

To: Bedford Township Board

From: Steven R. Lennex, Chairman, Bedford Cable Committee

Date: December 21, 2005

Subject: Recommendation To Resume And Restore Local Origination Studio Funding To Bedford Public Schools (BPS)

Cc: Bedford Cable Committee

The primary purpose of this memo is to confirm and reinforce the Cable Committee's recommendation to Bedford Township to resume payments to BPS, as contractually obligated, for the funding of a local origination studio which remains operational and is located at Bedford High School. The Cable Committee also recommends that the Township restore all funding wrongfully withheld from BPS since payments were stopped. This could be done on a timetable mutually acceptable to BPS and the Township. Lastly, as a matter of housekeeping, the Cable Committee recommends that the Township take steps to rescind the old contract agreement which we believe is still in effect.

In support of the studio funding recommendation, the Cable Committee has attached the following documents to this memo for your review:

1. A copy of the minutes of the Cable Meeting on November 21, 2005. The Cable Committee's recommendations were voted on at this meeting. (PAGES 31-32)
2. A fact sheet prepared by Steve Lennex which summarizes some of the key elements of Cable Ordinance No. 86 along with the issues surrounding the Township/BPS funding controversy. (PAGES 6-7)
3. Buckeye Cablevision Ordinance No. 86 which the Township adopted March 4, 1999. (PAGES 8-15)

As you review this documentation, the Cable Committee would also like to point out the following:

- Our goal is not to point fingers and place blame. We simply want our elected Township officials to acknowledge a mistake and correct it without hesitation. All citizens of Bedford expect the Township to act in good faith and honor its written agreements. And, nobody will excuse Township officials who voted for a contract, an ordinance, or a course of action without thoroughly reviewing the relevant documents and understanding a) the obligations of the Township and, b) the implications of the action taken.

- BPS did not originate the investigation or the actions leading to the Cable Committee's recommendation. Indeed, BPS has demonstrated considerable restraint, grace and class over this matter for a long period of time. When the Cable Committee learned this summer that payments from both the Township (\$10,000) and Buckeye (\$10,000) were no longer being made to the schools (which has faithfully funded and made available for community use a local origination studio), the Cable Committee acting on its own, investigated and determined that the Township was not abiding by the cable agreement adopted by Ordinance No. 86.

SEE PAGES
16 & 17

- The Cable Committee disavows the Township memo dated August 22, 2002 that says "From: Cablevision Committee:" None of us on the Committee know where that came from or who wrote it. It appears to have been written by a Township official or an attorney. Nevertheless, we find the document to be unclear and not completely accurate in its interpretation of either the spirit and intent of the current cable contract or the written word in Ordinance No. 86.
- We've heard comments and references made by Township officials that suggest this issue is somehow "Township vs. BPS" or a Township vs. the Cable Committee issue. The Cable Committee has never taken that position and, in fact, in my 12 years on the Committee, we have had an outstanding and productive relationship not only among ourselves, but also with Township officials and the schools. We regret that certain Township officials take offense at our attempt to do the right thing. In fact, we are shocked by that position. We would think that elected officials would welcome the opportunity to correct the mistakes and/or oversights of a previous Board.
- In talking to some Township officials, we've determined that some still have the perception that the Township was justified in withholding funding to BPS because the students could not continue taping the Township Board meetings. That perception is simply false as officials can easily verify by reading the contract and/or discussing the spirit and intent of the contract with Cable Committee members who participated in negotiating it.
- Even if the Township were justified in withholding its \$10,000 payment to BPS, the Cable Committee wondered how the Township justified withholding Buckeye's \$10,000 payment to BPS. Buckeye has faithfully paid its share to the Township out of the extra negotiated franchise fee of 1% of revenues and has relied on the Township to remit said payment to BPS as Buckeye's contribution to the studio. The Cable Committee believes that the Township, in acting unilaterally to withhold all funding to BPS (while continuing to receive payments from Buckeye), not only breached the cable contract and damaged BPS, but also quite possibly put Buckeye in a breach position as well. The negative legal consequences of the Township's actions, if challenged in court, could be significant.

