

SPECIAL MEETING

CITY COUNCIL

SACRAMENTO

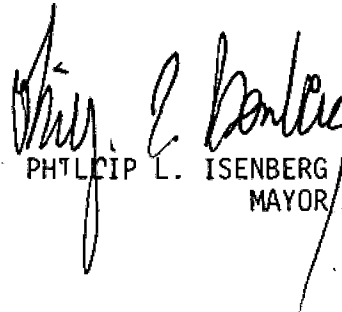


MONDAY
NOVEMBER 23, 1981
12:00 NOON

I HEREBY CALL a Special Meeting of the Sacramento City Council to be held on Monday, November 23, 1981 at the hour of 12:00 Noon in the Sacramento City Council Chamber, City Hall, 915 "I" Street, Sacramento, California for the purpose of considering and acting upon the following:

1. ORDINANCE REGARDING CABLE T.V.,
2. REQUEST FOR PROPOSAL REGARDING CABLE T.V. FRANCHISE
3. APPROVAL OF IMPOSED SERVICE AREA FOR CABLE T.V. SERVICE

ISSUED: This Nineteenth Day of November, 1981


PHILIP L. ISENBERG
MAYOR

ATTEST:


LORRAINE MAGANA
CITY CLERK

CITY OF SACRAMENTO



DEPARTMENT OF LAW

812 TENTH STREET
SUITE 201

SACRAMENTO, CA 95814
TELEPHONE (916) 449-5346

JAMES P. JACKSON
CITY ATTORNEY
THEODORE H. KOBAY, JR.
ASSISTANT CITY ATTORNEY
LELAND J. SAVAGE
SAMUEL L. JACKSON
WILLIAM P. CARNAZZO
STEPHEN B. NOCITA
DIANE B. BALTER
CHRISTINA PRIM
DEPUTY CITY ATTORNEYS

November 13, 1981

Honorable City Council
City of Sacramento
City Hall
Sacramento, California

In re: Cable Television Ordinance - Passage for Publication

Dear Council Members:

The cable television ordinance, containing the revisions approved by the City Council during its meetings this week, will be presented to the Council on Tuesday, November 17, 1981. If the Council wishes to avoid the costs of publishing this 150-page ordinance in full, then it should pass the ordinance for publication of title and take final action on the ordinance at a special meeting to be held on Monday, November 23, 1981.

Very truly yours,

James P. Jackson
JAMES P. JACKSON
City Attorney

JPJ:kn

APPROVED
BY THE CITY COUNCIL

NOV 17 1981

OFFICE OF THE
CITY CLERK

PASSED FOR
PUBLICATION
& CONTINUED
TO 11-23-81



CITY OF SACRAMENTO

JAMES P. JACKSON
CITY ATTORNEY

THEODORE H. KOBEY, JR.
ASSISTANT CITY ATTORNEY

LELIAND J. SAVAGE
SAMUEL L. JACKSON
WILLIAM P. CARNAZZO
SABINA ANN GILBERT
STEPHEN B. NOCITA
CHRISTINA PRIM
DEPUTY CITY ATTORNEYS

DEPARTMENT OF LAW

812 TENTH ST.

SACRAMENTO, CALIF. 95814

SUITE 201

TELEPHONE (916) 449-5346

November 20, 1981

Hon. City Council
Council Chamber, City Hall
Sacramento, California

Re: CABLE TELEVISION

Dear Council Members:

At the special Council meeting to be held at noon on Monday, November 23, 1981, the City Council will be asked to approve the following three documents:

1. Ordinance relating to cable television franchises;
2. Cable television request for proposals; and
3. Resolution adopting imposed service area for initial CATV franchise.

Copies of the request for proposals and the resolution adopting the imposed service area are attached. A map is attached to the imposed service area resolution for illustrative purposes. A more detailed map is being prepared and will be submitted to the Council at the time of the special Council meeting. Copies of the ordinance are available in the Clerk's office for the Council members wishing to review them. The ordinance is the same as the ordinance passed for publication at the City Council meeting last week.

Approval of the above documents is recommended by the staff.

Very truly yours,

JAMES P. JACKSON
City Attorney

JPJ/p

Attachments

APPROVED
BY THE CITY COUNCIL

NOV 23 1981

OFFICE OF THE
CITY CLERK

859
81-858
RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

A RESOLUTION ADOPTING IMPOSED SERVICE AREA FOR
INITIAL CATV FRANCHISE

WHEREAS, Section 20.402 of the Cable Television Ordinance enacted on November 23, 1981, adding Chapter 20 to the Sacramento City Code provides for adoption by resolution of the Imposed Service Area;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

That the Imposed Service Area for the Initial CATV Franchise shall be as shown on the attached map entitled "Exhibit A, Imposed Service Area, Initial CATV Franchise," which is by this reference incorporated herein.

MAYOR

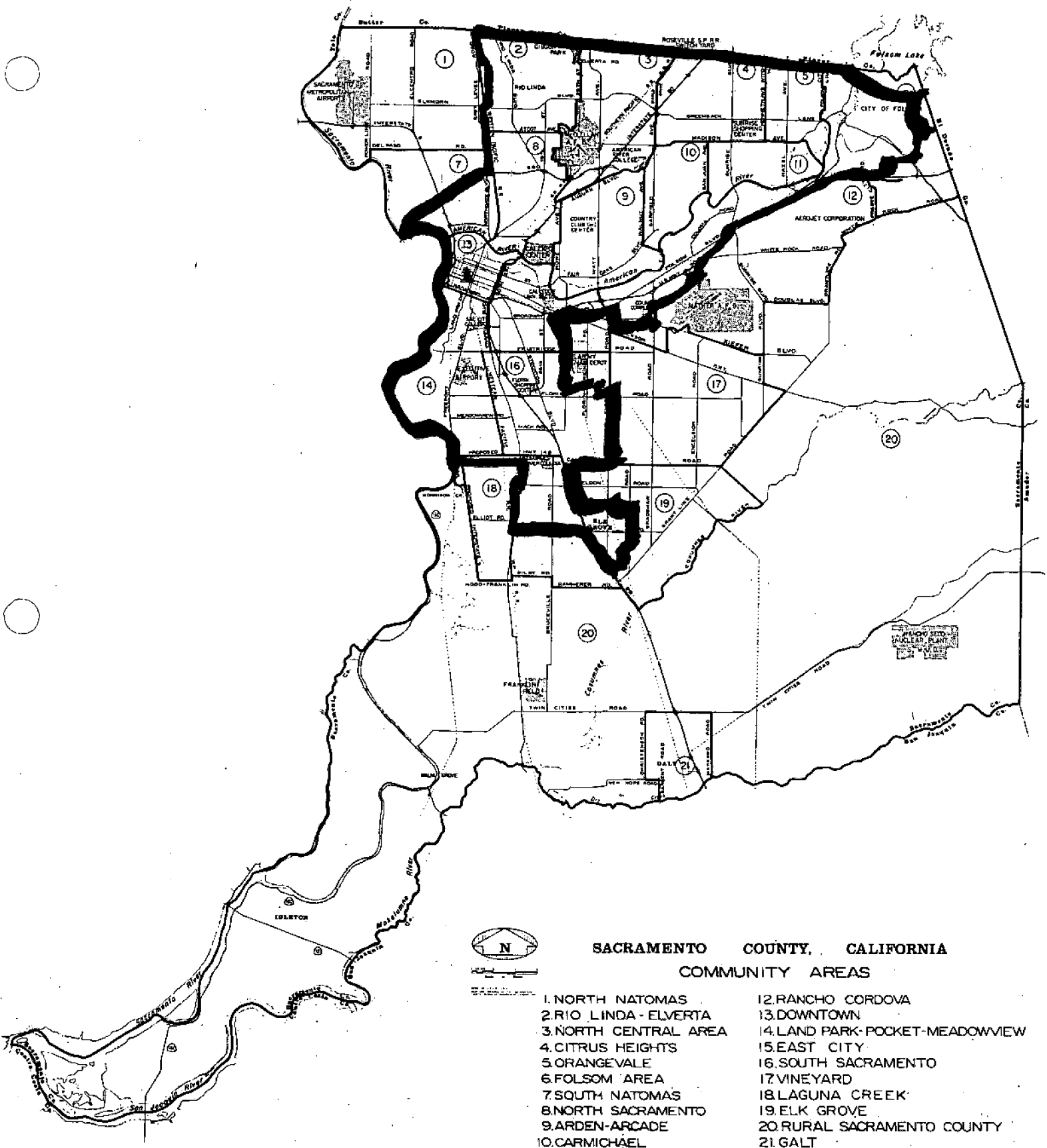
ATTEST:

CITY CLERK

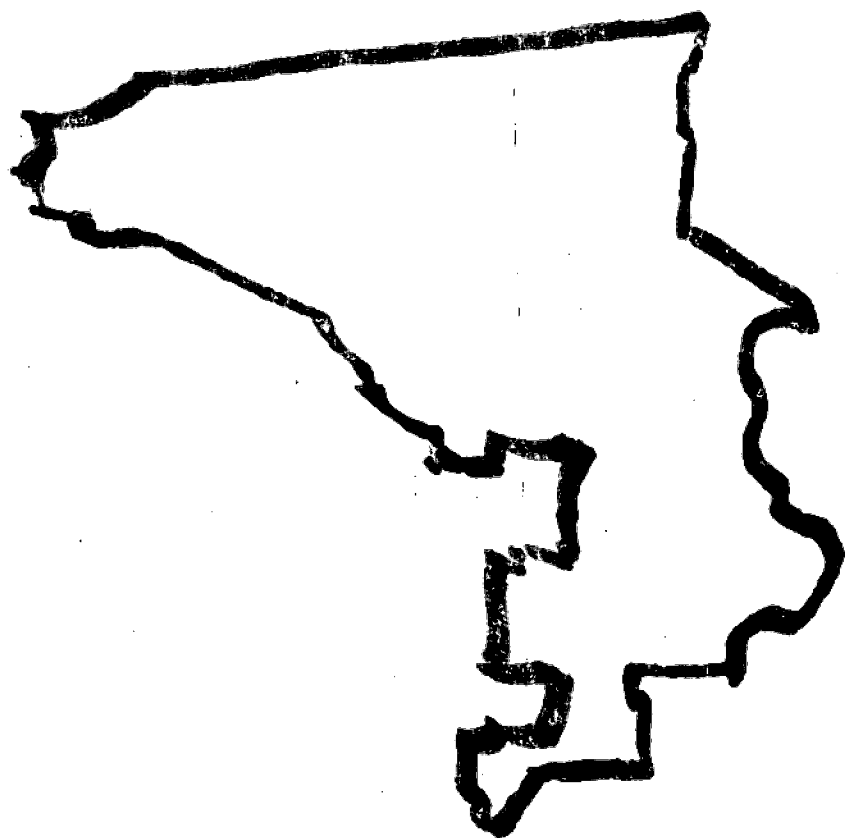
APPROVED
BY THE CITY COUNCIL

NOV 25 1981

OFFICE OF THE
CITY CLERK



PREPARED BY THE SACRAMENTO COUNTY PLANNING DEPARTMENT-12-12-75.
REVISED 11-10-76



858
RESOLUTION NO. 81-859

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION APPROVING CABLE TELEVISION REQUEST
FOR PROPOSALS

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

That the attached cable television request for proposals
is hereby approved.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

NOV 20 1961

OFFICE OF THE
CITY CLERK



CITY OF SACRAMENTO

JAMES P. JACKSON
CITY ATTORNEY

THEODORE H. KOBEY, JR.
ASSISTANT CITY ATTORNEY

LELIAND J. SAVAGE
SAMUEL L. JACKSON
WILLIAM P. CARNAZZO
SABINA ANN GILBERT
STEPHEN B. NOCITA
CHRISTINA PRIM
DEPUTY CITY ATTORNEYS

DEPARTMENT OF LAW

812 TENTH ST.
SUITE 201

SACRAMENTO, CALIF. 95814
TELEPHONE (916) 449-5346

November 20, 1981

Hon. City Council
Council Chamber, City Hall
Sacramento, California

Re: CABLE TELEVISION

Dear Council Members:

At the special Council meeting to be held at noon on Monday, November 23, 1981, the City Council will be asked to approve the following three documents:

1. Ordinance relating to cable television franchises;
2. Cable television request for proposals; and
3. Resolution adopting imposed service area for initial CATV franchise.

