

ORDINANCE 883

CITY OF LACEY

AN ORDINANCE GRANTING A FRANCHISE TO TCI CABLEVISION OF WASHINGTON, INC. TO OPERATE AND MAINTAIN A CABLE COMMUNICATIONS SYSTEM IN THE CITY; SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF FRANCHISE; PROVIDING FOR CITY REGULATION AND ADMINISTRATION OF THE CABLE COMMUNICATIONS SYSTEM; PRESCRIBING PENALTIES FOR VIOLATION OF THE FRANCHISE PROVISIONS; AND REPEALING ORDINANCE 103.

The City Council of the City of Lacey, State of Washington, does ordain as follows:

SECTION 1 DEFINITIONS

For the purposes of this ordinance the following terms, phrases, words, and their derivations shall have the meaning 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, words in the singular number include the plural number, and the use of any gender shall be applicable to all genders whenever the sense requires. The words "shall" and "will" are mandatory and the word "may" is permissive. Words not defined shall be given their common and ordinary meaning.

1.01 "Basic Service" is that service regularly provided to all subscribers at a basic monthly rate including, but not limited to, the retransmissions of local and distant broadcast television and FM radio signals, non-origination and access services.

1.02 "City" shall mean the City of Lacey (an optional municipal code city) of the State of Washington and all the territory within its present and future boundaries and including any area over which the City exercises jurisdiction.

1.03 "Cable Communications System" or "System," also referred to as "Cable Television System", "Cable System", "CATV System", or "Community Antenna TV System", shall mean a system of antennae, cables, wires,

lines, towers, waveguides, or other conductors, converters, amplifiers, headend equipment, master controls, earth stations, equipment and facilities designed and constructed for the purpose of producing, receiving, transmitting, amplifying and distributing audio, video and other forms of electronic or electrical signals within the City.

1.04 "Franchise" shall mean the right granted by this ordinance and conditioned as set forth herein by which the City authorizes the grantee to erect, construct, reconstruct, operate, dismantle, test, use and maintain a cable communications system in the City. The franchise granted herein shall be a nonexclusive franchise.

1.05 "Franchise Fee" shall include any tax, fee, or assessment of any kind imposed by a franchising authority or other governmental entity on a cable operator or cable subscriber, or both, solely because of their status as such. Grantee and Grantor agree that such fee shall generally be assessed based on those services which require use of Grantor's right of way by Grantee and shall include but not be limited to such things as monies actually received for basic and pay services, converter and remote control rental along with local and regional advertising, and any leased access revenues should such develop. The term Franchise Fee does not include any tax, fee, or assessment of general applicability (including any such tax, fee, or assessment imposed on both utilities and cable operators or their services but not including a tax, fee, or assessment which is unduly discriminatory against cable subscribers.)

1.06 "Grantee" shall mean TCI Cablevision of Washington, Inc. (hereinafter known as TCI), its agents, employees, lawful successors, transferees or assignees.

- 1.07 "Grantor" or "City" means the City of Lacey.
- 1.08 "Gross Revenues" shall mean any and all compensation in whatever form, directly or indirectly received by Grantee, from its use of Grantor's right of way and including but not limited to such things as basic and pay service receipts, installation and remote control receipts along with the applicable percentage of local and regional advertising revenues, and any leased access revenues should such develop. Gross revenues shall not include any taxes on services furnished by the Grantee, which taxes are imposed directly on a subscriber or user by a City, County, State or other governmental unit, and collected by the Grantee for such entity.
- 1.09 "Institutional Network" is a cable communications network designed principally for the provision of non-entertainment two-way services to schools, public agencies or other non-profit agencies for use in connection with the on-going operations of such institutions.
- 1.10 "Interactive Services" are those services provided to subscribers whereby the subscriber either (a) both receives information consisting of either television or other signal and transmits signals generated by the subscriber or equipment under his/her control for the purpose of selecting what information shall be transmitted to the subscriber or for any other purpose or (b) transmits signals to any other location for any purpose.
- 1.11 "Leased Access" shall mean the use on a fee-for-service basis of the Cable Television system by business enterprises (whether profit, nonprofit or governmental) to render services to the citizens of the City and shall include without limitation all use pursuant to Section 612 of the Cable Communications Policy Act of 1984 (47 USC 521 et. seq.).

- 1.12 "Person" means any individual, corporation, partnership, association, joint venture or organization of any kind and the lawful trustee, successor, assignee, transferee or personal representative thereof.
- 1.13 "Subscriber" means any person who legally receives any one or more the services provided by the Cable Communications System.
- 1.14 "Street" shall mean the surface of and the space above and below the right of way of any public street, road, highway, freeway, easement, lane, path, alley, court, sidewalk, parkway, or driveway now or hereafter existing as such within the City.

SECTION 2 FRANCHISE

- 2.01-1 Grant of Franchise. Grantor hereby grants to Grantee a nonexclusive franchise which authorizes the Grantee, subject to the terms of this ordinance, to construct and operate a cable system and offer cable service and other services in, along, among, upon, across, above, over, under, or in any matter connected with the streets located in the City of Lacey and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain, or retain in, on, over, under, upon, across or along any street or extensions thereof and additions thereto, such poles, wires, cables, conductors, ducts, conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and other related property or equipment as may be necessary or appurtenant to the cable system. Said franchise shall constitute both a right and an obligation to provide the services of a Cable Communications System as required by the provisions of this ordinance.
- 2.01-2 Franchise Term. The franchise granted pursuant to this ordinance shall be for an initial term of fifteen (15) years from the effective

date of this ordinance unless otherwise extended or terminated in accordance with the terms of this ordinance.

2.01-3 Franchise Area. The Franchise Area shall be that area within the present or future city limits of the City of Lacey. Service shall be provided to all persons whose homes or businesses are within the line extension policy outlined in this ordinance and to such further homes or businesses as agreed to by the Grantee.

2.01-4 Formal Performance Reviews (Reopeners). Grantor and Grantee agree that it is in the Grantor's, the Grantee's, and the subscribers best interest to conduct formal performance review at least every three years. The subjects which shall be discussed at the review shall include, but not be limited to, such things as: customer service; interconnection; franchise fees; application of new technologies; technical standards; system performance; programming offered; access channels; facilities and networks; proposed amendments to the franchise; Congressional actions; FCC rulings; telephone answering; local access channel and operating equipment; and other matters of concern. The formal performance review shall commence in January of 1993, 1996, 1999, 2002, 2005 and 2008, if applicable. After completion of each such review, if the Grantor is satisfied that the public interest will be served by extending the term of the franchise, it may, with the consent of the Grantee, extend said term by one (1) additional year. It is agreed, however, that the total term of this franchise, including such extensions, shall not exceed twenty (20) years. Grantor also reserves the right to conduct periodic reviews from time to time, though not more than annually, on subject matters of concern.

2.01-5 Franchise Nonexclusive. The franchise granted herein shall be nonexclusive. The Grantor specifically reserves the right to grant, at any time, such additional franchises for a Cable Communications System as it deems appropriate provided, however, such additional grants shall not operate to materially modify, revoke, or terminate any rights previously granted to the Grantee.

2.01-6 Other Codes or Ordinances. Nothing in the franchise shall be deemed to waive the requirements of the other lawful codes and ordinances of the Grantor regarding permits, fees to be paid or manner of construction.

2.02 Universal Service

The Grantee shall provide access to equal and uniform cable television service.

2.03 Franchise Renewal or New Franchise.

The Grantor may establish appropriate requirements for new franchises or franchise renewals consistent with Federal, State and local law. Further, Grantor may modify these requirements from time to time and in accordance with the "reopener" section of this franchise to reflect changing conditions in state of the art in the cable industry. In order to apply for a new franchise or renewal of the existing franchise, Grantee shall submit to Grantor a written application providing such information as is reasonably requested by Grantor, at the time and place designated by the Grantor and including such reasonable application fees, not exceeding \$1,000, as are designated by the Grantor to cover costs of reviewing such application. Notwithstanding anything to the contrary in this ordinance, the Grantee and Grantor agree that at any time during the term of the then current Franchise, while affording the public

appropriate notice and opportunity to comment, the Grantor and Grantee may agree to undertake and finalize negotiations regarding renewal of the then current Franchise and the Grantor may grant a renewal thereof. The Grantee and the Grantor consider the terms set forth in this section to be consistent with the express provisions of Section 626 of the Cable Act. A reproduction of Section 626 of the Cable Act as such existed as of the effective date of the Cable Act is attached hereto as Exhibit A and incorporated herein by this reference.

2.04 Procedure for Remedying Franchise Violations

2.04-1 Notice of Violation. In the event that the Grantor believes that the Grantee has not complied with the terms of the Franchise, it shall notify Grantee in writing of the exact nature of the alleged noncompliance.

2.04-2 Grantee's Right to Cure or Respond. Grantee shall have thirty (30) days from receipt of the notice described above to (a) respond to the Grantor contesting the assertion of noncompliance, or (b) to cure such default or, in the event that by the nature of default, such default cannot be cured within the thirty (30) day period, initiate reasonable steps to remedy such default and notify the Grantor of the steps being taken and the projected date that they will be completed.

2.04-3 Public Hearing. In the event that Grantee fails to respond to the notice described herein or cure the default pursuant to the procedures set forth above, Grantor shall schedule a public meeting to investigate the default. Grantor shall give the Grantee ten (10) business days notice of the time and place of such meeting and provide the Grantee with an opportunity to be heard.

- 2.04-4 Enforcement. In the event the Grantor, after such meeting, determines that Grantee is in default of any provision of the Franchise, the Grantor may:
- a. Foreclose on all or any part of any security provided under this Franchise, if any, including without limitation, any bonds or other surety; provided, however, the foreclosure shall only be in such a manner and in such amount as the Grantor reasonably determines is necessary to remedy the default;
 - b. Commence an action at law for monetary damages or seek other equitable relief;
 - c. In the case of a substantial default of a material provision of the Franchise, declare the Franchise Agreement to be revoked; or
 - d. Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages.
- 2.04-5 Failure to enforce. The grantee shall not be relieved of any of its obligations to comply promptly with any provision of the Franchise by reason of any failure of the Grantor to enforce prompt compliance.
- 2.04-6 Acts of God. The Grantee shall not be held in default or noncompliance with the provisions of the Franchise, nor suffer any enforcement or penalty relating thereto, where such noncompliance or alleged defaults are caused by strikes, acts of God, power outages, or other events reasonably beyond its ability to control. However, grantee shall take all reasonable steps necessary to provide service despite such occurrences.
- 2.04-7 Alternative Remedies. No provision of this ordinance shall be deemed to bar the right of the Grantor to seek or obtain judicial relief from a violation of any provision of the franchise or any rule, regulation, requirement or directive promulgated thereunder. Neither

the existence of other remedies identified in said ordinance nor the exercise thereof shall be deemed to bar or otherwise limit the right of the Grantor to recover monetary damages (except where liquidated damages are otherwise prescribed) for such violation by the Grantee, or judicial enforcement of the Grantee's obligations by means of specific performance, injunction relief or mandate, or any other judicial remedy at law or in equity.

2.05 Transfers

Grantee's right, title, or interest in the Franchise shall not be sold, transferred, assigned, or otherwise encumbered, without the prior consent of the Grantor. Such consent shall not be unreasonably withheld. No such consent shall be required, however, for a transfer in trust, by mortgage, or by any other assignment of any rights, title, or interest of Grantee in the Franchise or Cable System in order to secure indebtedness.

SECTION 3 STANDARDS

3.01 Standards of Service - Physical Conditions

3.01-1 Use of Streets. The Grantee may, subject to the terms of this ordinance, erect, install, construct, repair, replace, reconstruct and retain in, on, over, under, upon, across and along the streets within the City such lines, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, pedestals, attachments and other property and equipment as are necessary and appurtenant to the operation of a Cable Communications System within the City.

3.01-2 Construction or Alteration. Prior to construction or alteration, Grantee shall in all cases comply with all lawful City ordinances and regulations regarding the acquisition of permits and/or such other items as may be reasonably required in order to construct, alter or

maintain the cable system. Grantee shall, upon request, provide information to the Grantor regarding its progress in completing or altering the cable system.

