



# KING COUNTY

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

## Signature Report

March 15, 2010

Ordinance 16772

Proposed No. 2009-0597.3

Sponsors Dunn

1 AN ORDINANCE approving, subject to conditions, the  
2 extension of Franchise 13637 for two additional years.

3 STATEMENT OF FACTS:

- 4 1. King County is granted authority under federal and county law and the  
5 terms of the existing cable television franchise to grant an extension to the  
6 term of Franchise via King County Ordinance 13637 held by Summit  
7 Cablevision L.P. ("the franchisee") and Millennium Digital Media  
8 Systems, L.L.C., the sole general partner and the owner of all partnership  
9 interests in Summit Cablevision L.P., as guarantor.
- 10 2. The franchisee provides cable television service in unincorporated  
11 King County under cable television franchise via King County Ordinance  
12 13637 ("the franchise agreement").
- 13 3. The franchise agreement expired October 11, 2009.
- 14 4. K.C.C. 6.27A.030.A. provides for franchise terms of no more than  
15 fifteen years. The franchisee was granted a ten-year term pursuant to  
16 Ordinance 13637.
- 17 5. On January 2, 2009, the franchisee and guarantor commenced cases  
18 under Chapter 11 of Title 11 of the United States Code.

19           6. On June 30, 2009, the county filed a proof of claim with the United  
20 States Bankruptcy Court for the District of Delaware.

21           7. The bankruptcy was not concluded before October 11, 2009.

22           8. During the past two years, the county conducted an audit to determine  
23 if all franchise fees owed under the franchise agreement were paid by the  
24 franchisee. The auditor determined that the franchisee owes the county  
25 money for unpaid franchise fees.

26           9. In May 2006, February 2007 and October 2008, the county performed  
27 technical audits of the franchisee's cable system to determine if the cable  
28 system met the operational and technical requirements identified in the  
29 franchise agreement. The county's consultant determined that the  
30 franchisee was not in compliance with the technical requirements of the  
31 franchise agreement.

32           10. The franchisee is not in compliance with technical matters related to  
33 the operation of the cable system and the subscribers served by the  
34 franchisee. Further, as a result of the unpaid franchise fees and the  
35 pending bankruptcy, the franchisee is not in financial compliance with the  
36 franchise agreement.

37           11. Due to the franchisee's noncompliance with the technical and  
38 financial requirements to provide cable services, a renewal of the existing  
39 franchise in accordance with K.C.C. 6.27A.060 is not in the public  
40 interest.

41           12. In order to provide the franchisee with time to meet the technical and  
42           financial requirements of holding a franchise, the county is authorizing,  
43           subject to conditions, a two-year extension of the franchise agreement to  
44           October 11, 2011.

45           13. The county has received public comment and public testimony  
46           regarding the proposed extension of two additional years.

47           BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

48           SECTION 1. A. King County hereby grants an extension to the term of the  
49           franchise agreement for one additional year, subject to the following conditions as set  
50           forth and agreed to by the county and Summit Cablevision L.P., the franchisee, and  
51           Millennium Digital Media Systems, L.L.C., the sole general partner and the owner of all  
52           partnership interests in Summit Cablevision L.P. as guarantor.

53           B. The franchisee shall confirm in writing that approval by the county of the two-  
54           year extension of the franchise terms shall not constitute a waiver or release of any rights  
55           of the county under the franchise agreement, prior transfer ordinances or applicable law,  
56           before or after the effective date of the one-year extension of the franchise terms.

57           C. Millennium Digital Media Systems, L.L.C. shall confirm in writing that the  
58           performance guarantees on behalf of Summit Cablevision L.P. shall remain in full force  
59           and effect before and after the effective date of this ordinance and through the term of the  
60           extension.

61           D. Franchisee and guarantor shall submit written confirmation that the  
62           Bankruptcy Court has approved the extension and the guarantee.

63           E. Upon satisfaction of all the franchise extension requirements described in this  
64 ordinance, the executive is authorized to enter into a franchise amendment to extend the  
65 franchise agreement for two additional years, to October 11, 2011.

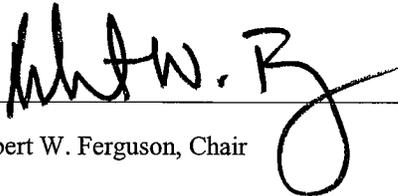
66           SECTION 2. Where this ordinance requires submittal of written confirmations by  
67 the franchisee, the confirmation shall be filed with the clerk of the council, and a copy  
68 shall be filed with the office of cable communications. If the conditions for the extension  
69

- 70 of two additional years are not satisfied, the extension shall be deemed denied and  
71 Franchise 13637 terminates October 11, 2009.

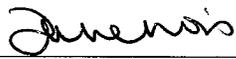
Ordinance 16772 was introduced on 1/18/2010 and passed as amended by the Metropolitan King County Council on 3/15/2010, by the following vote:

Yes: 7 - Ms. Drago, Mr. Phillips, Mr. Gossett, Ms. Patterson, Ms. Lambert, Mr. Ferguson and Mr. Dunn  
No: 0  
Excused: 2 - Mr. von Reichbauer and Ms. Hague

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

  
Robert W. Ferguson, Chair

ATTEST:

  
Anne Noris, Clerk of the Council

APPROVED this 22<sup>nd</sup> day of March, 2010.

  
Dow Constantine, County Executive

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KING COUNTY COUNCIL

**Attachments:** A. Amendment No 1 to Franchise Agreement No. 13637 revised 02-16-2010

**ATTACHMENT A**  
**AMENDMENT NO. 1**

**To**

**FRANCHISE AGREEMENT NO. 13637**  
**Revised 02-16-2010**

Franchise Agreement No. 13637 currently in effect between King County and Summit Cablevision L.P., Franchisee, and Millennium Digital Media Systems, L.L.C., the sole general partner and the owner of all partnership interests in Summit Cablevision L.P., as Guarantor, is hereby amended to extend the franchise term for two years to October 11, 2011.

This Amendment No. 1 shall take effect upon enactment of an ordinance authorizing the County Executive's execution of this Amendment No. 1 and the satisfaction of all the franchise extension requirements described in the authorizing ordinance.

Except as provided herein, all terms and conditions of Franchise No. 13637 as heretofore modified shall remain unchanged and in full force and effect.

**FRANCHISEE**  
**SUMMIT CABLEVISION L.P.**

**GUARANTOR**  
**MILLENNIUM DIGITAL**  
**MEDIASYSTEMS, L.L.C.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**KING COUNTY WASHINGTON**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_