

**LICENSE AGREEMENT**  
**Between Capital Community Television, Inc.,**  
**the City of Salem, Oregon and Marion County, Oregon**

Between: City of Salem,  
an Oregon municipal corporation (City)  
555 Liberty St, SE  
Salem, OR 97301

Marion County, a political subdivision of the State of Oregon (County)  
555 Court St, NE  
Salem, OR 97301

With a mailing address of:  
Mailing address:  
P.O. Box 14900  
Salem, OR 97309

(collectively referred to as "Licensor")

And: Capitol Community Television, Inc, an Oregon non-profit public benefit  
corporation (CCTV)  
575 Trade Street SE  
Salem, OR 97301  
("Licensee")

Licensor hereby grants to Licensee a license to use the following described property (the  
"Premises") on the terms and conditions stated below ("License"):  
[Insert description or refer to exhibit.]

This License is effective on the date it is last signed by all parties to this License.

**Section 1. Term**

**1.1 Original Term.** The term of this License shall commence on July 1, 2017, and shall remain in effect, unless sooner terminated as hereinafter provided, for the same term as the Cable Access Management Agreement ("Management Agreement") between CCTV and the Mid-Willamette Valley Cable Regulatory Commission ("CRC"), which is attached hereto and by this reference incorporated herein as Exhibit 1 or subsequent management agreements between CRC and Licensee.

**1.2 Right to Use.** Licensee's right to use and obligations under the License shall commence on July 1, 2017. Licensor shall have no liability for delays in delivery of possession and Licensee will not have the right to terminate this License because of delay in delivery of possession except as hereinafter provided. If Licensor is not able to give Licensee possession of the Premises on or before July 1, 2017, subject only to delays caused by matters not within  
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Licensor's reasonable control, Licensee may rescind the License by notice in writing to Licensor given at any time thereafter before the date on which possession is tendered by Licensor. Licensor may use space within the Premises for any lawful purpose that does not interfere with Licensee's use of the Premises, upon providing written notice to Licensee.

**1.3 Renewal.** If this License has not been earlier terminated as provided herein, it may be renewed only upon the extension or renewal of the Management Agreement. In no event shall the term of this License exceed the term of the Management Agreement.

## **Section 2. License Fee**

Licensee may occupy the Premises for the term of this License for no rent or other license fee, however Licensee shall be responsible for payment of certain Facilities and Services as provided herein.

## **Section 3. Permitted Use.**

**3.1** Licensee's use and occupancy of the Premises shall be consistent with the terms of this License and the "Intergovernmental Agreement – Mid-Willamette Valley Cable Regulatory Commission – Revised 7/1/91 ("Management Agreement"), a copy of which is attached hereto and by this reference is incorporated herein as Exhibit 1. Licensee's use and occupancy of the Premises shall be consistent with its stated mission of providing community information through television, education in creating television messages, and an opportunity for political, cultural, artistic, spiritual, and individual expression on television. Licensee's use and occupancy of the Premises shall also be consistent with the terms of this License and the "Intergovernmental Agreement – Mid-Willamette Valley Cable Regulatory Commission – Revised 7/1/91 ("Management Agreement"), a copy of which is attached hereto and by this reference is incorporated herein as Exhibit 1.

**3.2 Continuous Operation.** Licensee shall occupy the Premises continuously for the permitted use stated in this License. This provision shall not prevent Licensee from closing for brief periods when reasonably necessary for inventory, repairs, remodeling (when permitted), or other legitimate purpose related to the permitted use, or when closure is the result of a labor dispute, however caused, or other factors not within Licensee's control.

**3.3 No Partnership.** Licensor is not by virtue of this section a partner or joint venturer with Licensee in connection with the permitted use carried on under this License, and shall have no obligation with respect to Licensee's debts or other liabilities.

**3.4 Restrictions on Use.** In connection with the use of the Premises, Licensee shall:

**3.4.1** Conform to all applicable laws and regulations of any public authority affecting the premises and the use, and correct at Licensee's own expense any failure of compliance created through Licensee's fault or by reason of Licensee's use, but Licensee shall not be required to make any structural changes to effect such compliance unless such changes are required because of Licensee's specific use.

