



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

October 8, 2012

Ordinance 17430

Proposed No. 2012-0375.1

Sponsors Gossett and Lambert

1 AN ORDINANCE approving the change of control of
2 cable television Franchise 5602, contained in Ordinance
3 13637, and extending the franchise for five additional
4 months.

5 STATEMENT OF FACTS:

- 6 1. WAVEDIVISION I, LLC, a Washington limited liability company
7 d/b/a/ Wave Broadband ("franchisee"), provides cable services in
8 unincorporated King County pursuant to Ordinance 13637 ("the franchise
9 agreement").
- 10 2. Franchisee is a wholly-owned subsidiary of WaveDivision Holdings,
11 LLC, ("Wave Parent"), a Delaware limited liability company, which
12 currently is majority-owned by three affiliates of Sandler Capital
13 Management ("Sandler Capital"). Franchisee has proposed a change in
14 the ultimate control of franchisee as part of an agreement involving the
15 acquisition of Wave Parent from Sandler Capital and its other current
16 owners by OH WDH Holdco, LLC, a Delaware limited liability company
17 ("Oak Hill"), whose owners include affiliates of Oak Hill Capital Partners,
18 a private equity firm based in San Francisco, California; an affiliate of GI

19 Partners, a private equity firm based in Menlo Park, California; and an
20 investment company controlled by Steve Weed, the CEO of Wave Parent.

21 3. The change in ownership of Wave Parent results in a transfer or change
22 of control of franchisee under Section 4 of the franchise agreement and
23 K.C.C. 6.27A.010.CC, and therefore requires county consent.

24 4. Franchisee, Wave Parent and Oak Hill have requested King County's
25 consent to the change of control in accordance with Section 4 of the
26 franchise agreement. On or about June 8, 2012, Wave Parent and Oak Hill
27 filed a Federal Communications Commission ("FCC") Form 394 with
28 King County requesting such consent.

29 5. The office of cable communications has retained a qualified accounting
30 consultant experienced in the cable communications industry to conduct a
31 thorough review and investigation into the legal, technical and financial
32 qualifications of Oak Hill to control franchisee, and franchisee's related
33 ability to continue to adhere to the requirements and conditions of the
34 franchise. This review and investigation included an evaluation of the
35 entities that own Oak Hill -- Oak Hill Capital Partners III L.P.; Oak Hill
36 Capital Management Partners III L.P.; WaveDivision Capital, LLC.; and
37 GI Wave Holdings LLC. The consultant concluded that the change of
38 control would not affect franchisee's ability to adhere to the requirements
39 and conditions of the franchise.

40 6. The FCC Form 394 states that franchisee will continue to comply with
41 the franchise agreement; all applicable federal, state and local law; and
42 meet or exceed all operations requirements of the franchise agreement.

43 7. Based on the information in FCC Form 394, the review and
44 investigation conducted by the office of cable communications and its
45 consultant, the additional responses provided by Wave Parent and Oak
46 Hill, all comments and staff reports received and made a part of the record
47 for this ordinance, consent to the proposed change of control as detailed in
48 the FCC Form 394 is granted subject to the condition in section 1 of this
49 ordinance.

50 8. Because the proposed change of control follows closely on the transfer
51 of franchise 5602 to franchisee, as approved by the county in January
52 2012 pursuant to Ordinance 17251, it is in the best interests of the county,
53 subject to conditions, to extend the franchise agreement to September 11,
54 2013, to allow the parties time to negotiate new terms for a renewal of the
55 franchise agreement.

56 9. The county has published its intent to consider the requested change in
57 control and extend the term of Franchise 5602 in a local newspaper with
58 broad distribution.

59 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

60 SECTION 1. A. The council hereby consents to the change of control of
61 franchisee as described above, subject to receipt by the county of written confirmation
62 from franchisee and Oak Hill that such consent by the council shall not waive or release

63 any rights of the county under the franchise agreement or applicable law, including those
64 arising before the effective date of the change of control, nor in any way relieve
65 franchisee of its obligation to adhere to the requirements of the franchise agreement and
66 applicable law.

67 B. The written confirmation required by subsection A. of this section shall be
68 filed with the clerk of the council, and a copy shall be filed with the office of cable
69 communications. Filing shall occur at least thirty days before the effective date of the
70 change of control. Failure to do so shall render the consent provided by this ordinance
71 null and void.

72 SECTION 2. The executive is authorized to sign an amendment to the franchise

73 agreement that extends the term until September 11, 2013, in substantially the same form
74 as Attachment A to this ordinance.
75

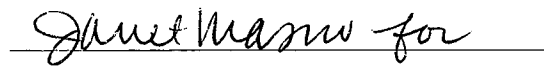
Ordinance 17430 was introduced on 9/10/2012 and passed by the Metropolitan King County Council on 10/8/2012, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Patterson, Ms. Lambert, Mr. Ferguson, Mr. Dunn and Mr.
McDermott
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Gossett, Chair

ATTEST:


Anne Noris, Clerk of the Council

RECEIVED
2012 OCT 12 PM 4:10
KING COUNTY COUNCIL CLERK

APPROVED this 12 day of OCTOBER 2012.



Dow Constantine, County Executive

Attachments: A. Amendment No. 3 to Franchise Agreement No. 5602

ATTACHMENT A
AMENDMENT NO. 3

To

FRANCHISE AGREEMENT NO. 5602

Franchise Agreement No. 5602, contained in Ordinance 13637, currently in effect between King County and WaveDivision I, LLC d/b/a Wave Broadband is hereby amended to extend the franchise term to September 13, 2013.

This Amendment No. 3 shall take effect upon enactment of an ordinance authorizing the County Executive's execution of this Amendment No. 3 and the satisfaction of all the franchise extension requirements described in the authorizing ordinance.

Except as provided herein, all terms and conditions of Franchise No. 5602 as heretofore modified shall remain unchanged and in full force and effect.

FRANCHISEE
WAVEDIVISION I, LLC


By: 

Name: James A. Penney

Title: Executive Vice President

Date: October 18, 2012

KING COUNTY WASHINGTON

By: 

Name: Dow Constantine

Title: King County Executive

Date: NOVEMBER 20, 2012