

ORDINANCE NO. 96-1003

COPY

AN ORDINANCE of the City Council of the City of SeaTac, Washington, granting TCI of Seattle, Inc., its successors and assigns, a non-exclusive franchise to operate a cablevision system in the City, and setting forth conditions therefore

WHEREAS, the City is authorized to grant one or more non-exclusive revocable franchises to construct, maintain and operate a cable television system within the City, and to renew the same; and,

WHEREAS, pursuant to and in accordance with the provisions of the Federal Cable Communications Policy Act, P.L. 98-549, as amended by the Cable Television Consumer Protection Act, P.L. 102-385, TCI of Seattle, Inc., hereinafter referred to as the "Grantee", has requested renewal of a franchise to operate a cable television service within the City and after evaluation of the application received from the Grantee, the City has determined that it is in the best interest of the City and its residents to grant a franchise renewal to the Grantee; and,

WHEREAS, the City has, following required and reasonable notice, afforded all persons reasonable opportunity to be heard in regard to the analysis and consideration of the technical ability, financial condition, legal qualifications and general character of the Grantee; and,

WHEREAS, the City has also considered and analyzed the plans of the Grantee for the operation of a cable television system and found the same to be adequate and feasible in view of the needs and requirements of the City; and,

WHEREAS, the City has determined that it is in the best interests of and consistent with the health, safety and welfare of the citizens of the City to grant a cable television franchise to

the Grantee to operate a cable television system within the confines of the City and on the terms and conditions hereinafter set forth; and,

WHEREAS, the Grantee has agreed to be bound by the conditions hereinafter set forth.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEATAC, WASHINGTON, DO ORDAIN that in consideration of the granting of a non-exclusive franchise pursuant hereto, the Grantee, TCI of Seattle, Inc., hereby promises to comply with the provisions of this franchise. In consideration of the Grantee's promises, the City hereby grants to Grantee, a franchise as follows:

SECTION 1: TITLE

This Franchise may be referred to as the "TCI of Seattle, Inc., - City of SeaTac Cable Communications Franchise".

SECTION 2: DEFINITIONS

For the purpose of this Franchise Ordinance, the following terms, phrases, words, and their derivations shall have the meanings given herein. When not inconsistent with the context, words used in the present tense include the future words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is mandatory and the word "may" is permissive. Words not defined shall be given their common and ordinary meanings.

"Access channel" shall mean any channel set aside for public use, educational use, or

governmental use.

"Basic cable service" shall mean the service tier which includes the re-transmission of local television broadcast signals and any community access channels carrying public educational or governmental programming.

"Cable Act" collectively means the Cable Communications Policy Act of 1984 (P.L. 98-549) and the Cable Television Consumer Protection Act of 1992 (P.L. 102-385), as may be amended.

"Cable service" shall mean the one-way transmission to subscribers of video programming, or other programming services and subscriber interaction, if any, which is required for the selection of such video programming or other programming services.

"Cable communications system" or "cable system" or "cable television system" shall mean a facility consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide cable service which includes video and/or audio programming and which is provided to multiple subscribers within a community, but which term shall not include (1) a facility or combination of facilities that serves only to retransmit the television signals of one or more television broadcast stations; (2) a facility or combination of facilities that serves only subscribers in one or more multiple unit dwellings under the common ownership, control or management, unless such facility or facilities use any public right-of-way; (3) a facility of common carrier which is subject, in whole or in part, to the provisions of Title II of the Communications Act of 1934, as amended, except that such facility shall be considered a cable system other than for the purposes of Section 621(C) of the

Act, to the extent such facility is used in the transmission of video programming directly to the subscribers; or (4) any facilities of any electric utility used solely for operating its electric utility system.

"City" is the City of SeaTac, Washington.

"Connection" shall mean the attachment of the service drop from the distribution line to the radio or television set or other communications device of the subscriber.

"Council" or "City Council" shall mean the governing body of the City of SeaTac, Washington.

"Easement" shall mean a right of one person or entity to use property owned by another person or entity, regardless of whether the property is privately owned or publicly owned, or is a public rights-of-way. Such easements shall include public utility easements, as well as "exclusive" and "non-exclusive" easements.

"Franchise" shall mean the non-exclusive right and authority to construct, maintain, and operate a cable communications system through use of the public streets, dedications, public utility easements, other public rights-of-way, or public places in the City pursuant to a contractual agreement executed by the city and a franchisee.

"Franchisee" or "Grantee" refers to an entity authorized to construct and/or operate a cable communications system within the City pursuant to this Chapter, including any lawful successor, transferee or assignee of the original grantee. It is provided, however, that lessees of facilities of the Grantee shall be obligated to obtain the appropriate license, permit, certification or franchise from the City or from the governmental entity having jurisdiction to

regulate such uses of the Grantee's facilities within the franchise area, independent from and in addition to this Franchise.

"Gross revenues" shall mean all operating revenue actually received by Grantee from the cable television system derived directly or indirectly by a franchisee, its affiliates, subsidiaries, parent, and any person in which the franchisee has a financial interest in association with the provisions of cable television services within the City, including, but not limited to, basic service monthly fees, premium service fees, institutional service fees, installation and re-connection fees, leased channel fees, converter rentals, studio rental, production equipment and personnel fees, advertising revenues, copyright fees received where Grantee is the copyright holder; provided, however, that gross revenues shall not include any taxes on services furnished by the franchisee payable to the State of Washington or any other governmental unit and collected by the franchisee on behalf of said governmental unit, nor any revenues from the provisions of cable television services outside of the City, nor any revenues from sale of capital assets or lease of property for purposes unrelated to cable television, nor any amounts received in the nature of refundable security deposits, nor bad debts. For the purposes hereof, gross revenue shall include only the amount of lease payment revenue received by the Grantee from lessees of the Grantee's facilities in the franchise area.

"Installation" shall mean the connection of the system at the subscriber's premises.

"Local office" shall mean the office facility of the Grantee which is in closest proximity to the City of SeaTac.

"Person" shall mean an individual or legal entity, such as a corporation or partnership.

"Premium entertainment service" shall mean pay television offered on a per channel or per program basis.

"Rate Regulation" shall mean the authority and/or actions to control, determine and set the rates, charges, costs and fees to be paid by customers and subscribers of the services offered and provided by, and available from the Grantee in connection herewith, to the extent provided by law.

"Service drop" shall mean the cable that connects a subscriber's premises to the nearest feeder line of the cable communications system.

"Street" or "public way" shall mean the surface of and the space above and below any public street, road, highway, path, sidewalk, alley, court, or easement now or hereafter held by the City for the purpose of public travel or public utilities and shall include public easements or rights-of-way.

"Subscriber" shall mean a lawful recipient of cable television service or other services provided over a cable television system.

SECTION 3: GRANT OF AUTHORITY

A. There is hereby granted by the City, insofar as it has the power to do so, to the Grantee, for a period of time identified as the term of this franchise, in Section 10 hereof, the non-exclusive right, privilege and franchise to have, acquire, construct, reconstruct, use, operate, own and maintain a cable system for the entire area of the City, subject to applicable law, to the terms and provisions of the ordinance, and to the conditions and restrictions as hereinafter provided. No privilege or power to eminent domain is bestowed by this grant of

authority.