3.01-3 Non-interference. Grantee shall exert its best efforts to construct and maintain a Cable Communications System so as not to interfere with other use of streets. Grantee shall, where possible in the case of above ground lines, make use of existing poles and other facilities available to Grantee. Grantee shall individually notify all residents affected by proposed construction prior to commencement of that work where and when this is reasonably possible.

3.01-4 Compliance with law. Notwithstanding the above grant to use streets, no street shall be used by Grantee if the City, in its sole opinion, determines that such use is inconsistent with the terms, conditions or provisions by which such street was created or dedicated, or presently used under state and local laws.

3.01-5 Undergrounding. The Grantee shall place underground all of its transmission lines which are located or are to be located above or within the streets of the city in the following cases:

a. When it becomes necessary to remove existing overhead facilities belonging to the Grantee or belonging to another utility and used by the Grantee, for a distance of 500 feet or more because of roadway widening project or other similar reason;

b. When existing overhead facilities of the Grantee or of another utility whose poles are used by the Grantee, are to be replaced for a distance of 500 feet or more, provided, however, that this provision shall not apply to replacements due solely to casualty damage nor to the replacement of wire or cable only;

c. When the Grantee's transmission facilities are extended beyond those facilities existing on the effective date of this chapter, provided, however, that this provision shall not apply to the extension by the Grantee of its transmission facilities solely by use of existing overhead poles of another utility;

d. If another utility having facilities along a street or easement places its facilities underground for a distance of over 500 feet.

Provided, however, that the undergrounding requirements of this Section shall not apply to amplifier boxes and pedestal-mounted terminal boxes which may be placed above ground where existing technology, operational considerations and cost require the same. However, Grantee shall exercise its best efforts to insure that this equipment is located in a manner as to not be unsightly or unsafe.

3.01-6 Restoration. In case of disturbance of any street, sidewalk, alley, public way, or paved area, the grantee shall, at its own cost and expense and in accordance with the requirements of local law, restore such street, sidewalk, alley, public way, paved area or public utility to the condition as existed before the work involving such disturbance took place.

3.01-7 Work on private property. The Grantee, with the consent of property owners, shall have the authority to trim trees upon and overhanging streets, alleys, sidewalks, and public ways so as to prevent the branches of such trees from coming in contact with the wires and cables of the Grantee, except that at the option of the City, such trimming may be done by it or under its supervision and direction at the reasonable expense of the Grantee.

3.01-8 Relocation. If during the term of the franchise the City elects to alter, repair, realign, abandon, improve, vacate, reroute or change

the grade of any street or to replace, repair install, maintain, or otherwise alter any above ground or underground cable, wire conduit, pipe, line, pole, wire-holding structure, structure, or other facility utilized for the provision of utility or other services or transportation of drainage, sewage or other liquids, the Grantee shall, except as otherwise hereinafter provided, at its sole expense remove or relocate as necessary its poles, wires, cables, underground conduits, manholes and any other facilities which it has installed. If such removal or relocation is required within the subdivision in which all utility lines, including those for the Cable Television System were installed at the same time, the companies involved may decide among themselves who is to bear the cost of relocation; provided that the City shall not be liable to the Grantee for such costs. Regardless of who bears the costs, the Grantee shall take action to remove or relocate at such time or times as are directed by the agency or company undertaking the work. The City shall give no less than ninety days advance written notice to the Grantee advising the Grantee of the date or dates removal or relocation is to be undertaken. The City agrees to seek and pursue all reasonable opportunities for grant funds to assist in relocation and/or undergrounding of cable utilities.

3.01-9 Movement of Buildings. The Grantee shall, upon request by any person holding a building moving permit, franchise or other approval issued by the City temporarily remove, raise or lower its wire to permit the movement of buildings. The expense of such removal, raising or lowering shall be paid by the person requesting same, and Grantee shall be authorized to require such payment in advance. The City shall require all building movers to provide not less than

seventy-two (72) hours notice to the cable company to arrange for such temporary wire changes.

3.01.10Removal. Upon expiration or termination of the franchise, if the franchise is not renewed and if neither the City nor an assignee purchase the Cable Television System, the Grantee may remove any underground cable from the streets which has been installed in such a manner that it can be removed without trenching or other opening of the streets along the extension of cable to be removed. The Grantee shall not remove any underground cable or conduit which requires trenching or other opening of the streets along the extension of cable to be removed, except as hereinafter provided. Subject to applicable law, the Grantee shall remove, at its sole cost and expense, any underground cable or conduit by trenching or opening of the streets along the extension thereof or otherwise which is ordered to be removed by the City Council based upon a determination, in the sole discretion of the Council, that removal is required in order to eliminate or prevent a hazardous condition. Any order by the City Council to remove cable or conduit shall be mailed to the Grantee not later than thirty (30) calendar days following the date of expiration of the franchise. A grantee shall file written notice with the City Clerk not later than thirty (30) calendar days following the date of expiration or termination of the franchise of its intention to remove cable intended to be removed and a schedule for removal by location. The schedule and timing of removal shall be subject to approval and regulation by the City Manager of the City. Removal shall be completed not later than twelve (12) months following the date of expiration of the franchise. Underground cable and conduit in the

streets which is not removed shall be deemed abandoned and title thereto shall be vested in the City.

3.02 General Capability of Existing System. The Grantee shall, commencing with the effective date of the Franchise, at a minimum:

(a) make available to subscribers those broadcast signals that are required to be made available by the FCC;

(b) distribute, in color, all television signals which are received in color unless a substantial reason for noncompliance can be demonstrated;

(c) make available, upon request by subscriber, parental control devices (lock boxes) which prevent unauthorized viewing of a channel or channels and;

(d) make available upon request an RF switch (an A/B switch) permitting conversion from cable to antennae reception;

(e) make available 32 channels;

(f) insure that citizens of Lacey receive at least one channel for public, educational and/or governmental purposes. Grantor and Grantee agree that such channel can be the one currently provided to the City of Olympia and aired within the City of Lacey;

(g) Upon request, shall provide without installation charge one outlet of Basic Service to Lacey City Hall, Lacey Timberland Regional Library, Fire District 3 Fire Stations, and North Thurston School District public school building(s) that are passed by its Cable System. Users of such outlets shall hold Grantee harmless from any and all liability or claims arising out of their use of such outlets, including but not limited to, those arising from copyright liability. Notwithstanding anything to the contrary set forth in this Section, the Grantee shall not be required to provide an outlet

to such buildings, unless it is technically feasible and if it will not adversely affect the operation, financial condition or market development of the Cable System to do so. No monthly service charge shall be made for distribution of the services described in this section to these locations.

3.03 System Upgrade

Grantee shall complete upgrading its cable facilities located in the City of Lacey to a system with at least 54 channels, 400 MHz capacity, no later than June 30, 1993. The upgraded Cable Communication System shall provide the following:

3.03-1 Standby Power. The system shall include equipment capable of providing standby powering for headend and trunk amplifiers for a minimum of two (2) hours. The equipment shall be so constructed to automatically revert to the standby mode when the AC power returns. The system shall incorporate safeguards necessary to prevent injury to line crew resulting from a standby generator powering a "dead" utility line.

3.03-2 Override Capability. The system shall include an "Emergency Alert Capability" which will permit the City, in times of emergency, to override by remote control the audio and video of all channels simultaneously. The system shall include the capability to broadcast from the City's headquarters for civil defense, disaster and Emergency Services or a regional headquarters when such designation has been made. The City agrees to hold Grantee harmless from any claim for damages by viewers resulting from City or other civil defense directive or information.

3.03-3 Provision of Interactive Capability. Grantee shall not construct its system so as to preclude the possibility of an interactive capable

system without notifying Grantor of same and securing Grantor's permission to so proceed. Upon the occurrence of such an event, Grantee shall present its reasons as to why it wishes to move away from a system that is potentially interactive capable and Grantor shall not unreasonably refuse to grant Grantee permission to do same. At the periodic reviews (occurring every third year) the City may submit information demonstrating the demand for such such services. The Grantee shall provide such services when technical and economic viability are demonstrated. Should 50% of the TCI Cablevision of Washington, Inc. operated systems provide an interactive capability, then Grantee shall provide same within twenty-four (24) months of notification that this standard has been met.

3.03-4 Insertion Points for Institutional Network. The Grantee shall provide at Lacey City Hall, Lacey Fire District 3, North Thurston High School, St. Martin's College and Panorama City points where programming for two-way transmission may be inserted into the cable system. One additional insertion point will be identified by the City prior to the design stage of system upgrade by Grantee. The Grantor and Grantee agree that this location shall be mutually agreed upon taking into account cost and technical feasibility. Grantor acknowledges its responsibility for obtaining necessary equipment to facilitate this transmission.

3.03-5 Public, Educational and Governmental Access. Grantee shall make available the second public, educational and/or governmental access channel if the existing channel is used for access purposes with first run programming during at least 32 hours per week (38% of the time) between 10:00 a.m. and 10:00 p.m., during any consecutive ten

weeks running, and when there is a demand for such a channel. The replay of programs for not more than two per week shall be considered first run programming. In this event Grantee shall, within six months following a request by the City, provide a new specifically designated channel for these purposes. The grantee shall continue to provide the additional channel for as long as the triggering criteria stated herein continue without a significant break of ten (10) weeks or more. If an additional channel is designated for community use, but, after one year, such channel is not programmed at least 25% of the hours between 10:00 a.m. and 10:00 p.m. with first run programming, the community broadcasters will, within six month of receiving written request from the Grantee, group their programming into one contiguous block of time of their choosing. The remaining broadcast time on such channel shall then revert back to the Grantee for its unrestricted use within the terms and conditions of this ordinance. In no event shall Grantee be required to provide more than three access channels.

3.04 Access Facilities

3.04-1 Contract for PEG access channel administration. The City shall form a contract with Thurston Community Television (TCTV), a nonprofit corporation, or other agency for the purpose of promoting and administering all Public Access Channels except as preempted by the City Council, State or Federal authorities. The Grantee shall enter into an agreement or contract for the acquisition of the equipment specified by the Grantor on Exhibit B and the maintenance of the equipment so acquired. By terms of separate contract, TCTV (or other agency so designated) shall be required to provide administrative services to the community, acting as the community access facilitator

and as caretaker, but not having pecuniary responsibility for maintenance, of the community access equipment purchased by the Grantee herein.

3.04.2 Consistency of channel designation. The Grantee shall make all reasonable efforts to coordinate the cablecasting of public, educational and/or governmental access programming upon the Cable Television System at the same time and upon the same channel designations as such programming is currently cablecast within the community. In no event shall PEG channel(s) be reallocated prior to the expiration of six (6) months written notice to the Grantor by the Grantee.

SECTION 4 SERVICE REQUIREMENTS

4.01 Rates. The Grantor expressly reserves the right, with the advice of the Grantee, to approve or disapprove changes in rates which the Grantee proposes to charge its subscribers after federal law provides for such regulation. Until that time Grantee shall have the right to modify its rates and charges, including, but not limited to, the implementation of additional charges and rates; provided however, the Grantee shall give Grantor and all subscribers within the City of Lacey at least thirty (30) days notice of such modifications or additional charges prior to the effective date thereof. Should subsequent Federal law allow Grantor the right to regulate rates, Grantor shall notify Grantee in advance of exercising such authority so that Grantee and Grantor may discuss the extent of such regulation and possible parameters wherein such regulating authorization shall not be exercised. Nothing in this chapter shall be construed to prohibit the reduction or waiving of charges in conjunction with

promotional campaigns for the purpose of attracting subscribers or users.

4.02 Service. The Grantee shall provide a comprehensive service agreement and/or a customer manual for use in establishing subscriber service. This agreement shall include the information currently listed in Exhibit C attached and, in any event, specifically shall contain the following:

- a. Grantee's procedure for investigation and resolution of subscriber service complaints.
- b. Services to be provided and rates for such services.
- c. Billing procedures.
- d. Service termination procedure.
- e. Change in service notifications.
- f. Liability specifications.
- g. Converter/subscriber terminal equipment policy.
- h. Breach of Agreement specifications.