**3.4.2** Refrain from any activity that would make it impossible to insure the Premises against casualty, would increase the insurance rate, or would prevent Licensor from taking advantage of any ruling of the Oregon Insurance Rating Bureau, or its successor, allowing Licensor to obtain reduced premium rates for

long-term fire insurance policies, unless Licensee pays the additional cost of the insurance.

**3.4.3** Refrain from any use that would be reasonably offensive to other Licensees or owners or users of neighboring premises or that would tend to create a nuisance or damage the reputation of the premises.

**3.4.4** Refrain from loading the electrical system or floors beyond the point considered safe by a competent engineer or architect selected by Licensor.

**3.5 Exception.** It is understood and agreed that Licensee's operations generate traffic and, in some situations, sounds that may be audible outside the Premises. Nothing in Section 3.4 is intended to require Licensee to restrict traffic, ensure there are no sounds audible outside the Premises, or impose restrictions on the content of any recordings by members of the public who are utilizing Licensee's services and facilities, other than restrictions required or permitted by law.

**3.6 Removal of Fixtures.** Upon Termination, any sign, insignia, antenna, aerial, or other device attached or installed on the exterior walls, windows, or roof of the Premises by Licensee shall be removed and Licensee shall repair the area of the attachment or installation to its original condition.

**3.7 Hazardous Substances.** Licensee shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of, or to otherwise remain on the Premises.

## **Section 4. Repairs and Maintenance**

**4.1 Licensee's Obligations.** Licensee shall be responsible for the cost of maintenance and repair of the Premises.

**4.2 Repairs Required to be Performed by Licensor.** All repairs or maintenance of the Premises shall be performed by City, unless City consents in writing to have a repair or maintenance item performed by Licensee, or Licensee's contractor. If any repair or maintenance item arises, Licensee shall contact the City's Facilities Division to schedule the repair or maintenance. Funding for capital repairs shall be funded with Public, Education, and Government (PEG) access fees.

**4.3 City's Interference with Licensee.** In performing any repairs, replacements, alterations, or other work performed on or around the Premises, Licensor shall not cause unreasonable interference with use of the Premises by Licensee. Licensee shall have no right to an abatement of any fees or charges nor any claim against Licensor for any inconvenience or disturbance resulting from Licensor's activities performed in conformance with the requirement of this provision.

## **Section 5. Alterations**

**5.1 Alterations.** Licensee shall make no improvements or alterations on the Premises of any kind without first obtaining Licensor's written consent. All alterations shall be made in a good and workmanlike manner, and in compliance with applicable laws and building codes. As used herein, *alterations* includes the installation of television, computer, and telecommunications hardware, wiring, cables, and conduit. Licensee shall be responsible for the cost of any and all alterations to Premises.

**5.2 Ownership and Removal of Alterations.** All improvements and alterations performed on the Premises by either Licensor or Licensee shall be the property of Licensor when

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installed unless the improvement or alteration is classified as CCTV Inventory and included on the CCTV Inventory list, pursuant to the Management Agreement, in which case the Inventory shall remain the property of CRC. Improvements and alterations installed by Licensee and not classified as CCTV Inventory, shall, at Licensor's option, be removed by Licensee and the premises restored.

## **Section 6. Insurance**

**6.1 Insurance Required.** Licensor shall keep the Premises insured at Licensor's expense against fire and other perils covered by a standard property insurance policy. Licensee shall bear the expense of any insurance insuring the personal property of Licensee on the Premises against such risks.

**6.2 Waiver of Subrogation.** Neither party shall be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire or any of the risks enumerated in a standard property insurance policy with an extended coverage endorsement, and in the event of insured loss, neither party's insurance company shall have a subrogated claim against the other. This waiver shall be valid only if the insurance policy in question expressly permits waiver of subrogation or if the insurance company agrees in writing that such a waiver will not affect coverage under the policies.