B. For purposes of this franchise, the designation "Grantee" shall be deemed to refer to TCI of Seattle, Inc., its parent companies, subsidiaries and affiliates or any transferee or successor in interest of the Grantee, Provided that the requirements of Section 16, Transfer of Ownership or Control, has been met.

C. The City hereby grants to Grantee the authority to use the City's public streets, sidewalks, easements and other rights-of-way for the purposes of this franchise.

SECTION 4: AUTHORITY NOT EXCLUSIVE

The grant of authority for use of the City's public streets, sidewalks, easements and other rights-of-way as conferred in Section 3 hereof, is not exclusive and does not establish priority for use over other franchise holders, permit holders and the City's own use of public property. Additionally, the Grantee shall respect the rights and property of the City and other authorized users of public streets, sidewalks, easements and rights-of-way.

Disputes between the Grantee and other parties over the use, pursuant to this agreement, of the public streets, sidewalks, easements and other rights-of-way shall be submitted to the City for resolution.

The Grantee shall comply with the following conditions with respect to use of city streets and facilities:

A. All transmission and distribution structures, lines, and equipment erected by the Grantee within the franchise area shall be so located as to cause minimum interference with the proper use of streets, and other public ways and places, and to cause minimum interference

with the rights and reasonable convenience of property owners who join any of the said streets or public ways and places. The cable system shall be constructed and operated in compliance with all city, state and national construction and electrical codes and shall be kept current with new codes, as required by such codes. The Grantee shall install and maintain its wires, cables, fixtures and other equipment in such a manner that they will not interfere with any installations of the City or of a public utility serving the City.

B. In case of disturbance of any street, public way, or paved area, the Grantee shall, at its own cost and expense and in a manner approved by the City, replace and restore the disturbed area of such street, public way or paved area in as good a condition as before the work involving such disturbance was done. If the Grantee does patch or replace a portion of pavement in a City street, and that patch or replacement of pavement breaks down, chips away or otherwise needs to be re-patched or replaced again, the Grantee shall, at its own cost and expense and in a manner approved by the City provide for the patch or replacement of pavement, notwithstanding the length of time since the initial patch or replacement was made, Provided that the responsibility to re-patch, repair or replace the pavement shall not extend beyond the time that the City takes action to over-lay, re-pave or otherwise re-surface the patched portion or section of roadway.

C. If at any time during the period of Franchise the City shall elect to alter or change the grade of any street, sidewalk, alley or other public way, or make any other change of the public way, the Grantee, upon reasonable notice by the City, shall remove, relay, and relocate its poles, wires, cables, underground conduits, manholes, and other fixtures at the Grantee's

expense.

D. Any poles or other fixtures placed in any public way by the Grantee shall be placed in such manner as not to interfere with the usual travel on such public way.

E. The Grantee shall have the authority to trim trees or vegetation upon and overhanging streets and public ways and places of the franchise area so as to prevent the branches of such trees or vegetation from coming in contact with the wires and cables of the Grantee, Provided that the Grantee shall obtain prior approval from the City, and provided that the work is done in accordance with the approved plan. It further is provided, however, that where the Grantee needs to make emergency repairs to the Grantee's system and/or to restore service to Grantee's customers, if Grantee needs to trim any trees or vegetation in order to make such repairs or to restore service, the Grantee shall be deemed to have received approval from the City, so long as the trimming of trees or vegetation is done in accordance with City Ordinance and only to the extent necessary to complete the emergency repairs or service restoration.

F. In all sections of the franchise area where the cables, wires, or other like facilities of public utilities are placed underground, the Grantee shall place its cables, wires or other like facilities underground to the maximum extent that existing technology reasonably permits the Grantee to do so. In such instances and at such times as other public utilities are converting their utility service lines from above ground to underground services, the Grantee shall coordinate underground conversion with the other utilities so that all of the public utility lines

would be underground where utility lines are placed underground. In this regard, the Grantee shall comply with the requirements of any ordinance of the City for undergrounding of utilities.

G. Subject to any applicable state or federal regulations, tariffs or then existing construction codes, the City shall have the right to make additional use, for any public or municipal purposes, of any poles or conduits controlled or maintained exclusively by or for Grantee in any street, Provided such use by City does not interfere with the use by Grantee, and Provided that such rights to use the Grantee's facilities by the City shall be subordinate to the rights of the Grantee, to the effect that if the Grantee needs to expand its use of such facilities after the City has made use of such facilities, and the City and the Grantee cannot both use the facilities without interfering with the Grantee's use of such facilities, the City shall terminate or suspend its use of such facilities, and further provided that the City's use of such poles, conduits or facilities shall be in accordance with the standards of the Grantee, and the installation of City lines or facilities shall be at the City's expense.

H. The Grantee shall at all times employ ordinary care and shall install and maintain in use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injuries, or nuisances to the public.

I. The Grantee shall make no improvements or place any permanent fixtures in any Airport Clear Zone areas of the City.

SECTION 5: FRANCHISE REQUIRED

No cable operator shall be allowed to occupy or use the public streets or right-of-ways of the City, or be allowed to operate a cable communications system without a franchise granted

pursuant to agreement with the City.

SECTION 6: PREVIOUS RIGHTS ABANDONED

Except as specifically provided by state or federal law, this Franchise is in lieu of any and all other rights, privileges, powers, immunities, and authorities owned, possessed, controlled, or exercisable by Grantee or any successor pertaining to the construction, operation, modification or maintenance of a cable system in the City. The acceptance of this Franchise shall operate, as between the Grantee and the City, as an abandonment of any and all such rights, privileges, powers, immunities, and authorities within the City. In addition, upon the effective date of this franchise, all rights and obligations of Grantee, or its predecessors, under or by virtue of prior franchises or agreements, shall terminate. All construction, operation, modification, and maintenance by the Grantee of any cable system in the City shall be under this Franchise and not under any other right, privilege, power, immunity, or authority.

SECTION 7: ACCEPTANCE OF AGREEMENT

As a condition of this franchise, both the City and the Grantee agree to be bound by all the lawful terms and conditions contained herein and as evidenced by filing with the City an acceptance of this franchise. In consideration for the grant of the franchise, under which Grantee will receive substantive benefits, Grantee covenants that it will not, at any time, proceed against the City in any claim or proceeding challenging any lawful term or provision of the Franchise as unreasonable or arbitrary or argue that the City did not have the authority to impose such terms or conditions; and hereby agrees and acknowledges that such Franchise is in accordance with P.L. 98-549 and P.L. 102-385; and releases and discharges the City from

liability based upon any claim that such Franchise is unlawful or unenforceable, unless a subsequent change in the law specifically prohibits or prevents the City from imposing or enforcing such previously enacted terms, provisions or conditions, in which case such challenge shall be limited to only those terms, provisions or conditions that the City is prohibited from enforcing.

Grantee acknowledges and accepts the right of the City to issue a franchise and Grantee agrees it shall not now nor at any time hereafter challenge this right in any way or in any state or federal court, or in any other forum.