4.03 Responses. Grantee shall promptly respond to all requests for service, repair, installation and other matters. On an annual basis, information shall be made available to subscribers on how complaints are handled. Grantee acknowledges Grantor's interest in the prompt resolution of all cable complaints and commits itself to working in close cooperation with Grantor to resolve same. Should these problems not be resolved in a prompt manner, Grantee agrees to meet with Grantor and mutually develop resolution strategies.

4.04-1 Required Line Extensions. The Company shall provide service upon request at the standard installation rate where the potential subscriber can be served by extension of distribution cable past occupied dwelling units equivalent to a density of thirty-five (35)

dwelling units per mile of cable contiguous to the already-activated system. Such density shall be computed on the basis of dwelling units which can be served on either side of the cable. The Company shall also provide service upon request at the standard installation rate where service can be made by extension of distribution cable and twenty (20) dwelling units per mile have agreed to sign up for service. As used in this Section, dwelling units per mile shall be computed based on the number of dwelling units in full road mile increments from existing distribution line service taps.

4.04-2 Required Service Offerings. Where a subscriber can be served from the Company's existing system, without extension of trunk or distribution cable, the Grantee shall serve the potential subscriber upon request on the following terms and conditions:

a. The subscriber shall be connected to cable at the standard installation charge if the connection can be made with an aerial drop and does not exceed one hundred fifty (150) feet.

b. If the aerial connection drop exceeds one hundred fifty (150) feet, the potential subscriber may be charged the actual cost for the distance exceeding one hundred fifty (150) feet plus standard installation charge, and Grantee may request advance payment for such installation.

4.04-3 Service to Other Areas. In areas not meeting the requirements for mandatory extension of service, Grantee shall provide, upon request of five (5) or more potential subscribers desiring service, an estimate of costs required to extend service to said subscribers, and the amount by which said costs exceed what would be the cost of mandatory extension under this Section. Company shall extend service to any such units upon advance payment (assurance of payment

satisfactory to the Company) of the additional cost. A fair share of such payments shall be reimbursed from connection fees collected from future users of such line. Such latecomer's agreement shall allow a deduction of reasonable administrative costs and shall not be required for a period longer than five (5) years.

4.04-4 Exceptions. Nothing herein shall be construed to prevent Company from serving areas not covered under this section upon agreement with developers, property owners or residents.

SECTION 5 ADMINISTRATION OF FRANCHISE

5.01-1 Amount and payment of franchise fees. During the term of each franchise, each Grantee shall pay to the Grantor an amount equal to five (5%) percent per year of the Grantee's annual Gross Revenue. Said fees shall be paid quarterly not later than May 15, August 15, November 15, and February 15 for the preceding three-month period ending, respectively, March 31, June 30, September 30, and December 31. Not later than the date of each payment, the Grantee shall file with the Grantor, a written statement signed by an officer of the Grantee, which identifies in detail the sources and amounts of gross revenues received by the Grantee during the quarter for which payment is made. No acceptance of any payment shall be construed as an accord that the amount paid is, in fact, the correct amount, nor shall such acceptance of payment be construed as a release of any claim which the Grantor may have for further or additional sums payable under the provisions of this Section.

5.01-2 Interest on delinquent franchise fees. Any franchise fees owing pursuant to this ordinance which remain unpaid after the dates specified herein shall be delinquent and shall thereafter accrue

interest at twelve percent per annum or two (2) percent above prime lending rate as quoted by major Seattle banks, whichever is greater.

5.01-3 Accounting standards. At any time Grantor shall have the right to determine the accuracy of franchise fee payments through auditing such books and records of Grantee as related to the payment thereof. Should Grantees payments be at least six (6) percent or greater less than what is actually owed, then Grantee shall pay the cost of the audit and discharge such other requirements as are indicated herein.

5.01-4 Auditing and financial records. The Grantee agrees that the Grantor may review such of its books and records, during normal business hours on a nondisruptive basis, as are reasonably necessary to monitor compliance with the terms hereof. Such records shall include, but shall not be limited to any public records required to be kept by the Grantee pursuant to the rules and regulations of the FCC. Notwithstanding anything to the contrary set forth herein, Grantee shall not be required to disclose information which it reasonably deems to be proprietary or confidential in nature. The Grantor agrees to treat any information disclosed by the Grantee to it as confidential, and only to disclose it to employees, representatives, and agents thereof that have a need to know, or in order to enforce the provisions hereof. Further, Grantee agrees to meet with representatives of Grantor upon request to review its methodology of computing franchise fee obligations. Grantee shall be fully liable for any and all delinquent franchise fee payments and shall promptly pay any arrearage.

SECTION 6 INSURANCE, INDEMNIFICATION, AND BONDS OR OTHER SECURITY

6.01 Performance Bond

6.01-1 Corporate Surety Bond. The Grantee shall at the time of acceptance of this franchise, file with the City, and unless otherwise authorized by City Council, at all times thereafter maintain in full force and effect, an acceptable corporate surety bond in the amount of \$50,000 until such time as the rebuild has been completed, at which time it shall be in the amount of \$10,000. This bond shall be conditioned that in the event the Grantee shall fail to comply with any one or more of the provisions of this franchise, then there shall be recoverable jointly and severally from the principal and surety of such bond, any damages suffered by the City as a result thereof, including the full amount of any compensation, indemnification, or cost of removal or abandonment of property as prescribed; said condition to be a continuing obligation for the duration of the franchise and thereafter until the Grantee has liquidated all of its obligations with the City that may have arisen from the acceptance of the franchise by the Grantee or from its exercise of any privilege herein granted.

6.01-2 Bond Does Not Excuse Faithful Performance. Neither the provisions of this Section, any bond accepted by the City pursuant thereto, nor any damages recovered by the City thereunder shall be construed to excuse faithful performance by Grantee or to limit liability of the Grantee under the franchise or for damages, either to the full amount of the bond or otherwise, except as otherwise provided herein.

6.01-3 Validity of Bond. If, at any time during the term of the franchise, the condition of the corporate surety shall change in such a manner as to render the bond unsatisfactory to the City, the Grantee shall replace such bond by a bond of like amount and similarly conditioned, issued by a corporate surety satisfactory to the City. The Council,

from time to time, may authorize or require appropriate and reasonable adjustments in the amount of the bond; provided, however, that prior to any required increase in the amount of the bond, the City shall give Grantee at least sixty (60) days prior notice thereof stating the exact reason for the requirement. Such reasons must demonstrate a change in the Grantee's legal, financial or technical qualifications which would materially prohibit or impair its ability to comply with the terms of the Franchise or afford compliance therewith.

6.02 Indemnification by Grantee

The Grantee shall, at its sole expense, fully indemnify, defend and hold harmless the City, and in their capacity as such, the officers, agents and employees thereof, from and against any and all claims, suits, actions, liability and judgments for damages or otherwise except those arising from negligence on the part of the City or its employees; for actual or alleged injury to persons or property, including loss of use of property due to an occurrence, whether or not such property is physically damaged or destroyed, in any way arising out of or through or alleged to arise out of or through the acts or omissions of the Grantee or its officers, agents, employees, or contractors or to which the Grantee's or its officers, agents, employees or contractors acts or omissions in any way contribute; arising out of or alleged to arise out of any claim for damages for Grantee's invasion of the right of privacy, defamation of any person, firm or corporation, or the violation or infringement of any copyright, trademark, trade name, service mark or patent, or of any other right of any person, firm or corporation; arising out of or alleged to arise out of Grantee's failure to comply with the

provisions of any statute, regulation or ordinance of the United States, State of Washington or any local agency applicable to the Grantee in its business. Nothing herein shall be deemed to prevent the parties indemnified and held harmless herein from participating in the defense of any litigation by their own counsel at such parties' expense. Such participation shall not under any circumstances relieve the Grantee from its duty of defense against liability or of paying any judgment entered against such party.

6.03 Grantee Insurance

Grantee shall maintain in full force and effect, at its own cost and expense, during the term of the Franchise, General Comprehensive Liability Insurance in the amount of \$2,000,000 combined single limit for bodily injury, and property damage. Said insurance shall designate the City as an additional insured. Such insurance shall be non-cancellable except upon thirty (30) days prior notice to the City. Grantee shall provide copies of certificates of insurance upon acceptance of the franchise.

6.04 Liquidated Damage

6.04-1 By acceptance of the franchise granted by Grantor, Grantee agrees that failure to complete the rebuild of the system in accordance with the schedule mutually agreed upon by the Grantor and Grantee will result in damage to Grantor and that it will be impracticable to determine the actual amount of such damage in the event of delay or nonperformance. Grantor and Grantee agree that unless Grantor specifically approves the delay, Grantee shall pay a fine up to the amount of Five hundred dollars (\$500.00) per day for each day or part thereof that the delay continues. Notwithstanding the above, Grantee shall not be liable for liquidated damages or fines for any delay

caused by acts of God, force majeure or circumstances beyond its reasonable ability to control.

6.04-2 If the City concludes that a Grantee is liable for liquidated damages pursuant to this Section, it shall issue to Grantee by certified mail a notice of intention to assess liquidated damages. The notice shall set forth the basis for the assessment, and shall inform the Grantee that liquidated damages will be assessed from the date of the notice unless the assessment notice is appealed for hearing before the City Council and the City Council rules (a) that the violation has been corrected, or (b) that an extension of time or other relief should be granted. A Grantee desiring a hearing before the City Council shall send a written notice of appeal by certified mail to the City within thirty (30) days of the date on which the City sent the notice of intention to assess liquidated damages. The hearing on the Grantee's appeal shall be within thirty days of the date on which the City sent the notice of intention to assess liquidated damages. Unless the City Council indicates to the contrary, said liquidated damages shall be assessed beginning with the date on which the City sent the notice of the intention to assess liquidated damages and continuing thereafter until such time as the violation ceases.

SECTION 7 MISCELLANEOUS

- 7.01 Publication. The Grantee shall assume the cost of publication of this Franchise ordinance as such publication is required by law and such is payable upon the Grantee's filing of acceptance of this franchise.
- 7.02 Communications with Regulatory Agencies. Upon request, a summary or if the City requests actual copies of all petitions, applications, communications, and reports submitted by a Grantee to the FCC or any

other Federal or State regulatory commission or agency having jurisdiction in respect to any matters affecting construction or operation of a Cable Television System or services provided through such a system, shall be filed within ten (10) days with the City. Upon request, copies of responses or any other communications from the regulatory agencies to the Grantee likewise shall be likewise filed.

7.03 Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions hereof.

7.04 Intergovernmental Administrative Agency. The City reserves the right to join with one or more of the other local area City and/or County governments in the formation and operation of an intergovernmental administration of the cable communications franchises of the various members of the joint authority. The City reserves the right to assign the administration of the provisions of any franchise granted pursuant to this Ordinance to such a duly established joint authority, and to join with other members of the authority in developing such intergovernmental agreement bylaws, rules, and regulations as necessary for the proper administration of the joint authority: Provided, that no such association or assignment by City shall interfere with or derogate from the rights of a Grantee under a preexisting franchise agreement, notwithstanding the above only Grantor being the City of Lacey has the right to conduct formal

performance reviews (reopeners) and shall not delegate this right to any third party whatsoever.

7.05 Ordinances Repealed. Ordinance 103 granting cable television franchise is hereby repealed.

SECTION 8 EFFECTIVE DATE.

This ordinance shall be effective five (5) days after its passage and publication or upon the date of its written acceptance as a franchise by the Grantee, which ever shall last occur. Provided, however, the franchise fee called for herein shall be effective as of January 1, 1989 and the Grantee shall be granted credit against said fee for all payments made pursuant to its prior franchise granted by Ordinance 103. Provided, further, that if the Grantee does not accept this franchise in writing and comply with all conditions for such acceptance set forth herein within sixty (60) days after passage of this Ordinance, this Ordinance shall be null and void.