Finally, most (if not all) Cable Committee members were mysteriously and ominously given notice that our terms expire on December 31, 2005. We were all told that our "service to Bedford is well documented and appreciated" whatever that means. Several of us called to find out what was going on and were told to "talk to Denny" or "talk to Walt." Those of us that did are still not sure of the status of the Cable Committee. Perhaps there will be new members or perhaps the Committee will be disbanded. This is both sad and disappointing because the Cable Committee, with many long-time members, has done great work for the community over the years. We can't help but wonder if the Township, being unhappy with the current message coming from the Cable Committee, is trying to change or silence the messengers.

Perhaps the most disappointing comment of all was when one official said, "I just want to get to the truth." Frankly, the Cable Committee strongly objects to that statement because we all know the truth and we've been telling it exactly the way things were intended both in spirit and in writing. We are all honest, intelligent people who feel the truth is fairly obvious to anybody who reads the contract. Unfortunately, some Township officials have either not read the contract or resolved to find a different truth, craft a different interpretation of what was intended, or find some legal loophole that will somehow justify the Township's actions. We are quite certain that the citizens of Bedford, especially the cable subscribers who are paying the franchise fees, will not stand for that.

Even though we may cease to exist as a Cable Committee or Committee members, this issue, along with our rights and expectations as citizens, will remain. On behalf of the Cable Committee, I urge you to do the right thing, right now. Restore the funding to BPS, make them whole, and put this issue behind us for good.

Thank you for the opportunity to serve on the Cable Committee the past twelve years.

FROM: STEVE
LENNEX

Cable Committee
November 21, 2005

Facts

- Bedford Township adopted Ordinance No. 86, on March 4, 1999, which established the franchise rights agreement between Buckeye Cablevision, Inc. (Buckeye) and Bedford Township (Township).
- As part of the agreement (Paragraph 44.008h), the Township established a 3 way partnership between the Township, Buckeye and Bedford Public Schools (BPS) in which each entity was to contribute 1/3 of the cost of the local origination studio established on BPS property*. The revenues for said studio were to be allocated from up to 1/4 of the Franchise Fee (approximately 1% of the total 4% of revenues) paid to the Township by Buckeye.

*Note: The original intent was that each entity was to contribute \$10,000 per year to fund the cost of the studios.

- The arrangement in the agreement is that Buckeye would pay its Franchise Fees to the Township and Township would then pay BPS its share of the additional 1% fee to fund the studios. The Township initially paid such funds as agreed to BPS.
- The agreement never stated nor was it ever intended that BPS be held to any performance standard whatsoever in order to receive its share of the funding. BPS was to provide the local original origination studio and has done so.
- BPS has faithfully (and voluntarily) provided local origination services to the community, which includes broadcasting of telethons, election coverage, sporting events and at one time the taping of Township board meetings. The taping of Township board meetings by BPS student volunteers was discontinued due to the length of the meetings, the lateness of the meetings and the inherent stress on students.

- The Township, which desired to have its meetings taped, hired Triple L Productions to provide this service. Triple L began providing this service on _____.
- After the Township hired Triple L, the Township discontinued paying BPS its share of the Franchise Fee to help fund the local origination studio. This was against the protests of BPS officials who felt the Township was wrong. BPS has not been paid since _____. BPS lost funding now totals _____.
- The Franchise Agreement is between the Township and Buckeye and BPS is a third party beneficiary. Paragraph 44.017 Sec. 17 (Modification) states that "notwithstanding any other provision of this ordinance, the express terms of this ordinance cannot be changed without the consent of both parties."
- It appears that the Township acted unilaterally and changed an express term of the agreement without the consent of Buckeye and knowing that BPS disagreed with the decision.

Summary

These are the facts, as we know them. If they are incomplete or wrong, let's get them complete and correct.

Assuming these facts are correct, what recommendation does this committee wish to make to the current Township Board? What is the legal, moral and ethical thing to do?

- Aug 20, 2002

44.000 BUCKEYE CABLEVISION, INC. Ord. No. 86 Adopted: March 4, 1999

An Ordinance enacted pursuant to the authority granted by Michigan Public Act 246 of 1945, as amended and the Federal Communications Act of 1934, as amended, and as may be amended from time to time, to provide for the grant of a telecommunications system franchise limited to providing multichannel video programming distribution network services to the residents of the Township of Bedford; to provide for the administration and enforcement of the provisions of the Ordinance by Township officials; and to provide for remedies and/or penalties for the violation of the provisions contained herein.