The regulations adopted by or pursuant to this Franchise shall be interpreted and applied so as to be consistent with any applicable federal or state law or regulation now or hereafter in effect to the extent that such federal or state law or regulation is preemptive of local laws and regulations, in which case any conflict between this Franchise or any regulations adopted by or pursuant hereto and any such federal or state law or regulation, the federal or state law or regulation shall prevail.

It is provided, however, that nothing in this Franchise shall prohibit the Grantee from approaching the City Council of the City at a Regular Council Meeting regarding the franchise.

SECTION 8: CITY REGULATIONS

A. Every cable communications system for which a franchise is required by City ordinance shall be constructed, operated, and maintained in accordance with regulations now, or hereafter adopted by the city, as well as the provisions of any city law or regulation of general application now or hereafter in effect, including, but not limited to any such city law or

regulation requiring the issuance of a permit and payment of a permit fee incident to the performance of work within a public street or right-of-way, provided that in the event of a conflict between a regulation adopted by or pursuant to this Franchise and the provisions of any City law or regulation of general application, the regulations adopted by or pursuant to this Franchise shall prevail as to their application to this Grantee. However, the provisions of this section shall not be construed to accord to the city any right to adopt any law or regulation which results in the unconstitutional impairment of any right of Grantee granted pursuant hereto.

B. The Grantee agrees that at such time as the City determines, through its Public Works Department, that because of construction, installation or other works or improvements by the Grantee, or by other utilities or by the City, it is appropriate for the Grantee to convert its overhead utility lines to underground lines or service in conjunction with such conversion by other utilities in the area, or independently if no other overhead utilities are in the vicinity, the Grantee shall convert its overhead utility lines to underground service at its own expense and in accordance with the schedule for conversion as reasonably determined by the City.

SECTION 9: SYSTEM CONSTRUCTION AND EXTENSION OF SERVICE

A. The cable system as presently constructed is hereby approved as to the extent of the franchise area. The Grantee is hereby authorized to extend the trunk and distribution system as necessary within the franchise area.

OVERHEAD

Grantee, whenever it shall receive a request for service from at least eight (8) potential subscribers within a distance equal to the total of two hundred (200) cable feet of its trunk cable

per each such potential subscriber, shall extend its system to such subscribers at no cost to the subscribers for system extension, other than the usual connection fees for all subscribers. The sixteen hundred (1,600) feet shall be measured in extension length of Grantee's cable required for service located within the public right-of-way or easement and shall not include length of a normal 150 foot service drop to the subscriber's home or premises.

UNDERGROUND

In the event a request is made for service by a resident(s) living in an area served exclusively by underground utility service, and there are not sufficient prospective customers to meet Grantees capital investment pay back model the Grantee may enter into a contractual agreement with the resident(s) requesting service wherein the Grantee shall be reimbursed for its construction costs. The Grantee shall contribute as a credit to the project costs an amount equal to the value of constructing a new overhead distribution line to serve the residences. Whenever any subsequent subscriber who did not contribute to the original costs of the extension connects to the extended distribution service line, that subscriber shall pay his/her pro rata share directly to the Grantee prior to obtaining cable service. The Grantee shall then promptly tender such payment to the original subscribers so long as they continue to live in their original residence, remain a cable subscriber and/or the original costs are fully reimbursed.

Reimbursement shall be calculated on a front foot basis as a percentage of the total cost of the service line extension. It is provided, however, that reimbursement by later subscribing customers shall only be required during the first ten (10) years following completion of the service line extension to which the customer would connect.

If the prospective subscribers agree to pay the difference between the total costs of construction, minus the Grantee's contribution, as determined herein, the Grantee shall extend its service line accordingly, provided, however, that fifty percent (50%) of the subscribers' share shall be paid at the time construction is to begin and fifty percent (50%) of the subscribers' share shall be paid when construction is completed.

Adjustments may be made with respect to the respective shares of the Grantee and the subscriber, if additional prospective subscribers request service, however, no adjustments will be made after construction begins. Thereafter, latecomers subscribing during the next three (3) years, will pay back to the initial subscribers, in addition to the normal installation and hook-up costs, a sum reasonably intended to represent the additional construction costs involved in the extension, which payments back to the subscribers shall be pursuant to latecomers agreements negotiated by and between the City, the Grantee and the initial subscribers.

No person, firm or corporation in the Grantee's franchise area shall be arbitrarily refused service.

If the formula for providing service to lower density areas does not make cable service reasonably available to additional subscribers, based upon particular circumstances, the Grantee shall try to work with such prospective subscribers to arrive at a solution or formula, satisfactory to both Grantee and subscribers, which would allow for extension of utility services to such subscribers.

In the event that additional territory is incorporated within the city limits of the City, by annexation or otherwise, Grantee's rights and duties under this Franchise shall be deemed to

include such additional territory.

The Grantee shall develop plans and strategies to make cable television services available to all residents within the City, and the Grantee shall update those plans and strategies not less than once every two years. The Grantee shall provide those plans and strategies to the City, together with progress reports to reflect the levels of service availability. The Grantee agrees that it shall make available to and offer full cable service to any person or institution which resides or is located within the limits of the City of SeaTac, within six months of the date of this Franchise except as otherwise provided herein.

B. Whenever feasible Grantee will notify the Director of Public Works of the City of impending construction at least thirty (30) days prior to the commencement of such construction. Any obstruction, opening, or disturbance of any street, sidewalk, driveway, public way or other public place shall be properly guarded by adequate barriers, lights, signals and warnings to prevent danger to any person or vehicle. Grantee shall, at its own cost and expense, restore and replace any other property disturbed, damaged or in any way injured by or on account of its activities to as good condition of such property as it was in immediately prior to the disturbance, damage, or injury, which restoration or replacement shall be accomplished within ten (10) days following written demand by the city, unless a sooner period of time is required by the exigency of the circumstances involved with such disturbance, damage or injury. If the work is not done within the time required, the City shall be entitled to perform the necessary work, and shall be reimbursed for its expenses by the Grantee.

C. The Grantee shall, at its own cost and expense, protect, support, temporarily

disconnect, relocate in the same street or other public place, or remove from said street or other public place, any of its property when requested to do so by the City because of the following: Street or other public excavation, construction, repair, change of street grade, regrading or grading; traffic conditions; installation of sewers, drains or water pipes; City-owned power or signal lines; tracks; vacation or relocation of streets or any other type of structure or improvement of a public agency, or any other type of improvement necessary for the public health, safety or welfare. The Grantee shall obtain appropriate permits for any such work, and shall comply with all federal, state and local rules, regulations and requirements in the performance of such work.

D. The Grantee shall maintain all wires, conduits, cables, and other real and personal property and facilities in a safe, suitable condition, and in good order and repair.

E. The Grantee shall keep accurate, complete and current maps and records of its distribution system and facilities at its local office. Such maps and records shall be available for inspection by officials of the City during normal business hours at the local office of the Grantee, with copies of such maps, records and updates being provided by the Grantee to the City upon request. The maps and records shall designate overhead lines, underground lines, and any other component of the Franchisee's system, whether leased or owned. If the Grantee's mapping system is available in a Computer Assisted Drawing (CAD) format, such CAD files and updates shall be provided to the City.

F. All cables and wires or other work shall be installed parallel with existing telephone and electric utility wires wherever possible.