Copies of the request for proposals and the resolution adopting the imposed service area are attached. A map is attached to the imposed service area resolution for illustrative purposes. A more detailed map is being prepared and will be submitted to the Council at the time of the special Council meeting. Copies of the ordinance are available in the Clerk's office for the Council members wishing to review them. The ordinance is the same as the ordinance passed for publication at the City Council meeting last week.

Approval of the above documents is recommended by the staff.

Very truly yours,

JAMES P. JACKSON
City Attorney

JPJ/p

Attachments

LAW OFFICES
LOBNER AND BULL

KNEELAND H. LOBNER
JAMES M. BULL

CITY CLERKS OFFICE
CITY OF SACRAMENTO

MAR 24 4:30 PM '65

2401 CAPITOL AVENUE
SACRAMENTO, CALIFORNIA 95818
TELEPHONE 444-2140

March 24, 1965

FILED
CITY COUNCIL

APR 1 1965

REGINALD H. BOGGS
CITY CLERK

The Sacramento City Council
c/o Reginald H. Boggs
City Clerk
Sacramento City Hall
Sacramento, California 95814

Re: Application Under Article XXII of Sacramento
City Charter for PERFECT PICTURE T. V., a
California Corporation.

Gentlemen:

The undersigned represents Perfect Picture T. V., a California Corporation. Application is hereby made upon its behalf under Article XXII, City Charter, and Government Code Section 53066 for an exclusive permit to do business as a Community Antenna Television System (commonly called CATV), in the City of Sacramento, including all types of services usually furnished or which can be furnished by such a system, through the media of transmission of television and sound signals through cables and/or wires commonly called a Master Antenna Cable System.

Community Antenna Television (CATV) is a master antenna reception service. It came into being in order to afford better and broader television reception without the use of individual television antennas.

Perfect Picture T. V. proposes to offer citizens of the City of Sacramento such service and to provide twelve channels of television service and an adequate number of F. M. radio channels up to perhaps twenty-four thereof. Included in the service would be all local broadcasting television stations.

In accordance with Section 210 of the Sacramento City Charter, it is stated and represented as follows:

- (a) The name of applicant is Perfect Picture T. V., a California corporation. Enclosed is a copy of its Articles of Incorporation certified by the Secretary of State, and a certified copy of its By-Laws, certified by its assistant Secretary.

COPIES MAILED TO COUNCIL
DATE 3-30-65

XERO
COPY

XERO
COPY

XERO
COPY

XERO
COPY

March 19, 1965

Re: Application Under Article XXII of Sacramento
City Charter for Perfect Picture T. V., a
California Corporation.

- (b) The purpose for which said permit is desired is to do business as a Community Antenna Television System to provide and transmit television and sound signals by cable to subscribers upon a rental basis.
- (c) The transmission of television and sound signals will be initially furnished the inhabitants of the old city limits and gradually, as services are required and economically feasible, furnished to the City as a whole.
- (d) The term for which said permit is desired shall be indeterminate.
- (e) The estimated cost of construction of the works authorized by said permit is \$4,000.00 per mile of city blocks to be served plus \$25.00 per subscriber. The total estimated initial expense of installation is Two Million Dollars.
- (f) In consideration for the granting of said exclusive indeterminate franchise or permit, my client will pay fees to the City of Sacramento as follows: (1) One per cent (1%) of the annual gross sales income, plus (2) One Dollar (\$1.00) per year per home connection. The total fees thus paid to the City would actually amount to 2.66 per cent of the annual gross revenues from the operation.
- (g) The City would have the right at any specified time, to take over the property and plant of grantee provided the fair market value of the property and plant was paid grantee.
- (h) Perfect Picture T. V. is prepared to properly engineer and develop the system, to submit itself to rate regulation by the City Council, to hold the City harmless from any claims arising out of the operation, and to furnish liability insurance in suitable limits for such purpose, to furnish a performance bond to the City, to submit to cancellation of its permit if it fails to comply with its obligations, to remove all of its plants and conduits upon expiration of its permit, to agree to no assignment of its permit unless the assignee shall accept the same permit terms and to accept such other and further reasonable rules and regulations as the City Council shall prescribe; and to, in all manner, submit itself to the jurisdiction of the City Council for regulatory purposes including the prescribing by the Council of the quality of service, all as prescribed and required by the applicable provisions of the Sacramento City Charter.

March 19, 1965

Re: Application Under Article XXII of Sacramento
City Charter for Perfect Picture T. V., a
California Corporation.

- (i) In addition, Perfect Picture T. V. will make its service available, free of charge, to all public and parochial schools in the City which are passed by the cable. The same such facilities could be made available to the Churches. The company would expect to co-operate to the fullest degree possible with the Sacramento State College and the Sacramento City College.

The granting of this franchise will bring to your community top quality television service from all networks. This improved television service will attract permanent residents as well as tourists and over-night visitors. The community will benefit by the increased tax base brought about by the installation of equipment throughout the community which is taxable as personal property. A multi-purpose closed circuit weather scanner channel, included in the services, will be of invaluable assistance to the services of the community.

The applicant is prepared to deposit with the City Treasurer, in accord with City Charter Section 213, such sum of money in cash or by certified check as the council shall in its wisdom require, as a guaranty of good faith of the applicant and as a fund out of which to pay all expenses incurred by the City connected with this application, including the cost of publication in event the permit is awarded applicant or be not awarded at all.

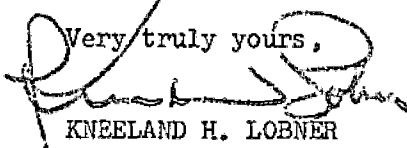
The applicant proposes to use the services of Telemation Systems, Inc., for the engineering, construction and operational supervision of the contemplated transmission system.

Telemation Systems, Inc., is a company which specializes in the engineering, construction and technical operation of Community Antenna Television Systems. Its President and Chief Executive Officer is Jack B. Hopkins, veteran electronics engineer. The company maintains a staff of eight technical specialists who have been active in the engineering and construction of CATV systems in Minnesota, Indiana, Alabama and Georgia.

A Letter of Intent to construct a Sacramento Cable Transmission System has been received from Telemation Systems, Inc.

Enclosed for your perusal is a form of Ordinance which might be made the basis for such a franchise or permit as we have requested. We respectfully hope for an early and favorable consideration of this application.

Very truly yours,


KNEELAND H. LOBNER

KHL:es

Encls.

cc: Mr. Philip C. Wilkins
Mr. Al Westlake
Mr. H. H. Hendren
Mr. Jerry Moore

XERO
COPY

XERO
COPY

XERO
COPY

SACRAMENTO COUNTY, CALIFORNIA

REQUEST FOR PROPOSALS
FOR PROVIDING CABLE COMMUNICATION SERVICES
FOR

THE COUNTY OF SACRAMENTO
AND CITIES OF SACRAMENTO,
FOLSOM, ISLETON, AND GALT

DUE AT: Office of the County Executive
700 H Street, Room 7650
Sacramento, CA 95814

CLOSING TIME AND DATE: 4:00 P.M., March 15, 1982

APPROVED
BY THE CITY COUNCIL

NOV 23 1981

OFFICE OF THE
CITY CLERK

*as amended
Appendix A
form J.*

CABLE TELEVISION REQUEST FOR PROPOSALS AND FORMS

TABLE OF CONTENTS

Page

REQUEST FOR PROPOSALS

| | |
|--|----|
| General Instructions | 1 |
| Filing of Proposals - Nonrefundable Deposit | 2 |
| Form of Proposals - Registration | 4 |
| Franchise Documents | 6 |
| Clarification of Franchise Documents | 6 |
| Mandatory versus Optional Disclosures and Proposed Items | 7 |
| Presubmission Conference | 12 |
| Amendments to Proposals | 12 |
| Use of Uniform Data Supplied | 13 |

PROCEDURE FOR PROPOSAL EVALUATION AND FRANCHISE AWARD

| | |
|-------------------------------------|----|
| Environmental Analysis | 13 |
| Consultant's Evaluation | 14 |
| Public Hearings | 15 |
| Award Process | 15 |
| Rejection of Proposals | 15 |
| Second-Stage Environmental Analysis | 17 |
| Rescission of Tentative Selection | 18 |

DESIRED SERVICES AND PROPOSAL REQUIREMENTS

| | |
|--|----|
| Innovation Desired | 19 |
| Franchise Fee | 20 |
| Initial Service Area and Line Extension Policy | 20 |
| System Design and Institutional Services | 20 |
| Community Access | 22 |
| Resource Commitments to Local Entities | 23 |
| Enforcement Mechanisms | 27 |
| Financial Capability | 27 |
| Rate Schedules | 28 |
| Demonstrated Experience in Cable Television Operations | 28 |
| Local Ownership | 28 |
| Communications with Elected and Appointed Officials | 30 |
| Evaluation Criteria | 30 |

REQUEST FOR PROPOSALS

General Instructions

The purpose of this Request for Proposals (RFP) is to seek qualified applicants for a nonexclusive franchise to construct and operate a cable communications system in the City of Sacramento and the County of Sacramento (County) and, subject to the limitations expressed in the Ordinance, in the Cities of Folsom and Galt. This RFP contains or refers to information and instructions relating to the preparation and filing of proposals; conditions and provisions regarding the installation, operation and maintenance of a cable communications system; and the procedure to be used in evaluating the applicants' proposals. Appended are forms which must be completed by all applicants. As used in this RFP, the term "Ordinance" shall mean Ordinance No. _____ adopted _____, by the County of Sacramento, Ordinance No. _____ adopted _____ by the City of Sacramento, Ordinance No. _____ adopted _____ by the City of Folsom, and Ordinance No. _____ adopted _____ by the City of Galt. References to Ordinance Section numbers in this RFP shall refer to the Section numbers in the Ordinance adopted by the County. The terms used in this RFP shall have the same meaning as the terms defined in the Ordinance.

While the Cities and County retain their respective legal and legislative prerogatives as independent political jurisdictions, each jurisdiction has declared its intention to act in concert for the purpose of awarding City and County franchises to serve the Sacramento Community.

The applicant awarded a franchise will enter into a binding agreement with the Cable Television Commission for the timely delivery of all elements of the accepted proposal. The submission of the application constitutes an irrevocable proposal by the applicant. By submitting a proposal, the successful applicant acknowledges its willingness to support an application for any waiver required by the Federal Communications Commission for any voluntary offer of service, technical standards that may exceed FCC requirements, or for any other relevant purpose.

Applicants should carefully read the following instructions, since they contain various data and specifications which must be used in the preparation of proposals.

Filing of Proposals - Nonrefundable Deposit

Twenty-five copies of each applicant's proposal, together with all accompanying enclosures, shall be submitted in sealed envelopes or cartons with the caption: "CABLE TELEVISION PROPOSAL" addressed to:

OFFICE OF THE COUNTY EXECUTIVE
700 H STREET, ROOM 7650
SACRAMENTO, CA 95814

Proposals may be filed in person or by mail but must be received at this office no later than Monday, March 15, 1982 at 4:00 P.M. The County and City of Sacramento, if they both agree, may extend the deadline.

