCKEAGUE
Deputy Director, Department of Title: Commerce and Consumer Affairs	Title: President & CEO
Date: January 8, 2025	Date: December 31, 2024
APPROVED AS TO FORM:	
h. 20-	