G. Multiple configurations shall be in parallel arrangement and bundled in accordance with engineering and safety considerations.

H. The Grantee shall, on the request of any person holding a building moving permit issued by the city, temporarily raise or lower its wires to permit the moving of buildings. The expense of such temporary removal or raising or lowering of wires shall be paid by the person requesting the same, and the Grantee shall have the authority to require such payment, in advance. The Grantee shall be given not less than forty-eight (48) hours advance notice to arrange for such temporary wire changes. Any interruption in service occasioned by moving buildings shall be done, as far as is practicable, outside of prime time (i.e., 7:00 p.m. to 11:00 p.m. local time).

I. The Grantee shall also comply with the requirements of the City and its Public Works Department, as per its municipal codes, and/or standard operating procedures, for construction projects, and for excavation of streets, sidewalks and right-of-ways, and the Grantee shall obtain all necessary permits for work within City streets, sidewalks, right-of-ways and City property. In connection with any work involving or occurring in a street or right-of-way identified as an arterial street, the Grantee shall provide the City with a traffic control plan which shall be approved by the Public Works Department prior to the commencement of such work. Before the Grantee does any work in any city street, sidewalk or right-of-way which interferes with the use of the right-of-way or which involves construction, excavation, paving or which otherwise interferes with use of the city street, sidewalk or right-of-way, the Grantee shall provide the City with performance bond(s) in amounts acceptable to the Public Works

Department to

ensure completion of such work and full repair of the city street, sidewalk or right-of-way, or return to full utility of the same.

J. Before the Grantee replaces any existing distribution lines or constructs any new distribution lines, the Grantee shall submit the distribution line route to the City's Public Works Director for approval of that route.

K. The Grantee shall ensure that all vehicles involved in work within the City on behalf of the Grantee, whether owned by the Grantee, or by contractors or subcontractors of the Grantee, shall be visibly marked and identifiable as such, with identifying letters or either the Grantee's or the contractor's or subcontractor's company or business logo, and that all persons involved in work within the City on behalf of the Grantee, whether employees or representatives of the Grantee, or contractors or subcontractors of the Grantee, shall have photo identification or photo identification badges identifying them as such.

SECTION 10: EFFECTIVE DATE OF FRANCHISE - TERM - EXTENSIONS

The effective date of the Franchise shall be thirty (30) days after passage of the Franchise Ordinance by the City Council and upon acceptance by the Grantee. Such acceptance must be exercised in writing, by registered or certified mail notice to the City, on or before the 13th day of March, 1996.

The term of this Franchise shall be for a period of ten (10) years, commencing on the effective date thereof. The Grantee shall be entitled to an extension of the term of this Franchise for an additional five (5) year period at the conclusion of the initial term hereof, provided that

the City may, during the term of this Franchise, conduct public reviews of the Franchise at intervals of no less than three (3) years. The purpose of any such reviews shall be to ensure, with the benefit and opportunity of public comment, that the Franchise and the Grantee continue to provide effective service to the public in light of new developments in cable law and regulations, local regulatory environment, community needs and interests, including but not limited to: programming, channels, charges, fees, service levels, technology and technical performance of the system. Both the City and Grantee agree to make a full and good faith effort to participate in the review, and make appropriate changes to accomplish this end.

SECTION 11: TIME IS OF THE ESSENCE

Whenever this Franchise shall set forth any time within which an act is to be performed by or on behalf of the Grantee, such time shall be deemed of the essence. Any failure of the Grantee to perform within the time allotted shall be sufficient grounds for the City to invoke any appropriate remedy as provided by law, including, but not limited to, terminations of this franchise.

SECTION 12: TAXES

A. Grantee shall pay applicable state, local and franchise taxes, and nothing contained in this Franchise shall be construed to exempt the Grantee from the Business and Occupation ("B & O") tax which may be levied by the City on businesses or operations in the same class as the business of the Grantee, nor from any other tax which may be assessed on the basis of gross or net revenues of businesses or operations in the same class as the business of the Grantee.

B. In addition to the above, nothing contained in this Franchise shall be construed

to exempt the Grantee from any tax, liability or assessment which may be hereinafter authorized by law.

SECTION 13: FRANCHISE PAYMENTS

The Grantee shall pay to the City, in quarterly installments, a five percent (5%) franchise fee based on gross revenues received for cable television operations in the City for the preceding quarter. The franchise fee shall be in addition to a possible B & O tax, and separate from the B & O tax described in Section 12 hereof, and separate from any other tax lawfully imposed by the City. The Grantee shall provide an annual summary report showing gross revenues received during the preceding year. Contributions to access channels (PEG channels) will not be construed to be in lieu of a franchise fee nor any other obligations to the City.

SECTION 14: BINDING AGREEMENT

A. Upon acceptance, this Cable Communications Franchise is an agreement/contract between the City and the Grantee, binding upon both parties. It is the intent of the parties that the Franchise(or any renewal thereof) shall be subject to amendment from time to time to allow the Grantee to innovate and implement new services and developments, or to agree to any terms allowed by law and for which each party agrees to bargain in good faith with the other party, upon the initiation of any proposed amendment.

B. In the event of any dispute between the City and the Grantee arising with respect to this franchise, or with respect to any rights or obligations therefrom, the Grantee shall first pursue and exhaust available administrative remedies. Thereafter, the Grantee may pursue appropriate legal action.

C. The Grantee may appeal any action by any office, employee, department, board, or commission of the City with respect to the Grantee's Franchise to an unbiased appeal board established and mutually agreed to by both parties.

D. In the event that the performance by Grantee of any of the terms, conditions, obligations, or requirements of this Franchise is prevented or substantially impaired due to any cause beyond its reasonable control or which could not reasonably have been foreseen, the Grantee's inability to perform shall be deemed to be excused and no penalties or sanctions shall be imposed as a result thereof, provided and on condition that the Grantee has notified the city in writing within thirty (30) days of its discovery or the occurrence of such an event. Such causes beyond the Grantee's reasonable control or not reasonably foreseeable shall include, but not limited to, acts of God and civil emergencies.

E. Notwithstanding paragraph A above, it is understood and agreed that nothing in this Franchise shall preclude or prohibit the City from enacting any ordinance, from time to time, in the interest of public health and safety, which may impact the Grantee in its operation of the cable system, as a proper exercise of the City's police power. Grantee's rights hereunder are subject to such police power and in the event of any conflict between the provisions of this Franchise and any present or future exercise of the City's police power, such conflict shall be resolved in favor of such police power.

F. Grantee further recognizes and agrees that the City shall in no way be bound to renew or extend the Franchise at the end of any franchise term, except as provided by Federal or State law.

SECTION 15: CABLE SERVICE AND SERVICE AREA - SERVICES - RATES

A. The City and the Grantee acknowledge that the customers within the City should be entitled to cable service of the same general capabilities and capacity as that provided other Cities in the King-Pierce-Snohomish County area of the State of Washington, including but not limited to interactive services such as addressability, security computer interaction, banking, shopping, voice and data transmission, High Definition Television (HDTV), fiber optic and other such features.