## **Section 7. Damage and Destruction.**

If the Premises are damaged or destroyed, Licensor in its sole discretion, shall determine the extent of, and schedule for repairs. If such damage or destruction shall prevent Licensee's use of the Premises, Licensor shall work in good faith to provide an alternative location for Licensee to perform its duties under the Management Agreement, but in no event shall Licensor be liable for any damage, or cost related to the damage or destruction of the Premises, regardless of the cause of such damage or destruction.

## **Section 8. Liability and Indemnity**

### **8.1 Liens**

**8.1.1** Except with respect to activities for which Licensor is responsible to pay, Licensee shall pay as due all claims for work done on and for services rendered or material furnished to the Premises, and shall keep the Premises free from any liens. If Licensee fails to pay any such claims or to discharge any lien, Licensor may do so and collect the cost from Licensee. Any amount so added shall bear interest at the rate of 9% per annum from the date expended by Licensor and shall be payable on demand. Such action by Licensor shall not constitute a waiver of any right or remedy which Licensor may have on account of Licensee's default.

**8.1.2** Licensee may withhold payment of any claim in connection with a good-faith dispute over the obligation to pay, as long as Licensor's property interests are not jeopardized. If a lien is filed as a result of nonpayment, Licensee shall, within 10 days after knowledge of the filing, secure the discharge of the lien or deposit with Licensor cash or sufficient corporate surety bond or other surety satisfactory to Licensor in an amount sufficient to discharge the lien plus any costs, attorney fees, and other charges that could accrue as a result of a foreclosure or sale under the lien.

**8.2 Indemnification.** Licensee shall indemnify and defend Licensor from, and reimburse Licensor for, any cost, claim, loss, or liability suffered directly or from a third-party

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claim arising out of or related to any activity of Licensee on the Premises or any condition of the Premises in the possession or under the control of Licensee, , and including any cost, fees, judgments, claim, losses, or liability suffered directly or from a third-party claim for damage to the Premises or any other persons or property arising out of or related to Licensee's use of the Premises. Licensor shall have no liability to Licensee for any injury, loss, or damage caused by third parties, or by any condition of the Premises, except to the extent caused by Licensor's negligence or breach of duty under this License. Licensor shall have no liability for the failure or interruption of utilities, and in no event for lost profits or consequential damages.

#### **Section 9. Liability Insurance.**

Before commencing use of the Premises, Licensee shall procure and thereafter during the term of the License shall continue to carry the following insurance at Licensee's cost: general liability insurance from an "A" rated company licensed to provide coverage in the State of Oregon, with a per occurrence of not less than \$1,000,000 and a combined limit of not less than \$3,000,000 and \$1,000,000 for damage to property. Such insurance shall be an all policy covering risks that arising out of Licensee's activities on or any condition of the premises, whether or not related to an occurrence caused or contributed to by Licensor's negligence. Such insurance shall protect Licensee against the claims of Licensor on account of the obligations assumed by Licensee under Section 9.2, and shall name the City of Salem, and Marion County as an additional insureds. Certificates evidencing such insurance and bearing endorsements requiring 10 days' written notice to Licensor before any change or cancellation shall be furnished to Licensor before Licensee's occupancy of the property.

#### **Section 10. Assignment and Subletting**

This License may not be assigned, and no right of use of any portion of the property may be assigned or conferred on any third person by any other means, without the prior written consent of Licensor, which consent may be withheld in Licensor's sole discretion. This provision shall apply to all transfers by operation of law. Consent in one instance shall not prevent this section from applying to a subsequent instance.

#### **Section 11. Default**

The following shall be events of default:

**11.1 Default in Payment.** Failure of Licensee to pay any Facility fee or any other fee or charge as provided in this License within 10 days after written notice has been provided that it is due.