Each proposal shall be accompanied by a filing fee in the amount of \$30,000 in the form of a certified check made payable to the County of Sacramento. The first \$15,000 of each filing fee shall be retained by the County for the purpose of defraying the costs incurred by the County and Cities in planning and conducting this proceeding and shall not be subject to refund, whether the proposal which it accompanies is rejected, accepted, or all proposals are rejected. The excess over \$15,000 will be refunded to unsuccessful applicants only if a franchise is awarded pursuant to the RFP. The costs incurred by the County and Cities to be defrayed by such filing fees include, but are not limited to, the salaries and fringe benefits of County and Cities personnel who have expended time in planning, coordinating, administering, reviewing, drafting, legally advising, conducting the environmental analysis and preparing the environmental documents in association with this proceeding; the fees and expenses which become owing to Cable Television Information Center (Consultant), which has been retained to provide consultation service and advice in association with this proceeding; the cost of conducting a prevailing wage study and advertising and other miscellaneous direct and indirect

costs. In the event a franchise is awarded pursuant to this RFP, the applicant receiving the franchise shall pay by certified check made payable to County, submitted with its acceptance of the franchise, an additional fee to defray costs, which have not been fully compensated by the retained filing fees, in an amount which shall not exceed \$250,000. The actual amount to be paid shall be equal to the amount set forth in a written demand provided to the franchisee at the time of or after adoption by the Cable Television Commission of its Resolution offering the franchise.

Form of Proposals - Registration

Each prospective applicant for the franchise shall register in writing with the County and shall obtain a copy of this RFP and attachments from the County. The purpose of registration is to provide a means of identifying all prospective applicants so that information and documentation may be uniformly submitted to all interested parties during the proposal solicitation period. The registration shall be filed with the office of Mr. William Freeman, Office of the County Executive, 700 H Street, Room 7650, Sacramento, California 95814, from which office prospective applicants may obtain single copies of the Ordinance, RFP, RFP forms and Uniform Data. The registration shall consist of a written notice signed by an authorized representative of the prospective

applicant, which states that the prospective applicant is considering the possibility of presenting a proposal and contains the name, mailing address and telephone number of the prospective applicant, and the name of an authorized representative who may be contacted in connection with this proceeding. All documents distributed during the solicitation period will be mailed to the address indicated in the notice.

The application forms have been designed to elicit pertinent data that will be used in evaluating the proposals. Instructions for each form are included in the form. Space has been provided for specific and succinct answers to all questions and requests for data. For convenience applicants may use other sheets if the same format is maintained and every item of information requested is included. Limited form space will not excuse omission of required information. Attach additional pages if necessary in good faith to provide complete answers. Alternative proposal forms will not be considered. Any attempt to merely use the official forms as an "index" to voluminous narrative may result in assessment of a negative factor to the application. The official forms have been designed to facilitate an objective comparison of proposals. Evasive, imprecise or incomplete responses can only serve to the disadvantage of the applicant.

Applicants shall prepare a complete set of forms for the Imposed Service Area only. If an applicant makes a proposal regarding the Proposed Service Area, a second set

of forms shall be completed for the Proposed Service Area only. Any proposal which contains proposals for any service area other than the Imposed Service Area or the Proposed Service Area shall be rejected.

Alternative proposals for service within a single application which, in effect, constitute a separate application will not be considered. If an applicant desires to submit more than one application, each application must be on a separate set of forms and accompanied by a separate \$ filing fee.

The awarding authorities reserve the right to waive informalities, irregularities and/or technicalities in their consideration and award of the franchise.

Franchise Documents

The Franchise Documents constituting a part of the franchise shall consist of the following:

This RFP;

The Ordinance, as it may be amended from time to time;

The proposal submitted by the applicant to whom the franchise is awarded, together with any amendments thereof which are authorized pursuant to this RFP or the Ordinance;

The Resolution offering the franchise;

The written certificate of acceptance thereof by the applicant to whom the franchise is awarded.

Clarification of Franchise Documents

Conflicts in terms, conditions or provisions of the Franchise Documents shall be resolved in accordance with §5.50.018 of the Ordinance.

In the event that an applicant has questions as to any terms, conditions or provisions of the Franchise Documents or the meaning or interpretation thereof, the applicant may request information or clarification by submitting such request in writing to:

Mr. William R. Freeman
Office of the County Executive
700 H Street, Room 7650
Sacramento, CA 95814

Requests for information must be submitted in writing no later than 21 days prior to the deadline for filing applications. Responses to such requests will be made in writing as promptly as possible. Copies of all requests and the responses thereto shall be sent to all prospective applicants who have registered. No interpretation shall be effective unless it is reduced to writing and signed by Mr. Freeman. No other interpretation issued by any other person, whether oral or in written form, shall be effective.

An applicant, by submitting its application, shall have evidenced the fact that it agrees that it has no unanswered questions with respect to these specifications, and shall have no basis for withdrawal or modification of its proposal on the basis of misunderstanding.

Mandatory versus Optional Disclosures and Proposed Items

Applicants are referred to the text of the Ordinance for information as to which disclosures and proposed items are mandatory, and which are not. It is expressly stated

in the Ordinance and reconfirmed by this RFP that acceptable applications need contain only the mandatory disclosures and proposed items. Applications meeting these minimum requirements will receive full consideration during the review process.

Forms calling for additional voluntary disclosures or voluntary proposed items are provided only for the purpose of facilitating comparative review of proposals and for the convenience of applicants. The existence of a form in the package should not be viewed by applicants, and will not be viewed by the Governing Bodies, as an indication that the information or proposed items which might be included on the form is required by the Governing Bodies. The following listing of the Forms is intended to identify those forms which call for mandatory disclosures and proposed items, and those which are made available for voluntary proposed items. However, attention is called once again to the fact that the Ordinance is the document which controls with regard to what is mandatory and what is voluntary.

Introductory Overview and Summary of Proposal - Mandatory.

Identification of Applicant - Mandatory.

Applicant's Affidavit - Mandatory.

Form A: Ownership and Control Information -

Pages 1 - 6 are mandatory. Page 7 is optional.

If page 7 is not completed, the Ownership Disclosure on Page 6 can omit reference to minority and female owners.

Form B: Ownership Qualifications - Pages 1 and 2
are mandatory.

Form C: Character Qualifications - Pages 1 and 2
are mandatory.

Form D: Experience - Current Cable Holdings - Pages 1
and 2 are mandatory.

Form E: Former Franchises or Ownership Interests -
Mandatory.

Form F: Financial Resources, Existing Capital Commitments
and Potential Commitments - Pages 1 - 7 are mandatory.

Form G: Financial Pro Forma - All mandatory, except page
16, question 2.

Form H: Construction Practices and Schedule - All mandatory,
except Questions 9 and 10 on page 4 are optional.

Form I: Channel Capacity and System Design - Detailed
plans and specifications for the Cable Television
System which is proposed are mandatory. The minimum
specifications required are detailed in the Ordinance.
The existence or non-existence of any page or individual
question in Form I does not, and is not intended to,
increase or decrease those minimum specifications.
The inclusion of proposed items which exceed minimum
specifications is optional and voluntary even if a
form exists which can be used for that purpose.

All services applicant desires to have a right
to provide during the franchise term must be described

in detail on Form I and J. Failure to list any particular non-entertainment or interactive service may result in no right to provide that service during the franchise term.

Form J: Proposed Signal Carriage and Channel Allocations -

The minimum requirements are detailed in the Ordinance. The existence or non-existence of any page or individual question in Form J does not, and is not intended to, increase or decrease those minimum specifications.

See note re Form I, above, regarding description of non-entertainment and interactive services.

Form K: Community Access and Resource Commitments to Local Entities/Local Origination - Pages 2 - 5 are mandatory. Pages 6 through 25 are optional, except page 25, question 3, is mandatory.

Form L: Proposed Rates and Marketing/Promotional Plans - Page 1 is optional. Page 2 is optional, except question 5 is mandatory.

Form M: Employment Practices and Minority/Female Contracting - Optional.

Form N: Miscellaneous - Optional.

Only a few minimum system specifications are required to be included in proposals by the Ordinance and the RFP. Although from time to time this RFP and the Ordinance may specify additional items or programs which are permitted, authorized, suggested, or encouraged to be included in proposals, none of them is required or mandated. No application will be rejected or considered non-responsive if such additional items or

programs are not included. In fact, it is possible that an applicant proposing none of them will be selected as tentative franchisee, if the application contains other proposals considered by the Governing Bodies to best serve the public interest. Thus, it will be assumed that any applicant who proposes any such items or programs does so freely and entirely voluntarily, and with the intention to be bound thereby, even if the applicant believes that it would not necessarily be bound if such item or program had been mandated for inclusion. All items so proposed shall be included in the franchise and become subject to the enforcement provisions of the Ordinance. Furthermore, because the Governing Bodies do not know what other unanticipated creative and innovative items or programs may be proposed by applicants, it is impossible to state in advance that inclusion of those items or programs which have been noted for possible inclusion in the proposal will carry more weight in the selection process than inclusion of some which have not been anticipated. Any items or programs proposed by applicants which go beyond the minimum specifications are voluntary proposals, whether they concern matters discussed in the Ordinance, the RFP, the discussions and hearings held prior to enactment of the Ordinance and issuance of this RFP, or matters which were not discussed.

Presubmission Conference

To allow interested applicants the opportunity to ask questions with respect to franchise requirements, a presubmission conference will be held on Wednesday, January 27, 1982, at 10:00 A.M., at the Office of the County Executive, 700 H Street, Room 7650, Sacramento, California.

Only potential applicants who have registered with the Office of the County Executive may attend the conference.

Attendance at the presubmission conference is not required in order to submit an application.

Amendments to Proposals

Substantive amendments to proposals will not be considered except to acknowledge involuntary changes such as a change in ownership due to death. Corrections of inadvertent errors, if corrections are submitted prior to the filing deadline, will be considered. Corrections submitted after the filing deadline may be considered at the discretion of the County or City of Sacramento or Consultant, only if the applicant submits with any correction sufficient information to prove that the error was inadvertent. Clarifying information or data may be requested by the County, City of Sacramento, or the Consultant if, in their judgment, such clarification will aid in preparing a fair and accurate analysis of a proposal.

Use of Uniform Data Supplied

In order to permit logical comparison of applications, all applicants will be required to utilize certain uniform data supplied in these forms. This information is appended to these instructions, and is a part of this Request for Proposals.

All pro forma statements must be based on the uniform data supplied. These data include street miles, dwelling units, population growth, and a list of all public facilities which the institutional cable must pass. All financial projections should be made utilizing constant 1982 dollars, i.e., you are not to include inflation rates.

PROCEDURE FOR PROPOSAL EVALUATION AND FRANCHISE AWARD

The following procedure shall govern the evaluation of proposals and award of franchise or rejection of all proposals.

Environmental Analysis

An environmental analysis is an integral part of the process for awarding or declining to award the franchise.

In order to reduce the time required to complete the environmental analysis, all applicants are requested to provide all information requested by Form I.

The Cities and County reserve the right to request additional and/or clarifying information which is not specified in this RFP, but which may be needed to complete the environmental analysis.

A two-stage environmental analysis will be conducted by the Environmental Impact Section of the County, and the County shall be the lead agency for the first stage. The first-stage environmental analysis will include this RFP, the Ordinance, and the proposals submitted by applicants. If it is determined that an Environmental Impact Report is required, the County will prepare one, and the Board of Supervisors of County may conduct a hearing on the draft Environmental Impact Report.

The first-stage environmental analysis will present an overview of the potential environmental impacts of a cable television system, attempting to identify the total potential magnitude of environmental impacts which would result from a decision to go forward with the franchising process. The analysis may include a variety of recommended conditions and requirements designed to mitigate impacts which the applications, considered collectively rather than individually, might cause.

Consultant's Evaluation

After the deadline for filing proposals, the proposals received will be analyzed by the Consultant. Consultant will present a preliminary report to the County which evaluates the proposals. The preliminary report will be distributed to the Cities and the applicants. Applicants will be given the opportunity to react to the contents of the preliminary report by Consultant and respond to any questions raised

therein. Consultant will thereafter file a final report with County and the Cities.