The City may, in its discretion, require that the Grantee provide such interactive services as well as up grades capable of carrying fifty-four (54) channels, within the City. The Grantee shall provide such services within the City within twenty-four (24) months of the time that the Grantee provides such services to: (1) the City of Seattle System; (2) any community adjacent to the City; or (3) forty percent (40%) of the municipalities in King, Pierce and Snohomish Counties.

Prior to implementation of any change of service by the Grantee, the Grantee may request a public hearing by the City Council to discuss the benefits of said features to the citizens of the City. If the City Council finds that such features are reasonably required to meet community needs, taking into consideration the expense of providing such services and the potential costs to subscribers, the City Council may require the implementation of such features consistent with the provisions of this Franchise. If the Council deems it necessary, it may, at its own option by a majority vote, extend the time requirements established in this section. Additionally, the Grantee, upon completion of the upgrade or by the expiration of the time

periods described above, or sooner, shall provide, maintain and operate a public access studio within a radius of eight (8) miles of the City Hall, or at a location mutually agreeable by all parties. Such facilities shall be subject to approval by the City as suitable, which approval shall not be unreasonably withheld.

Current services as of the date of adoption of this Ordinance include the following:

CHANNEL GUIDE

#	CHANNEL	PROGRAMMING
2	NorthWest Cable News*	Regional News Coverage
3	Univision*	Spanish Programming
	BET*	Black Entertainment
4	KOMO*	ABC, Seattle
5	KING*	NBC, Seattle
6	TBS*	Movies, Sports & Specials
7	KIRO*	CBS, Seattle
8	KTBW*	Religious, Tacoma
9	KCTS*	PBS, Seattle
10	KTZZ*	Independent, Seattle
11	KSTW*	Independent, Tacoma
12	KBTC*	PBS, Tacoma
13	KCPQ*	FOX, Tacoma
14	Encore (P)	Movies from the '60s, '70s & '80s
15	fX	General Entertainment
16	Prime Sports Northwest	Regional Sports
17	ESPN	24-Hour Sports
18	USA	Variety, Sports & Movies
19	TNT	Movies & Variety Programming
20	TNN	Country Variety
21	CNN	24-Hour World News
22	STARZ! (P)	First Run Movies & More
23	HBO (P)	Exclusive Movies and Specials
24	Showtime (P)	Exclusive Movies and Specials
25	Cinemax (P)	24-Hour Movies
26	The Disney Channel (P)	Family Entertainment
27	UWTV*	Education Programming

28	Government Access*	Community Reports
29	Public Access*	Community Programming
30	Nickelodeon	Children's Programming
31	The Family Channel	Family Variety Programming
32	Arts & Entertainment	Drama, Theater & Classics
33	Lifetime	Lifestyle Programming
	International Channel	Foreign Language Programming
34	CNBC	Consumer News & Business
35	The Discovery Channel	Documentaries and Travel
36	MTV	Music Videos
37	QVC	Home Shopping
38	Headline News	Half-Hour Headlines
39	American Movie Classics	Hollywood Classics
60**	C-SPAN*	Congress in Action
61**	The Weather Channel*	Local & National Reports
**	Pay-Per-View*	Movies, & Events

* Included in the Basic Service. All other channels in the Expanded Basic Service except those denoted IV (P) which indicates a Premium Channel available for additional charge.

** Channel number varies depending on the converter type and television brand. Other possible channel numbers include: 0, 1, 55, 56, 72, 73, 98, 99.

In order to comply with provisions of the FCC rules concerning Leased Access, Channels 60 and 61 will periodically be subject to preemption for Leased Access programming.

B. Within nine (9) months of the effective date of this Ordinance, unless the date is extended by the City upon request by the Grantee, the Grantee shall provide the City with one (1) access channel capable of live broadcasts from the Council Chambers of City Hall for the exclusive use of the City for televising meetings of the City Council and Planning Commission, as well as other meetings of City boards, commissions, committees or agencies. Additionally, upon request by the City, the Grantee shall provide the City with additional access channels when the currently provided access channel(s) is/are in use for programming during fifty percent

(50%) of the hours between 10:00 a.m. and 10:00 p.m., during any consecutive ten (10) week period, with such channels being provided within four (4) months following a request by the City. The contribution of such public, educational and government access channels, and any associated capital costs, shall not be construed as payment in lieu of franchise fees or any other tax or obligation that the Grantee may have to the City. It is provided, however, that if an additional access channel is not utilized on a consistent basis for twenty-five percent (25%) of the hours between 10:00 a.m. and 10:00 p.m., such access channel shall revert back to the Grantee for use consistent with the terms of the franchise. Within nine (9) months of the effective date of this Ordinance, unless the date is extended by the City upon request by the Grantee, the Grantee shall develop and make available a character generator channel, for information and community service messages to benefit the City and the community of SeaTac, Washington. The Grantee shall make periodic reports to the City, and shall respond to inquiries, in connection with its progress of service development or status as it relates to this paragraph, when requested by the City.

The Grantee shall provide, reasonably maintain, and install the necessary equipment for local government cable-casting within the time periods for providing the City with the capacity of live broadcasts from the Council Chambers of City Hall, unless extended by mutual written agreement. Such equipment shall not be less in quantity nor equivalent quality than those listed in the List attached hereto, marked as Exhibit "A", and incorporated herein by this reference.

C. Within the same time frame identified in paragraph 15A, above, the Grantee shall provide the capacity to link each and every building, facility and structure of the City, to provide

programming which can be originated in coded form at any such building, facility and structure of the City, and can be received by decoding devices at any other such City building, facility or structure.

D. Upon completion of the system upgrade subject to the conditions set forth herein, the Grantee shall make provisions for an emergency alert system. The Grantee shall establish a process which will provide a character generated scroll and shall make the best effort to furnish a voice override notifying viewers and listeners of the emergency. Subject to federal and state laws and regional planning authorities, control of these emergency override facilities shall be the responsibility of the City. The City shall hold the Grantee, its agents, employees, officers, and assigns harmless from any claims arising out of the emergency use of its transmitting facilities by the City. The City, at its option, may elect to share this service with adjoining communities.

E. In areas which are annexed by the City after the effective date of this franchise, Grantee will be required to install facilities for full cable television service according to and consistent with the provisions and requirements for extension of service in paragraph 9A hereof.

F. The service rates and installation rates in effect upon the adoption of this Ordinance shall be provided to the City within sixty (60) days of the adoption of this Ordinance.

G. Notwithstanding the rates set forth above, and notwithstanding any change, increase or adjustment of cable television rates or rates and/or charges for service by the Grantee, the Grantee shall offer a discount of thirty percent (30%) from the normal rate, fee or charge to subscribers for basic services and installation to those persons who are sixty-two (62)

years of age or older, and/or disabled, provided that such person(s) is/are the legal owner or the lessee/tenant of his/her/their residence and that the total combined household disposable income from all sources does not exceed the Housing and Urban Development standards for the Seattle-Everett area for the current and preceding calendar year. Absent the City's involvement in utilities or other municipal programs that afford the City the standards and information to measure low-income eligibility, the Grantee shall be responsible for identifying and certifying to the City that such applicant(s) conform(s) to the specified criteria. The City shall have the right to inspect, review and audit the records relative to such low income senior citizen, disabled citizen discount, and in the case of challenges and appeals, the City Council shall be authorized to determine if the discount is warranted.

