

**RESOLUTION No. 83-423**

**Adopted by The Sacramento City Council on date of**

**MAY 31 1983**

DIRECTING THE CITY ATTORNEY TO PREPARE AN ORDINANCE AMENDMENT AND AMENDING THE RESOLUTION OFFERING CABLE TELEVISION FRANCHISE.

WHEREAS, it appears to the Council that risk of further demands or changes in that certain Resolution Offering the Cable Television Franchise, hereinafter "Resolution" by United-Tribune Cable of Sacramento, hereinafter "UTC" as tentative selectee during a unilateral rescission period is outweighed by the prospective loss to the community of certain grants, facilities, and equipment related to the Cable Television System, hereinafter "System", which would occur if UTC were not to accept said franchise; and

WHEREAS, UTC has solemnly assured the Council that if the amendments to the Resolution set forth herein are effected, UTC will not seek, directly or indirectly, to negotiate further changes to any provision or provisions of the Franchise Documents during the rescission period; and

WHEREAS, UTC has solemnly assured the Council that during said rescission period, UTC will establish specific site locations for all headends, hubs, community facilities, and telecommunications centers and initiate any required zoning changes related thereto, submit detailed architectural drawings for all such improvements and initiate the second stage environmental impact analysis required by the Ordinance, complete electronics design and engineering studies necessary for the system, substantially begin strand mapping for the system, substantially begin construction drawings for the system, substantially begin "make-ready" work with the public utilities by making the necessary payments for the initial phase of such work, reimburse the expenses of the Sacramento Metropolitan Cable Television Commission (hereinafter "Commission") during said period, incorporate the Sacramento Community Cable Corporation (hereinafter "SC3"), and undertake and diligently pursue such other and further action as is necessary to complete the construction of the System proposed within the time limits set forth in the Franchise Documents;

NOW THEREFORE BE IT RESOLVED by the Council of the City of Sacramento as follows:

1. The City Attorney is directly to prepare all necessary amendments to the Cable Television Ordinance of the City, to extend the period during which the Council may offer or amend a Resolution Offering The Franchise to UTC, and to present said Ordinance amendments to the Council at its meeting of June 8, 1983 for appropriate action.

**RESOLUTION No. 83-423**

**MAY 31 1983**

2. That certain Resolution Offering The Cable Television Franchise, Number 83-279 adopted by the Council on April 12, 1983 is hereby amended as follows:
- a. Paragraph 13 of the General Provisions of said Resolution shall be amended by adding as a second paragraph thereof, the language contained on Exhibit "A" attached hereto and made a part hereof;
  - b. The General Provisions of said Resolution shall be amended by adding thereto as Paragraph 20 the language set forth on Exhibit "B" attached hereto and made a part hereof by amending Paragraph 19 of said General Provisions to add as subparagraph (a) thereof the language contained on Exhibit "C" attached hereto and made a part hereof and the existing subparagraphs of said paragraph 19 shall be relettered sequentially therefrom;
  - c. The General Provisions of said Resolution shall be amended by adding thereto as paragraph 21 the language set forth on Exhibit "D" attached hereto and made a part hereof.
  - d. Paragraph 40 a(1), 40 a(2), 40 b(1), 40 b(2), 40 c(1), and 40 c(2) of the Community Programming Section of said Resolution shall be amended by deleting therefrom the words "original, non-repeat, community use programming which has not been previously cablecast or broadcast within the Sacramento community" and substituting therefor the words "new (not previously broadcast within the Sacramento community) community use programming";
  - e. The Services Section of said Resolution shall be amended by deleting paragraph 6 "Basic Service Rates and Charges" in its entirety.

  
MAYOR

ATTEST:

  
CITY CLERK

RESOLUTION No. 83-423  
MAY 3 1 1983

EXHIBIT A

Those obligations or undertaking assumed hereunder by UTC, UCTS, TC3, United and Tribune shall not, under any conditions, collectively exceed the maximum total sum of fifty (50) million dollars (\$50,000,000) and such maximum total sum of potential collective liability or exposure shall decrease dollar for dollar by the amount of equity or other capital invested or irrevocably committed by or on behalf of UTC in the Sacramento Cable Television System until such declining balance shall reach a maximum total level of ten (10) million dollars (\$10,000,000), which amount shall be inclusive of any bonds or deposits posted pursuant to Sections 20.700 and 20.702 of the Ordinance (hereinafter "Residual Guarantee"). The Residual Guarantee shall be reduced dollar for dollar by the amount of franchise fees paid by UTC. Notwithstanding the foregoing, the Residual Guarantee may be in the form of bonds or letters of credit posted by or on behalf of the Franchisee.

Further, the Franchisee shall report in writing to the Commission within 60 days of filing the Certificate of Acceptance on the status of its efforts to obtain financing.

**RESOLUTION No. 83-423**

MAY 31 1983

EXHIBIT B

20. Subordination.

"a. Pursuant to Section 20.752 of the Ordinance, and in reliance upon the liability of certain named owners of the Franchisee pursuant to Paragraph 13 above, the Commission hereby agrees that the Franchisee may, for purposes of financing the construction and operation of the system, enter into agreements involving the pledge, lease, mortgage or similar such arrangements of the assets or property of the system as security for the loan or advancement of funds and the Commission hereby consents to and shall be deemed to have affirmatively consented to subordinate its rights and those of its assignees or successors in interest under these Franchise Documents in the event the Commission's right to purchase the system is exercised by reason of a breach of the provisions of the Franchise Documents by UTC pursuant to Section 20.826 or by reason of an unauthorized transfer by UTC pursuant to Section 20.758 or the Commission's right to terminate the Franchise is exercised pursuant to Section 20.050 of the Ordinance or in the event the Commission's rights have been assigned pursuant to Section 20.244 of the Ordinance and the assignee shall elect to terminate the franchise and/or purchase the system pursuant to the aforementioned sections to the interest or interests of any lender, creditor or other supplier of funds who shall have received a voluntary security interest in the assets or property of the system.

b. In no event shall the provisions of this paragraph operate to subordinate the rights of the commission under the Franchise Documents in any way or to any extent either directly or by way of succession or assignment to those of the Franchisee, any named owner of the Franchisee, any affiliate of the Franchisee or any affiliate of any named owner of the Franchisee."

EXHIBIT C

"19.(a) An "affiliate" of the Franchisee or any named owner of the Franchisee shall include, but not be limited to, any joint venturer, any partner, any parent, any subsidiary, and any entity whose gross revenues or any portion thereof would be includable in the gross revenues of the Franchisee pursuant to Section 20.012m of the Ordinance or Paragraph 20 of the Miscellaneous Section of this Resolution."

RESOLUTION No. 83-423

MAY 31 1983

EXHIBIT D

21. "Notwithstanding any provision of this Resolution, the provisions of this paragraph shall not become effective until one hundred and eighty (180) days following the filing of the Certificate of Acceptance or until the Franchisee has received an acceptable financing commitment or commitments, whichever occurs sooner. In the event Franchisee is unable to arrange the financing on terms and conditions acceptable to it and its named owners necessary to construct and operate the system, Franchisee may surrender the franchise without any liability or recourse whatsoever except to the extent of the actual cost of the Commission's operation since the filing of the Certificate of Acceptance not to exceed the sum of twenty five thousand dollars (\$25,000.00) per month and the amount of the award fee specified in Paragraph 16 of this Resolution. No later than forty-five (45) days following a written rescission, the Commission shall return any bonds, commitment letters and deposits filed pursuant to Sections 20.700 and 20.702 of the Ordinance."

**RESOLUTION No. 83-423**

MAY 31 1983