7. FRANCHISE FEES

7.1. *Payment to the County:* The Franchisee shall pay to the County a Franchise fee of five percent (5%) of annual Gross Revenue. In accordance with Title VI of the Communications Act, the twelve (12) month period applicable under the Franchise for the computation of the Franchise fee shall be made on a calendar year basis. Such payments shall be made no later than thirty (30) days following the end of each calendar quarter. In the event the Franchisee is unable to compute the Franchisee fee payment within the foregoing time frame, the Franchisee may make an estimated Franchise fee payment based on the payment for the previous quarter. Estimated payments must be trued up within thirty (30) days after the date of the estimated payment. In the event any Franchise fee payment, including any estimated Franchise fee payment, due and owing is not made on or before the required date, the Franchisee shall pay any applicable penalties and interest charges computed from such due date, as provided for in the Communications Ordinance under Section 9.1-5-8(i).

7.2. *Supporting Information:* Each Franchise fee payment shall be submitted with supporting detail and a statement certified by the Franchisee's authorized financial agent or an independent certified public accountant, reflecting the total amount of monthly Gross Revenues for the payment period. The County shall have the right to reasonably require further supporting information.

7.3. *Bundled Services*: If Franchisee bundles Cable Service with Non-Cable Service, Franchisee agrees that it will allocate the discount associated with such bundle consistent with the portion allocated in the Franchisee's books and records kept in the regular course of Franchisee's business. However, the parties agree that tariffed telecommunications services that cannot be discounted under state or federal law or regulation are excluded from the bundled discount allocation obligations in this section.

7.4. *No Limitation on Taxing Authority.* Nothing in this Agreement shall be construed to limit any authority of the County to impose any tax, fee, or assessment of general applicability. The Franchise fee payments required by this section shall be in addition to any and all taxes of a general nature or other fees or charges which Franchisee shall be required to pay to the County or to any state or federal agency or authority, as required herein or by law, all of which shall be separate and distinct obligations of Franchisee. However, Franchisee shall have the right to a credit, in the amount of its Franchise fee and Total Grants payments under this Agreement, against any general utility tax on Cable Services that may be imposed by the County, to the extent such a tax is applicable to Franchisee or its subscribers. Franchisee may designate Franchise Fee(s) as a separate item in any bill to a Subscriber of Franchisee's Cable System, but shall not designate or characterize it as a tax.