H. In connection with the billings and statements for payment by customers and subscribers of the Grantee's cable television services, if the Grantee, in its billing practices, bills customers/subscribers for services in advance of those services having been received/provided, the Grantee shall comply with the following:

Bills shall not be delinquent until thirty (30) days after their due date, which due date shall approximately correspond to the date the bill statement is received by the customer or subscriber. Late charges or other fees based upon the timeliness of payments by a customer or subscriber shall not be assessed or charged by the Grantee until after the bill for services is delinquent as provided herein.

I. Although the Grantee is not required by law to provide any particular video or audio service as a part of its premium service, the Grantee shall notify the City in writing at

least thirty (30) days in advance of any change of its intent to alter the mix, level or quality of such premium service, as well as any changes in its fees, charges or charges for such service.

J. The City may request the Grantee to conduct annual reviews as part of its commitment to operate the cable system to satisfy the future cable related needs and interests of the community, taking into account the cost of doing so. The City will be apprised in writing of each review. Grantee shall cooperate with the City in analyzing the development of new uses of cable system, such as water meter readings, traffic signal controls, alarm systems and health monitoring signal devices. That analysis shall include the technological and economic feasibility and viability of such uses.

SECTION 16: TRANSFER OF OWNERSHIP OR CONTROL

A. This Franchise shall not be assigned or transferred, either in whole or in part, or leased, sublet, or mortgaged in any manner, nor shall title thereto, either legal or equitable or any right, interest or property therein, pass to or vest in any person without the prior written consent of the City. Within sixty (60) days of receiving the request for transfer, the City shall, in accordance with Section 76.502 of the F.C.C. Rules and Regulations, notify the Grantee in writing of the information and materials it requires to determine the legal, financial and technical qualifications of the transferee to provide the services of the Grantee, and assurances to determine the transferee's willingness and ability to comply with all of the provisions and requirements of the franchise. The City shall be deemed to have consented to the proposed transfer or assignment in the event its refusal to consent is not communicated in writing to the Grantee or the proposed assignee within sixty (60) days following receipt of the written

information, materials, and assurances requested by the City. It is further provided, however, that if information, materials or assurances are received by the City in response to its request which prompt new or additional requests by the City for information, materials or assurances, such new or additional requests shall be forwarded to the Grantee within sixty (60) days of the receipt of the information, materials or assurances prompting the new or additional requests, and it is further provided that, in such case, the City shall have been deemed to have consented to the proposed transfer or assignment in the event its refusal to consent is not communicated in writing to the Grantee or the proposed assignee within sixty (60) days following the receipt of the requested new or additional information, materials or assurances.

B. The Grantee shall promptly notify the City of any actual or proposed change in, or transfer of, or disposition of or acquisition by any other party of control of the Grantee. The word "control" as used herein is not limited to major stockholders, but includes actual working control in whatever manner exercised. Every change, transfer, or acquisition of control of the Grantee shall make the Franchise subject to cancellation unless and until the City shall have consented thereto, which consent will not be unreasonably withheld. For the purpose of determining whether it shall consent to such change, transfer, disposition, or acquisition of control, the City may inquire into the qualifications of the prospected controlling party, and the Grantee shall assist the City in any such inquiry.

C. The consent or approval of the City to any transfer of the Grantee shall not constitute a waiver or release of the right of the City in and to the streets, and any transfer shall by its terms, be expressly subordinate to the terms and conditions of this franchise.

D. In the event of a sale, and upon request, the purchase price of the system shall be made available to the City Manager. The purchase price shall be held as confidential.

E. By its acceptance of this franchise, the Grantee specifically grants and agrees that any such transfers occurring without prior approval of the City shall constitute a violation of this Franchise by the Grantee. In no event shall a transfer of ownership or control be approved without successor in interest becoming a signatory to this Franchise agreement. In accordance with the above provisions, transfer of this Franchise shall not be unreasonably withheld.

F. For the purpose of this section, transfer of ownership or control of this Franchise shall be defined as either acquisition of more than thirty percent (30%) interest in the Grantee's stock membership or actual working control of Grantee's operations in the franchise area in whatever manner it is exercised.

G. Upon approval of the City, Grantee may assign this Franchise to a Washington Limited Partnership in which Grantee is the sole general partner; provided, however, that the assignee agrees to be bound by all of the terms and conditions of this Franchise and/or obligations of the Grantee.

SECTION 17: INDEMNIFICATION OF CITY

A. The Grantee shall at all times protect and hold the City harmless from all claims, actions, suits, liability, loss, expense or damages of every kind and description, including investigation costs, court costs, and attorney's fees, which may accrue to or be suffered or claimed by any person or persons arising out of the negligence of the Grantee in the ownership, construction, repair, replacement, maintenance and operation of said cable television system and

by reason of any license, copyright, property right or patent of any article or system used in the construction or use of said system.

The Grantee shall maintain in full force and effect during the life of its franchise, public liability insurance in a solvent insurance company authorized to do business in the State of Washington, naming the City as an additional insured , at no less than in the following amounts:

1. \$500,000.00 property damage in any one accident;
2. \$1,000,000.00 for personal injury to any one person;
3. \$3,000,000.00 for personal injury in any one accident.

Provided, that all such insurance may contain reasonable deductible provisions not to exceed an amount that would be fiscally prudent for the Grantee for any type of coverage, and provided further, the City may require that any and all investigation of claims made by any person, firm, or corporation against the City arising out of any use or misuse or privileges granted to the Grantee hereunder shall be made by, or at the expense of the Grantee or its insurer. The Grantee shall provide the City with current certificates of insurance, reflecting the levels of coverage, and indicating the respective terms of coverage. The insurance policies shall further include provisions notifying the city in case of cancellation or termination.

SECTION 18: REPORTS

A. The Grantee shall submit to the City, upon its request, copies of all pleadings, applications, reports, communications or documents of any kind, submitted by the Grantee to, as well as copies of all decisions, correspondence and actions by, any federal, state and local courts, regulatory agencies or any other governmental bodies relating to its cable television

operations within the franchise area. Pursuant to such request, the Grantee shall submit such documents to the City simultaneously with their submission to such courts, agencies and bodies; and within five (5) days after receipt from such courts, agencies or bodies. Grantee hereby waives any rights to claim confidentiality, privilege or proprietary rights with respect to such documents. However, to the extent permitted by law, the City shall make best efforts to keep such documents confidential. The Grantee shall also file with the City, its annual financial reports and summaries of its business activities.

B. The refusal, failure or neglect of the Grantee to file any of the reports required in this section, or as the City shall direct, shall be deemed a material breach of this Franchise and shall subject the Grantee to all measures and remedies, legal or equitable, which are available to the City under this Franchise or otherwise. So long as Grantee maintains records to fully comply with this section, Grantee may maintain such records on a system-wide basis; provided, however, that Grantee shall provide separate records to demonstrate compliance with Sections 12 and 13 hereunder. If Grantee elects to maintain records on a system-wide basis, Grantee hereby waives any objection to the City's reasonable inspection of such records pursuant to this franchise.

