AN ORDINANCE granting to Valley Cablevision, Inc., it successors and assigns, a franchise to construct, operate and maintain a community antenna television system for television signal distribution throughout the City of Kent, Washington.

BE IT ORDAINED BY THE CITY OF KENT AS FOLLOWS:

Section 1. The City of Kent, hereinafter referred to as the "City," hereby grants to Valley Cablevision, Inc., a corporation organized under the laws of the State of Washington, and having its principal place of business in the City of Kent, County of King, State of Washington, hereinafter called the "Grantee," under the conditions and limitations herein prescribed, the right, privilege, authority and franchise to install, lay down, maintain and operate underground pipes and conduits with the necessary manholes and other appliances therefor and to erect standard utility poles with or without crossarms, stretch wires and cables and antennas or other appurtenances thereof, in, over, upon and under the streets, alleys and public highways of the City of Kent hereinafter referred to as "streets," and to maintain and use the same for the purpose of operating a coaxial cable subscription system for community antenna television signal distribution to subscribers' homes and to such business and public establishments, apartments, hotels, and other premises as may also desire such service, hereinafter called "CATV," and for no other uses or purposes whatsoever.

Section 2. The construction of new facilities or the extension of existing facilities within Grantee's service area
shall be done only in accordance with a plan or design first submitted to and approved by the City Engineer and pursuant to a permit issued by said Engineer authorizing such construction of new facilities or extension of existing facilities within all or a portion of such service area. All poles, cables, wires, antennas or conduits or appurtenances shall be constructed and erected in a neat, workmanlike manner and shall be of such height and occupy such position as the City Engineer shall direct. Whenever it is practicable to make use of poles already in said streets, Grantee shall make use of such poles; Provided, that in any district in the City which has telephone, telegraph and electric power wires and cables laid underground, Grantee shall not be permitted to erect poles and run or suspend wires, cables, or other conductors thereon, but shall lay such wires, cables or conductors in underground pipes or conduits; and if prior to the passage of any such ordinance designating any such district in said City, Grantee shall have erected poles in such districts and suspended wires, cables, and other conductors thereon, Grantee shall, upon the passage of such ordinance and within such period of time thereafter as may be designated in such ordinance, at its own cost and expense, remove its poles, cables, and wires from the surface of the streets within such district, and shall place the same in underground pipes or conduits in conformity with the requirements of the City Engineer and shall not thereafter erect or maintain any poles whatever therein. Where telephone and lighting utilities are compensated by property owners for part or all of the cost of relocating facilities underground by the local improvement district method
or otherwise, Grantee shall be entitled to receive a comparable portion of its undergrounding cost, that is, the same consideration as a utility, as a condition to relocating its facilities underground.

Section 3. Nothing in this ordinance shall be construed to prevent the City from sewering, paving, grading, altering, or otherwise improving or re-improving any of the streets of the city including the installation of city-owned utilities; and the City shall not be liable for any damage resulting to the Grantee by reason of the performance of such work or by exercise of such rights of the City. This ordinance shall not be so construed as to deprive the City of any rights or privileges which it now has or which may hereafter be conferred upon it, to regulate and control the use of streets. Whenever and to whatever extent any street shall be improved or the grade thereof changed, modified, raised or lowered, or the size, position, or location of any City-owned public utilities changed, modified, or altered, any of the installations belonging to the Grantee which may be affected by or shall conflict with any such changes, alterations, or modification, shall be promptly adjusted, removed, altered, raised, lowered, or otherwise modified to conform to the improvements or changes made, by and at the cost and expense of Grantee and in conformity with the requirements of the City Engineer. The City shall at all times have the right to make free use of any or all of the poles of said Grantee for wires, cables and conductors to carry any City-owned systems or facilities requiring such use.
Section 4. Whenever it shall be necessary to the erection of poles or in the construction of underground pipes or conduits, to take or excavate in any portion of any street, the Grantee shall file with the City Engineer a petition therefor together with plans, designs and drawings on a reasonable scale, setting forth the streets to be disturbed and obtain a permit from and approval of the City Engineer for so doing before beginning such work. After any poles are erected, or such pipes or conduits constructed, Grantee shall promptly replace any portion of the street disturbed by such work, in a neat and workmanlike manner to its original condition and as required and approved by the City Engineer.