SECTION 9 The summary of this ordinance, which is attached hereto, is approved for publication.

Passed this 8th of MARCH, 1990.

CITY COUNCIL

By Kay M. Boyd
Mayor

Attest:

Charlotta M. Taylor
City Clerk
Approved as to form:

[Signature]
City Attorney
Passed 3-8-90
Published 3-11-90

Acceptance by TCI Cablevision of Washington, Inc. subject to applicable federal, state, and local law.

Date of Acceptance 3/29/90
by Grantee [Signature]

J. C. SPARKMAN
PRESIDENT

cm531

"RENEWAL

"Sec. 626. (a) During the 6-month period which begins with the 36th month before the franchise expiration; the franchising authority may on its own initiative, and shall at the request of the cable operator, commence proceedings which afford the public in the franchise area appropriate notice and participation for the purpose of—

"(1) identifying the future cable-related community needs and interests; and

"(2) reviewing the performance of the cable operator under the franchise during the then current franchise term.

"(b)(1) Upon completion of a proceeding under subsection (a), a cable operator seeking renewal of a franchise may, on its own initiative or at the request of a franchising authority, submit a proposal for renewal.

"(2) Subject to section 624, any such proposal shall contain such material as the franchising authority may require, including proposals for an upgrade of the cable system.

"(3) The franchising authority may establish a date by which such proposal shall be submitted.

"(c)(1) Upon submittal by a cable operator of a proposal to the franchising authority for the renewal of a franchise, the franchising authority shall provide prompt public notice of such proposal and, during the 4-month period which begins on the completion of any proceedings under subsection (a), renew the franchise or, issue a preliminary assessment that the franchise should not be renewed and, at the request of the operator or on its own initiative, commence an administrative proceeding, after providing prompt public notice of such proceeding, in accordance with paragraph (2) to consider whether—

"(A) the cable operator has substantially complied with the material terms of the existing franchise and with applicable law;

"(B) the quality of the operator's service, including signal quality, response to consumer complaints, and billing practices, but without regard to the mix, quality, or level of cable services or other services provided over the system, has been reasonable in light of community needs;

"(C) the operator has the financial, legal, and technical ability to provide the services, facilities, and equipment as set forth in the operator's proposal; and

"(D) the operator's proposal is reasonable to meet the future cable-related community needs and interests, taking into account the cost of meeting such needs and interests.

"(2) In any proceeding under paragraph (1), the cable operator shall be afforded adequate notice and the cable operator and the franchise authority, or its designee, shall be afforded fair opportunity for full participation, including the right to introduce evidence (including evidence related to issues raised in the proceeding under subsection (a)), to require the production of evidence, and to question witnesses. A transcript shall be made of any such proceeding.

"(3) At the completion of a proceeding under this subsection, the franchising authority shall issue a written decision granting or denying the proposal for renewal based upon the record of such proceeding, and transmit a copy of such decision to the cable operator. Such decision shall state the reasons therefor.

"(d) Any denial of a proposal for renewal shall be based on one or more adverse findings made with respect to the factors described in subparagraphs (A) through (D) of subsection (c)(1), pursuant to the record of the proceeding under subsection (c). A franchising authority may not base a denial of renewal on a failure to substantially

comply with the material terms of the franchise under subsection (C)(1)(A) or on events considered under subsection (C)(1)(B) in any case in which a violation of the franchise or the events considered under subsection (C)(1)(B) occur after the effective date of this title unless the franchising authority has provided the operator with notice and the opportunity to cure, or in any case in which it is documented that the franchising authority has waived its right to object, or has effectively acquiesced.

"(E)(1) Any cable operator whose proposal for renewal has been denied by a final decision of a franchising authority made pursuant to this section, or has been adversely affected by a failure of the franchising authority to act in accordance with the procedural requirements of this section, may appeal such final decision or failure pursuant to the provisions of section 635.

"(2) The court shall grant appropriate relief if the court finds that—

"(A) any action of the franchising authority is not in compliance with the procedural requirements of this section; or

"(B) in the event of a final decision of the franchising authority denying the renewal proposal, the operator has demonstrated that the adverse finding of the franchising authority with respect to each of the factors described in subparagraphs (A) through (D) of subsection (C)(1) on which the denial is based is not supported by a preponderance of the evidence, based on the record of the proceeding conducted under subsection (c).

"(3) Any decision of a franchising authority on a proposal for renewal shall not be considered final unless all administrative review by the State has occurred or the opportunity therefor has lapsed.

"(g) For purposes of this section, the term 'franchise expiration' means the date of the expiration of the term of the franchise, as provided under the franchise, as it was in effect on the date of the enactment of this title.

"(b) Notwithstanding the provisions of subsections (a) through (e) of this section, a cable operator may submit a proposal for the renewal of a franchise pursuant to this subsection at any time, and a franchising authority may, after affording the public adequate notice and opportunity for comment, grant or deny such proposal at any time (including after proceedings pursuant to this section have commenced). The provisions of subsections (a) through (e) of this section shall not apply to a decision to grant or deny a proposal under this subsection. The denial of a renewal pursuant to this subsection shall not affect action on a renewal proposal that is submitted in accordance with subsections (a) through (e).

Lacey Edit Suite \$21,250

- 3 Hitachi VL-S100 Decks (\$2775 @)
- 3 Hitachi VL-AC10 AC Units (\$325 @)
- 1 Hitachi VL-EC10 Edit Controller (\$1440)
- 1 Hitachi VL-EC20 B-Roll Controller (~\$400)
- 1 Numark 2000Y/C Switcher (~\$5000)
- 1 VAC 100-DA2PC Sync Generator w/1x3 VDA (\$710)
- 1 Comprehensive PC-SVHS CG Board (\$2700)
(TCTV provides CG computer)
- 1 Panasonic CT-1381VY Monitor/Receiver (\$400)
- 3 Sony Trinitron 13" Monitors (\$300 @)
- 2 Markertek 30-5600 Amplified Speakers (\$65 @)
- 1 Cassette Deck (\$150)

Edit Suite \$2,850

- 1 Comprehensive PC-SVHS CG Board (\$2700)
(TCTV provides CG computer)
- 2 Markertek 30-5600 Amplified Speakers (\$65 @)

Remote System \$12,250

- 2 Panasonic WV-D5000 Cameras with S070 Studio Kit
(no VF65B 5" Viewfinders or Q39 Brackets), VF01
1" Viewfinders, GR12 Shoulder Pads, MC12 Mics,
CA11 Cables, CC28 Cases and 14C100 Extension
Cables (\$3000 @)
- 2 Bogen 3116 Tripods w/Mini Fluid Heads (\$180 @)
- 2 Bogen 3117 Conversion Kits (\$15 @)
- 2 Bogen 3115 Ball Levellers (\$25 @)
- 2 Bogen 3145 Tripod Caddys (\$30 @)
- 1 Numark 2000 Switcher (\$2900)
- 1 VAC VDA-2P 1x6 Video Distribution Amp (\$205)
- 1 Panasonic WV-5203B 5" Monitor Rack (\$900)
- 1 Panasonic BT-S702N Dual 7" Monitors (\$1100)
- 1 Ross RX-8x2 Audio Mixer (\$400)
- 1 Nady 151 Wireless Handheld Mic (VR/HT-J \$160)
- 1 Shure SM-18 Surface-Mounted Mics (\$75)

Control Room \$12,250

- 1 Hitachi VL-S100 Deck (\$2775)
- 1 Hitachi VL-AC10 AC Unit (\$325)
- 1 Hitachi VL-RM10 Remote Control (\$35)
- 2 Panasonic 1960 Decks (\$1010 @)
- 1 Panasonic CT-1381VY Monitor/Receiver (\$400)
- 1 Comprehensive PC-SVHS CG Board (\$2700)
(TCTV provides CG computer)
- 1 Tektronics TSG-100 Video Test Generator (\$1100)
- 1 Yamaha 3070 Audio Limiter/Compressor (\$295)
- 1 Clearcom CS-210 Main Station (\$535)
- 1 Clearcom KB-112 Speaker Station (\$250)
- 5 Clearcom RS-501 Remote Stations (\$175 @)
- 3 Clearcom PH-7 High Noise Headsets (\$190 @)
- 3 Clearcom CC-75B Normal Headsets (\$110 @)

Lacey Field Equipment \$6,500

- 2 Panasonic AG-450 Camcorders (\$1390 @)
- 2 Panasonic SP-7E Shoulder Pads (\$50 @)
- 6 Panasonic BP-212 Batteries (\$40 @)
- 2 Bogen 3116 Tripods w/Mini Fluid Heads (\$180 @)
- 2 Bogen 3115 Ball Levellers (\$25 @)
- 2 Bogen 3145 Tripod Caddys (\$30 @)
- 2 JVC TM-22U Field Monitors (\$365 @)
- 4 JVC NB-P1 Batteries (\$55 @)
- 2 Kangaroo KAL-TM22 Monitor Covers (\$70 @)
- 1 Lowell VP97 Light Kit (\$495)
- 1 Lowell VP98 Light Kit (\$500)
- 1 Comprehensive MM-3100 Audio Mixer (\$205)
- 1 Nady 151 Wireless Lavalier Mic (VR/LT-G \$160)
- 2 E/V RE10 Cardioid Mics (\$180 @)
- 1 Shure SM-18 Surface-Mounted Mic (\$75)

Miscellaneous \$4,900

- Automated VHS Playback Equipment (\$3700)
- Cables & Connectors (\$500)
- Cases (\$400)
- Manuals (\$300)

SUMMARY FOR PUBLICATION
ORDINANCE NO. 883

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed, on March 8, 1990, Ordinance 883 entitled "AN ORDINANCE GRANTING A FRANCHISE TO TCI CABLEVISION OF WASHINGTON, INC. TO OPERATE AND MAINTAIN A CABLE COMMUNICATIONS SYSTEM IN THE CITY; SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF FRANCHISE; PROVIDING FOR CITY REGULATION AND ADMINISTRATION OF THE CABLE COMMUNICATIONS SYSTEM; PRESCRIBING PENALTIES FOR VIOLATION OF THE FRANCHISE PROVISIONS; AND REPEALING ORDINANCE 103."

A section by section summary of this Ordinance is as follows:

Section 1 sets forth various definitions that are used within this Franchise Ordinance.

Section 2 grants a non-exclusive franchise to TCI Cablevision of Washington, Inc., to use the streets and rights-of-way within the present or future city limits of the City of Lacey for maintaining lines and operating a cable television system. The term of the franchise is set initially at 15 years with provisions specified for extensions to lengthen the period to not more than 20 years after formal performance reviews by the City. The section requires TCI to provide access to equal and uniform cable television service, makes provisions for renewal of the franchise or granting a new franchise, provides a procedure for determining, curing and penalties for failure to cure franchise violations and provides for the transfer of the franchise to successor companies.

Section 3 sets forth the standards under which TCI is allowed to use the streets and other rights-of-way within the city for above ground and underground cables. The section also specifies the minimum operating standards that TCI must meet with its existing system. Also, the section sets forth specific standards which must be accomplished by TCI in its system upgrade which is required to be completed no later than June 30, 1993. These standards include a requirement for standby power, emergency override capability for civil defense, disaster and emergency services, system construction designed in a manner which will not preclude interactive capability, a specification of insertion points for institutional networks within the city, and the minimum requirements for public, educational and governmental access channels. The section further provides that the city may contract with Thurston Community Television for operation

of the public access channels and finally, requires efforts to coordinate the consistency of channel designation.

Section 4 provides that TCI shall give notice to the city of future rate increases and reserves to the city the right to regulate rates if federal law should be amended in the future to allow such regulation. This section also specifies the types of service that must be rendered to customers and sets standards to be used in determining whether line extensions and service offerings will be required or offered to customers.

Section 5 specifies the amount and terms of payment of franchise fees. The fee will increase to 5% of the systems gross revenue as defined in the ordinance with this increase in fee being effective January 1, 1989.