C. Any materially false or misleading statement or representation made knowingly by the Grantee in any report required in this Franchise shall be deemed a material breach of this Franchise and shall subject the Grantee to all measures, legal or equitable, which are available to the City under this Franchise or otherwise.

D. All reports and records required under this or any other section shall be furnished

at the sole expense of the Grantee.

SECTION 19: TIME FOR PAYMENTS

All payments to be made by the Grantee to the City, pursuant to this franchise, directly or indirectly, including but not limited to possible or future B & O taxes and franchise fee payments, shall be made quarterly, with such payments being submitted with accompanying statements, records or other documentation identifying the payment, periods covered, basis for payments, and such other information as would be necessary or appropriate to explain the payments.

SECTION 20: MISCELLANEOUS PROVISIONS

A. The Grantee shall provide without charge at least one outlet and service to each governmental office building, fire station, police station, and public and non-profit private school building that its cable passes by, which governmental office buildings, fire stations, police stations, and public and non-profit private school buildings are identified and set forth on the List attached hereto, marked as Exhibit "B" and incorporated herein by this reference, provided that as new such facilities are added, constructed or developed, additional outlets shall be provided to such facilities within six (6) months of notice by the City of their addition, construction or development, or the effective date of this Ordinance.

B. In case of any emergency or disaster, the Grantee shall, upon request from the City, make available its cable system facilities to the City for emergency use during the emergency or disaster period.

C. The Grantee agrees to establish and maintain a forum through an identified

individual or committee of individuals to receive, transmit and communicate responses to the comments, complaints, concerns, questions and/or other verbal or written communications from the City, the Grantee's customers, citizens of the City or of neighboring communities served by the Grantee about the service, activities or projects of the Grantee. The Grantee shall keep the City continuously advised of the composition, structure and status of the customer concern/complaint forum, including the name, address and phone number of the representative(s) or the official(s) of the Grantee authorized to receive and respond to comments, complaints, concerns or questions. The Grantee shall keep records of all such concerns, complaints, questions or other comments and the responses thereto, and shall make reasonably available to the City, upon request, the records of such complaints, concerns, questions or comments, and the responses of the Grantee thereto. The Grantee also agrees to meet with or have its identified representatives meet with the City or its representatives or designees and/or citizens/customers and/or citizen/customer groups and/or persons acting on their behalf, to discuss such concerns, complaints, questions or other comments, as requested by, for and on behalf of the City.

SECTION 21: LIQUIDATED DAMAGES

If the Grantee shall neglect, fail or refuse to comply with any material provisions of this Franchise within the time specified herein, or any proper extension thereof granted by the City, then the Grantee does hereby agree as a part of the consideration for the granting of this Franchise to the Grantee, to pay to the City the amount of Five-Hundred Dollars (\$500.00) not as a penalty, but as liquidated damages for such breach of the franchise, for each and every working day that the Grantee shall be out of compliance with the requirements hereof. It is

provided, however, that the City shall allow the Grantee a minimum of thirty (30) days after notice to the Grantee of such neglect, failure or refusal to comply within which to meet compliance or correct performance, prior to the assessment of any liquidated damages.

SECTION 22: SERVICE OF NOTICE

A. Unless otherwise provided herein, all notices required to be given to the City under any provisions of this Franchise shall be in writing and shall be deemed served:

1. When delivered by hand to the City Clerk during normal business hours;
- or,
2. When mailed to any other person designated to receive such notice.

Unless directed otherwise by the City, the address to which such notices shall be sent is as follows:

SeaTac City Manager
SeaTac City Hall
17900 International Blvd., suite 401
SeaTac, WA 98188
Phone: (206) 241-9100
FAX: (206) 241-3999

B. All notices required to be given to the Grantee under any provision of this Franchise shall be in writing and shall be deemed served:

1. When delivered by hand or mailed to Grantee's local office or such other address as has been designated for service of notice; or
2. When mailed to any other person designated to receive such notice on behalf of Grantee.

Unless directed otherwise by the Grantee, the address to which such notices shall be sent is as follows:

TCI Cablevision of Washington, Inc.
General Manager, South Seattle Office
15241 International Blvd.
SeaTac, WA 98188
Phone: (206) 433-3434
FAX: (206) 433-5103

SECTION 23: SUCCESSORS AND ASSIGNS

Subject to the requirements contained in Section 16, this Franchise shall be binding on any successors or assigns of the Grantee.

SECTION 24: GUARANTEE

A. In consideration of the grant of the Franchise to Grantee, Grantee guarantees, absolutely and unconditionally, the performance by Grantee of all the obligations of Grantee pursuant to and in accordance with all of the terms, provisions and conditions of the franchise. This guarantee shall continue in full force and effect until all obligations of the Grantee under the Franchise shall have been fully satisfied and discharged.

B. Grantee further covenants that in consideration for the grant of the franchise, it will indemnify, save and hold harmless and defend the City from all liens, charges, claims, demands, suits, actions, fines, penalties, losses, costs (including, but not limited to, legal fees and court costs), judgements, injuries, liabilities or damages, in law or equity, of any and every kind and nature whatsoever arising out of or in any way connected with the installation, operation, maintenance or condition of the Grantee's cable system and/or the grant of this

franchise, to the extent permitted by law.

SECTION 25: INTERPRETATION OF FRANCHISE

This Franchise Ordinance shall be interpreted in every instance where possible in accordance with and under the laws of the State of Washington, provided, however, that if such interpretation is in direct conflict with federal laws regarding cable television systems, the federal law shall control.

SECTION 26: AMENDMENT OF FRANCHISE

Except as otherwise expressly provided herein, this Franchise may be amended only by a written instrument executed by the City and Grantee, and adopted by the City in accordance with law and in conformity with the provisions hereof.

SECTION 27: VIOLATION OF FRANCHISE

Violation of the terms of this Franchise shall be an actionable breach, and shall subject the Grantee to all measures legal or equitable, which are available to the City for enforcement of this franchise, including termination of the franchise.

If termination proceedings are instituted, the City shall give the Grantee a written notice that all rights conferred under the Franchise (and any specific sections involved) may be revoked or terminated by the Council after a public hearing. The Grantee shall be entitled to not less than thirty (30) days' prior notice of the date, time and place of the public hearing. At any such hearing, the burden of proof shall be on the Grantee to demonstrate, by a preponderance of the evidence, that the alleged violation(s) did not occur or that the Grantee has exercised its best efforts to ensure that such violation(s) will not occur again. The City Council, in its sole

discretion, may leave this Franchise in place, terminate the franchise, or impose new terms related to the alleged violation(s), as a condition of continuing with the franchise. Any appeal of the Council's decision shall be exclusively by writ of review to the King County Superior Court and must be filed within fifteen (15) days of the date of the Council's decision.

The City may elect, in lieu of the above and without prejudice to any of its other legal rights and remedies, to obtain an order from the Superior Court having jurisdiction compelling the Grantee to comply with the provisions of the franchise, and awarding damages and costs including reasonable attorneys' and expert witnesses, fees incurred by the City by reason of a Grantee's failure to comply.