At all times during the period of this grant, the Grantee shall keep on deposit in the City Treasury to the credit of the City Engineering Department, the sum of One Thousand Dollars ($1,000.00) in cash to be used by said City Engineering Department for the purpose of restoring streets in the manner prescribed by said City Engineer, to pay the reasonable cost of any city inspection necessitated by Grantee's actions pursuant to this franchise and to pay the cost of raising or removing of any wires, cables, or conductors as provided in Section 9 hereof.

Section 5. Construction, maintenance and operation of Grantee's CATV system, including house connections, shall be in accordance with the provisions of this franchise and in accordance with the provisions of all applicable codes and ordinances, including the City Electrical Code, if any, as the same may hereafter be amended, and Grantee shall comply with all applicable state and federal laws and rules and regulations of the Federal Communications Commission relating to CATV systems.
Section 6. Grantee will provide television signals to all public and private, non-profit educational institutions within Grantee's service area at no cost for use in the teaching facilities of such institutions and will also provide television signals at no cost to such municipal buildings in Grantee's service area as may be designated by the City Council. The point of connection for such service will be at the distribution cable as it is constructed along the street and said educational institutions or the City in the case of municipal buildings shall install or pay the cost of installing the drop for such distance as is necessary from the point of cable connection to the building to be served and any distribution cables within such building, and shall maintain the same from the point of connection. No guarantee need be made by Grantee as to the quality or strength of television signals transmitted beyond the point of cable connection.

Section 7. Neither Grantee nor any of its officers, agents or employees shall engage in the business locally of selling, servicing or repairing television sets or other receivers or parts therefor which make use of standard broadcast entertainment signals transmitted by its system; provided, however, that nothing herein shall prevent Grantee from making necessary modifications and adjustments to subscribers' television receivers to insure proper operation under conditions of cable connection at the time of installation or in response to subscribers' complaints, or from selling, servicing or repairing receivers and other equipment used by other CATV system operators in the conduct of their business.

Section 8. The Grantee agrees that it will diligently
pursue the construction of its facilities to the end that all persons residing within an area for which Grantee has been granted a permit for the construction of new facilities or the extension of existing facilities will be offered such service within 180 days after the issuance of said permit by the City Engineer in accordance with Section 2 hereof. Grantee further agrees to commence actual construction of the necessary facilities in any such area within ninety (90) days after issuance of such permit. Unless the City Engineer has upon cause shown extended the time within which to substantially complete construction of CATV facilities in an area for which a permit has been granted, service shall be commenced within the time specified herein or the applicable permit may be cancelled and revoked, in which latter case any facilities installed shall be removed by Grantee and at Grantee's cost and expense.

Section 9. Whenever permission is obtained from the City Engineer for use of any streets of the City for the purpose of moving any building or structure, Grantee, upon forty-eight (48) hours notice from the City Engineer shall raise or remove any wires, cables, or conductors which may obstruct the removal of such building or structure; and in case of Grantee's refusal or failure to comply with such notice, the City Engineer may raise or remove such wires, cables, or conductors at the expense of Grantee for the purpose aforesaid.

Section 10. That the rights and privileges herein granted shall not be deemed exclusive, and the right is hereby reserved to the City to grant to any other person, company, corporation, or association, or by itself to exercise the rights and privileges
herein granted; and the franchise, rights and privileges granted by this ordinance shall be subject to the right of the City Council, at any time subsequent hereto, to repeal, amend, or modify this ordinance and grant with due regard for the rights of the Grantee and the interest of the public; and to cancel, forfeit, and abrogate the rights and privileges granted by this ordinance if the same are not exercised in full accordance with the provisions hereof, or at all; and at any time during the life of such grant to acquire, by purchase or condemnation, for the use of the City itself, all the property of the Grantee within the limits of the public streets, at a fair and just value, which shall not include any valuation for the franchise itself, or of any of the rights and privileges hereby granted, and the grant shall thereupon terminate.