Section 6 requires a performance bond to be posted by TCI and requires TCI to provide insurance and hold the city harmless from damages caused by its operation. This section further provides for liquidated damages required to be paid by TCI if the city determines that the rebuild of the system is not completed by the time and in the manner specified in the ordinance.

Section 7 contains miscellaneous provisions requiring TCI to pay for the publication of this ordinance, requiring TCI to provide information to the city regarding its applications and communications with the FCC or other regulatory agencies and reserves to the city the option of providing for joint administration of the franchise ordinance with the exception that only the city shall have the right to conduct the formal performance reviews provided in the section. Section 7 also repeals Ordinance 103 which was the prior cable television franchise ordinance which had granted a 20 year franchise to the predecessor of TCI.

Section 8 provides that the ordinance shall be effective either five days after its passage and publication as required by law or upon acceptance of the ordinance by TCI, whichever is later. The section further requires that this acceptance is required to be made within 60 days or the ordinance shall become null and void. Finally, the section makes the franchise fee effective as of January 1, 1989, with credit granted to TCI for fees paid in the interim pursuant to the prior Ordinance 103.

Section 9 approves this summary.

A copy of the full text of this Ordinance will be mailed without charge to any person requesting the same from the City of Lacey.

Published: March 11, _____, 1990.



Exhibit B

Thurston Community Television
Cable Channel 31
2940 Limited Lane
P.O. Box 10204
Olympia, WA 98502
(206) 357-8288

TO : Bill Lawson, TCI
FROM: Peter Moulton *pm*
DATE: May 15, 1990

RE : Lacey Access Equipment Lists

In response to your request of last week, I've prepared a comparison of the access equipment listed in the new Lacey franchise agreement with the subsequent equipment request we submitted for your consideration.

I've summarized differences under each application subheading, as listed in the franchise agreement. As you know, changes to the initial list have been due to new models entering the market, the recommendations of vendors and the subsequent evolution of our production design.

The prices in the second column are based on actual price quotes. Both lists were designed to match the \$60,000 ceiling set forth in the Lacey franchise. If you have any questions, please let me know.

LACEY EDIT SUITE

Franchise List \$21,250

- 3 Hitachi VL-S100 Decks (\$2775 @)
- 3 Hitachi VL-AC10 AC Units (\$325 @)
- 1 Hitachi VL-EC10 Edit Controller (\$1440)
- 1 Hitachi VL-EC20 B-Roll Controller (~\$400)
- 1 Numark VAM-2000Y/C Switcher (~\$5000)
- 1 VAC 100-DA2PC Sync Generator w/1x3 VDA (\$710)
- 1 Comprehensive PC-SVHS CG Board (\$2700)
- 1 Panasonic CT-13B1VY Monitor/Receiver (\$400)
- 3 Sony Trinitron 13" Monitors (\$300 @)
- 2 Markertek 30-5600 Amplified Speakers (\$65 @)
- 1 Cassette Deck (\$150)

Subsequent List \$18,554

- 3 Hitachi VL-S100 Decks (\$2775 @)
- 3 Hitachi VL-AC10 AC Units (\$320 @)
- 1 Hitachi VL-EC20 B-Roll Controller (\$2620)
- 1 Panasonic MX-12 Switcher (\$2375)
- 1 VAC 100-DA2PC Sync Generator w/1x3 VDA (\$765)
- 1 Comprehensive PC-SVHS CG Board (\$2325)
- 1 Panasonic CT-13B1VY Monitor/Receiver (\$295)
- 3 Panasonic CT-13B1V Monitors (\$250 @)
- 1 TEAC V-250 Cassette Deck (\$139)

- 1) Hitachi edit controller not required (Hitachi B-roll controller sufficient)
- 2) Numark switcher replaced with Panasonic switcher (same capability, less expensive)
- 3) Sony monitors replaced with Panasonic monitors (same capability, less expensive)
- 4) Markertek amplified speakers not required (TCTV will purchase)

EDIT SUITE

Franchise List \$2,850

- 1 Comprehensive PC-SVHS CG Board (\$2700)
- 2 Markertek 30-5600 Amplified Speakers (\$65 @)

Subsequent List \$2,325

- 1 Comprehensive PC-SVHS CG Board (\$2325)

- 1) Markertek amplified speakers not required (TCTV will purchase)

Lacey Access Equipment Lists
May 15, 1990 - Page 2 of 3

REMOTE SYSTEM

Franchise List \$12,250

- 1 2 Panasonic WV-D5000 Cameras w/S070 Studio Kit (\$3000 @)
- 2 Bogen 3116 Tripods w/Mini Fluid Heads (\$180 @)
- 2 Bogen 3117 Conversion Kits (\$15 @)
- 2 Bogen 3115 Ball Levellers (\$25 @)
- 2 Bogen 3145 Tripod Caddys (\$30 @)
- 2 1 Numark VAM-2000 Switcher (\$2900)
- 1 VAC VDA-2P 1x6 Video Distribution Amp (\$205)
- 1 Panasonic WV-5203B 5" Monitor Rack (\$900)
- 1 Panasonic BT-S702N Dual 7" Monitors (\$1100)
- 1 Ross RX-8x2 Audio Mixer (\$400)
- 1 Nady 151 Wireless Handheld Mic (VR/HT-J \$160)
- 1 Shure SM-18 Surface-Mounted Mics (\$75)

Subsequent List \$11,079

- 2 Panasonic WV-D5100 Cameras w/S071 Studio Kit (\$3069 @)
- 2 Bogen 3116 Tripods w/Mini Fluid Heads (\$155 @)
- 2 Bogen 3117 Conversion Kits (\$15 @)
- 2 Bogen 3115 Ball Levellers (\$27 @)
- 2 Bogen 3145 Tripod Caddys (\$25 @)
- 1 JVC KM-1200U Switcher (\$1445)
- 1 VAC VDA-2P 1x6 Video Distribution Amp (\$235)
- 1 Panasonic WV-5203B 5" Monitor Rack (\$675)
- 1 Panasonic BT-S702N Dual 7" Monitors (\$942)
- 1 Ross RX-8x2 Audio Mixer (\$400)
- 1 Nady 151 Wireless Handheld Mic (VR/HT-J \$145)
- 1 Shure SM-18 Surface-Mounted Mics (\$75)
- 4 Hitachi VL-BP12 VCR Batteries (\$60 @)
- 2 Panasonic WV-14C100 Extension Cables (\$170 @)

- 1) Panasonic cameras upgraded to latest model
- 2) Numark switcher replaced with JVC switcher (same capability, less expensive)
- 3) Hitachi VCR batteries and Panasonic extension cables new additions

CONTROL ROOM

Franchise List \$12,250

- 1 Hitachi VL-S100 Deck (\$2775)
- 1 Hitachi VL-AC10 AC Unit (\$325)
- 1 Hitachi VL-RM10 Remote Control (\$35)
- 2 Panasonic AG-1960 Deck (\$1010)
- 1 Panasonic CT-1381VY Monitor/Receiver (\$400)
- 1 Comprehensive PC-SVHS CG Board (\$2700)
- 1 Tektronics TSG-100 Video Test Generator (\$1100)
- 1 Yamaha 3070 Audio Limiter/Compressor (\$295)
- 1 Clearcom CS-210 Main Station (\$535)
- 1 Clearcom KB-112 Speaker Station (\$250)
- 5 Clearcom RS-501 Remote Stations (\$175 @)
- 3 Clearcom PH-7 High Noise Headsets (\$190 @)
- 3 Clearcom CC-75B Normal Headsets (\$110 @)

Subsequent List \$11,106

- 1 Hitachi VL-S100 Deck (\$2775)
- 1 Hitachi VL-AC10 AC Unit (\$320)
- 1 Hitachi VL-RM10 Remote Control (\$37)
- 2 Panasonic AG-1960 Decks (\$910 @)
- 1 Panasonic CT-1381VY Monitor/Receiver (\$295)
- 1 Comprehensive PC-SVHS CG Board (\$2325)
- 1 Tektronics TSG-100 Video Test Generator (\$1030)
- 1 Yamaha GC-2020 Audio Limiter/Compressor (\$310)
- 1 Clearcom CS-210 Main Station (\$460)
- 1 Clearcom KB-112 Speaker Station (\$220)
- 5 Clearcom RS-501 Remote Stations (\$145 @)
- 3 Clearcom PH-7 High Noise Headsets (\$165 @)
- 3 Clearcom CC-75B Normal Headsets (\$98 @)

- 1) Yamaha audio limiter/compressor upgraded to latest model

LACEY FIELD EQUIPMENT

Franchise List \$6,500

- 2 Panasonic AG-450 Camcorders (\$1390 @)
- 2 Panasonic SP-7E Shoulder Pads (\$50 @)
- 6 Panasonic BP-212 Batteries (\$40 @)
- 2 Bogen 3116 Tripods w/Mini Fluid Heads (\$180 @)
- 2 Bogen 3115 Ball Levellers (\$25 @)
- 2 Bogen 3145 Tripod Caddys (\$30 @)
- 1 2 JVC TM-22U Field Monitors (\$365)
- 4 JVC NB-P1 Batteries (\$55 @)
- 2 Kangaroo KAL-TM22 Monitor Cover (\$70)
- 2 1 Lovell VP97 Light Kit (\$495)
- 1 Lovell VP98 Light Kit (\$500)
- 1 Comprehensive MM-3100 Audio Mixer (\$205)
- 1 Nady 151 Wireless Lavalier Mic (VR/LT-6 \$160)
- 2 E/V RE10 Cardioid Mics (\$180 @)
- 1 Shure SM-18 Surface-Mounted Mic (\$75)

Subsequent List \$5,655

- 2 Panasonic AG-450 Camcorders (\$1385 @)
- 2 Panasonic SP-7E Shoulder Pads (\$48 @)
- 6 Panasonic BP-212 Batteries (\$40 @)
- 2 Bogen 3116 Tripods w/Mini Fluid Heads (\$155 @)
- 2 Bogen 3115 Ball Levellers (\$27 @)
- 2 Bogen 3145 Tripod Caddys (\$25 @)
- 1 JVC TM-22U Field Monitor (\$412)
- 2 JVC NB-P1 Batteries (\$65 @)
- 1 Kangaroo KAL-TM22 Monitor Cover (\$70)
- 1 Lovell VP98 Light Kit (\$575)
- 1 Comprehensive MM-3100 Audio Mixer (\$220)
- 1 Nady 151 Wireless Lavalier Mic (VR/LT-6 \$125)
- 2 E/V RE10 Cardioid Mics (\$150 @)
- 1 Shure SM-18 Surface-Mounted Mic (\$75)
- 1 Lovell VI-10 V-light (\$85)
- 1 Lovell VP-33 Light Stand (\$60)
- 1 Lovell TI-25 Tota-brella (\$23)
- 1 Lovell VP-85 Shoulder Case (\$60)

- 1) Second field monitor, monitor cover and pair of monitor batteries not required
- 2) Lovell VP97 light kit replaced with separate elements (same capability, less expensive)

MISCELLANEOUS

Franchise List \$4,900

- Cables & Connectors (\$500)
- Cases (\$400)
- Manuals (\$300)
- 1 Automated VHS Playback Equipment (\$3700)

Subsequent List \$11,281

- Cables & Connectors (\$400)
- Cases (\$400)
- Manuals (\$300)
- 1 Akai DP-2000 A/V Matrix (\$2195)
- 6 Panasonic PV-4980 Decks (\$690 @)
- 1 Nova Sync 2 Frame Synchronizer (\$3300)
- 3 Altman 650 6" Fresnel Lights (\$92 @)
- 1 Altman 3.50 3 1/2" Ellipsoidal Light (\$160)
- Freight Charges (\$110)

- 1) The automated playback budget, savings in equipment listed above and the balance of the franchise allocation were applied to playback system hardware (Akai A/V matrix, Panasonic PV-4980 decks and Nova frame synchronizer)
- 2) These instruments would be provided by an in-state vendor (price quotes include sales tax)

TCI CABLEVISION of WASHINGTON, INC.

SERVICE RATES AND CHARGES

Are you moving or transferring to another residence?