**11.2 Default in Other Terms.** Failure of Licensee to comply with any term or condition or fulfill any obligation of the License (other than the payment of any fee or other charges) within 20 days after written notice by Licensor specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 20-day period, this provision shall be complied with if Licensee begins correction of the default within the 20-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

**11.3 Abandonment.** Failure of Licensee for 30 days or more to occupy the Premises for one or more of the purposes permitted under this License, unless such failure is excused under other provisions of this License.

## **Section 12. Remedies on Default**

**12.1 Termination.** In the event of a default the License may be terminated at the option of Licensors by written notice to Licensee. Whether or not the License is terminated by the election of Licensors or otherwise, Licensors shall be entitled to recover damages from Licensee for the default, and Licensors may remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages and without having accepted a surrender.

**12.2 Damages.** In the event of termination or retaking of possession following default, Licensors shall be entitled to recover immediately, without waiting until the due date of any future payment or until the date fixed for expiration of the License term, the following amounts as damages:

**12.2.1** All Facility and Service fee or charges then due, and

**12.2.2** The reasonable costs of any cleanup, refurbishing, removal of Licensee's property and fixtures, or any other expense occasioned by Licensee's default including but not limited to, any remodeling or repair costs.

**12.3 Licensors' Right to Cure Defaults.** If Licensee fails to perform any obligation under this License, Licensors shall have the option to do so after 30 days' written notice to Licensee. All of Licensors' expenditures to correct the default shall be reimbursed by Licensee on demand with interest at the rate of 9% annum from the date of expenditure by Licensors. Such action by Licensors shall not waive any other remedies available to Licensors because of the default.

**12.4 Remedies Cumulative.** The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Licensors under applicable law.

## **Section 13. Surrender at Expiration**

**13.1 Condition of Premises.** On expiration of the License term or earlier termination on account of default, Licensee shall deliver all keys to Licensors and surrender the Premises in first-class condition and broom clean. Alterations constructed by Licensee with permission from Licensors shall not be removed or restored to the original condition unless the terms of permission for the alteration so require, or unless specifically ordered by Licensors. Licensee shall not be responsible for normal depreciation and wear from ordinary use, but repairs for which Licensee is responsible shall be completed prior to surrender. Licensee's obligations under this section shall be subordinate to the provisions of Section 8 relating to destruction.

### **13.2 Fixtures**

**13.2.1** All fixtures placed on the Premises during the term, other than Licensee's trade fixtures, shall, remain the property of the CRC pursuant to the Management Agreement.

**13.3 Holdover.** If Licensee does not vacate the Premises at the time required, Licensors may, at its option, subject Licensee to all of the provisions of this License except the provisions for term and renewal, or to eject Licensee from the Premises and recover damages caused by wrongful holdover. Failure of Licensee to remove fixtures, furniture, furnishings, or trade fixtures that Licensee is required to remove under this License shall constitute a failure to vacate to which this section shall apply if the property not removed will substantially interfere

with occupancy of the Premises by another Licensee or with occupancy by Licensor for any purpose including preparation for a new Licensee.

#### **Section 14. Miscellaneous**

**14.1 Nonwaiver.** Waiver by either party of strict performance of any provision of this License shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision. The acceptance of a late payment of any fee or charge shall not waive the failure to perform an obligation under this License except for the failure to pay the fee or charge so accepted when due and shall not affect Licensor's remedies for failure to perform such other obligations.

**14.2 Notices.** Any notice required or permitted under this License shall be deemed given when actually delivered upon by personal service or 48 hours after deposited in United States mail as certified mail addressed to the address first given in this License or to such other address as may be specified from time to time by either of the parties in writing.

**14.3 Succession.** Subject to the above-stated limitations on transfer of this License, this License shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

**14.4 Recordation.** This License shall not be recorded without the written consent of Licensor.

**14.5 Entry for Inspection.** Licensor shall have the right to enter on the Premises at any time for any purpose.

**14.6 Interest on Payments and Other Charges.** Any payment required of Licensee by this License shall, if not paid within 10 days after it is due, bear interest at the rate of 9% per annum (but not in any event at a rate greater than the maximum rate of interest permitted by law) from the due date until paid. In addition, if Licensee fails to make any payment required by this License to be paid to Licensor within five days after it is due, Licensor may elect to impose a late charge of five cents per dollar of the overdue payment to reimburse Licensor for the costs of collecting the overdue payment. Licensee shall pay the late charge on demand by Licensor. Licensor may levy and collect a late charge in addition to all other remedies available for Licensee's default, and collection of a late charge shall not waive the breach caused by the late payment.