Section 11. The rights, privileges and franchise herein granted shall cease and terminate twelve (12) years from the effective date of this ordinance. However, in the event that Grantee has fully and faithfully complied with all the terms and conditions of this franchise, then Grantee has the option to renew the same for two successive five-year periods upon the termination of the original twelve-year period, provided, however, that the City reserves the right to alter, modify and change the fees and method of payment provided for in paragraph 12. Within ninety (90) days after termination, the Grantee, if required by the City Engineer, shall at its own cost and expense remove all of its CATV facilities and installations from the city streets and shall place all portions of said streets that may have been disturbed in as good condition for public use as the abutting portions thereof.
The CATV system of the Grantee installed hereunder shall not be abandoned, either in whole or in part, without the consent of the City Engineer.

Section 12. The Grantee shall pay to the City of Kent on the 10th day of February, the 10th day of May, the 10th day of August, and the 10th day of November, each year, an amount equal to four per cent (4%) of the gross income received for such services rendered in the City of Kent for which any part of the rights exercised under this franchise are used. Such quarterly payments shall be based on the gross income from such business for the three-month period preceding these dates and ending respectively on December 31, March 31, June 30, and September 30, each year. Said quarterly payments shall become delinquent if not paid on or before thirty (30) days after the date due, and shall thereafter bear interest at the rate of ten per cent (10%) per annum of the amount due until paid.

Section 13. The Grantee shall forfeit and shall be deemed to have forfeited and abandoned all rights and privileges conferred by this ordinance, and this ordinance shall be null and void and of no force or effect unless Grantee shall within thirty (30) days after the effective date of this ordinance file with the City Clerk its written acceptance of the rights and privileges hereby conferred and the terms, conditions and restrictions hereby imposed.

Section 14. That the Grantee by its acceptance of this ordinance and the rights, privileges and franchise hereby granted, does covenant and agree for itself, its successors and assigns, with the City of Kent to at all times protect and save harmless
the said City from all claims, actions, suits, liability, loss, costs, expenses or damages of every kind or description which may accrue to, or be suffered by, any person or persons or property, and to appear and to defend at its own cost and expense any action or suit instituted or begun against the City for damages, by reason of the construction, reconstruction, readjustment, repair, maintenance, operation, or use of said streets or anything that has been done or may at any time be done by said Grantee, its successors or assigns, by virtue of this ordinance, and in case judgment shall be rendered against said City in any such suit or action, said Grantee shall fully satisfy the judgment within ninety (90) days after such action or suit shall have been finally determined, if determined adversely to the City.

Section 15. So long as the Grantee shall exercise any right or privilege granted by this ordinance, it shall provide and maintain in full force and effect public liability insurance, with the City as an additional insured, providing for a limit of not less than One Hundred Thousand Dollars ($100,000) for all damages arising out of bodily injuries to or death of one person, and subject to that limit for each person, a total limit of not less than Five Hundred Thousand Dollars ($500,000) for all damages arising out of bodily injuries to or death of two or more persons in any one occurrence; and property damage liability insurance providing for a limit of not less than Fifty Thousand Dollars ($50,000) for all damage arising out of injury to or destruction of property in any one occurrence. A copy of such policy or certificate evidencing the same shall be filed in the office of the City Clerk prior to issuance of any permit for construction.
and shall provide for ten (10) days notice to the City of any change, cancellation or lapse thereof.