Public Hearings

A meeting of the Board of Supervisors of County will be held. This meeting may be a joint meeting with the City Council of one or more of the Cities. At that time the Board of Supervisors will conduct a public hearing on any environmental document which has been prepared by the lead agency during the first-stage analysis and for the purpose of receiving any presentations desired to be made by applicants and any comments from the public upon the applications.

The hearing may be continued from time to time by the Board.

After the close of the public hearings, the Board of Supervisors will decide whether the environmental document is adequate and complete. If it decides that the document is not adequate and complete, further proceedings will be conducted with respect to the environmental issues before any action is taken concerning award of the franchise.

Award Process

The award process shall be as stated in the Ordinance.

Rejection of Proposals

The Board of Supervisors and the Sacramento City Council each reserves the right to reject all proposals at any time between the date the proposals are received and the date

on which the Governing Bodies of the Municipality of Sacramento and County shall have enacted identical resolutions offering the franchise. If either the County or City of Sacramento rejects all proposals, or if all proposals are deemed rejected under the terms of the Ordinance, then no franchise shall be issued under this Request for Proposals.

It is understood that the decision to issue or not issue a franchise should not be made until completion of the first-stage environmental analysis and certification of the environmental documents resulting therefrom. For that reason, because issuance of a franchise is a legislative act which involves broad policy consideration, and for other reasons, neither the County, City of Sacramento, nor any of the other Cities has decided that a franchise will be issued. Such a decision will not be made in favor of issuance of a franchise until the date on which each agency takes final action with respect to the matter. Neither the County, City of Sacramento, the joint powers authority created as a result of the Ordinance, any of the other Cities, nor any of their officers, agents or employees shall be deemed to be liable for costs or expenses incurred or other damages suffered by any prospective applicant as a result of a failure to either enact franchise resolutions, the exclusion of one or more Cities from the franchise area, or the rejection of all proposals and failure to issue any franchise whatsoever,

whether such rejection is expressed or results from any act or omission by County, any one of the Cities, or the joint powers authority. In other words, the funds expended by applicants in preparation of their applications, or expended in any way related to the proposed franchise, shall be at the applicants' own risk and cost.

Second-Stage Environmental Analysis

The second-stage environmental analysis shall be conducted if the Governing Bodies make a tentative selection of a franchisee. During the second-stage environmental analysis, the Environmental Impact Section of the County, the Cable Television Commission, and the tentative franchisee shall work together to identify and design measures necessary and desirable to mitigate the environmental impacts of the application submitted by the tentative franchisee. The issues to be analyzed include, but are not limited to, proposed locations of headends, towers, and earth stations.

The second-stage environmental analysis will begin after selection of a tentative franchisee. Because the second-stage environmental analysis cannot be completed prior to enactment of the resolution offering the franchise and the filing of a certification accepting the franchise, an applicant, by submitting an application, agrees that if it is selected to be the franchisee, it will comply with all mitigation measures declared by the Cable Television

Commission to be necessary or desirable, whether such measures are identified before or after the certification accepting the franchise is filed. By submitting an application, an applicant acknowledges and accepts that, if it is selected as franchisee: (1) it will not be authorized to proceed with installation of any headend or cable associated therewith until completion of the second-stage environmental analysis and issuance by the Board of Directors of the Cable Television Commission of a Notice to Proceed; and (2) time limits for completion of the System shall not be extended by virtue of any time which elapses or delay which occurs as a result of the second-stage environmental analysis or the process of issuing any Notice(s) to Proceed, except as specifically provided in the Ordinance.

Rescission of Tentative Selection

Section 5.50.214 of the Ordinance authorizes the Sacramento City Council or the Sacramento County Board of Supervisors to rescind the tentative selection made by the Governing Bodies prior to adoption of the resolution offering the franchise. Rescission may be based on any grounds that either body determines, within its sound discretion, require or justify rescission.

DESIRED SERVICES AND PROPOSAL REQUIREMENTS

Innovation Desired

The Cities and County encourage innovative proposals.

As stated above, the successful applicant agrees to support any waiver required by the Federal Communications Commission (FCC) for any voluntary offer of services or technical standards that may exceed FCC requirements.

The Sacramento Community looks to the cable industry not merely for the variety of entertainment it can provide, but for the contributions it can make to a total communications network that opens to Sacramento's citizens and institutions a maximum of opportunities for access to information, the sharing of messages, increased security, the saving of energy and other such economic and social benefits made possible by advancing communications technology.

The Governing Bodies seek a franchisee who believes that the economic future of cable is in the wider field of communications rather than in merely providing entertainment. Thus, applicants are asked not only to provide bare communication paths for the range of non-entertainment communication services now technically feasible for institutions and residences, but also to take the promotional and marketing initiative that will make those services practical realities here.

During the Sacramento Cable Television Ordinance hearings, members of our community expressed concern regarding the broadcast of pornographic material. The operators in their proposal should identify what specific measures they propose to insure that parents may take measures to insure their children do not see this type of material.

Franchise Fee

The franchise fee will be as stated in the Ordinance.

Initial Service Area and Line Extension Policy

The franchisee will be required to make cable service available within the time periods, within the areas, and in the manner required by the Ordinance.

System Design and Institutional Services

The Cities and County seek a modern, efficient and cost-effective system which will provide high-quality, state-of-the-art technology, deliver a variety of communications services, and provide the flexibility needed to adjust to new developments. The Cities and County are particularly interested in proposals which will provide an institutional communications capability and two-way capability within the Cities and County. The minimum number of cables and channel requirements are stated in the Ordinance. Applicants are also encouraged to propose high standards of technical performance which may exceed current FCC requirements.

Minimum service and system design requirements are stated in the Ordinance. Applicants are encouraged to propose additional service and system design elements that are economically and technologically feasible. The type of service and design elements which may be proposed are understood by the Cities and County to include bi-directional use and capability; interactive services and capability; home alarm capability; and special programming and information categories such as national and international news services, advanced news and information via teletext or similar services, financial and stock market information, sports channels, weather service, FM/stereo programming, children's programming, programming for the elderly, and programming for the handicapped.

The Cities and County are interested in proposals which can accommodate the following types of areawide utilization:

- Upstream transmission for public service programs, coverage of public meetings and events and training seminars;
- Closed-circuit, bi-directional capability for areawide shared training for police, fire and other public service agencies;
- Availability at reasonable rates of leased data and video channels for users other than the franchisee;
- Designation and equipping of community viewing centers at public libraries or community centers at franchisee's sole cost and expense.

In formulating system design and services, applicants are encouraged to plan for cooperation with governmental,

commercial, social service, and educational interests, in order to maximize the system's benefit to the Sacramento Community.

Any institutional network or services to be provided shall meet the minimum standards required by the Ordinance and be designed based on information applicants obtain from governmental and community entities. The Cities and County are interested in a flexible, efficient and cost-effective system design which can best accommodate the present and future needs of institutional users without economically burdening the average subscriber. It is suggested that potential users who can supply useful information for designing the institutional network and services to be provided include medical users (e.g., public and private hospitals, ambulance services, physicians and medical societies, nursing homes); religious institutions; educational users (e.g., public and private schools, school district administrative offices); state, city and county libraries; federal, state, city, county and district government offices and facilities; and nonprofit groups which provide services to the community.

All services, whether offered to meet minimum requirements or offered in excess of any minimum requirements, must be guaranteed and within the financial capability of the system as demonstrated in the financial pro forma statements.

Community Access

Community use programming represents a high priority of the Governing Bodies, and the proposal of a vital community

use element will be favored in the review process.

The Governing Bodies believe that commitment of channels or program time to community use in general, or to particular local organizations, is a false measure of community commitment, because there is no effective means to insure that community use programming is in fact produced for airing. Furthermore, channel capacity is finite, and any commitment of time or channel to any one or more organizations potentially restricts use or communication by others and does not foster maximal community access. Nor is reliance upon the Franchise Fee to finance community use, in whole or in part, a satisfactory method of assuring community use programming.

The important questions are how much community use programming will be made available and at what times. If an applicant chooses to propose a community use element, it shall include adequate access to: channels, studio facilities and equipment, and production support, as required by § 5.50.336 of the Ordinance. Applications may also commit the applicant to sponsor and guarantee specified hours of community use programming throughout the franchise term. Any such proposal shall be consistent with §5.50.338 of the Ordinance.

Resource Commitments to Local Entities

The Governing Bodies encourage the applicants to propose commitment of resources to local entities. These resources

include channels (or time thereon), studios, equipment, staff assistance and financial support.

It is the view of the Governing Bodies that the allocation of channels to local entities, in and of itself, will not enable local entities to make effective use of the cable system. It is expected that any voluntary proposals relating to resource commitments will include adequate staff assistance and/or financial support, where needed, to assure that any studio or equipment resources (and allocated channels or time thereon) can be effectively used.

Recognizing that local entities might be able to use more resources than it is economically feasible for the applicant to offer, the Governing Bodies have adopted guidelines so that applicants can incorporate the priorities of the Governing Bodies into their resource commitment proposal.

The order of priorities for resource commitments to local entities is:

1. Educational Consortium; KVIE; and Community Use Programming, including, but not limited to, Access Use, and programming which includes medical, cultural, artistic, scientific, moral and spiritual, local athletic, and social service, public service and governmental interests, whether audio and video, or audio only;
2. County and Cities;
3. Other local governmental entities;
4. Other governmental entities.

Each of these categories should be included in a resource commitment proposal, if any proposal is made. Resource commitments should be tailored to actual needs in relation to demonstrated expectancies pertaining to utilization. Applications shall contain restrictions required by Sections 5.50.342 and 5.50.344 of the Ordinance, and may otherwise contain such terms and conditions consistent with the other Franchise Documents as an applicant may prescribe. Channels or time thereon committed to particular recipients may be conditioned upon full-time utilization standards contained in the application. Resource commitments (including channels or time thereon) shall revert, in the event of non-use or violation of any term or condition, to use, without charge, for Community Use Programming purposes under the jurisdiction and regulatory control of any independent body proposed by the Franchisee under Subparagraph "b" of Section 5.50.344, or the Board of Directors of the Cable Television Commission or any independent body which it may form if the Franchisee has not made a Community Use Programming proposal.

Priority No. 1, above, should focus resource commitments to the Educational Consortium in order to enhance home instructional services, to KVIE in order to facilitate and expand KVIE's cultural, scientific and educational programming for the viewing public, and to Community Use Programming in order to establish extended programming services of special interest to the viewing public. Such services to the public should be viewed

and planned as an integrated whole, and resource commitments should be allocated, conditioned and apportioned accordingly, with emphasis upon maximization and interchangeability of use, and economy of scale.

Commitment of channels (or time thereon), access, or resources to local entities which is designed to obtain support for the applicant's application rather than to best implement the priority guidelines set by the Governing Bodies will not be favored in the review process.

For purpose of this section, "Educational Consortium" shall mean the Sacramento County Superintendent of Schools as trustee for the benefit of all public school districts within the County, the Los Rios Community College District, the Sacramento County Office of Education, the California State University at Sacramento, and such privately owned and operated schools as are designated by the Sacramento County Board of Education; or any legal entity which includes the foregoing entities as members which is hereafter formed for the purpose of administering any resources committed to it by the franchisee. "KVIE" shall mean Central California Educational Television, a California non-profit corporation or any successor in interest which operates the channel now known as KVIE within the Sacramento Community.

Enforcement Mechanisms

The Governing Bodies are concerned that the franchis will commit themselves to certain obligations in the franchise documents but may be relieved of some of these obligations in the future by federal or state legislation or court decisions. Therefore, applicants are encouraged to propose additional and creative ideas to guarantee the enforceability and performance of the provisions of the franchise by the franchisee even though legislation or court decisions would otherwise modify the provisions of the franchise.

Financial Capability

An important feature of the proposal is an adequate demonstration of financial capability to perform in accordance with the Ordinance and the proposal. Failure to provide the detailed pro forma data requested may be interpreted as evidence that an applicant is not properly qualified to become a franchisee.