**14.7 Time of Essence.** Time is of the essence of the performance of each of Licensee's obligations under this License.

**14.8 Amendment or Modification.** Any amendment or modification to this License shall be in writing, signed by each party.

**14.9 Integration.** This License, including the attached Management Agreement, constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes any and all prior negotiations and agreements between the parties, whether written or verbal, which are not fully expressed herein.

Licensor:

\_\_\_\_\_  
Chair, Marion County Board of Commissioners

Date: \_\_\_\_\_

Licensee:

\_\_\_\_\_  
, CCTV

Date: \_\_\_\_\_

Licensor:

\_\_\_\_\_  
Steven D. Powers, Salem City Manager

Date: \_\_\_\_\_



**INTERGOVERNMENTAL AGREEMENT  
MID-WILLAMETTE VALLEY CABLE REGULATORY COMMISSION  
Revised 7/1/91**

**THIS AGREEMENT** is between the City of Salem and the County of Marion, both units of local government of the State of Oregon herein referred to as "Jurisdictions." This Agreement is made pursuant to ORS 190.003 to ORS 190.110, the general laws and Constitution of the State of Oregon, and the laws and charters of the Jurisdictions. This Agreement supersedes the intergovernmental agreement of the same title made in 1989.

**1. General Purposes.**

1.1. The Jurisdictions have formed a joint Cable Regulatory Commission. The Jurisdictions have each entered into cable franchise agreements. It is their intent to construct, operate and maintain a unified cable communication system to provide public, educational, and government access to the cable system. The construction, operation and maintenance of such a unified system serves the public interest in that the individual boundaries of the Jurisdictions do not coincide with the needs of the citizens of the Jurisdictions for a unified cable communications system. In particular, the service areas of public and private agencies such as schools and banks cross jurisdictional boundaries. Local origin public, educational and government programming, and an institutional network, require a uniform compatible system throughout the franchise area. In addition, a joint system provides a more competitive environment which will promote state of the art technology in local area communication systems. A more competitive system will promote a maximum possible public, educational and government access.

1.2. To further this public interest and these purposes, the Commission will exercise any and all of the following powers and responsibilities as delegated from time to time by the Jurisdictions: monitor, regulate and supervise the acquisition, installation, operation and maintenance of a joint cable communication system, either by purchase, lease, license, or combination thereof. The Commission will also serve as an advisory body to the Jurisdictions on matters relating to cable communications and represent the Jurisdictions on regional, state or national cable communication matters.

**2. Definitions:**

2.1 "Cable Communications System" or "System" (also referred to as "Cable Television System", "Cable System", "CATV System" or "Community Antenna TV System") means a facility which crosses or uses public rights-of-way, and provides cable service to multiple subscribers within a community by means of a set of closed transmission paths and associated signal generation, reception, and control equipment. Such term does not include:

2.1.1. A facility that serves only to retransmit the television signals of one or more television broadcast stations;

2.1.2. A facility that serves only subscribers in one or more multiple unit dwellings under common ownership, control, or management, unless such facility uses any public right-of-way;

2.1.3. A facility of a common carrier, except that such facility shall be considered a cable system

to the extent such facility is used in the transmission of video programming directly to subscribers; or

2.1.4 Any facilities of any electric utility used solely for operating its electric utility system.

2.2. "Cable Company" means any person who is obligated by a franchise agreement to provide for construction, operation and maintenance of a cable communications system operated on a unified basis within the territories of the parties to this agreement.

2.3. "Person" means an individual, partnership, association, joint stock company, trust, corporation or organizational entity.

