

ORIGINALORDINANCE NO. 1359

AN ORDINANCE OF THE CITY OF REDMOND, GRANTING A NON EXCLUSIVE FRANCHISE TO CONSTRUCT, INSTALL AND OPERATE, REPAIR, REPLACE AND MAINTAIN LINES, WIRES, COAXIAL CABLE AND APPURTENANCES FOR ORIGINATING, RECEIVING, DISTRIBUTING AND SUPPLYING RADIO, TELEVISION AND OTHER CABLE COMMUNICATION SERVICES ALONG, ACROSS AND UPON THE PUBLIC'S STREETS, WAYS, ALLEYS, AND PLACES WITHIN THE CITY OF REDMOND.

THE CITY COUNCIL OF THE CITY OF REDMOND DOES ORDAIN AS FOLLOWS:

Section 1: Purpose. This franchise shall constitute an agreement between the City of Redmond (hereinafter "the City") and Vista Television Cable, Inc. d/b/a/ Viacom Cablevision (hereinafter the "Operator"). The Operator promises to construct, maintain, and operate a cable television system for the distribution of television and other electronic signals pursuant to the terms of this franchise. The City agrees to grant the Operator all necessary rights and privileges to use public rights of way necessary for a cable television system. This agreement shall, as of its effective date, if previously accepted by the Operator, supersede and replace all existing franchises previously granted by the City of Redmond to the Operator or any of its predecessors, subsidiaries or affiliated companies.

Section 2: Length of Franchise. The length of this franchise shall be for a term of fifteen (15) years from March 24, 1987 through midnight March 23, 2002.

Section 3: Service Area. The Operator's service area shall be the entire incorporated area of the City of Redmond, in its present incorporated form or in any later reorganized, consolidated, enlarged, or re-incorporated form.

Section 4: Franchise Fee. The Operator shall pay the City quarterly, on or before the thirtieth (30th) day of each January, April, July and October, a sum equal to five

percent (5%) of the gross revenues as defined.

(a) Amendment. In the event the Cable Act is amended or other action taken by Federal regulatory bodies to permit an increase in the five percent (5%) franchise fee ceiling, the City may increase its franchise fee to such an amount so allowed.

(b) Late Payment. Any quarterly franchise fee not paid by Operator within thirty (30) days of the end of a quarter shall bear interest at the rate of twelve percent (12%) per annum of the amount due, from the date due, until paid.

(c) Financial Reports. Each franchise fee payment shall be accompanied by a financial report showing the basis for Operator's computation separately showing revenues received by Operator within the City from basic service, pay TV service, other applicable sources of revenue, and such other information directly related to confirming the amount of the Operator's gross revenues as may be reasonably required by the City.

(d) Audit by City. The City shall have the right, upon reasonable advance notice, to inspect the books and records of Operator, during normal business hours, for the purpose of ascertaining the actual gross subscriber revenues collected by Operator. In the event such audit shall disclose a discrepancy of more than ten percent (10%) between the financial report submitted by Operator with a quarterly payment, and the actual gross revenues collected by Operator, Operator agrees to pay to City the costs of such audit. In the event that such audit results in a determination that additional franchise fees are due the City, the Operator further agrees to pay twelve percent (12%) interest on such additional franchise fees computed from the date on which such additional franchise fees were due and payable.

(e) Nonwaiver. No acceptance of any franchise fee payment by the City shall be construed as an agreement by City that the franchise fee paid is in fact the correct amount, nor shall its acceptance of payment be construed as a release or waiver of any claim the City may have for further or additional sums payable under the provisions of this franchise ordinance.

(f) Taxes. Nothing in this section shall limit the Operator's obligation to pay applicable local, state, or federal taxes. Operator agrees to pay any applicable amusement taxes, utility and property taxes.

Section 5: System Conversion. Within twelve (12) months of obtaining the necessary licenses and/or permits, the cable operator shall provide facilities that will permit no less than eighty percent (80%) of the City of Redmond to be served from a single signal source. Further, within twenty-four (24) months from the issuance of such permits/licenses, the Franchisee will complete the conversion to a single source. Because there will be limited exceptions to the unified system for the term of the franchise in areas isolated from the present residential neighborhoods, or if the City limits expand through annexation, the City may grant exemptions upon application by the franchisee on an area by area basis. The cable operator will immediately apply for such permits/licenses and will continue to pursue diligently the issuance of such required documents. A list of such permits shall be provided to the City upon request by the franchisee together with the dates for which application was made.

Section 6: Emergency Override. The cable operator shall pursue vigorously the engineering of an audio emergency override system allowing the City to override all video and audio channels being broadcast in the event of an emergency. Such system will be installed as soon as technical conditions will permit. Until such system is operational, the cable operator will submit a report annually on the anniversary date of this franchise setting forth the technological and economic reasons why such a system has not yet been installed, what new products and/or systems are available and an estimate of eventual installation date.

Control and operation of such system shall be the responsibility of the City of Redmond once the system is installed. Until the system is operational, the emergency override facilities of the franchisee in Seattle will be made available for this purpose via telephone line from the City of Redmond.

Section 7: Access Equipment and Training. Those items of access production equipment listed in Appendix will be made available for the use of the residents of the

City of Redmond. In addition, training and other educational programs outlined in that proposal will be provided for the City's residents without discrimination. In the event that such equipment or training is not available for use by citizens of the City of Redmond, because of use by residents of cities other than the City of Redmond so as to cause delays in scheduled access broadcasts, the City Council may, at its discretion after a public hearing, require the cable operator to designate certain equipment or training programs for either the sole or primary use of the residents of the City of Redmond.