Adequate documentation of the applicant's assumptions and processes must be provided so that a fair analysis of the projections is possible. Projections should be realistic and not overly optimistic.

Applicants should present evidence of financial resources that assure ability to implement the proposed system throughout the entire initial service area according to the completion schedule specified in the Ordinance.

For purposes of the financial pro forma statements, Year One begins on the date the franchise is awarded.

Rate Schedules

If initial rates are proposed, they must be substantiated in the pro formas by use of realistic levels of penetration. Applicants must assure the Cities and County that the initial rates proposed are realistically calculated to meet their financial goals.

Demonstrated Experience in Cable Television Operations

Information will be solicited from communities in which applicants operate cable television systems, to determine the quality of applicants' performance in those communities. The Cities and County will evaluate and consider evidence of timely construction and satisfactory delivery of services as promised, as well as management background that evidences excellent construction practices, customer satisfaction and good community relations. Also to be considered are stability of past franchises, rate history in other systems, willingness to upgrade, and relationships with franchise authorities in existing systems.

By submitting a proposal, applicants consent to both the solicitation of such information by the Cities and County and the disclosure of such information by the communities where applicants operate.

Local Ownership

Although the ownership structure of the applicant is a matter to be determined by each applicant, the County and Cities strongly discourage offers of equity interest to, or affiliations with, local citizens, organizations

or institutions for the purpose of influencing the issuance of a franchise. It is the intent of the County and Cities to issue a franchise solely on the basis of the merits of proposals and not on the basis of local ownership or affiliation of the applicant with local individuals, institutions and community agencies where not substantively related to the operation of a cable communication system. The County and Cities will evaluate an applicant's overall commitment to the Sacramento community within the context of the total proposal.

If local participation is a component of the ownership structure of an applicant, then the County and Cities expect that such local interests have a bona fide financial investment in the applicant. In reviewing ownership interest, the County and Cities will look with disfavor on proposals containing the following and similar elements:

- * proposals in which any "investor's" percentage of stock is greater than the percentage of total dollars or services actually invested or contributed. Services contributed in lieu of dollars invested may include personal services, materials, equipment or facilities, but such must be quantifiable and clearly delineated in the proposal.
- * proposals where "investors" have received loans from the applicant with which to purchase stock.
- * proposals where an applicant guarantees little or no financial risk to "investors."

Communications with Elected and Appointed Officials

The elected officials and staff reserve the right to refuse to talk to applicants concerning the cable television franchise and to limit or restrict communications with applicants as said officials or staff, in their discretion, determine.

Evaluation Criteria

The Cities and County will award a franchise, if any, to the applicant who demonstrates the best overall capability and willingness to provide a high-quality cable communication service to the greater Sacramento area. All information requested by the RFP will be evaluated during the selection process. The factors upon which selection will be based are so numerous and subjective as to make it impossible to know in advance the relative importance of various factors upon which award of a franchise will be based.

However, the following will be included among the factors considered, not necessarily in the order listed:

1. Financial capability and obligations of applicant;
2. Realism of subscriber penetration projections, financial goals, financial assumptions, and financial projections;
3. Character of applicant's owners;
4. Applicant's past experience in cable television system operations;
5. Applicant's commitment to the Sacramento community, as revealed in applicant's Community Use proposal, if any;

6. Applicant's commitment to the Sacramento community, as revealed in applicant's proposal re Resource Commitments to Local Entities, if any;

7. Applicant's commitment to the Sacramento community, as revealed in applicant's design of institutional network and institutional services;

8. Minority/female ownership and active minority/female participation in ongoing operations;

9. Availability of Basic Service to subscribers at the lowest realistic rates, and the willingness of applicant to insure low rates for Basic Service throughout the term of the franchise;

10. Applicant's plans, if any, for complying with nondiscrimination and affirmative action provisions contained in §5.50.548 of the Ordinance as set forth on Form M of this RFP;

11. Applicant's ability to complete the system in the Service Areas according to the completion schedule contained in the Ordinance;

12. The technological quality and innovation of the proposed system design;

13. The variety and quality of programming and services offered;

14. Applicant's procedures for handling subscriber service and billing problems;

15. The quality and quantity of programming and services available at the lowest-cost tiers.

16. Applicant's proposal of innovative ways to guarantee applicant's performance and enforce the franchise obligations.

APPENDIX A
UNIFORM DATA

REQUEST FOR PROPOSALS
FOR PROVIDING CABLE COMMUNICATION SERVICES
FOR
THE COUNTY OF SACRAMENTO
AND CITIES OF SACRAMENTO,
FOLSOM, ISLETON, AND GALT

In conformance with the instructions, all pro forma statements must be based on the following data.

1. STREET MILES

Imposed Service Area

| | <u>Street Miles</u> |
|---------------------------------------|---------------------|
| City of Sacramento | 1,023.5 |
| City of Folsom | 73.2 |
| County of Sacramento (unincorporated) | <u>1,645.5</u> |
| Total Imposed Area | 2,742.2 |

For the purpose of calculating strand miles within the Imposed Service Area, the following factors are to be applied to the street miles: Thirty percent (30%) of the street miles will require underground installation and the strand miles for underground installation will equal one hundred percent (100%) of the calculated street miles. Seventy percent (70%) of the street miles will require aerial installation and the strand miles for aerial installation will equal eighty-five percent (85%) of the calculated street miles. As applied to the above street miles, the calculated strand miles are as follows:

| | | | | | |
|-------------------|----------------|---|--------|---|--------------|
| | Street | x | Factor | = | Strand Miles |
| Underground (30%) | 822.7 | | 100% | = | 822.7 |
| Aerial (70%) | <u>1,919.5</u> | | 85% | = | 1,631.6 |
| Total (100%) | 2,742.2 | | | | 2,454.3 |

Proposed Service Area

| | <u>Street Miles</u> |
|--------------|---------------------|
| City of Galt | 30.7 |

For purposes of calculating strand miles for the City of Galt, which is the only permissible Proposed Service Area, use eighty-five percent (85%) of street miles.

2. DWELLING UNITS

| <u>Area</u> | 1980 <u>Dwelling Units</u> |
|-----------------------|-------------------------------|
| Imposed Service Area | 306,650 |
| Proposed Service Area | 1,864 |

3. POPULATION GROWTH

Imposed Service Area

For purposes of preparing the pro forma, use an annual increase of 10,000 dwelling units.

Proposed Service Area

If you propose to serve the City of Galt, the pro forma should be based on an annual growth factor of four percent (4%).

4. INSTITUTIONAL CABLE

Imposed Service Area

The institutional network must be capable of servicing either directly or through interconnection with the subscriber network, the following public facilities within the Imposed Service Area. Upon registration, more detailed information will be provided including maps and/or addresses.

I. County of Sacramento

- A. All administrative offices and facilities whether owned or leased.
- B. Executive Airport.
- C. All branch libraries whether owned or leased.
- D. All regional park facilities.
- E. Children's Receiving Home.
- F. Refuse Transfer Stations.
- G. All health clinics or other departmental service centers whether owned or leased.
- H. All court facilities whether owned or leased.
- I. All warehouse facilities whether owned or leased.
- J. Florin Community Center.
- K. All traffic controllers.

II. City of Sacramento

- A. All administrative offices and facilities whether owned or leased.
- B. All fire stations.
- C. Library headquarters and all branch libraries.
- D. Memorial Auditorium.
- E. Community Center.
- F. Crocker Art Museum.
- G. Garden and Arts Center.
- H. History Museum.
- I. Clunie Auditorium and Teen Center.
- J. Northgate Community Center.
- K. Robertson Community Center.
- L. Land Park facilities:
 - 1. Amphitheatre
 - 2. Fairytale Town
 - 3. Zoo Administration.
- M. Miller Park
- N. Corporation Yards.
- O. All traffic controllers.
- P. All pumping plants/stations.

III. City of Folsom

- A. All administrative offices and facilities whether owned or leased.
- B. Zoo.
- C. All fire stations.
- D. Community Center.
- E. All pumping plants/stations.

IV. Educational Institutions

- A. K through 12 - Public Schools.
 - 1. All school sites.
 - 2. Administrative offices.
- B. Los Rios District.
 - 1. All campuses.
 - 2. Administrative offices.
- C. C.S.U.S.
- D. K through 12 - Private schools.

V. Special Districts

- A. Regional Sanitation.
 - 1. All treatment plants.
 - 2. All pumping stations.
- B. Districts operated by Sacramento County.
 - 1. Operated by Public Works (water, drainage, street lighting).
 - a. Pumping plants/stations.
 - b. Other facilities capable of utilizing telemetering devices.
 - 2. Operated by Parks and Recreation.
 - a. Park offices and facilities.
 - b. Pumping plants/stations.
 - 3. Operated by Advisory Boards.
 - a. Administrative offices.
 - b. Fire stations.
 - c. Park facilities.
 - d. Pumping plants/stations.
- C. Independent Districts.
 - 1. Fire.
 - a. Administrative offices.
 - b. Fire stations.
 - 2. Park and Recreation.
 - a. Administrative offices.
 - b. Park facilities.
 - c. Pumping plants/stations.
 - 3. Water/Irrigation.
 - a. Administrative offices.
 - b. Pumping plants/stations.
 - 4. Flood Control/Levee Maintenance.
 - a. Administrative offices.
 - b. Pumping plants/stations.

VI. Medical Facilities

- A. Public and Private Hospitals.
- B. Public and private ambulance dispatch locations.

VII. Community Service Organizations. (Those Receiving Public Donations or Operating Under Contract with a Government Agency.)

- A. Administrative offices.
- B. Service facilities.

VIII. State or Federal Government Agencies Providing Direct Services to the Citizens of the Sacramento Community

- A. Administrative offices.
- B. Service facilities.

SACRAMENTO COUNTY, CALIFORNIA

OFFICIAL APPLICATION FORMS
FOR PROVIDING CABLE COMMUNICATION SERVICES

DUE AT: Office of The County Executive
700 H Street, Room 7650
Sacramento, CA 95814

CLOSING TIME AND DATE: 4:00 P.M., March 15, 1982

LIST OF CONTENTS

OVERVIEW AND SUMMARY OF PROPOSAL
IDENTIFICATION OF APPLICANT
APPLICANT'S AFFIDAVIT

FORM A: Ownership and Control Information

FORM B: Ownership Qualifications

FORM C: Character Qualifications

FORM D: Experience--Current Cable Holdings

FORM E: Experience--Former Franchises or Ownership
Interests

FORM F: Financial Resources, Existing Capital
Commitments, and Potential Building Commitments

FORM G: Financial Pro Forma

FORM H: Construction Practices and Schedules

FORM I: Channel Capacity and System Design

FORM J: Proposed Signal Carriage and Channel Allocations

FORM K: Community Access and Resource Commitments to
Local Entities/Local Origination

FORM L: Proposed Rates and Marketing/Promotional Plans

FORM M: Employment Practices and Minority/Female Subcontracting

FORM N: Miscellaneous

INTRODUCTORY OVERVIEW AND SUMMARY OF PROPOSAL

Each applicant should present a clear and concise narrative description of the cable television system and services it proposes to provide. Please limit responses to approximately 25 pages.

Please cover the following subject areas:

- * Overview of Proposal
- * Ownership and Management of System
- * Financial Commitments
- * System Design and Construction (including bi-directional capability)
- * Signal Carriage and Channel Allocations
- * Local Origination and Access
- * Rates and Rate Guarantees
- * Institutional Services
- * Other

The purpose of this section is simply to provide the reader with an understandable overview of the proposal, not to discuss details which will be covered elsewhere in the application forms.

The applicant must clearly differentiate between those elements of the proposal which it is firmly committed to providing (which will be contractually binding) and those which may be provided.