### **3. Commission Creation and Powers.**

3.1. A Joint Commission, the "Mid-Willamette Valley Cable Regulatory Commission", is created to carry out the purposes set forth in this Agreement. The Commission is vested with all the powers, rights and duties necessary to carry out these purposes that are vested by law in each Jurisdiction, its officers and agencies, subject only to the limitations contained in this Agreement.

3.2. Except as provided in Article 4 of this Agreement, the Commission shall have authority to act on behalf of the Jurisdictions and in its own right to oversee and regulate any cable communications system operated pursuant to the franchise agreements entered into by the Jurisdictions, to the extent that the Jurisdictions have assigned such responsibilities to the Commission. The Commission shall have authority to carry out all delegated functions and duties possessed by the Jurisdictions either as reserved in the franchise agreements, or as otherwise provided by law relating to such agreements, subject to the specific provisions of this Agreement.

3.3. The Commission shall contract with other governments or agencies to act as its staff, administer its policies, and oversee operation of the system by those engaged to perform such functions.

### **4. Powers Retained by Jurisdictions.**

4.1 Full Authority. In the following areas, the Jurisdictions reserve the authority to act on their own behalf. Each Jurisdiction agrees to make a good faith effort to weigh the impact of such actions on the overall operation and continuity of the system, and each Jurisdiction agrees to take no action in those areas without prior consideration of the matter by the Commission. The matters subject to this full power authority area:

4.1.1. Revocation, termination, extension, amendment or renewal of a franchise agreement.

4.1.2. Any decision to "buy out" a cable company's interest in a system.

4.1.3. Any action regarding the adoption of any legislation by the Jurisdictions, the amendment of this Agreement, or the making of any additional cable communications franchise agreement.

4.1.4. Any decision concerning a change of ownership or control of the system or the cable company.

4.2. Discretionary Review. No action of the Commission in regard to the following matters shall become final before a period of 30 days has expired from the adoption thereof by the Commission. These actions shall be subject to review by the governing body of each Jurisdiction during the 30 day period in accordance with procedures established by the Jurisdiction. The purpose of this review is to permit the governing bodies of the Jurisdictions to understand the Commission's intended actions in matters of particular concern, and to allow the Commissioners to reconsider such actions if necessary. The matters subject to this discretionary review are as follows, to the extent not reserved to the individual Jurisdictions exclusively under §4.1:

4.2.1. Any sanctions to be imposed on a cable company for failure to comply with the terms of the franchise agreement.

4.2.2. Adoption, amendment or repeal of regulations governing the operation of the system.

4.2.3. Proposed changes in equipment, system design, services, capital expenditures, staffing levels, marketing programs or similar commitments made by the cable company in the franchising process and incorporated in a franchise agreement, where the change proposed is to

substitute an "equal to or better" alternative or is otherwise authorized by the franchise agreement.

4.2.4. Any decision interpreting the franchise agreements, waiving strict performance of the franchise agreements, or granting the cable company any minor variance, where such authority is conferred on a Jurisdiction under a franchise agreement.

## **5. Commission Members.**

5.1. The Governing Body. The governing body of the Cable Regulatory Commission shall be a board consisting of two members of the Common Council of the City of Salem and one member of the governing body of each of the other Jurisdictions.

5.2. Quorum and Voting. A majority of the duly appointed and qualified members of the Commission shall constitute a quorum; provided, however, that Commissioners appointed by at least two Jurisdictions are among that majority. No action

shall be taken by the Commission except on a majority vote of a quorum of the Commission; provided, however, that if only one Jurisdiction is represented at a duly called meeting of the Commission, the Commissioners present shall constitute a quorum for the transaction of emergency business. The Commission shall include in its bylaws a definition or designation of "emergency business."

5.3. Term of Office and Succession. Commissioners shall be appointed by the governing body of the Jurisdiction they represent, and serve at the pleasure of their respective governing bodies for so long as they remain qualified. A Commissioner who ceases to be a member of the governing body of the Jurisdiction which appointed that Commissioner shall also cease to be a Commissioner of the Cable Regulatory Commission. That person's seat is vacant, and that person is no longer a qualified Commissioner. A vacancy on the Commission shall be filled by the governing body of the Jurisdiction whose position on the Commission became vacant.