THE TOWNSHIP BOARD OF THE TOWNSHIP OF BEDFORD, COUNTY OF MONROE,
STATE OF MICHIGAN, HEREBY ORDAINS:

44.001 Short title and purpose and grant of franchise.

Sec. 1. This Ordinance shall be known and referred to as the "Bedford Township Telecommunications System Regulatory Ordinance with Buckeye Cablevision, Inc."

The purpose of this Ordinance is to, and the Township of Bedford (hereinafter the "Township") does hereby grant, a nonexclusive telecommunications system franchise rights to Buckeye Cablevision, Inc. (hereinafter "Buckeye") for the construction, reconstruction, installation, deinstallation, expansion, maintenance, modification and operation of a multichannel video programming distribution network system to the residents of the Township of Bedford, and, a further purpose of this Ordinance is to set forth the respective rights, obligations and remedies of the Township of Bedford and Buckeye in binding agreement form, consistent with the provisions of the Federal Communications Act of 1934, as amended, and the Federal Communications Commission's Rules and Regulations promulgated pursuant thereto, from which this Ordinance shall be interpreted consistent therewith.

44.002 Term.

Sec. 2. The franchise granted Buckeye herein shall terminate 20 years from the effective date of this Ordinance.

44.003 Applicable law.

Sec. 3. Buckeye shall remain in full compliance with the terms, provisions and obligations of all applicable state and federal laws, rules and regulations as they may be amended from time to time and all applicable Township ordinances, including this Ordinance, as they may be revised from time to time upon mutual agreement of the parties.

44.004 Telecommunications system construction, maintenance and procedures.

Sec. 4. Prior to the construction, reconstruction, installation, deinstallation, maintenance or modification of the telecommunications system authorized in this Ordinance, Buckeye shall obtain and/or maintain all necessary approvals, permits or permissions from any Township, County, State or Federal agencies required for the proper construction, installation, maintenance or modification of the telecommunications system.

44.005 Services.

Sec. 5.

- (a) Buckeye shall be entitled to construct, maintain, use and operate in, along, across, on, over, through, above, and under the public rights of way in the Township a telecommunication system limited to a multichannel video programming distribution network. Buckeye shall apply for additional permits to operate and provide additional services not authorized in this Ordinance.
- (b) If during the term of this Ordinance, any federal, state or local statutory, administrative or judicial law, decision or regulation is changed to require, permit or prohibit either party from performing or receiving any service or obligation, the Township and Buckeye shall negotiate in good faith to modify this Ordinance to comply with the changes. But neither party has an obligation to agree to any modification or modifications that would materially and adversely affect the economics or operations of that party.

44.006 Service area.

Sec. 6. Buckeye is granted a franchise for the entire area of the Township of Bedford, or its successors, as it exists and as its border may from time to time be changed.

44.007 Inspection.

Sec. 7. The Township may, but shall not be required, to monitor and inspect the work of Buckeye during construction at any reasonable time for the purpose of conducting tests or examining records or reports pertaining to the construction and compliance with applicable construction standards.

44.008 Compensation.

Sec. 8.

- (a) In addition to fees set forth hereinafter, Buckeye shall pay any other applicable fees of general application including but not limited to fees for inspection, road opening and rights of way permits from the Monroe County Road Commission and/or building permit and construction fees. For the franchise granted hereunder, Buckeye shall pay to the Township four percent (4%) of Buckeye's annual gross revenues (defined hereinafter) generated by the services authorized by this Ordinance as a fee (the "Franchise Fee") for the use of the rights of way in the Township; provided, that said fee shall not apply to any service which is specifically exempted by federal or state law. All contracts between Buckeye and any third party for the use of Buckeye's facilities shall prohibit the resale or subleasing of Buckeye's facilities or capacity therein by the third party unless and until the third party obtains an appropriate franchise or such other permits as may be required by the Township for such resale or subleasing of Buckeye's facilities and conducting business in the Township.
- (b) The Township reserves the right to change, to the extent permitted by federal

law, the percentage of gross revenues Buckeye shall be obligated to pay as a fee for the rights granted by this Ordinance.