Section 16. Grantee shall have the right to charge and collect reasonable compensation from anyone to whom it shall furnish CATV service except as otherwise provided in this ordinance; provided, the rates charged must be uniform for the same class of customers or service. No extra or special charges may be imposed or collected for programs or presentations not available generally to off-the-air television receivers. Except as may be now or hereafter otherwise provided by law, the legislative authority of the City shall have supervisory jurisdiction and control over the services authorized by this franchise and all rates and charges therefor, to the same extent as the Utilities and Transportation Commission of the State of Washington now has over the rates, charges and services of utilities which are subject to the jurisdiction of such Commission; provided, that the legislative authority of the City shall never prescribe rates other than such as shall be just, reasonable, adequate and sufficient, and that its jurisdiction and control shall at all times be subject to review by courts.

Section 17. The rights and privileges hereby granted shall not be assignable or transferable by operation of law, nor shall said Grantee assign, transfer, mortgage or encumber the same without the consent of the City Council of the City given by resolution.

Section 18. This Ordinance shall not be voted upon until at least one week shall have elapsed after its introduction;
that it shall require the affirmative vote of at least five (5) members of the Council, and the approval of the Mayor.

Section 19. This ordinance shall take effect and be in force five (5) days from its passage, approval and publication, as provided by law.

PASSED by the City Council and approved by the Mayor this 4th day of March, 1968.

Approved: 

Mayor:

Published Mar. 12, 1968

City Attorney:

City Clerk:

Accepted: March 15, 1968

Valley Cablevision, Inc.

President

Secretary
OPERATING AGREEMENT
TV CABLE COMPANIES

THIS AGREEMENT made this 29th day of January, 1968 by
and between Puget Sound Power & Light Company, a Washington corporation ("Puget"
herein), and Valley Cablevision, Inc.

"Licensee", herein.

RECITALS

A. Licensee is a corporation or company organized for the purpose of providing community antenna television and similar or related service or services to certain home owners and business establishments in areas for which it holds, or may hereafter acquire, franchises to provide such service.

B. Puget is a public service corporation engaged in the sale and distribution of electrical energy to the public.

C. Puget and Licensee desire, where practicable, in areas where both parties provide service, to coordinate their distribution operations, including the installation of underground facilities and the joint use of wood poles, in order to attain maximum economy and safety and to maintain the most natural and aesthetic appearance possible by eliminating unnecessary wires, poles and similar equipment.

D. The parties also desire to provide for the installation of certain excess capacity by Licensee in addition to Licensee's anticipated requirements for cable television purposes and to provide for the use by Puget of such excess capacity.

AGREEMENTS

1. This Agreement shall be in effect in areas in which both parties render service pursuant to franchises from the various governmental authorities having jurisdiction.

2. Prior to installing, changing or removing any television cable and related or similar equipment ("Equipment" herein) on any of Puget's poles, Licensee shall make written application therefor to Puget and shall obtain Puget's written consent. Applications shall be numbered consecutively starting with number one and each application shall be accompanied by a sketch bearing Licensee's name and the number of the application, and showing the nature, appearance, location and purpose for which Licensee desires to install its Equipment. Puget shall give prompt consideration to each such application but may withhold its consent and exclude its poles from such joint use if it wishes to reserve space at such location for its own use or the use of any other utility.

3. Licensee's Equipment shall be installed in accordance with applicable governmental regulations, Puget's standard practices and specifications and amendments and modifications thereto, and shall not conflict with Puget's use of its poles. All installations of Licensee's Equipment on Puget's poles by Licensee, its contractors or others shall be subject to Puget's approval.

4. Licensee shall, at its expense, install guys necessary to support the additional strain imposed on any pole by installation of its Equipment. Where existing anchors are inadequate to support the strain imposed by installation of Licensee's Equipment, Puget shall replace such anchors and Licensee shall pay the entire expense of such replacement, including the cost of transferring guys to the replacement anchor. If in Puget's opinion, an emergency arises and it is impracticable to notify Licensee, Puget may transfer Licensee's Equipment to new or other poles, or do any other work which may be required with respect to Licensee's Equipment, all at Licensee's risk and expense.