APPLICATION FOR CABLE COMMUNICATION SYSTEM FRANCHISE
FOR SACRAMENTO COUNTY, CALIFORNIA

IDENTIFICATION OF APPLICANT

Name of Applicant _____

Address of Applicant _____
(Street)

(City, State, Zip Code)

Telephone _____
(Area Code and Number)

Date _____

Please give name and telephone number of principal to whom inquiries
should be made:

Name _____

Telephone _____
(Area Code and Number)

Authorized Signature _____
(Name and Title)

Date _____

APPLICATION FOR CABLE COMMUNICATION FRANCHISE

Applicant's Affidavit

This application is submitted in response to the Request for Proposals of Sacramento County and the City of Sacramento, California, by the undersigned who has been duly authorized to make the representations herein on behalf of the applicant.

Applicant understands that this application will be part of the Franchise Documents, enforceable against applicant, in the event a franchise is granted in consequence of this application.

Applicant recognizes that all representations made in this application are binding upon it and that inaccuracy of or failure to adhere to any such representations may result in revocation of any franchise that may be granted in consequence of this application.

Consent is hereby given to the County and the City of Sacramento to make inquiry into the legal, character, technical, financial and other qualifications of applicant by contacting any persons or organizations named herein as references, or by any other appropriate means.

Under penalty of perjury, the signator hereto declares that the entire contents of this application is true and correct.

Firm Name _____

Affiant's Signature _____

Official Position _____

Date _____

Attest _____

FORM A: ORGANIZATION

ORGANIZATION

1. Organization Structure

Sole Proprietorship _____

Joint Venture _____

Partnership _____

Unincorporated Assoc. _____

Corporation _____

Other (explain) _____

Officers (if Corporation):

President _____

Secretary _____

Vice President _____

Treasurer _____

Owner (if Sole Proprietorship) _____

General Partners (if Partnership) _____

If applicant is a corporation, please list all members of the Board of Directors, their principal affiliations and their addresses:

ORGANIZATION (continued)

2. Ownership and Control Information

(Reproduce additional forms if needed.)

To be completed for all principals, officers, directors, participants* and consultants of applicant, and by beneficial owners of any stock or other ownership interest in applicant. Beneficial owners include, but are not limited to, individuals, corporations, partnerships, joint ventures and unincorporated associations. Beneficial owners also include all prospective owners, including those to whom offers to become owners have been made and the offer has not been rejected.

Name (if individual) _____

(if organization) _____

Address _____

(Number)

(Street)

(City)

(State)

(Zip)

Nature of Interest:

☐ Partner☐ Stockholder/Owner☐ Officer☐ Corporate Director

Profession or Occupation _____

Name of Employer _____

Address of Employer _____

Number of shares of each class of stock or ownership interest in applicant (including stock options, stock subscriptions and partnership options): _____

Method of payment for interest (cash, notes, services, etc.)** _____

If shares are used for security to obtain funds to pay for them, disclose full details of the transaction: _____

Percentage of ownership of partnership, voting stock or equity interest: _____

* For purposes of this form, "participant" means any person employed or retained by the applicant either directly or indirectly who has had any communication regarding the award of a cable television franchise with, or who has made any campaign contribution to any of the County Supervisors or the City Council members or their administrative assistants.

** If notes, fully disclose terms thereof, including interest rate and repayment schedule. If services, disclose the method of valuation.

To be completed by each organization or corporation which filled out Page 2 of Form A (not individuals).

(For each name below that is the name of an organization or corporation, complete a new page 3 of Form A for the entity until all ownership interests are identified at the level of individual owners of one percent or more.)

Address

(Number)

(Street

(City)

(State)

(Zip)

Address

Capacitv

Ownership
(Percent)

[illegible]

ORGANIZATION (continued)

3. Stock Information

Please answer the following concerning the corporation:

- a. Is the applicant a publicly held corporation as defined by the rules and regulations of the Securities and Exchange Commission?

☐ Yes ☐ No

- b. Stock of corporation:

| Class of Stock | Par Value | Vote Per Share | No. Shares Authorized | No. Shares Issued | No. Shares Subscribed | Total No. Stockholders |
|----------------|-----------|----------------|-----------------------|-------------------|-----------------------|------------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |

- c. Does applicant have any other obligations or securities authorized or outstanding which bear voting rights either absolutely or upon any contingency?

☐ Yes ☐ No

If "yes," submit a statement of (1) the nature of such securities, (2) the face or par value, (3) the number of units authorized, (4) the number of units issued and outstanding, (5) the number of units, if any, proposed to be issued, and (6) the conditions of contingency upon which securities may be voted.

- d. Is applicant corporation directly or indirectly controlled by another corporation or legal entity?

☐ Yes ☐ No

If "yes," please explain. Detail agreements or procedures, if any, which assure that policy and operational control over the proposed cable television system shall remain vested in applicant.

- e. Is applicant or any principal assisting any equity owner in obtaining funds with which to pay for shares? If so disclose full details of the transaction.

ORGANIZATION (continued)

- f. Are any dividend payments guaranteed or any class of shareholders to be treated differently from any other class, please explain.
- g. Is any owner of any equity interest obligated or expected to be obligated to repay, guarantee or otherwise be responsible for any outstanding debt of applicant? If recourse exists with respect to the assets of some but not all equity owners, disclose details of different treatment.
4. What amounts and forms of compensation have been paid or promised to any officers, directors, shareholders, participants or consultants of applicant? Provide complete details.

5. Partnership Information

If applicant is a limited partnership, please describe structure and interests of general and limited partners.

ORGANIZATION (continued)

6. Ownership Disclosure

Applicants, including all shareholders and parties with any financial interest in the applicant, must fully disclose all agreements and understandings with any person, firm, group, association or corporation with respect to the franchise and the proposed system. This includes agreements between local investors and national companies. Failure to reveal such agreements will be considered withholding of pertinent information and will be considered cause to withhold or revoke award of the franchise.

Please append copies of any written agreements made regarding the ownership or control of the proposed system. Use the space provided to outline any oral agreements or understandings regarding the ownership or control of the proposed system. Indicate the existence and description (including price and time of exercise provisions) of stock options, buy-out agreements, buy-back or exchange of stock (or other interests) agreements, rights of first refusal, whether written or oral, obligatory or optional, that could affect the ownership structure of applicant. Treat specifically the possible effects on the interests of minority owners, female owners and local investors. (A "local investor" shall mean any individual who resides within Sacramento, Placer, El Dorado, San Joaquin, Amador, Sutter, Solano or Yolo Counties or any corporation, partnership or business association owned or controlled by any individual(s) who reside in these counties.)

It is assumed by the Governing Bodies that all owners or prospective owners of any equity interest in applicant will share equally in the costs associated with making this application if a franchise is not awarded to applicant. If there is any agreement, understanding or arrangement to the contrary, explain in detail.

7. Minority and Female Ownership and Involvement

If desired, provide information relating to minority and female ownership of applicant and anticipated minority and female involvement in the operation of the Sacramento franchise if the franchise is awarded in consequence of this application. The submission of such information is not mandatory; however, minority and female ownership and the extent of active minority and female involvement in operations will be considered a plus factor in the selection process, as one of numerous factors indicating the probable community responsiveness of the applicant.

FORM B: OWNERSHIP QUALIFICATIONS

OWNERSHIP QUALIFICATIONS

1. Does the applicant, any subsidiary of applicant, or any person or business entity having any interest ^{1/} in applicant, directly or indirectly own, operate, control or have an interest in any of the following:^{2/}
- a. A national broadcast television network (such as ABC, CBS, or NBC); or [] Yes [] No
 - b. A television broadcast station whose predicted Grade B contour, computed in accordance with Section 73.684 of the FCC's rules, overlaps in whole or in part the service area of such system, or an applicant for a license to operate such a station; or [] Yes [] No
 - c. A television translator station licensed to Sacramento County; or [] Yes [] No
 - d. A telephone company whose service area includes Sacramento County. [] Yes [] No
 - e. A newspaper having local circulation within Sacramento County. [] Yes [] No
 - f. A radio station whose potential listening area includes Sacramento County [] Yes [] No
 - g. A theater, or any newspapers, radios or television stations outside Sacramento County [] Yes [] No
 - h. A cable television system [] Yes [] No
2. If "yes" to any of the above, indicate below, with full identifying particulars, the nature and extent of such ownership operation, control or interest.

Name of Applicant, Person or Entity: _____

Nature of Interest: _____

Company in which Interest Held: _____

Name of Applicant, Person or Entity: _____

(continued)

^{1/} For purposes of this form, "interest" includes, in the case of corporations, officers, directors, and shareholders owning 1 percent or more of the company's outstanding voting stock.

^{2/} An affirmative response to Questions 1(a) through 1(d) may constitute disqualification of an applicant if Federal Communications Commission (FCC) cross-ownership rules prohibit such an applicant from investing in cable systems (see 47 CFR §63.45 and §76.501).

OWNERSHIP QUALIFICATIONS (continued)

Nature of Interest: _____

Company in which Interest Held: _____

3. Is the applicant a U.S. citizen? ☐ Yes ☐ No4. Is the applicant a U.S. corporation? ☐ Yes ☐ No
If "no," please describe in detail.

5. If "no," above state any ownership retained by persons or entities which are not U.S. citizens or corporations.

6. Do any appointed or elected officials of County or Cities serving within the last two years or members of their families have any beneficial interest or ownership in the applicant? ☐ Yes ☐ No

If "yes" to the above, indicate the name of the official, the percentage of ownership and the entity owned.

a. Name of the applicant: _____

b. Percentage of ownership: _____

c. Name of applicant or principal: _____

Describe, in detail, any contractual or financial interest--direct or indirect--existing between an officer or employee of the applicant and the County or Cities which may have existed at any time during the application process. Such interest or relationship shall include, but is not limited to, any contract or any financial interest in the sale of land, materials, supplies or services to the County or Cities.

FORM C: CHARACTER QUALIFICATIONS

CHARACTER QUALIFICATIONS

1. Has the applicant (including parent corporation if applicable) or any principal¹ ever been convicted or pleaded no contest in a criminal proceeding (felonies or misdemeanors) in which any of the following offenses was charged?

- | | |
|---|--|
| a. Fraud | <input type="checkbox"/> yes <input type="checkbox"/> no |
| b. Embezzlement | <input type="checkbox"/> yes <input type="checkbox"/> no |
| c. Tax evasion | <input type="checkbox"/> yes <input type="checkbox"/> no |
| d. Bribery | <input type="checkbox"/> yes <input type="checkbox"/> no |
| e. Extortion | <input type="checkbox"/> yes <input type="checkbox"/> no |
| f. Jury tampering | <input type="checkbox"/> yes <input type="checkbox"/> no |
| g. Obstruction of justice (or other misconduct affecting public or judicial officers' performance of their official duties) | <input type="checkbox"/> yes <input type="checkbox"/> no |
| h. False/misleading advertising | <input type="checkbox"/> yes <input type="checkbox"/> no |
| i. Perjury | <input type="checkbox"/> yes <input type="checkbox"/> no |
| j. Anti-trust violations (state and federal) | <input type="checkbox"/> yes <input type="checkbox"/> no |
| k. Violations of FCC regulations | <input type="checkbox"/> yes <input type="checkbox"/> no |
| l. Conspiracy to commit any of the foregoing offenses | <input type="checkbox"/> yes <input type="checkbox"/> no |
| m. Any other felony | <input type="checkbox"/> yes <input type="checkbox"/> no |

2. If "yes", attach separate statement providing specifics such as date, court, sentence or fine, etc.

1

For purposes of this form, "principal" means any officer or director of applicant, and any person, firm, corporation, partnership, joint venture, or other entity, who or which owns or controls one (1) per cent or more of the voting stock (or any equivalent voting interest of a partnership or joint venture) of an applicant.