- (c) If by virtue of changes in federal law, Buckeye is not permitted to itemize franchise fees on its subscriber charges, the percentage of gross revenues Buckeye shall be obligated to pay as a Franchise Fee for the rights granted by this Ordinance shall still be deemed to be four percent (4%) of Buckeye's annual gross revenues (defined hereinafter) for the duration of the term of this Ordinance. This subsection is subject to the terms of Section 5(b) of this Ordinance.
- (d) If four percent (4%) of Buckeye's gross revenues is less than one thousand dollars (\$1,000.00) in any calendar year, Buckeye shall pay to the Township a total of one thousand dollars (\$1,000.00) for that calendar year for the right to use the public places in the Township for Buckeye's telecommunications system. If, during the term of this Ordinance, any federal, state or local statutory, administrative or judicial law, decision or regulation is changed which prevents Buckeye from paying or the Township from collecting the gross receipts charge authorized by this Ordinance, Buckeye shall pay the fees specified in this Ordinance, as it may be amended from time to time, provided, however, that said fees shall be capped at an amount equal to four percent (4%) of Buckeye's annual gross revenues as defined in this Section. This subsection is subject to the terms of Section 5(b) of this Ordinance.
- (e) Payments shall be made on a quarterly basis within forty-five (45) days after the end of each quarter to the Treasurer of the Township of Bedford. Each payment to the Township shall be accompanied by a report certified by an officer of Buckeye detailing how the gross revenues were determined and the calculation of the payment. If Buckeye fails to make proper payment of the Franchise Fee on or before the date it is due, interest on the delinquent amount shall be assessed at the rate of one percent (1%) per month.
- (f) "Gross revenues" means all cash, credits, or property of any kind or nature reported as revenue items to Buckeye's audited income statements arising from the provision or resale of multichannel video programming services within the Township, including but not limited to installation charges, maintenance charges, rental of equipment, video service, information service and all other services which use Buckeye's video telecommunication facilities within the Township and any interconnection between its video programming system in the Township and any other system whatsoever. Gross revenues shall not include any: advertising income, lease, rental, (except equipment rental defined above), production, and non-facility based income; income from contracts other than subscriber contracts; administrative income, such as fines, late charges, and other revenues derived from administrative programs; bad debts; deposits; promotional or vendor discounts or credits; or sales, service, occupation or other excise tax to the extent such taxes are charged separately from normal service charges and are remitted by Buckeye directly to the taxing authority.
- (g) The Franchise Fee called for in this Section compensates the Township for Buckeye's use of the rights of way and other public places in the Township for Buckeye's telecommunication system. During the term of this Ordinance,

Buckeye shall not be obligated to pay any other fee imposed by the Township for use of the rights of way or other public places in the Township.

- (h) The Township and Buckeye understand, acknowledge and agree that Bedford Public Schools, the Township and Buckeye will contribute to the annual operating budget of the Township and Bedford Public Schools local origination broadcasting studios (the "Studios") which are presently located on the School's property. Up to one quarter (1/4) of the Franchise Fee set forth above shall be dedicated to and shall be allocated directly to the Studios' budget, provided, however, in no event shall such dedication and allocation exceed 1/3 of the Studios' annual budget funding. Payment of and receipt by the Township of Buckeye's Franchise Fee paid hereunder shall satisfy Buckeye's obligation to otherwise contribute to the operating expenses of the Studios.

44.009 Public, educational and governmental access programming.

Sec. 9. Buckeye will provide Bedford Township with two channels on the portion of its system delivered to Township residents. The channel positions for these two channels will be determined through cooperative discussion between Buckeye and the Township. One of those channels will carry the local origination programming and alpha-numeric information generated from Bedford High School; and the other channel will carry alpha-numeric information generated by the Township. Buckeye will make provisions to enable Township employees to generate alpha-numeric information from the Township Hall at 8100 Jackman Road, in addition to Bedford High School. Buckeye also will make provisions to obtain the video feeds at both Bedford High School and Township Hall, and transport them to a location so the feeds can be inserted in the video programming Buckeye provides to Township residents. Buckeye and the Township shall negotiate providing digital service on the School and Township channels when digital services are available to subscribers in Bedford.