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5. For each pole on which Licensee shall have installed any Equipment, Licensee shall pay Puget a fee at the annual rate per pole of $2.50. Fees shall be paid annually in advance on a calendar year basis, except for the initial fee. The initial fee for any pole shall become due on the first day of the month next following the month in which the Equipment is installed on the pole. Initial fees shall be reduced by any unearned portion of the annual rate, computed to the nearest month. The annual rate stated herein is subject to annual revision by Puget. In case of adjustment, the adjusted rate shall apply starting with the next payable annual fee, provided that Puget shall give written notice of any such adjustment to Licensee at least thirty (30) days prior to the effective date of said adjustment.

6. The term of this Agreement shall be five (5) years from the date hereof and renewable thereafter by mutual agreement. Unless the parties shall renew this Agreement, Licensee shall, prior to the expiration of said term, remove all of its Equipment from Puget's poles.

7. Following Puget's written consent to the installation of Licensee's Equipment on any of Puget's poles, Licensee shall have the right to maintain its equipment on such poles during the term of this Agreement, provided, however, that should Puget relocate or replace any such pole or poles, Licensee shall, at its expense, relocate its Equipment in such a manner as may be required and, provided further, that should Puget remove any such pole or poles for the purpose of installing underground facilities in any such location, then Licensee at no expense to Puget, shall likewise underground its equipment in such location.

8. When Puget intends to install underground distribution facilities in any area previously without electric service it shall inform Licensee of such intention and if Licensee intends to serve such area it shall cooperate with Puget in the planning, engineering and underground installation of its Equipment in such area and shall conform in all respects with Puget's specifications therefor. In no case where Puget serves any area by an underground distribution system shall Licensee serve such area by an overhead system.

9. Technological advances during the term of this Agreement may make it necessary or desirable for Puget to itself utilize capacity of Licensee's system for other than cable television purposes such as remote load monitoring, customer meter reading, customer billing, receipt or transmission of computer data to and from customers, etc., and to conduct experiments, tests and studies in conjunction therewith. It is Licensee's intention primarily to engage in the C.A.T.V. business with its facilities. Accordingly, Puget shall have the right of first refusal to the use of the capacity of Licensee's Equipment not used for cable television purposes at the reasonable prevailing rate for such use. Puget shall also have the right to require Licensee to install additional capacity to its Equipment in excess of its anticipated requirements for cable television purposes and/or to require Licensee to make modifications in such Equipment in order to satisfy Puget's requirements in the use thereof. If Puget does so require the installation of such additional capacity, Puget shall have the right to use and shall accept and use such capacity and pay for the same at the reasonable prevailing rate for such use.

10. Puget shall not be liable to Licensee or its agents, employees, or invitees for any damage, injury, or loss suffered by them or any of them while on or about Puget's property, and Licensee shall hold Puget harmless from and against all and any claims arising from any such damage, injury or loss.

11. Licensee further agrees to save and hold Puget harmless from and against any damage, injury or loss or claims therefor suffered by any person whosoever were such damage, injury, loss or claim therefor arises out of any acts of Licensee or agents, employees, or invitees of Licensee.

12. This Agreement is not assignable in whole or in part without the written consent of the parties.
13. Licensee shall furnish Puget a bond to cover the faithful performance by Licensee of all of the terms and provisions of this agreement on its part to be performed. Such bond shall be issued by a commercial bonding company selected by Licensee and satisfactory to Puget; shall not be subject to termination or cancellation except upon 90 days' prior written notice by certified mail to Puget; shall be in such form and in such amount, not to exceed $5,000, as Puget shall specify from time to time; and, subject to termination or cancellation as aforesaid, shall be maintained in full force and effect throughout the life of this agreement.

EXECUTED as of the day and year above set forth.

PUGET SOUND POWER & LIGHT COMPANY

By ____________________________

Its Director of Operations

LICENSEE: Valley Cablevision, Inc

By ____________________________

Its ____________________________