#### **6. Meetings, Bylaws and Officers.**

6.1 Meetings to be Public. Meetings of the Commission shall be conducted pursuant to the Oregon Public Meetings law.

6.2. Bylaws. At the organizational meeting, the Commission shall adopt bylaws governing its procedures and including:

6.2.1. Whether regular meeting will be held and if so, the frequency of those meetings;

6.2.2. The method and manner of calling special meetings;

6.2.3. The method, term and manner of election of officers and appointment of staff, if any;

6.2.4. What constitutes "emergency business"; and

6.2.5. The procedures for execution of writings and legal documents.

6.3. Officers. One of the Commissioners appointed by the City of Salem, shall be designated by that City as Chair of the Commission. The Commissioner appointed by Marion County shall be the Vice-Chair; provided that when any additional Jurisdiction becomes a signatory to this Agreement, the Commission shall meet within 45 days and select a Vice-Chair from among the Commissioners who are not appointed by the City of Salem. The Vice-Chair shall serve for a term of one year and until a successor is selected. The Chair or the Vice-Chair, in the Chair's absence, shall preside at all meetings, call special meetings, and determine the order of business until such time as formal written bylaws providing otherwise are adopted.

#### **7. Receiving and Distributing Funds.**

7.1. The Commission shall comply with applicable state and local laws as to budget preparation and for audit of its books and records. All books and records shall be open to inspection by any member Jurisdiction or its designate.

7.2. The Commission shall receive from the Jurisdictions all franchise fee payments provided for in this agreement. The Jurisdictions shall each charge a franchise fee of 5% of the cable companies' gross revenues. Each Jurisdiction shall remit to the Cable Commission 40% of the franchise fees it collects. Payments due the Commission shall be monthly in arrears on or before the last day of the following month. As long as a Jurisdiction may make an annual cumulative payment, payable within 30 days after the end of its fiscal year.

7.3. All fee payments and any other revenues received by the Commission from whatever source shall be included in its budget as resources. The Commission shall have authority to apply revenues to any lawful use thereof, subject to the terms and conditions of the Agreement and the franchise agreements pertaining to the system from which the revenues are derived. This paragraph is not intended to allow the use of franchise fees for any purpose in violation of any applicable law, ordinance, rule or other regulation.

#### **8. Effective Date.**

8.1. This Agreement shall become effective upon its adoption by all of the Jurisdictions. The first meeting of the Commission shall be held within 30 days of the effective date of this Agreement. The time and place for the first meeting of the Commission shall be determined by the Chair.

#### **9. Duration and Termination.**

9.1. Duration. The duration of this Agreement is perpetual and the Commission shall continue from year to year, until terminated as provided in §9.3.

9.2. Withdrawal. Any Jurisdiction may withdraw from this Agreement effective July 1 of any year provided that it gives written notice to each other Jurisdiction not later than the preceding March 31. Except as provided in the subsection, no Jurisdiction shall withdraw from this Agreement without the written consent of each other Jurisdiction. Upon withdrawal, the Jurisdiction so withdrawing shall have no further obligation to pay any portion of cable franchise fees collected; and shall have no claim to any part of the assets of the Commission, except as provided in §9.4. Withdrawal by any Jurisdiction shall not affect the continued existence of the Commission so long as two or more Jurisdictions remain. Withdrawal by one of only two remaining Jurisdictions shall result in termination of this Agreement, and the rights of all parties shall be governed by the provisions of § 9.4.