Please inform our Customer Service Department by calling 357-3364 if you are moving so we can stop your billing on the date requested. If you are transferring your cable service to your new home, please give us two weeks notice so we can assure you uninterrupted cable service.

	<u>CONNECTION</u>	<u>MONTHLY RATES</u>
Transfer fee with trip to connect	25.00	
Transfer fee with service already active	10.00	
Change of service fee (if no trip is required)	20.00	
VCR installation	20.00	

Trips to your residence may require charges for trip if problem found is not Cable-related

DELIQUENT ACCOUNTS:

Reconnect Fee (after payment is made)	39.95	
Trip Charge to collect payment	20.00	
Trip Charge to exchange converter	20.00	

Converter and remote control rental rates

Basic Cable converter with remote	0.00	3.00
Additional Basic Cable converter	0.00	1.50
Premium Service converter	0.00	0.00
Premium Service converter with remote	0.00	3.00
Additional Premium Service converter	0.00	5.00
Additional remote control	0.00	3.00

TCI CABLEVISION of WASHINGTON, INC.

SERVICE RATES AND CHARGES

<u>SERVICE</u>	<u>MONTHLY RATE</u>	<u>INSTALLATION</u>
BASIC CABLE	17.00	39.95
BURY CABLE TO YOUR HOME	0.00	30.00
HOME BOX OFFICE	11.95	20.00
SHOWTIME	11.95	20.00
CINEMAX	10.95	20.00
THE DISNEY CHANNEL	10.95	20.00
X-PRESS EXECUTIVE	19.95	225.00 ^①
X-CHANGE	FREE	125.00 ^①
2-PREMIUM SERVICES	16.95	20.00
3-PREMIUM SERVICES	21.95	20.00
4-PREMIUM SERVICES	26.95	20.00
ADDITIONAL OUTLETS	00.00	10.00 ^②

① Purchase of computer modem, equipment, etc.

② Ten dollar rate only applies at time of first outlet installation. Additional outlets added at any other time may require a full connection fee of \$39.95.

PLEASE NOTE THAT THE ABOVE RATES AND CHARGES ARE FOR THE OLYMPIA, WA. SYSTEM ONLY AND MAY VARY IN OTHER CABLE SYSTEMS. RATES ARE SUBJECT TO CHANGE AND ONLY APPLICABLE TO SERVICES LISTED.

TELL US HOW WE ARE DOING

We would appreciate a few minutes of your time to fill out this short questionnaire regarding TCI CABLEVISION of WASHINGTON, INC. service.

Your Input will help us to serve you and our other customers more effectively.

PLEASE ENCLOSE WITH YOUR NEXT PAYMENT

Thank You for your time and cooperation.

Did the Customer Service Representative...

	Yes	No	Other
1. Answer your call in a timely manner?	---	---	---
2. Seem helpful and courteous?	---	---	---
3. Have you on hold for an unreasonable length of time?	---	---	---

Did the Service Technician/Installer...

1. Have a badge or uniform to identify themselves?	---	---	---
2. Seem courteous, neat and well groomed?	---	---	---
3. Explain the problem/demonstrate the service?	---	---	---
4. Correct the problem/took adequate measures to correct?	---	---	---
5. Answer your questions?	---	---	---
6. Perform a satisfactory job?	---	---	---
If not, may we contact you to insure your satisfaction?	---	---	---

Customer Name:

Address:

Phone:

Service Representative

***We need your ideas and suggestions to help us provide
the best possible programming for you, and your family.***

Thank you for your time and interest in TCI CABLEVISION of WASHINGTON, INC.

CHANNEL LINE-UP AND SERVICE DESCRIPTIONS

- 02 HOME BOX OFFICE** - Premium Service
- 03 TNT** - Turner Network Television
- 04 KOMO** - ABC
- 05 KING-NBC**
- 06 PRIME SPORTS NORTHWEST** - Regional Sports Coverage
- 07 KIRO** - CBS
- 08 ESPN** - 24 Hour Sports
- 09 KCTS** - Public Broadcasting System
- 10 CNN** - 24 Hour News
- 11 KSTW** - Independent
- 12 THE DISNEY CHANNEL** - Premium Service
- 13 KCPQ** - Independent
- 14 NICKELODEON** - Children's Programming
- 15 CABLE VALUE NETWORK** - 24 Hour Shopping
- 16 CINEMAX** - Premium Service
- 17 WTBS** - Atlanta's Superstation
- 18 MTV** - Music Television
- 19 C-SPAN** - Television From Congress
- 20 KTBW** - Independent
- 21 SHOWTIME** - Premium Service
- 22 KTZZ-22** - Independent
- 23 THE DISCOVERY CHANNEL** - Educational
- 24 THE NASHVILLE NETWORK**
- 25 AMERICAN MOVIE CLASSICS/FASHION**
- 26 ARTS & ENTERTAINMENT** - The Cultural Alternative
- 27 USA NETWORK** - Sports and Family
- 28 LIFETIME** - Women's Programming
- 29 CONSUMER NEWS AND BUSINESS** - 24 Hour Programming
- 30 CNN-II HEADLINE NEWS** - 24 Hour News Headlines
- 31 PUBLIC ACCESS** - Local Programming
- 32 CBUT-2** - Canadian Broadcasting
- 33 KCKA** - Public Broadcasting System
- 34 CBN FAMILY** - Classic TV, Comedies, Westerns

FM RADIO STATIONS

89.3	KAOS	94.9	KUOW	101.5	KPLZ
93.3	WEATHER	95.7	KIXI	102.5	KZOK
90.7	KPLU	96.5	KXRX	102.9	KMNT
91.1	MTV	97.3	KBSG	103.7	KBRD
91.7	KTOY	98.1	KING	105.3	KCMS
92.1	NASHVILLE	98.9	KEZX	106.1	KRPM
92.7	KLSY	99.9	KISW	106.9	KNUA
94.1	KMPS	100.7	KSEA		

THEFT OF SERVICE

Federal Legislation was enacted by the U.S. Congress in 1984 which created both civil and criminal penalties against manufacturers, suppliers and users of unauthorized cable devices.

Those parties found guilty of willfully receiving unauthorized signals are liable for a fine of not more than \$1,000 or six months in prison, or both. Those who violate the stature of commercial gain may be liable for a fine of up to \$25,000 and up to one year in prison. Any subsequent offense may double the penalties.

SERVICE AGREEMENT

CUSTOMER/OPERATOR AGREEMENT

TCI *CABLEVISION of WASHINGTON, INC.* welcomes the opportunity to serve you. Please take a minute to read the following information outlining our mutual responsibilities as a cable operator and cable TV subscriber.

OUR COMMITMENT TO YOU:

We, at TCI *CABLEVISION of WASHINGTON, INC.*, are committed to bring you the best cable entertainment. We will provide prompt and courteous service and maintain high technical performance.

THE SUBSCRIBER'S RESPONSIBILITY:

As a cable customer, you are obligated to prompt remittance of monthly billing and responsible care of the TCI *CABLEVISION* equipment in your home. Customers also have an obligation to keep TCI *CABLEVISION of WASHINGTON, INC.* informed. We want to know about any service problems or questions you may have. Call 357-3364 and talk to a Customer Service Representative. We'll be glad to hear from you.

SERVICE PROBLEMS:

TCI *CABLEVISION of WASHINGTON, INC.* endeavors at all times to provide quality cable television service to each customer. But if cable television service is interrupted, the following procedures are to be followed:

1. Customer Checklist: Attempt to investigate origin of reception problem. Some problems are caused by faulty TV sets, not problems in TCI *CABLEVISION of WASHINGTON, INC.*'s cable television service. Please refer to the TROUBLE SHOOTING SECTION for a checklist of common problems. If the problems persist, the customer should notify TCI *CABLEVISION of WASHINGTON*.
2. Request for Repairs: Call TCI *CABLEVISION of WASHINGTON* to request repairs at any time. (After hours and weekend calls will be received by an answering service or staff). All calls will be responded to and resolved as soon as practicable and pursued diligently. Response will be made immediately or on the following business day, depending on the severity of the complaint and other circumstances.

If a loss of reception on all channels affects five (5) or more customers, at any time of day or night, repairs shall commence as soon as possible. Total loss of reception involving less than five (5) customers will normally be corrected on the same day received, except if reported after 2:00p.m.; in which case, correction may be postponed to the next day.

Calls involving a problem on one or more channels will be responded to no later than the next business day when company staff shall contact the customer to schedule a service call.

3. Unresolved Complaints: Customers who have so requested repairs but are dissatisfied with services rendered are requested to lodge a written complaint to the local system office:

TCI *CABLEVISION of WASHINGTON, INC.*, 2940 LIMITED LANE N.W., P.O. BOX 129, OLYMPIA, WA. 98507

Inquires concerning the responsibility of TCI **CABLEVISION of WASHINGTON, INC.** or problems with cable television or cable FM radio service which have not been resolved by the company after adequate notice may be directed to :

CITY OF OLYMPIA
P.O. BOX 1967
OLYMPIA, WA. 98507

BILLING PROCEDURES:

Cable Television services are billed monthly, in advance. You can expect to receive a statement at the end of the month for the upcoming services. Remember, prompt payment is to your benefit. If your bill is not paid within thirty (30) days of your receiving it, you will be sent a Past Due notice. If your payment is not received by us within ten (10) day from the mailing of the disconnect notice, your service will be disconnected. Please refer to your GENERAL BILLING SECTION of this handbook for details on billing and payment schedules or call the TCI **CABLEVISION of WASHINGTON** office during regular business hours. On customer request, TCI **CABLEVISION of WASHINGTON** will refund service charges on a prorated basis for a verified cable service outage resulting in total reception loss for 24 hours or more.

SERVICE TERMINATION:

In the event you choose to terminate cable television service or discontinue a premium channel, one (1) week notice is required. Please call our Customer Service Department at 357-3364 or write us at P.O. BOX 129, OLYMPIA, WA. 98507. (After business hours or on weekends, call 357-9382).

CONVERTER EQUIPMENT POLICY:

When terminating cable service or discontinuing a pay channel, it is the subscriber's responsibility to return the converter(s), remote controls and /or decoders to TCI **CABLEVISION of WASHINGTON's** office within two (2) business days of such termination. You are responsible for the prompt return of this equipment, free of damage, and/or alteration. Damage to equipment may result in customer charges. Failure to return equipment may result in charges of \$200.00 for the standard unit, and \$40.00 for a remote control. Insist on a receipt from the Customer Service Representative when you return or exchange equipment.

MOVING TO A NEW ADDRESS

If you are planning to move and wish to continue cable service, call two (2) weeks prior to moving to your new address, then we can verify that the address is servicable and schedule connection to provide you with uninterrupted service.

CHANGE IN SERVICE NOTIFICATION:

The company is required to provide to every subscriber thirty (30) day written notice of any change in rates for cable services. Also, customers will be notified about deletion or substitution of channels on basic service. When possible, thirty (30) days notification will be provided.

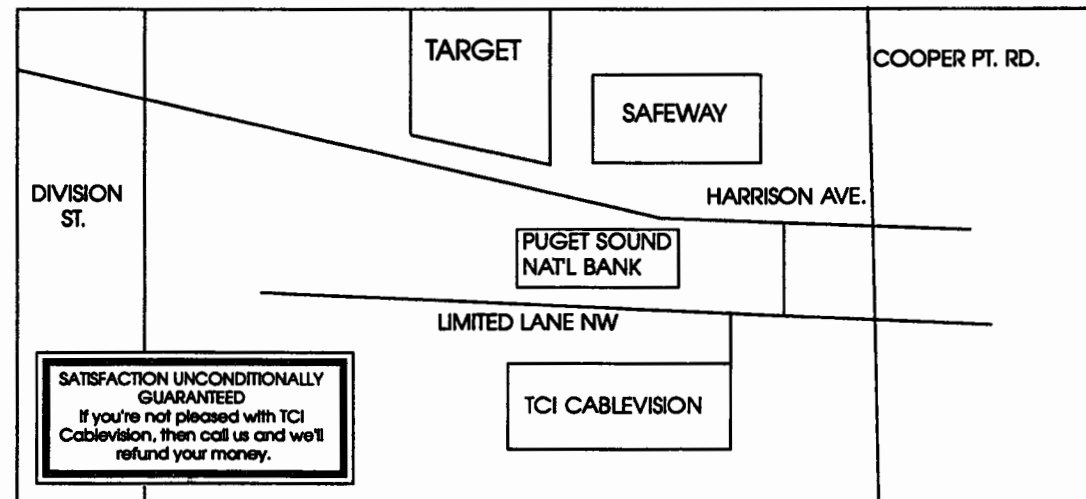
SAFETY AND EMERGENCIES

The cable connected to your home is approved by the Federal Communications Commission as safe and reliable for carrying cable TV signals. Here are a few tips to keep it that way.