Section 8: Franchising Costs. The cable operator will reimburse the City for up to twenty-thousand dollars (\$20,000.00) for costs incurred in the refranchising process. Expenses that exceed ten thousand dollars (\$10,000.00) will be itemized and documented. The City will submit all such invoices within thirty (30) days of the date of the grant of the franchise. Payment will be made by the cable operator within thirty (30) days of the receipt of such invoice.

Section 9: Independent Contractors. This agreement does not constitute Franchisee the agent or legal representative of the City for any purpose whatsoever. Franchisee is not granted any express or implied right or authority to assume or create any obligation or responsibility on behalf of or in the name of the City or to bind the City in any manner or thing whatsoever.

Section 10: Entire Agreement. This agreement, including the exhibits and addenda attached hereto and forming a part hereof (if any) are all of the covenants, promises, agreements, and conditions, either oral or written, between the parties. However the City reserves the right to waive one or any of these sections without affecting the applicability of other sections not so specifically waived.

Section 11: Successors or Assignees. Any successor(s) or assignee(s) of the franchisee will comply with all sections of this franchise agreement, the Master Cable Ordinance of the City of Redmond including the exhibits and addenda attached and forming a part hereof, the covenants, promises, agreements and conditions either oral or written between the original signator(s) and the City.

Section 12: Acceptance. This grant of franchise and its terms and provisions

shall be accepted by the Operator by the submission of the attached written instrument, executed and sworn to by a corporate officer of the Operator before a Notary Public, and filed with the City Clerk within thirty (30) days after the effective date of this franchise. Such instrument will constitute the unconditional acceptance of this franchise and the promise to comply with and abide by all its provisions, terms and conditions.

Section 13: Effective Date. This ordinance shall take effect thirty (30) days from and after its passage and publication, provided, however, the franchise granted by this ordinance shall not become effective until Operator files written acceptance thereof.

Section 14: Notice. Written notices shall be deemed to have been duly served if delivered in person to the individual or entity for whom it was intended, or if delivered at or sent by registered or certified United States mail to the last business address known to him who gives the notice.

All notices and requests shall be addressed to the City of Redmond and the Franchisee as follows:

CITY: City Clerk
City of Redmond
15670 N.E. 85th Street
Redmond, WA 98052

FRANCHISEE: Vista Television Cable, Inc. d/b/a Viacom Cablevision
P.O. Box 5187
Everett, WA 98206

PASSED BY THE City Council, City of Redmond, this 17th day of February, 1987.

Doreen Marchione
Mayor Doreen Marchione

ATTEST:

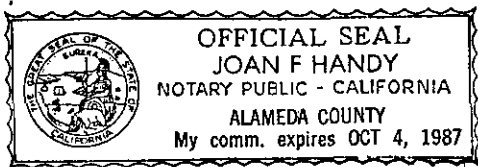
Doris A. Schaible
City Clerk

Approved as to form:

Loy C. Martin
City Attorney

Joe W. Hallen
Corporate Officer, Vista Television Cable,
Inc. d/b/a Viacom Cablevision

Subscribed and sworn to before me this 5th day of March, 1987.



Joan F. Handy
Notary Public

Passed by the City Council: February 17, 1987
Signed by the Mayor : February 17, 1987
Published : February 22, 1987
Effective Date : March 24, 1987
Ordinance No. 1359

I, Doris A. Schaible, City Clerk of the City of Redmond, Washington, do hereby certify that the attached copy of Ordinance 1359, is a true and correct copy of the original ordinance passed on the 17 day of February, 1987 as said ordinance appears in the records of the City of Redmond.

Dated this 18 day of February, 1987
Doris A. Schaible

Doreen Marchione
Mayor Doreen Marchione

ATTEST:

Louis A. Schaefer
City Clerk

Approved as to form:

Sam C. Martin
City Attorney

Corporate Officer, Vista Television Cable,
Inc. d/b/a Viacom Cablevision

Subscribed and sworn to before me this _____ day of _____, 19____.

Notary Public

Passed by the City Council: February 17, 1987
Signed by the Mayor : February 17, 1987
Published : February 22, 1987
Effective Date : March 24, 1987
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APPENDIX

ACCESS EQUIPMENT

- 3 Portable Units each with the following:
 - 1 GSX-700 700S Video Camera Panasonic One tube with camera batteries and camera case
 - 1 BR-6200 Video Tape Recorder, Panasonic with VTR batteries and AC power adaptor
 - 1 Electrovoice 635 A microphone and cables
 - 1 Radio Shack Headphones
Various Adaptors and cables
- 2 Editing Suites with 1/2" to 1/2", 1/2" to 3/4", and 3/4" to 3/4" editing capability
- 2 1/2" Panasonic NV 8500 Editing decks
- 2 1/2" Panasonic AG 6300 Source decks
- 1 3/4" Panasonic NV 8600 Editing deck
- 1 3/4" Panasonic NV 9240 Source deck
- 2 A-500 Panasonic Edit Controllers
- 2 MM-7 Universal Mixers (audio)
- 2 Panasonic CT-1010 monitors
- 2 Panasonic CT-110 monitors
- 1 Panasonic BT-S1300 cross-pulse monitor
- 1 Fortel CCDYC time base corrector
- 1 Sony U-Matic V0 2860
- 1 Hitachi video deck for playback
- 1 Sony Trinitron color television