ORDINANCE NO. 11-1007

AN ORDINANCE GRANTING A TELECOMMUNICATIONS FRANCHISE TO ELECTRIC LIGHTWAVE, LLC TO OCCUPY CERTAIN RIGHTS OF WAY WITHIN THE CITY OF OREGON CITY

OREGON CITY MAKES THE FOLLOWING FINDINGS:

WHEREAS, Title 13 of the Oregon City Municipal Code governs the construction and franchising of telecommunications carriers operating within the City and desiring to occupy City rights of way; and

WHEREAS, Electric Lightwave, LLC, has requested registration and a franchise to place and maintain telecommunications facilities in the rights of way within the City; and

WHEREAS, the City has reviewed the request and application filed by Electric Lightwave, LLC, and finds that the company has the requisite authority to provide these services and that the level of impact on the City's rights of way will be acceptable, and the City Commission therefore desires to issue a franchise; now, therefore,

OREGON CITY ORDAINS AS FOLLOWS:

Section 1: Franchise Grant.

a. Subject to the terms and conditions contained herein, the City of Oregon City does hereby grant to Electric Lightwave, LLC, a fully owned subsidiary of Integra Holdings, Inc., (hereinafter "Grantee") a telecommunications franchise to locate its facilities within the rights of way of the City.

b. Such grant is subject to all of the laws and ordinances of the City of Oregon City and the State of Oregon in existence at the time of this franchise grant or hereafter enacted.

c. The scope of this grant allows the installation of facilities by Grantee in the City's rights of way to provide telecommunications services. In the event the nature of the services provided is proposed for modification, Grantee shall be required to obtain an additional or revised franchise from the City to the extent required by law.

<u>Section 2: Construction standards.</u> The construction standards of Title 13 of the Oregon City Municipal Code, as well as any other applicable construction standards in existence at the time of this franchise grant or hereafter enacted, shall apply to all work performed by the Grantee in City rights of way.

<u>Section 3: Franchise Fee.</u> The annual franchise fee payable to the City shall be as follows:

 a. The greater of five percent (5%) of its gross revenues earned from the provision of telecommunications services to customers in the City or the Minimum Annual Fee. "Gross revenues" shall mean any and all revenue, of any kind, nature or form, without deduction for expense, less net uncollectibles, subject to all applicable limitations imposed by federal or state law. The "Minimum Annual Fee" shall be:

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Year 1	_2	3	4	5	6	7	8	9	10
\$3000	\$3000	\$4250	\$5500	\$6750	\$8000	\$9250	\$10,500	\$11,750	\$13,000

- b. In addition to the fee required in Section 3a, provided that Grantee has telecommunications customer(s) within the City, Grantee shall pay \$2.75 per lineal foot of Grantee's facilities located within City that are constructed or installed and that are not utilized for purposes of providing telecommunications service to customers in the City. The fee required in this Section 3b shall be calculated based on the total lineal feet of Grantee's facilities in the City, less the lineal feet of facilities between the central office in the City used by Grantee and any existing Grantee customer(s) as of the date the franchise fee comes due, provided that in no event shall the same facilities be counted twice for purposes of calculating the lineal feet of facilities. For example, if Grantee has facilities from the central office (CO) to customer A, then on to customer B, and at a utility pole (UP) between customers A and B, facilities extend to customer C, the total fee shall be based on the lineal feet of facilities from CO to customer B and from UP to customer C.
- c. If Grantee ceases to provide telecommunications services to any customer in the City, Sections 3a and 3b shall not apply and Grantee shall pay a franchise fee of \$2.75 per lineal foot of Grantee's facilities located within City.
- d. The franchise fee required in this Agreement shall be paid quarterly, in arrears, for each quarter during the term of the license. The franchise fee shall be due and payable within forty-five (45) days of the end of each calendar guarter.

Section 4: Term. The term of this franchise shall be ten (10) years. It shall be effective thirty (30) days after the enactment date set forth below, provided Grantee complies with Section 5.

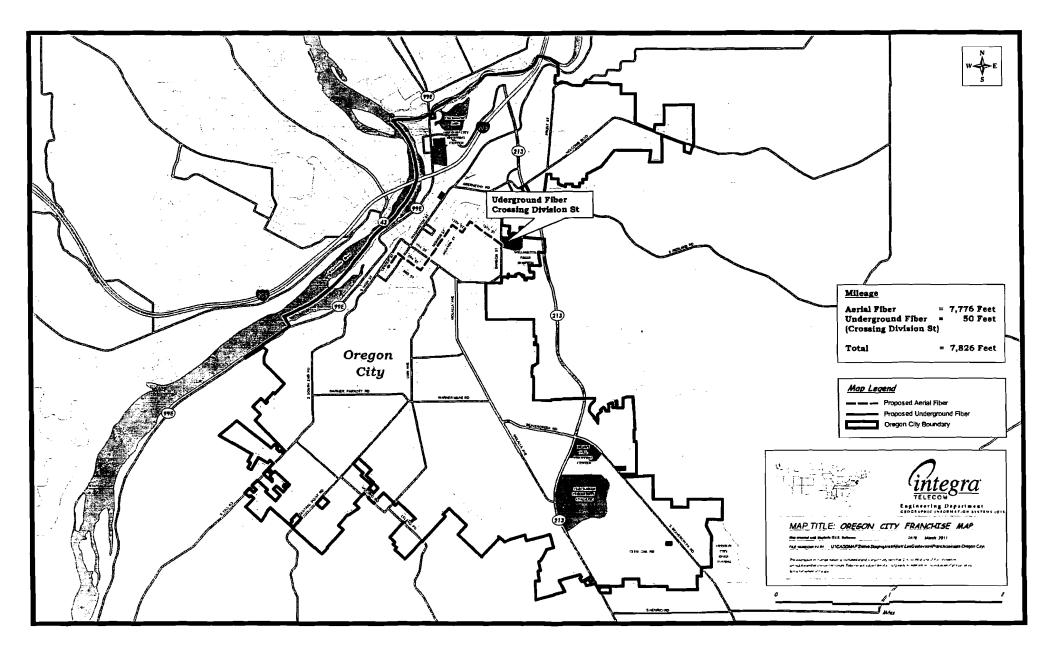
Section 5: Acceptance. The grant of franchise herein is conditioned upon Grantee's acceptance of all terms and conditions hereof in writing in a form acceptable to the City within thirty (30) days of Commission enactment of this Ordinance.

Read first time at a regular meeting of the City Commission held the 1st day of June 2011, and the foregoing ordinance was finally enacted by the City Commission on the 15th day of June 2011.

Attested to this 15th day of June 2011,

City Attorney

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ACCEPTANCE

City Recorder City of Oregon City 625 Center Street Oregon City, Oregon 97045

This is to advise the City of Oregon City, Oregon that Electric Lightwave, LLC, a fully owned subsidiary of Integra Holdings, Inc., (the "Grantee") hereby accepts the terms and provisions of Ordinance No. 11-1007, passed by the City Commission on June 15, 2011 (the "Franchise") granting a Franchise for ten (10) years to Grantee. The Grantee agrees to abide by each and every term of the Franchise.

Electric Lightwee BY TITLE ar DATE

This Acceptance was received by the City of Oregon City on ______, 2011.

City Recorder

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