Your channel converter operates on 120 volts, so take the precautions you would with any small appliance. Check to see that the cord is not worn or damaged.

In keeping with the FCC regulations and to avoid affecting your picture, do not attempt to adjust your cable equipment without first checking with our Customer Service Department at 357-3364.

In emergencies such as fallen power poles, violent storms, or sub-freezing weather that may interfere with your receiving cable service, please know that we will correct the situation with one of our crews just as soon as possible. It may be advisable to unplug your TV set and channel converter during severe electrical storms to avoid possible damage. The cable operator and your set manufacturer cannot be held responsible for damages occurring due to acts of nature.



OFFICE HOURS AND PHONE NUMBERS

MONDAY-FRIDAY 9:00-6:00
SATURDAY 9:00-5:00

CUSTOMER SERVICE 357-3364
AFTER HOURS/SUNDAYS 357-9382

REMEMBER TO CALL BEFORE YOU DIG.

If you are about to dig in your yard, PLEASE contact us to locate any buried cables 48 hours in advance.

CALL 357-FIND

TCI CABLEVISION of WASHINGTON, INC.



CUSTOMER SERVICE MANUAL

Exhibit C

Olympia, Wa. 2940 Limited Lane N.W.

P.O. BOX 129

98507

(206) 357-3364

CONGRATULATIONS!

Our exciting new Cable Television Service has channel after channel of great programming. Being a basic cable package, TCI Cablevision has numerous channels devoted to specific programming subjects like 24-hour News, Sports, Weather, and Classic Movies.

TCI Cablevision is happy to bring you the latest and best that Cable TV has to offer. And we congratulate you on your choice of the best entertainment and information medium.

This booklet is designed to make your viewing a pleasure and to answer questions you may have about our service and programming. If you have any questions, please do not hesitate to call one of our Customer Service Representatives at 357-3364.

Please **TAKE A FEW MOMENTS TO READ YOUR HANDBOOK**, and welcome to the growing number of TCI Cablevision customers. We look forward to offering you more and even better service in the years to come.

HOW DOES CABLE TV WORK?

Individual television programs are produced at locations around the world. These programs are transmitted either over the airwaves or up to communication satellites that orbit earth. These satellites are in orbit 22,500 miles above the earth. The satellite, in turn, relays the programs to large satellite dishes on the ground. The programs are transmitted from the dishes and antennas to your local Cable Television Company. These quality television programs are brought into your home via hundreds of miles of cable lines, usually strung on the same poles that carry your power lines, and sometimes underground.

PLEASE NOTE:

Your Cable Company is not responsible, nor do we control, program scheduling or program content. Whether your programming questions relate to WTBS, ESPN, MTV, off-air Networks, or Pay Networks (such as HBO, Showtime, Cinemax, or Disney), you will need to address your concerns to the individual Network(s).

OUR OFFICE CAN PROVIDE YOU THE NECESSARY INFORMATION ON HOW TO CONTACT THE NETWORK(S)

PLEASE CHECK TO BE SURE YOU RECEIVED EACH OF THE FOLLOWING

SERVICE RATE CARD

CUSTOMER COMMENT CARD

**CHANNEL LINE UP AND SERVICE
DESCRIPTION CARD**

SERVICE AGREEMENT



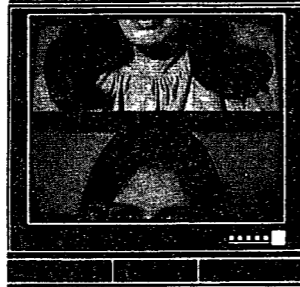
If your picture is Too dark:
Try adjusting either the brightness or contrast control on your TV set. If that does not work, call your TV repairman.



If your picture appears to be pulling to the right or the left:
Try adjusting the horizontal hold control on your TV set. If that does not work, call your TV repair service.



Picture too small horizontally:
Call your TV repair shop whenever this occurs on all channels. This is not a Cable related problem.



If your picture keeps rolling up or down:
Try slowly adjusting the vertical hold control on your TV set. Since this is not related to your Cable, you will have to call your TV repair service if it does not clear up.



If you see "speckled bands" moving up and down the screen:
You probably have a heavy duty appliance (like a vacuum cleaner or a blender) running at the same time. Turning these appliances off usually eliminates the problem. But it might also be caused by a local broadcasting difficulty so call us if this continues.



Picture too small vertically:
Call your TV repair shop whenever this occurs on all channels. This is not a cable related problem.

USING YOUR SET-TOP CHANNEL CONVERTER:

In choosing to receive our Cable Television Service, your TV set must already be capable of picking up these additional channels, or you must use a set-top channel converter. Our installer will advise you of the capabilities of your TV set.

- Your TV set must always be set to channel 3 when using your set-top channel converter.
- After you have turned your TV set dial to channel 3, always use your converter to change channels.
- Should your TV set be remote control operated, your TV's remote control will only operate the TV. It will not operate the converter box.

VCR USAGE:

Add another dimension to your home entertainment system by combining Cable TV with your VCR. If we've hooked cable to your VCR, you are ready to record shows while you watch them.

Remember, the set-top converter has a specific channel output. Each VCR has a specific channel output. Whatever the VCR or converter is connected to must be properly tuned in order to receive that channel output.

We have included with this booklet a diagram to help you connect your VCR, set-top converter and TV set together. How to get the most from your cable channels:

Tape in advance - even when you're not home.

Watch at your convenience - your favorite taped shows.

Create your own Video Library.

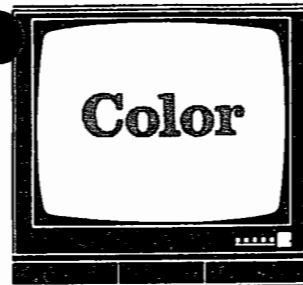
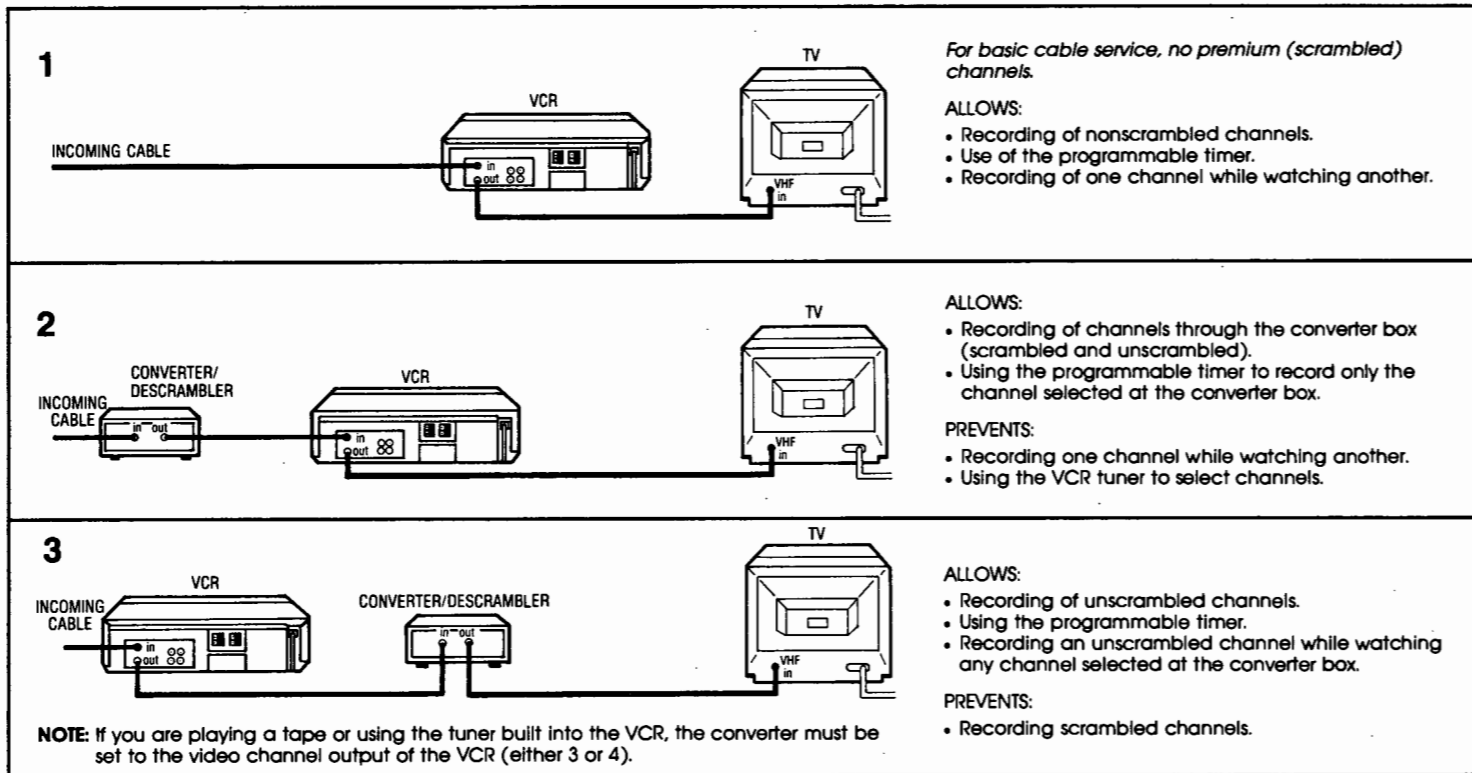
We cannot assume responsibility for the proper function of your personal equipment, or connections that you have made between our equipment and your personal equipment.

If you have any questions or problems, please do not hesitate to call us at 357-3364. A Cable Technician can assist you with installation of this equipment.

Many cable companies offer services permitting reception of extra channels including pay or subscription channels. The VCR below has an extended tuning range and can be tuned to most cable channels without using a cable company supplied converter box, except for those channels which are intentionally scrambled.

If you subscribe to a special channel which is scrambled, you must have a descrambler box for proper reception.

A VCR by itself cannot receive scrambled programs since it does not contain a descrambler. In order to receive scrambled programs your existing descrambler must be used. Descrambler boxes are available at our office. Consult our customer service department for more information concerning connection to your descrambler equipment. There are many ways to connect your VCR to your cable system. Below are six common methods of connection.



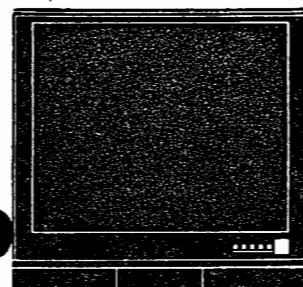
Color problems:

If you have color but there is too much red, blue or green, call your TV repair shop whenever this occurs on all channels. It is not a Cable-related problem.



Dark moving lines:

Call us whenever these occur on all channels.



Pure Snow:

If there is nothing but "snow" on your set (no sound or picture), it could mean either a problem with your cable or your T.V. set. Check to see that your cable is not broken or disconnected, then call us.



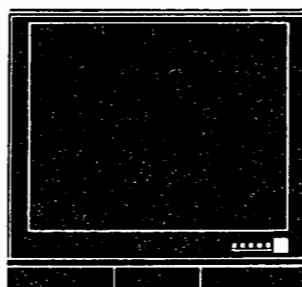
Herringbone:

Call us whenever this occurs on all channels.