CHARACTER QUALIFICATIONS (continued)

3. Has the applicant or any principal ever been or is the applicant or any principal now a party to a civil proceeding involving any of the following:

- a. Unfair or anticompetitive business practices ☐ yes ☐ no
- b. Violations of securities laws (state and federal) ☐ yes ☐ no
- c. False/misleading advertising ☐ yes ☐ no
- d. Violations of FCC regulations ☐ yes ☐ no
- e. Unfair labor practices ☐ yes ☐ no
- f. Antitrust violations (state and federal) ☐ yes ☐ no
- g. Any action in which a municipality served by applicant or any principal is a party ☐ yes ☐ no
- h. Bankruptcy ☐ yes ☐ no

4. If "yes", attach statement providing specifics.

5. Has applicant or any principal ever had a business license (defined to include FCC licenses, alcoholic beverage and restaurant licenses, etc.) revoked, suspended or the renewal thereof denied or is applicant or any principal now a party to a proceeding that may result in same? ☐ yes ☐ no

6. If "yes", attach statement providing specifics.

7. Has applicant or any principal ever, as a result of an adjudicated proceeding, been found in violation--other than routine service complaints--of any franchise agreement, contract, or regulation governing their cable communications systems owned or operated by them? ☐ yes ☐ no

8. If "yes", attach statement providing specifics.

9. Has applicant or any principal ever initiated litigation against a franchising authority or had a franchising authority initiate litigation against it? ☐ yes ☐ no

10. If "yes", attach statement providing specifics.

FORM D: EXPERIENCE--CURRENT CABLE HOLDINGS

**CABLE HOLDINGS OWNED BY APPLICANT
AND PRESENT SUBSCRIBER RATES**

Please list all holdings (franchises/licenses and systems) in which applicant or any principal* owns one (1) percent or more of stock other equity interest. (If additional pages are needed, please reproduce this form.)

| | | | |
|---|--|--|--|
| Location of System | | | |
| Date of Franchise/Li- cense Award or Acqui- sition (indicate whether award or purchase) | | | |
| Plant Miles of System | | | |
| Date First Subscribers Served | | | |
| Date Construction Completed | | | |
| Percentage of System Ownership Held | | | |
| Holder of Controlling Ownership Interest | | | |
| Current Subscriber Rate | | | |
| Date Rate Approved | | | |
| Name and Address of Local Government Officials Responsible for Cable Operations | | | |

*For purposes of this form, "principal" means any officer or director of applicant, and any person, firm, corporation, subsidiary, joint venture or other entity, who or which owns or controls one (1) percent or more of the voting stock (or any equivalent voting interest of a partnership or joint venture) of an applicant.

Complete this form for all, but not more than four, cable systems operated by applicant. Each system so described must be available for inspection as evidence of applicant's special qualification and experience in cable television. If possible, include systems that (a) are under construction; (b) include community involvement; (c) are pre-1972; and (d) have more than 25,000 subscribers.

Community:

Name of Local Company:

Address:

Date of award of franchise:

Date construction commenced:

If turn-key -- name company:

Percentage construction completed:

Strand or route miles of plant presently in place for residential services:

- A. Aerial _____
B. Underground _____

Number of Residential Subscribers:

- A. At present _____
B. In 5 yrs. (projected) _____

Homes passed by cable:

- A. At present _____
B. In 5 yrs. (projected) _____

Number of local origination channels: _____

Programming hours per typical week on local origination channels:

- A. Automated _____
B. Non-automated _____

Number of channels used for entertainment services:

- A. Class I _____
B. Class II _____

List entertainment services:

This system (check all applicable):

- (a) Under construction _____
(b) Includes community involvement _____
(c) Is pre-1972 _____
(d) Has 25,000+ subscribers _____

Include narrative explanations of any special or unique features that demonstrate applicant's capability and experience.

Number community access channels:

- A. Education _____
B. Government _____
C. Public _____
D. Other _____

Average number of hours channels used daily:

- A. Education Channels _____
B. Government Channels _____
C. Public Channels _____
D. Other access channels _____

Interactive services to homes (list services with number of subscribers):

- A. At present _____
B. In 5 yrs. (projected) _____

Miles of cable providing institutional services:

- A. At present _____
B. In 5 yrs. (projected) _____

Number of institutional subscribers:

- A. At present _____
B. In 5 yrs. (projected) _____

Institutional Services (List services with number of subscribers):

- A. At present _____
B. In 5 yrs. (projected) _____

Attach a complete Rate Schedule for all services provided (showing rate change history from inception to present time)

FORM E: FORMER FRANCHISES OR OWNERSHIP INTERESTS

FORMER FRANCHISES

Applicant and any principal* shall list every community where it has received a cable television franchise or constructed or operated a cable system without a franchise and subsequently disposed of all or a majority of its interest. (If additional pages are needed, please reproduce this form.)

| Name of System | Community | Date of Franchise Award or Acquisition | Date of Franchise Disposition | Reason and Manner of Disposition |
|----------------|-----------|--|-------------------------------|----------------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

*For purposes of this form, "principal" means any officer or director of applicant, and any person, firm, corporation, subsidiary, joint venture or other entity, who or which owns or controls 3 percent or more of the voting stock (or any equivalent voting interest of a partnership or joint venture) of an applicant.

FINANCIAL RESOURCES

Please describe in detail the financing plan for the construction and operation of the proposed Sacramento County cable communications system. Proof of financial capability shall include the following:

1. Source of financing:

- a. Equity -- What are the source and amount of equity capital? List all committed sources and the amount committed. Provide back-up documentation evidencing commitment.
-
-

- b. Long-term Debt -- What are the source and amount of long-term debt? List all committed sources and the amount committed. Provide back-up documentation evidencing commitment.
-
-

- c. Short-term Debt -- What are the source and amount of short-term debt? List all committed sources and the amount committed. Provide back-up documentation evidencing commitment.
-
-

- d. Provide name, title, address and telephone of appropriate contact person of each lending institution providing financing or other financial services to applicant.
-
-

2. Terms of financing: (Provide information for each source of debt financing.)

- a. Amount -- Long-term \$ _____ Term length _____
Amount -- Short-term \$ _____ Term length _____
- b. Under what conditions is the financing to be made available? Are there restrictions on availability or use of funds?
-
-

FINANCIAL RESOURCES (continued)

- c. What interest rates, payback and other terms? _____

- d. What collateral is involved? _____

- e. Who are guarantors? _____

- f. Attach copies of any related agreements made in connection with financing of this project.
- g. Describe any interrelationships between any source of debt financing and applicant or any principal.

- h. Are there any limitations on the sale of stock by individual holders in this project? Describe.

- i. Are there any buy-out or buy-back stock provisions? Describe.

- j. Are there any assignments or intended assignments of stock voting rights? If so, describe.

3. If applicant is (or includes) a multiple system operator, will it agree to countersign the franchise agreement if asked to do so.

FINANCIAL RESOURCES (continued)

4. Is applicant organized as an IRS Subchapter S corporation? If yes, what depreciation rate will be used for tax purposes?

5. Documentation: Supply documentation and evidence that assures applicant's financial viability, such as letters of commitment or credit from financial institutions and equity sources which will demonstrate the availability of sufficient funds to complete the construction of the Sacramento County cable communications system.

If applicant is a multiple system operator, give evidence of the portion of the company's line of credit that is presently uncommitted and will be applied and committed to the construction of the Sacramento County system.

If local investors are involved, list the amount of equity contribution of each plus the method by which the contribution is paid (e.g., cash, cash plus credit, services, etc.). Include financial commitment documentation for each investor.

If applicant is a division or subsidiary of an MSO, provide the proposed debt instrument, describing terms of payment.

If capital is to be raised by a parent company, provide an annual report for the parent company.

If future refinancing is anticipated, describe proposed terms and arrangements.

FINANCIAL RESOURCES (continued)

6. Previous systems financed: Describe in detail the financing arrangements utilized by applicant and/or parent and/or principals to acquire or construct cable systems within the past ten years:

7. For applicant, the parent company, if any, and the principals, provide the name, title, address and telephone number of an appropriate contact person in any outside audit firm utilized within the past ten years.

NATIONAL BUILDING COMMITMENTS--NEW PLANTS*

Form F

To be completed for each applicant, parent organization and principal franchised in any other community or communities. If additional space is needed, please reproduce this form.

| Miles & Cost of Committed Plant (give name of community) | | Committed Total Capital Costs | | | | | Completion Date** |
|---|-------|-------------------------------|--------|--------|--------|--------|----------------------|
| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | |
| Sacramento County | Miles | | | | | | |
| | Cost | | | | | | |
| Community 1: _____ | Miles | | | | | | |
| | Cost | | | | | | |
| Community 2: _____ | Miles | | | | | | |
| | Cost | | | | | | |
| Community 3: _____ | Miles | | | | | | |
| | Cost | | | | | | |
| Community 4: _____ | Miles | | | | | | |
| | Cost | | | | | | |
| Community 5: _____ | Miles | | | | | | |
| | Cost | | | | | | |

New plant includes the miles of committed plant and construction costs for all recently awarded franchises which may not have started construction and also older franchises where building program is not yet complete.

*Completion date as promised in the application for each franchise.

COMMITMENTS TO REBUILD--EXISTING SYSTEMS

To be completed for each applicant, parent organization and principal franchised in any other community or communities. If additional space is needed, please reproduce this form.

Form 1

| Miles of Committed Rebuilding (give name of community) | | Committed Total Capital Costs | | | | |
|---|-------|-------------------------------|--------|--------|--------|--------|
| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Community 1: _____ | Miles | | | | | |
| | Cost | | | | | |
| Community 2: _____ | Miles | | | | | |
| | Cost | | | | | |
| Community 3: _____ | Miles | | | | | |
| | Cost | | | | | |
| Community 4: _____ | Miles | | | | | |
| | Cost | | | | | |
| Community 5: _____ | Miles | | | | | |
| | Cost | | | | | |
| Community 6: _____ | Miles | | | | | |
| | Cost | | | | | |

Summary

| | | | | | |
|---|--|--|--|--|--|
| New Plant (including Sacramento County) | | | | | |
| Rebuilding Plant | | | | | |
| Total Committed Capital Costs | | | | | |

POTENTIAL BUILDING COMMITMENTS--CURRENT FRANCHISE APPLICATIONS

To be completed for each applicant, parent organization and principal applying for franchises in other communities. If additional space is needed, please reproduce this form.

| Community in which franchise sought | Date of Application | Expected Date of Award | Estimated Plant Mileage | Estimated Cost |
|--|------------------------|---------------------------|----------------------------|-------------------|
| Community 1: _____ Miles | | | | |
| _____ Cost | | | | |
| Community 2: _____ Miles | | | | |
| _____ Cost | | | | |
| Community 3: _____ Miles | | | | |
| _____ Cost | | | | |
| Community 4: _____ Miles | | | | |
| _____ Cost | | | | |
| Total Estimated Mileage and Cost | | | | |

FORM G: FINANCIAL PRO FORMA

NOTE: All Pro Forma projections should be made
in constant 1982 dollars.

ANTICIPATED SYSTEM GROWTH AND REVENUE STATEMENT FOR THE SACRAMENTO COUNTY CABLE SYSTEM

| Year | Households | Homes | Average | Average | Average | Percentage of Penetration | | |
|---------|----------------------|--------------------|-----------------------|-------------------------|--------------------------|---------------------------|-----------------|------------------------|
| | in Franchise Area | Passed by Cable | Basic* Subscribers | 2nd Set* Subscribers | PayCable* Subscribers | Other** Services | Pay to Basic | Pay to Homes Passed |
| Year 1 | | | | | | | | |
| Year 2 | | | | | | | | |
| Year 3 | | | | | | | | |
| Year 4 | | | | | | | | |
| Year 5 | | | | | | | | |
| Year 6 | | | | | | | | |
| Year 7 | | | | | | | | |
| Year 8 | | | | | | | | |
| Year 9 | | | | | | | | |
| Year 10 | | | | | | | | |
| Year 11 | | | | | | | | |
| Year 12 | | | | | | | | |
| Year 13 | | | | | | | | |
| Year 14 | | | | | | | | |
| Year 15 | | | | | | | | |

(continued)

* If there is more than one tier of service offered, provide information for each tier. Show separately, number of subscribers, average rate, annual revenue for each tier of basic and pay cable and other services. Then show totals for all tiers.