44.010 Local office.

Sec. 10. Buckeye will open an office in Bedford Township within one year of connecting its first customer in the Township. This office will be in the southern one-third (1/3) of the Township. It will offer Buckeye customers the ability to obtain, return, or exchange equipment, and to conduct all financial transactions with Buckeye.

44.011 Insurance.

Sec. 11. Buckeye shall maintain public liability and property damage insurance in an amount of not less than \$1,000,000 for personal injury to each person, \$1,000,000 for each occurrence, and \$1,000,000 for each occurrence involving property damages, plus the costs of defense; or a combined single limit policy of not less than \$5,000,000 covering all claims plus the costs of defense. The policy shall name the Township as an additional insured and shall provide that the insurance shall not be canceled or materially altered without thirty (30) days written notice first being given the Township. A copy of the policy shall be deposited with and kept on file in the office of the Township Clerk.

44.012 Commencement of construction of the telecommunications system.

Sec. 12. Buckeye agrees to commence construction of the authorized telecommunications system within one (1) year from the effective date of this Ordinance. If construction is not commenced within the one (1) year period, the grant made pursuant to the terms and conditions of this Ordinance shall be void.

44.013 Assignment.

Sec. 13.

- (a) Buckeye shall not sell, assign or transfer the rights, privileges or obligations granted under this Ordinance, in whole or in part, to any other person, firm or entity without the prior written consent of the Township by ordinance or resolution. If the Township finds that the buyer, assignee or transferee has the legal, technical and financial qualifications to carry out the terms of this Ordinance, the Township's approval shall not be unreasonably withheld. However, the Township may condition the sale, assignment or transfer upon such amendments to the terms and conditions of this Ordinance as it deems reasonably necessary to ensure compliance with the terms of this Ordinance and protect the public interest.
- (b) No sale, assignment or transfer shall be effective until the Township has received an executed instrument from the buyer, assignee or transferee accepting the terms of this Ordinance. Should Buckeye sell, assign or transfer any rights, privileges and obligations granted under this Ordinance without the Township's prior consent, the Township may immediately revoke Buckeye's franchise, by Township Board resolution, for default in which case all rights and privileges of Buckeye, its buyer, assignee or transferee shall cease.
- (c) Buckeye shall not assign, transfer, lease or sublease its assets located in the right-of-way or the capacity of such assets used to provide video or other programming to its subscribers to any other person, firm or entity without the prior written consent of the Township, excluding leased access programming as defined by federal law.
- (d) Notwithstanding anything to the contrary, no prior consent shall be required for any sale, transfer or assignment as defined in subsections (a) and (c) above to any entity controlled by Buckeye or a parent, subsidiary or affiliate if such transfer does not effectively change the ultimate ownership of Buckeye. For the purpose of this paragraph, "controlled by" means the power or authority to direct or cause the direction of the management and policies of the transferee or assignee.

44.014 Indemnification.

Sec. 14. Buckeye shall indemnify, protect and hold harmless the Township, its officers, agents, boards, and elected officials from any claim, loss or damage in any way arising from the construction, operation or maintenance of the telecommunication system authorized by this Ordinance or from any negligent or wrongful act or omission committed by Buckeye.

44.015 Discontinued operation of the telecommunications system.

Sec. 15. If Buckeye intends to discontinue the use of any part of its telecommunication system within all or a part of the Township, Buckeye shall submit a notice to the Township describing the portion of the telecommunication system to be discontinued and the date of discontinuance. Buckeye may remove or secure the facility or request the Township permit it to remain in place. Upon providing the Township with said notice of abandonment, ownership of such abandoned part of the system shall, at the Township's option, pass to the Township without the need to pay compensation to Buckeye.

44.016 Revocation.

Sec. 16.