SECTION 28: ATTORNEYS' FEES TO PREVAILING PARTY

If legal proceedings are instituted, either by the City or the Grantee, to enforce any rights, obligations or provisions under this franchise, then the prevailing party shall be entitled to reasonable attorneys' fees and costs incurred in connection with such legal proceedings.

SECTION 29: PROVISIONS OF FRANCHISES OF OTHER JURISDICTIONS

If King County, Washington, or any other municipal jurisdiction in the vicinity of the City negotiates and enters into an agreement with the Grantee or grants a franchise to the Grantee that includes terms or provisions that are more favorable to the City than the terms hereof or are in addition to the terms hereof, those terms or provisions shall be added, at the option of the City, to this Franchise and the Grantee shall be bound and obligated thereby as if such term(s) and/or provision(s) were set forth and fully included herein provided that such terms and conditions are determined by the City to meet the future cable-related needs of the

City of SeaTac, taking into consideration the costs of such terms and conditions in accordance with the provisions of Section 15A of this Franchise. For the purposes hereof, "jurisdictions in the vicinity of the City" refers to the cities of Auburn, Burien, Des Moines, Federal Way, Kent, Normandy Park, Renton, and Tukwila, all located in King County, Washington.

SECTION 30: SEVERABILITY

If any provision of this Franchise or its application to any person or circumstance is held to be invalid, the remainder of the Franchise or its application of the provision to other persons or circumstance shall not be affected.

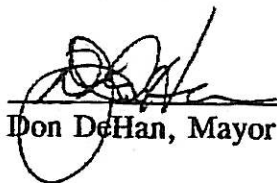
SECTION 31: EFFECTIVE DATE

This Ordinance shall be in full force and effect after adoption and thirty (30) days after passage of the Ordinance and upon receipt of an executed acceptance document from the grantee.

ADOPTED by the City Council on the 13th day of February, 1996,


and signed in authentication thereof on this 14th day of February, 1996.

CITY OF SEATAC



Don DeHan, Mayor

ATTEST:



Judith L. Cary, City Clerk

Approved as to Form:

Robert L. McAdams

City Attorney

EXHIBIT "A"

City of SeaTac Access Equipment

In accordance with Section 15 of the City of SeaTac - TCI Franchise, the following equipment or its equivalent will be supplied by the Grantee:

Quantity	Description of Equipment
1	Texscan MSI-SG 4-B Character Generator
3	Panasonic CCD Two-Color Chip Cameras
3	Telco Remote Camera Control Systems
1	Amega 3000 Computer System with Omni Link and Video Toaster
2	Panasonic AG 8350 SVHS 1/2" Recording Decks
1	Shure Audio Microphone System
20	Lavalier Microphones
3	12" Color Monitors
1	19" Color Monitor
2	Panasonic AG460 1/2" SVHS Cameras
2	LTM 4 Pepper 420 Light Kits (with accessories)
2	Bogen 3062 Video Tripods (w/3066 fluid head)
2	Tripod Adaptors
50	1/2" 20 Minute Video Cassettes
50	1/2" 30 Minute Video Cassettes
50	1/2" 60 Minute Video Cassettes

Miscellaneous lighting system as required adequately allow for the video taping and broadcast of City meetings in the City Council Chambers.

Miscellaneous cable as required to complete the wiring of the existing City Council Chambers.

EXHIBIT "B"

LIST OF GOVERNMENT, SCHOOL AND PUBLIC FACILITIES

Boulevard Park Warehouse and Science Annex 12833 20th Ave So. SeaTac, WA 98168	King County Public Works/Roads 13831 18th Ave. So. SeaTac, WA 98168
Bow Lake Elementary School 18237 42nd Ave So. SeaTac, WA 98188	King County Parks Maintenance 13659 18th Ave. So. SeaTac, WA 98168
Chinook Middle School 18650 42nd Ave So. SeaTac, WA 98188	Madrona Elementary School 3030 So. 204th St. SeaTac, WA 98198
DEA 19604 International Blvd. SeaTac, WA 98188	McMicken Heights Elementary 3708 So. 168th St. SeaTac, WA 98188
FAA Tech Shop 19111 Des Moines Wy. So. SeaTac, WA 98148	National Transportation Safety Board 19518 International Blvd. So. SeaTac, WA 98188
Federal Aviation Administration 4800 So. 188th St. SeaTac, WA 98188	North SeaTac Community Center 13735 24th Ave So. SeaTac, WA 98188
Glacier High School 2450 South 142nd Street SeaTac, WA 98168	Port of Seattle 1410 So. 200th St. SeaTac, WA 98198
Highline Water District Shop 19863 28th Ave. So. SeaTac, WA 98188	Riverton Heights Elementary 3011 So. 148th St. SeaTac, WA 98168
Kent West High School 22420 Military Rd. So. SeaTac, WA 98198	Riverton Heights Post Office 15250 32nd Ave. So. SeaTac, WA 98188
King County Water District #125 2849 So. 150th St. SeaTac, WA 98188	SeaTac City Hall 17900 International Blvd. Suite 401 SeaTac, WA 98188-4236

SeaTac Fire Station #2
3521 So. 170th St.
SeaTac, WA 98188

Washington Liquor Store #86
18617 International Blvd.
SeaTac, WA 98188

SeaTac Fire Station #1
2929 So. 200th St.
SeaTac, WA 98198

SeaTac Fire Station #3
3215 So. 152nd St.
Seattle, WA 98168

Seattle Christian School
19639 - 28th Avenue South
SeaTac, WA 98188

Sunset Elementary School (Port Owned)
1809 So. 140th St.
SeaTac, WA 98168

Tyee High School
4424 So. 188th St.
SeaTac, WA 98188

U. S. Geological Survey
19604 International Blvd.
SeaTac, WA 98188

Valley View Elementary School
17622 46th Ave. So.
SeaTac, WA 98188

Valley View Library
17850 Military Rd. So.
SeaTac, WA 98188

Washington House of Representatives (500)
18000 International Blvd.
SeaTac, WA 98188

Washington State Archives
1809 So. 140th St.
SeaTac, WA 98168

ACCEPTANCE OF FRANCHISE
ORDINANCE NO. 96-1003

TCI OF SEATTLE, INC., for and on behalf of itself and its successors, assigns, and transferees, does hereby unconditionally accept Ordinance No. 96-1003 of the City of SeaTac, Washington, which is entitled:

AN ORDINANCE of the City Council of the City of SeaTac, Washington granting TCI of Seattle, Inc., its successors and assigns, a non-exclusive franchise to operate a cablevision system in the City, and setting forth conditions therefore,

AND DOES HEREBY AGREE to be bound by all terms and conditions contained therein.

IN WITNESS WHEREOF, TCI of Seattle, Inc. has caused this Acceptance of Franchise to be executed on its behalf by its duly authorized representatives on this 29 day of February, 1996.

ACCEPTED this 29 day of Feb., 1996, and signed in authentication thereof on this 29 day of Feb., 1996.

TCI OF SEATTLE, INC.

By: David M. Reynolds
(Signature)

David M. Reynolds
(Printed or typed name)

Its: President
(Title)

ATTEST:

By: Janet L. Turpen
(Signature)

Janet L. Turpen
(Printed or typed name)

Its: Franchise Administrator
(Title)