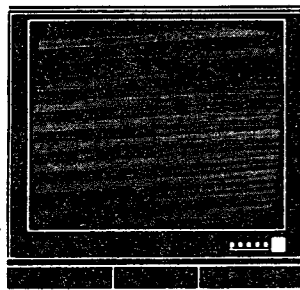
Windshield wiper effect:

Vertical or horizontal "bar" that moves across the picture. Call us whenever this occurs on all channels.

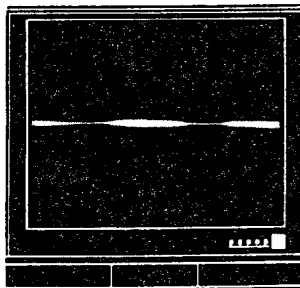


Screen black, with or without sound:

Check to be sure TV set is plugged into wall. Push "red" reset button on back of set. Call your TV repair service whenever this occurs on all channels. This is not a Cable-related problem.



If your picture looks like this:
Try slowly adjusting the horizontal hold control on your TV set. This is also a TV malfunction, not Cable, so call your TV repair service.



Horizontal white bar across screen:
Call your TV repair shop whenever this occurs on all channels. This is not a Cable-related problem.



No sound:
Your picture is good and you have tried adjusting the volume on the TV and/or remote control. Call your TV repair shop whenever this occurs on all channels. This is not a Cable-related problem.

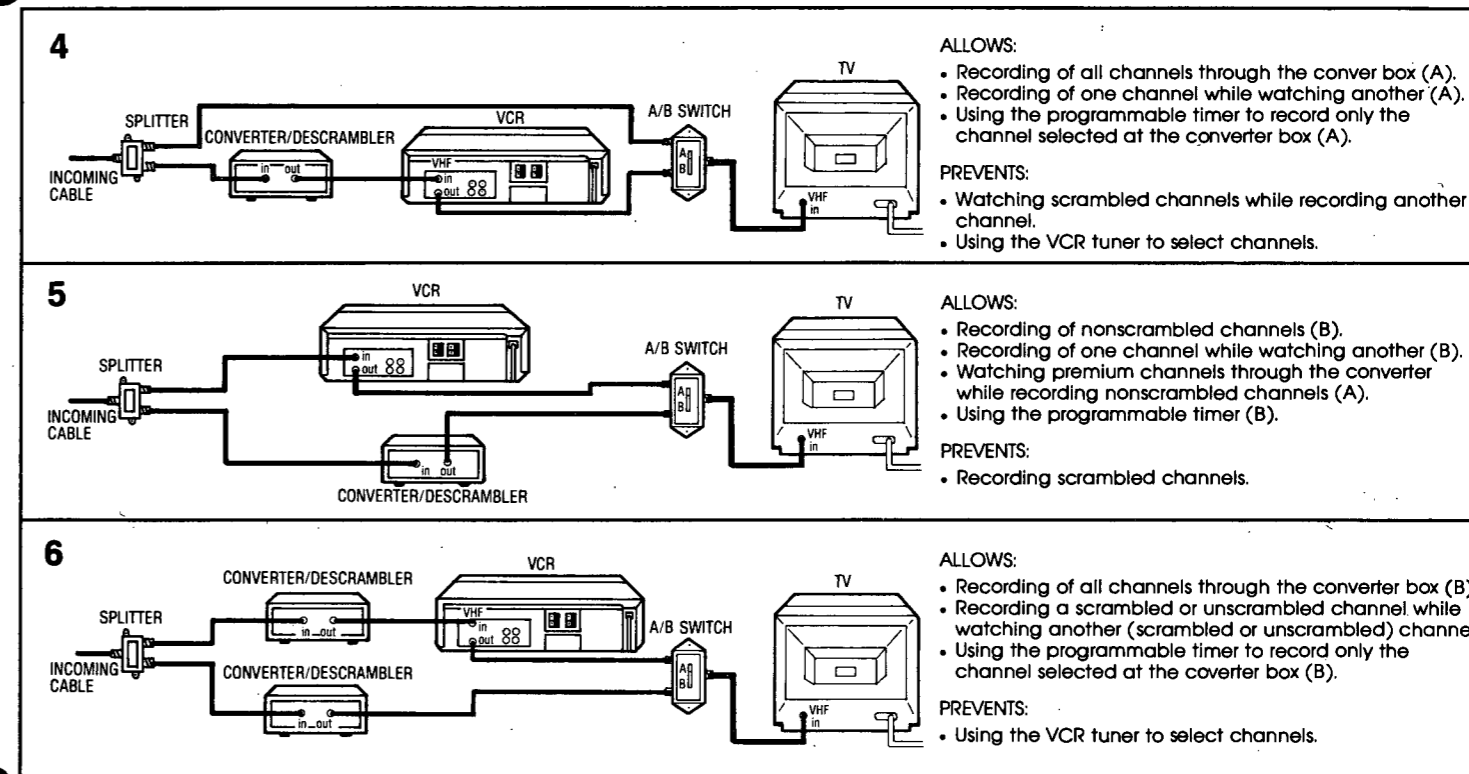


Snow with picture:
Snow (little dots, or flecks appearing across the screen) is a fairly common problem. A picture that looks like this could indicate either a temporary broadcasting problem, or a broken or disconnected cable. Be sure to check your cable connections and other channels before calling us.

A few additional things to check before you call for service:

- If you have a converter, make sure it is connected to an active 120 volt outlet.
- If you have a converter, make sure TV set is tuned to channel 3.
- Check your battery in the remote control unit.
- Loose cable connectors may lead to snowy picture interference. Make sure they are hand tight.
- Because you may have three devices (TV, converter, VCR), it is important to check this tuning. Consult the appropriate operating manual.
- The FCC requires us to monitor signal leakage, which can be caused by loose connectors, cracked cable, external equipment, etc. We reserve the right to take the necessary steps to correct this signal leakage problem.

**HELPFUL
HINTS
357-3364**



GENERAL BILLING INFORMATION

NEW ACCOUNTS

Recently connected customers will receive a regular monthly statement containing monthly fees and payments, the first statement may also include:

1. Your Installation charge.
2. A partial month's charge, for service begun after the 1st of the month.
3. Your regular payment due date.

PAYING IN PERSON

For those customers preferring to pay in person, please remember to:

1. Note your payment due date.
2. Ask for a receipt if paying by cash.
3. Offer comments or suggestions on a separate sheet of paper.

PAYING BY MAIL

Paying by mail is the most common and convenient method for most customers. However, remember that your payments must be **POSTED TO YOUR ACCOUNT** by the DUE DATE.

When paying by mail, remember to:

1. Note your payment due date.
2. Return the appropriate portion of your statement with your payment.
3. Put your account number on your check.
4. Include any written request or comments on a **SEPARATE** sheet of paper, not on the statement itself.

FEES AND PAYMENTS

CABLE TV service fees are billed monthly in advance. They are due and payable on the **FIRST OF EACH MONTH**. If your account balance is not posted by the 17th of each month, the account is considered **PAST DUE** and a \$2.00 LATE FEE will be assessed.

Past Due accounts are subject to immediate disconnection without further notice, and are subject to additional charges.

Payments, credits and discounts appear on your statement with a "**CR**" following the amount of the remittance. This amount is subtracted from your account balance.

There is a \$10.00 fee for all returned checks.

ADDITIONAL INFORMATION:

Billing discrepancies must be brought to our attention **WITHIN 30 DAYS**, or your bill is assumed to be correct and no adjustments will be made.

If you have additional questions, contact your local Cable TV representative for more information at 357-3364.

There is a \$20.00 Trip Charge for:

- * Connecting your VCR to your Cable.
- * Collecting payments at your home.
- * Customer caused service problems.

141-197-090539-50030	1410101	03	PAYMENTS RECEIVED THRU THIS DATE HAVE BEEN CREDITED TO YOUR ACCOUNT.	PLEASE INDICATE AMOUNT ENCLOSED.
TCI CABLEVISION of WASHINGTON, INC. 2940 Limited Lane N.W. Olympia, Wa. 98502	(A)	DUE DATE 07/05/89	(B)	06/18/89
14111 15153061	(D)			1
Smith, John 100 Cable Ave. Anytown, Wa. 98502	(C)	TCI CABLEVISION OF WASHINGTON, INC. 2940 LIMITED LN N.W. OLYMPIA, WA. 98502		
(H) Watch for free preview coming soon. See Channel 16 for details				
Please fold along perforation-detach carefully -and return this part with your payment				
(I) ACCOUNT NUMBER 151530612	(G) SERVICE PERIOD	PREVIOUS BALANCE	28.70	
	FROM TO			
** JUST A REMINDER **	06/01-06/15	PARTIAL MONTH	(J)	5.98 CR
A LATE FEE OF \$2.00 WILL BE CHARGED TO YOUR ACCOUNT IF PAYMENT IS NOT POSTED BY THE 17TH OF EACH MONTH.	06/15-06/30	PARTIAL MONTH		11.95
	06/15-06/30	PARTIAL MONTH		3.48 CR
	06/15	PAYMENT RECEIVED		28.70 CR
	07/01-07/30	HBO		11.95 (D)
	07/01-07/30	SHOWTIME		11.95
	07/01-07/30	CABLEWEST	(F)	17.00
	07/01-07/30	DISCOUNT PAY PACKAGE		6.95 (E)
	07/01-07/30	FRANCHISE FEE		1.60
		BALANCE DUE		51.94
PLEASE DISREGARD IF YOU HAVE ALREADY SENT YOUR PAYMENT.				
YOUR CABLE PAYMENT IS DUE AND PAYABLE IN ADVANCE				

EXAMPLE :

The statement above is an example which illustrates a customer with basic service and HBO. On the 15th of June, the customer adds Showtime during a free installation promotion.

The first three "service period" lines illustrate the change in monthly rates as a result of adding Showtime. The first two lines show the partial-month charge of 15 days during June. The monthly rate of \$17.00 is offset by a credit of \$ 5.98 for 15 days the customer was without Showtime. Since the customer now qualifies for

a pay package discount, a pro rated credit of \$ 3.48 appears for the 15 days in June that the customer received both HBO and Showtime.

The next line shows the payment received for June, \$28.70. The next four lines illustrate the charges for July and the pay package discount. The BALANCE DUE shows the July charges plus the additional charge resulting from 15 days of Showtime in July. This amount is due and payable July 5th.

A. PAYMENT DUE

B. Any payments received after this date will appear on your next statement.

C. Be sure our address shows through the window of the envelope before mailing.

D. This portion of your statement shows your monthly charges, payments, credit adjustments and the BALANCE DUE. (This is just an example.)

E. This line shows your monthly "Package" discount for premium services (HBO, CINEMAX, etc.)

F. This line shows your monthly Basic Cable charges.

G. This is the period for which your cable service is being billed.

H. These areas MAY provide system specific information.

I. This is your ACCOUNT NUMBER.

J. This is your partial month charges for services added or deleted after the first of the month.

Olympia Office
2940 Limited Lane N.W.
P.O. Box 129
Olympia, WA 98507
(206) 357-3364

TCI Cablevision of Washington, Inc.

October 19, 1989

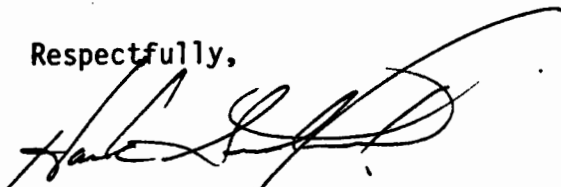
Honorable Mayor Kay Boyd
and City Council Members
City of Lacey
P. O. Box "B"
Lacey, WA 98503

I would like to take just a few moments of your time to introduce you to TCI Cablevision's new "Customer Service Manual". Earlier this month we began giving all new customers a manual, and I'm pleased to say the response has been great.

This Customer Service Manual covers the questions most asked by our customers. Questions dealing with such items as billing procedures, VCR connections, reception, and channel descriptions.

As you look through our manual, you may have some questions or comments. Please feel free to contact me. We welcome your ideas and suggestions. Thank you for your time.

Respectfully,



Hank Sexton, Jr.,
General Manager - Olympia