- (a) In addition to any other rights set out in this Ordinance, the Township reserves the right to revoke the franchise granted by this Ordinance if Buckeye violates any material provision of this Ordinance.
- (b) The Township shall give Buckeye at least thirty (30) days prior written notice of its intent to revoke the franchise under this Section stating the reasons for such action. If Buckeye cures the violation within the thirty (30) day notice period, or if Buckeye initiates efforts satisfactory to the Township to remedy the stated violation, the Township shall not revoke the franchise. The Township may require Buckeye to undertake a remedial plan that will correct the violation within a reasonable time. Such remedial plan may include graduated penalties for further noncompliance, including, ultimately, revocation of the franchise.
- (c) If Buckeye does not cure the stated violation or fails to undertake efforts satisfactory to the Township to remedy the stated violation, then the Township may revoke the franchise. If the telecommunication system franchise is revoked, the telecommunication system shall, at the option of the Township, be removed from the streets and public places of the Township at the sole expense of Buckeye. If Buckeye fails to timely remove its telecommunications system upon proper notice from the Township, ownership of such abandoned part of the system shall, at the Township's option, pass to the Township without the need to pay compensation to Buckeye.

44.017 Modification.

Sec. 17. Notwithstanding any other provision of this Ordinance, the express terms of this Ordinance cannot be changed without the consent of both parties.

44.018 Remedies upon violation.

Sec. 18. In addition to the Township's right and authority to revoke the franchise granted under this Ordinance, upon any breach of any terms and provisions of this Ordinance or the failure of Buckeye to satisfy all of its obligations hereunder, the Township shall have the right to seek an order of specific performance of such obligation, and the right to invoke any remedy for action, damages and/or protection as allowed at law or in equity, as nonexclusive remedies. Any action to enforce any of the contractual terms and provisions of this Ordinance may be brought in any court of competent jurisdiction in the County of Monroe, Michigan and such court shall have personal jurisdiction over the parties.

44.019 Effective date.

Sec. 19. This Ordinance shall be effective immediately after it or a summary of it has been published in a newspaper of general circulation in the Township of Bedford.

Part 45

45.000 TRANSFER OF CABLE TELEVISION FRANCHISE Ord. No. 79-4 February 19, 2002

WHEREAS, Comcast Cablevision of Michigan LLC ("Franchise") owns, operates and maintains a cable television system (the "System") in the Township of Bedford, in Monroe County, Michigan, (the "Franchise Authority"), pursuant to a cable franchise (the "Franchise") as set forth in Ordinance No. 79 dated July 16, 1996, and Franchisee is the duly authorized holder of the Franchise.

WHEREAS, Franchisee and Monroe Cablevision, Inc. ("Transferee"), are parties to an Asset Exchange Agreement dated as of February 14, 2001 (the "Agreement"), that Transferee (the "Transfer") at the consummation of the transactions contemplated by the Agreement to be on or before March 31, 2002, (the "Closing");

WHEREAS, Franchise and Transferee have requested consent by the Franchise Authority to the Transfer in accordance with the requirements of the Franchise and have filed an FCC Form 394 with the Franchise Authority; and

WHEREAS, the Franchise Authority has duly conducted a thorough review and investigation into the legal, technical and financial qualifications of Transferee to own and operate a cable system in light of above referenced FCC Form 394,

WHEREAS, following review and investigation, the Franchise Authority has concluded that the Transferee has established and meets the legal, technical and financial criteria to operate the cable television system and has satisfied all criteria set forth under all applicable or required municipal or federal documents, laws and regulations, including FCC Form 394.

NOW THEREFORE BE IT RESOLVED BY THE FRANCHISE AUTHORITY AS FOLLOWS:

45.001 Consent and approval.

Sec. 1. The Franchise Authority hereby consents to and approves, in accordance with the Transfer, the transfer of the System to Transferee.

45.002 Confirmation of franchise.

Sec. 2. The Franchise Authority confirms that: (a) the franchise is valid, outstanding, in full force and effect and expires on August 16, 2011.

45.003 When effective.

Sec. 3. This Ordinance shall be deemed effective for purpose of the Transfer upon the Closing of the Transfer, and shall have immediate effect.

45.004 Force of ordinance.

Sec. 4. This Ordinance shall have the force of a continuing agreement with Franchisee and Transferee, and Franchise Authority shall not amend or otherwise alter this Ordinance without the consent of Franchisee and Transferee.