9.3. Termination. This Agreement, and the Cable Regulatory Commission which it creates, may be terminated by either of the following occurrences: 1) Mutual written agreement by all, or all but one of the Jurisdictions then parties to this Agreement; 2) Withdrawal of all, or all but one of the Jurisdictions then parties to this Agreement as provided §9.2. Upon termination, all assets of the Commission shall be distributed as follows:

9.4. Distribution of Assets. Each Jurisdiction which was a party to this Agreement within 180 days before the effective date of termination shall be entitled to a *pro rata* share of the net assets of the Commission, if any, based upon the ratio of its fee contributions during the twelve months preceding the effective date of termination to the total of all such contributions made by all Jurisdictions entitled to share in the distribution of assets.

9.4.1. Each Jurisdiction entitled to share in the distribution of assets shall notify all other Jurisdictions not later than 30 days after the effective date of termination if it desires to have any of the capital equipment belonging to the Commission. If no other Jurisdiction requests the same item of equipment, the only Jurisdiction which claimed it shall have it, and its value shall be deducted from its share of the Commission's assets. If all Jurisdictions entitled to a share of the distribution cannot agree as to the value of equipment so distributed, the value shall be determined by binding arbitration as follows: Each Jurisdiction shall appoint one individual to act as arbitrator. The arbitrators thus selected shall, between themselves, select either one or two additional arbitrators so that the panel consists of an odd number of arbitrators. One of the arbitrators thus selected shall be an attorney at law. The panel of arbitrators shall determine among themselves the time and place of a hearing at which any Jurisdiction may be heard regarding the value of the equipment at issue.

9.4.2. Except as to equipment subject of paragraph 9.4.1 of this section, all assets of the Commission shall be liquidated. Equipment and supplies shall be disposed of according to the rules adopted by the City of Salem for the disposition of surplus property.

9.4.3. The Commission shall manage the liquidation and distribution of its assets in a manner approved by the Jurisdictions; provided that the sale or auction of surplus property shall be administered by the Purchasing Supervisor of the City of Salem.

## 10. General Terms.

10.1. Severability. The terms of this Agreement are severable and a determination by any tribunal having jurisdiction over the subject matter of this Agreement that results in the invalidity of any part, shall not affect the remainder of the Agreement.

10.2. Fixed Asset Inventory. The Commission shall maintain a fixed asset inventory of all capital equipment and fixtures purchased with funds provided by, or otherwise acquired for the benefit of the Cable Regulatory Commission. A copy of that inventory, current to within 30 days, shall be provided each Jurisdiction at the beginning of the budget process each year.

10.3. Interpretation. The terms and provisions of this Agreement shall be liberally construed in accordance with its general purposes.

10.4. Adding Member Units of Government. Additional cities and counties may be added as Jurisdictions under this Agreement and entitled to participation on the Commission. Such additions shall be made only by written amendment as provided in §10.5.

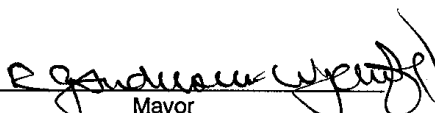
10.5. Amendments. The terms of this Agreement may be amended only in writing, authorized by and signed on behalf of the governing bodies of all member Jurisdictions.

10.6. Notice to Jurisdictions. No action of the Commission which allows discretionary review of the Jurisdictions shall be deemed effective unless a copy of the resolution or other action taken by the Commission is filed with the Clerk or Recorder of each of the member Jurisdictions within ten (10) days of such action.

IN WITNESS WHEREOF the Jurisdictions have caused this Agreement to be signed in their respective names by their duly authorized representatives as of the dates set forth below.

**CITY OF SALEM**


**COUNTY OF MARION**

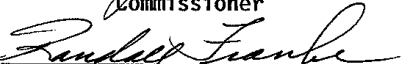
By:   
Mayor  
Date: 9-4-91

By:   
Commissioner

ATTEST:

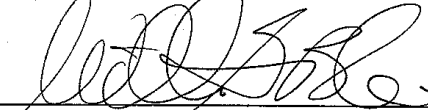
By:   
Commissioner

  
City Recorder

By:   
Commissioner

APPROVED AS TO FORM:

APPROVED AS TO FORM:

  
City Attorney

 *asst.*  
Attorney