11. **TRANSFER OF FRANCHISE**

11.1. *County Approval Required*: Subject to the provisions of this Article, the Franchisee shall apply to the County for approval of any transaction in which any change is proposed with respect to ten percent (10%) or more for voting interests or twenty-five percent (25%) or more for non-voting interests of the ownership of the Franchisee, the Cable System, the Cable System assets, or the Franchise by submitting FCC Form 394 or such other form as the FCC may prescribe for that purpose. The application shall be made at least one hundred twenty (120) calendar days prior to the contemplated effective date of the transaction. Such application shall contain complete information on the proposed transaction, including details of the legal, financial, technical, and other qualifications of the transferee. At a minimum, the following information must be included in the application:

11.1.1. all information and forms required under federal law;

11.1.2. any shareholder reports or filings with the Securities and Exchange Commission that pertain to the transaction;

11.1.3. a report detailing any changes in ownership of voting or non-voting interests of over five percent;

11.1.4. other information necessary to provide a complete and accurate understanding of the financial position of the Cable System before and after the proposed transaction;

11.1.5. complete information regarding any potential impact of the transaction on Subscriber rates and service; and

11.1.6. any contracts that relate to the proposed transaction as it affects the County and, upon request by the County, all documents and information that are related or referred to therein and which are necessary to understand the proposed transaction; provided, however, that if the Franchisee believes that the requested information is confidential and proprietary, then the Franchisee must provide the following documentation to the County: (i) specific identification of the information; (ii) statement attesting to the reason(s) Franchisee believes the information is confidential; and (iii) statement that the documents are available at the Franchisee's designated offices for inspection by the County.

11.2. To the extent not prohibited by federal law, the Board may: (i) grant; (ii) grant subject to conditions directly related to concerns relevant to the transactions; (iii) deny any such transactions; or (iv) not take action, in which case the transactions shall be deemed granted pursuant to Section 617 of the Communications Act, 47 U.S.C. § 537.

11.2.1. For any transaction that the County determines constitutes an assignment of the franchise, Board action shall be expressed by ordinance.

11.2.2. For any transaction that the County determines constitutes a significant transfer of control of the franchise, Board action shall be expressed by resolution. Significant transfer of control means any change in the ownership of: (i) twenty percent (20%) or more of the voting interests or (ii) fifty percent (50%) or more of the non-voting interests.

11.2.3. For any other transaction for which the Franchisee has filed an application pursuant to Section 11.1, the Communications Administrator shall inform the Board not less than thirty (30) days before such application would be deemed approved pursuant to Section 617 of the Communications Act, 47 U.S.C. § 537.

11.3. *Waiver of Transfer Application Requirements*: To the extent consistent with federal law, the County may waive in writing any requirement that information be submitted as part of the transfer application, without thereby waiving any rights the County may have to request such information after the application is filed.

11.4. *Subsequent Approvals*: The Board's approval of a transaction described in this Section in one instance shall not render unnecessary approval of any subsequent transaction.

11.5. *Approval Does Not Constitute Waiver*: Approval by the Board of a transfer described in this Section shall not constitute a waiver or release of any of the rights of the County under this Agreement or the Communications Ordinance, whether arising before or after the date of the transfer.

11.6. *No Consent Required For Transfers Securing Indebtedness*: The Franchisee shall not be required to file an application or obtain the consent or approval of the County for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness. However, the Franchisee will notify the County within ten (10) days if at any time there is a mortgage or security interest granted on substantially all of the assets of the Cable System. The submission of the Franchisee's audited financial statements prepared for the Franchisee's bondholders shall constitute such notice.

11.7. *No Consent Required For Any Affiliate Transfers*: The Franchisee shall not be required to pay an acceptance fee or file an application or obtain the consent or approval of the County for any transfer of an ownership or other interest in Franchisee, the Cable System, or the Cable System assets to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee. However, the Franchisee will notify the County within thirty (30) days if at any time a transfer covered by this subsection occurs. Within a reasonable time after receiving notice of such transfer, the County shall be responsible for furnishing the Franchisee with a letter acknowledging the transfer and whether the County is satisfied with the legal, financial, and technical qualifications of the transferee. The Franchisee will guarantee all of obligations that this Agreement imposes on the holder of the Franchise until the County provides

the Franchisee with the letter acknowledging the transfer and confirming that the County has found the legal, financial, and technical qualifications of the transferee to be satisfactory.

11.8 *Assignment to Verizon South Inc.:* Notwithstanding anything to the contrary herein, the County expressly acknowledges and agrees that the Franchisee is permitted to assign the right to provide Cable Service in the Franchise Area to Verizon South Inc., an Affiliate of the Franchisee, without paying an acceptance fee, without filing an application, or obtaining any prior approval. The Franchisee will notify the County if at any time an assignment covered by this subsection occurs. However, such assignment shall not release the Franchisee from any of the terms and conditions imposed in this Agreement and the Franchisee shall remain solely liable to the County for the performance of those terms and conditions.