Parts 46--54 (Reserved)

Part 55

PLEASE NOTE -



The Cable Committee disavows the Township memo dated August 22, 2002 that says "From: Cablevision Committee." None of us on the Committee know where that came from or who wrote it. It appears to have been written by a Township official or an attorney. Nevertheless, we find the document to be unclear and not completely accurate in its interpretation of either the spirit and intent of the current cable contract or the written word in Ordinance No. 86.

MEMO

BEDFORD TOWNSHIP

Date: August 22, 2002

From: Cablevision Committee

To: Board Members - 9/3/02 Meeting - Staff Reports

Subject: Franchise Fees/Cable Communications Regulation Ordinance Nos. 79 and 86

MESSAGE:

At the meeting of the Board on August 20, 2002, there was discussion of the continuance of the Cable Franchise Agreement (Ordinance 79) which commenced with PCI One, Inc. and has gone through several service providers, including the current provider, Buckeye Cablevision, Inc. Buckeye Cablevision, Inc. is also operating under the newer Ordinance No. 86. The new Ordinance No. 86 was necessary since Buckeye was competing against the franchisee under Ordinance No. 79.

In franchise agreement which served the as the basis for Ordinance No. 79, (currently assumed by Buckeye) there is a provision which specifically addresses funding for the annual operation of the Township's local origination broadcasting studio which was to be located in either the school's or Township's property. Set forth below is the relevant provision:

E. Funding. It is contemplated that the Township, the Bedford Public Schools, and the grantee will all contribute towards the annual operating budget of the Township's local origination broadcasting studio, which will be located at either the school's or the Township's property. **The company shall contribute to such funding an amount equal to 50 percent of the total amount contributed by the Township and school. (In no event not to exceed 1/3 of the total funding.)** The amount of the total budget shall not exceed \$30,000.00 per year adjusted for annual C.P.I. increases. In the event that the Township and school fail to contribute to the fund in any year, the grantee shall not be required to contribute such year, as well. The company shall contribute its required share of matching funds within 30 days of receipt of written notice from the Township Clerk of the payment of funding by the school and/or Township, and the amount thereof. The Township Treasurer shall act as custodian of such operating funds, to be administered at the direction of a local programming advisory committee comprised of a representative of the contributing parties, and shall deliver an annual report of the fund's income and expenditures to the contributors. The Township may from time to time by resolution, promulgate and adopt such rules, regulations, bylaws and procedures as may be necessary to establish and/or further set forth the administration and operation of said local origination broadcast station, and may enter into an operating agreement with the company, Bedford Public Schools and any other educational, public or private entity wishing to contribute and participate for the public benefit. (Bold type - emphasis added)

As you can observe, it was contemplated that a local origination station or stations would be developed and the franchise holder, the Township and the school would equally fund the costs thereof, within limits. Township Counsel advised that if the school provides financing, the franchisee would be required to pay one-half of the amount provided by the school. If the Township provides financing, the franchisee would be required to pay one-half of the amount provided by the Township. In any event, the franchisee would not be required to contribute more than \$10,000 annually, adjusted by the change in CPI.

Therefore, Township Counsel conclude if the school provides financing for the local origination station, the Township would be required to provide, from the Buckeye franchise payments, one-half of the amount contributed by the school for so long as the Comcast Franchise (Ordinance No. 79) is in place. If the Township provides financing from the general fund, the Township must also provide additional funds from the franchise payments made by Buckeye under Ordinance No. 86 equal to one-half of the financing provided by the Township.

For example:

School Payment:	\$10,000	Township Payment:	\$10,000**
Franchisee Payment	\$ 5,000*		\$ 5,000*

School Payment	\$10,000	Township Payment:	\$ 5,000**
Franchisee Payment	\$ 5,000*		\$ 2,500*

School Payment	\$10,000	Township Payment:	0
Franchisee Payment	\$ 5,000*		0

School Payment	\$ 0	Township Payment	0
Franchisee Payment	0		0

(** Funds appropriated in the Township General Fund Budget - * Funds derived from the franchise fees paid under the Buckeye Franchise)

If there are any questions, do not hesitate to let the Cablevision Committee know.



▪ The Cable Committee disavows the Township memo dated August 22, 2002 that says "From: Cablevision Committee." None of us on the Committee know where that came from or who wrote it. It appears to have been written by a Township official or an attorney. Nevertheless, we find the document to be unclear and not completely accurate in its interpretation of either the spirit and intent of the current cable contract or the written word in Ordinance No. 86.

Please Note -

Bedford Cable Committee Meeting

November 21, 2005

Attendance: Steve Lennex, Bernice Heidelberg, Gene Stock, Sigmund Geremski, Denise Hill, Larry O'Dell, Mike Murphy, Tom Dawson

Guest: Jon White

Absent: Nick Karray

Minutes from the October 19, 2005 meeting were approved after being amended by a motion made by Gene Stock supported by Sigmund Geremski. The correction is that the music can be changed on the local channel. But, it cannot be changed to a radio station. Motion passed.

Old Business:

Steve Lennex provided the committee with a fact/information sheet that he had compiled concerning the local origination and fees to be paid to Bedford Schools. Discussion followed after reviewing the document.

Larry O'Dell had contacted several of the township board members that were on the board at the time the fees were stopped. They voted to stop the fees to Bedford Schools because they felt that Bedford schools were not contributing to the local origination fund monetarily. August 20, 2002 was the date that the township board hired Triple L Productions to tape and air the township meetings.

Jon White, Superintendent of Bedford Public Schools stated that Bedford Public Schools were not made aware of any concerns about the school contributing \$10,000.00 to local origination. He told the group that the School and the Township had formed an oversight committee for the local origination. Medd Barr and Dennis Steinman attended the meetings and nothing was mentioned concerning the \$10,000.00 contributions.

Mike Murphy is concerned about the township not adhering to the franchise agreement with Buckeye Cable and that the franchise agreement with Comcast has not been rescinded.

Steve Lennex commented that the school had contributed to the local origination by investing in the equipment and studio housed in Bedford Schools along with the taping and broadcasting of several community events. He further stated that in the early discussions concerning the partnership for local origination, it was understood that Bedford Public School's contribution would be "in kind" services as their match. He further stated that in the franchise agreement, it states that to change any portion of this agreement, it had to have the approval of Buckeye Cable. Buckeye Cable was not notified of any changes to the agreement.

Steve Lennex asked the group to each express their opinion of the situation and any suggestions to resolve this issue. Initially, the group was divided in how to resolve the situation. Three wanted to recommend to the township board that they acknowledge the mistake, rescind the Comcast Ordinance #79 and start making payments to Bedford Schools for Local Origination. Three agreed that the Comcast Ordinance needed to be rescinded and that the board should acknowledge the error in stopping the payments to Bedford Schools. But, they wanted Bedford Schools to be reimbursed for past and present fees as provided in the agreement.

Gene Stock made the motion, supported by Denise Hill to make the following recommendations to the board:

- 1) Rescind Comcast Ordinance #79.
- 2) The township board members review the Buckeye Franchise agreement, Ordinance #86 and the supporting documents provided by the cable committee.
- 3) Bedford Public Schools is financially reimbursed for the local origination fees from 2002 to present in a timetable that is acceptable to the township board and Bedford Public Schools.

Motion Passed.

New Business:

Earlier this year, the committee held election of temporary officers. It was decided this evening to select permanent officers for the year.

Chairman: Gene Stock moved and was supported by Denise Hill to nominate Steve Lennex as chair. Mike Murphy moved, supported by Gene Stock that nominations be closed. Mike Murphy moved, supported by Denise Hill to approve the election of Steve Lennex as chair of the cable committee. Motion passed.

Secretary: Denise Hill moved, supported by Gene Stock to nominate Bernice Heidelberg for secretary. Mike Murphy moved, supported by Gene Stock to close nominations. Denise Hill moved, supported by Gene Stock to approve the election of Bernice Heidelberg as cable committee secretary. Motion Passed.

Jon White thanked the committee for its assistance. He reported that Mike Murphy and his students worked on a telethon to help the residents in Pass Christian to support the town that the township had adopted.

The meeting adjourned after the completion of its agenda at 8:35 pm. Next meeting is January 16, 2006. The group will prepare its presentation to the township board on January 17, 2006.