**Break down each type "other" than basic and pay cable revenues and break down revenues from installation and from monthly rates.

NOTE: Year 1 begins on the date the certification of acceptance is filed.

FORM F: FINANCIAL RESOURCES, EXISTING CAPITAL COMMITMENTS,
AND POTENTIAL BUILDING COMMITMENTS

ANTICIPATED SYSTEM GROWTH AND REVENUE STATEMENT FOR THE SACRAMENTO COUNTY CABLE SYSTEM -- Continued

| Year | Revenue Per Subscriber | | | | | | Revenue (Annual Total) | | | | | |
|---------|------------------------|----------|----------|-----------|------|---------|------------------------|----------|------|-----------|------|---------|
| | Basic* | 2nd Set* | Pay* | Instal- | FM | Other** | Basic* | 2nd Set* | Pay* | Instal- | FM | Other** |
| | (Yearly) | (Yearly) | (Yearly) | lation | Ser- | Des- | | | | lation | Ser- | Des- |
| | | | | Basic Pay | vice | cribe | | | | Basic Pay | vice | cribe |
| Year 1 | | | | | | | | | | | | |
| Year 2 | | | | | | | | | | | | |
| Year 3 | | | | | | | | | | | | |
| Year 4 | | | | | | | | | | | | |
| Year 5 | | | | | | | | | | | | |
| Year 6 | | | | | | | | | | | | |
| Year 7 | | | | | | | | | | | | |
| Year 8 | | | | | | | | | | | | |
| Year 9 | | | | | | | | | | | | |
| Year 10 | | | | | | | | | | | | |
| Year 11 | | | | | | | | | | | | |
| Year 12 | | | | | | | | | | | | |
| Year 13 | | | | | | | | | | | | |
| Year 14 | | | | | | | | | | | | |
| Year 15 | | | | | | | | | | | | |

*If there is more than one tier of service offered, provide information for each tier. Show separately, number of subscribers, average rate, annual revenue for each tier of basic and pay cable and other services. Then show totals for all tiers.

**Break down each type "other" than basic and pay cable revenues and break down revenues from installation and from monthly rates.

NOTE: Year 1 begins on the date the certification of acceptance is filed.

REVENUE DOCUMENTATION

Using the figures of households given in the "Uniform Data," explain how your subscriber and penetration figures are obtained.

In brief narrative, describe the source of the information and basis for projection. Describe the basis for projection of penetration levels. Were there any market surveys made? If so, how was it conducted? Please furnish copy of market studies.

Describe in Detail the development and projected growth of any service other than basic and payable. Be specific on the sources and growth of each component of revenues from all "other" services.

INCOME STATEMENT (in 000s)

| Year | Revenue | Less Op- erating Expenses | Equals Operating Income | Less Interest | Less Depreci- ation | Equals Pre-tax Income | Less Income Taxes | Equals Net Income | Plus Depreci- ation | Equals Cash Flow |
|---------|---------|---------------------------------|-------------------------------|------------------|---------------------------|-----------------------------|-------------------------|-------------------------|---------------------------|------------------------|
| Year 1 | | | | | | | | | | |
| Year 2 | | | | | | | | | | |
| Year 3 | | | | | | | | | | |
| Year 4 | | | | | | | | | | |
| Year 5 | | | | | | | | | | |
| Year 6 | | | | | | | | | | |
| Year 7 | | | | | | | | | | |
| Year 8 | | | | | | | | | | |
| Year 9 | | | | | | | | | | |
| Year 10 | | | | | | | | | | |
| Year 11 | | | | | | | | | | |
| Year 12 | | | | | | | | | | |
| Year 13 | | | | | | | | | | |
| Year 14 | | | | | | | | | | |
| Year 15 | | | | | | | | | | |

NOTE: Year 1 begins on the date the certification of acceptance is filed.

1. Present, in brief narrative form, applicant's financial goals. Specifically, include in your discussion financial targets for operating income, pre-tax income, and desired rate of return. What is basis for rate of return? How is rate of return calculated? If the discounted cash flow method is used, what is the investment base upon which the return is calculated? What are the items considered as cash out-flows, in-flows? What residual value is assumed for the system at the end of the franchise period?

2. Please describe how income taxes are computed. Will federal income taxes be consolidated with a parent company? If not, show treatment of loss carry-forwards and investment tax credits.

2. If annual inflation can be assumed to average 9 percent per year over 15 years, how would this affect your projected operating expenses, capital expenditure and revenue? Specify the anticipated growth by year for each category.

SOURCES AND USES OF FUNDS

| Year | Sources of Funds | | | | | Uses of Funds | | | | | | |
|---------|------------------------------|-----------------|-------|---------|------------------|------------------------------|----------------------------|---------------------------|-----------------|------------------------|-----------|---------------|
| | Beginning Cash Balance | Equity Funds | Loans | Revenue | Total Sources | Capital Expen- ditures | Oper- ating Expenses | Interest Pay- ments | Income Taxes | Loan Repay- ment | Dividends | Total Uses |
| Year 1 | | | | | | | | | | | | |
| Year 2 | | | | | | | | | | | | |
| Year 3 | | | | | | | | | | | | |
| Year 4 | | | | | | | | | | | | |
| Year 5 | | | | | | | | | | | | |
| Year 6 | | | | | | | | | | | | |
| Year 7 | | | | | | | | | | | | |
| Year 8 | | | | | | | | | | | | |
| Year 9 | | | | | | | | | | | | |
| Year 10 | | | | | | | | | | | | |
| Year 11 | | | | | | | | | | | | |
| Year 12 | | | | | | | | | | | | |
| Year 13 | | | | | | | | | | | | |
| Year 14 | | | | | | | | | | | | |
| Year 15 | | | | | | | | | | | | |
| Total | | | | | | | | | | | | |

E: Year 1 begins on the date the certification of acceptance is filed.

SUMMARY OF SOURCES AND USES OF FUNDS

| | Total Sources | Total Uses | Ending Cash Balance | Ending Total Loans Outstanding | Debt/Equity Ratio at end of year | |
|---------|------------------|---------------|---------------------------|--------------------------------------|--|--|
| Year 1 | | | | | | |
| Year 2 | | | | | | |
| Year 3 | | | | | | |
| Year 4 | | | | | | |
| Year 5 | | | | | | |
| Year 6 | | | | | | |
| Year 7 | | | | | | |
| Year 8 | | | | | | |
| Year 9 | | | | | | |
| Year 10 | | | | | | |
| Year 11 | | | | | | |
| Year 12 | | | | | | |
| Year 13 | | | | | | |
| Year 14 | | | | | | |
| Year 15 | | | | | | |

ANNUAL LOAN INFORMATION

| Year | Average Loan Balance for Year | Average Interest Rates for Year* |
|---------|-------------------------------|----------------------------------|
| Year 1 | | |
| Year 2 | | |
| Year 3 | | |
| Year 4 | | |
| Year 5 | | |
| Year 6 | | |
| Year 7 | | |
| Year 8 | | |
| Year 9 | | |
| Year 10 | | |
| Year 11 | | |
| Year 12 | | |
| Year 13 | | |
| Year 14 | | |
| Year 15 | | |
| Total | | |

NOTE: Year 1 begins on the date the certification of acceptance is filed.

* Describe in detail how average interest rates are calculated and projected.

ANTICIPATED CAPITAL EXPENDITURES (in \$000s)

| Year | Antenna(s) | Regional Inter- Connect | Headend (incl. Computer) | Earth Station | Distribution | | | Institu- tional Network | Drops* | Conver- ters* | Build- ings | Leasehold Improve- ments Furnishings & Fixtures |
|---------|-------------|-------------------------------|--------------------------------|------------------|--------------|------------------|-----------------------|-------------------------------|--------|------------------|----------------|---|
| | & Towers | | | | Aerial | Under- ground | Hub Inter- Connect | | | | | |
| Year 1 | | | | | | | | | | | | |
| Year 2 | | | | | | | | | | | | |
| Year 3 | | | | | | | | | | | | |
| Year 4 | | | | | | | | | | | | |
| Year 5 | | | | | | | | | | | | |
| Year 6 | | | | | | | | | | | | |
| Year 7 | | | | | | | | | | | | |
| Year 8 | | | | | | | | | | | | |
| Year 9 | | | | | | | | | | | | |
| Year 10 | | | | | | | | | | | | |
| Year 11 | | | | | | | | | | | | |
| Year 12 | | | | | | | | | | | | |
| Year 13 | | | | | | | | | | | | |
| Year 14 | | | | | | | | | | | | |
| Year 15 | | | | | | | | | | | | |

(continued)

*Equipment on customer's premises (including capitalized labor).

NOTE: Include projected replacement capitalization where applicable.

NOTE: Year 1 begins on the date the
certification of acceptance is filed.

ANTICIPATED CAPITAL EXPENDITURES (in \$000s)--continued

| ANTICIPATED CAPITAL EXPENDITURES (IN \$000'S)--Continued | | | | | | | | | | | | | | |
|--|------|-------------|----------------|----------------|---|----------|----------------|--------------|-----------------------------------|----------------------------|---------------------------|-------|--|--|
| Year | Land | Origination | | | Test | Vehicles | Pre-Op-erating | Engineer-ing | Pay Cable Related Equipment | Amortized & Capitalized | Capit- | Total | | |
| | | Studios | Mobile Vans | Equip- ment | Equipment, Spr. Parts Tools, Inven- tory | | | | | Overhead & Equipment* | alized Inter- est** | | | |
| Year 1 | | | | | | | | | | | | | | |
| Year 2 | | | | | | | | | | | | | | |
| Year 3 | | | | | | | | | | | | | | |
| Year 4 | | | | | | | | | | | | | | |
| Year 5 | | | | | | | | | | | | | | |
| Year 6 | | | | | | | | | | | | | | |
| Year 7 | | | | | | | | | | | | | | |
| Year 8 | | | | | | | | | | | | | | |
| Year 9 | | | | | | | | | | | | | | |
| Year 10 | | | | | | | | | | | | | | |
| Year 11 | | | | | | | | | | | | | | |
| Year 12 | | | | | | | | | | | | | | |
| Year 13 | | | | | | | | | | | | | | |
| Year 14 | | | | | | | | | | | | | | |
| Year 15 | | | | | | | | | | | | | | |

*Discuss and describe the method(s) used in determining capitalized overhead and capitalized interest applicable to the system.

**Describe other capital expenditures.

NOTE: Include projected replacement capitalization where applicable.

NOTE: Year 1 begins on the date the certification of acceptance is filed.

SUBSCRIBER NETWORK CONSTRUCTION COSTS

| Item | Aerial | Underground | Equipment for* Other Services |
|--------------------------|----------|-------------|----------------------------------|
| <u>Distribution Cost</u> | | | |
| <u>Per Mile</u> | | | |
| Make Ready | \$ _____ | \$ _____ | \$ _____ |
| Engineering | \$ _____ | \$ _____ | \$ _____ |
| Labor | \$ _____ | \$ _____ | \$ _____ |
| Hardware and Strand | \$ _____ | \$ _____ | \$ _____ |
| Cable | \$ _____ | \$ _____ | \$ _____ |
| Electronics | \$ _____ | \$ _____ | \$ _____ |
| Other | \$ _____ | \$ _____ | \$ _____ |
| Total Cost Per Mile | \$ _____ | \$ _____ | \$ _____ |
| <u>Cost Per Drop</u> | | | |
| Drop Material | \$ _____ | \$ _____ | \$ _____ |
| Labor | \$ _____ | \$ _____ | \$ _____ |
| Traps and Filters | \$ _____ | \$ _____ | \$ _____ |
| Total Cost Per Drop | \$ _____ | \$ _____ | \$ _____ |

* For each service other than basic and paycable, show bill of materials for all equipment at Headend and at subscriber's premises.

Specify the model number and unit price of the converter used for each tier of service.

INSTITUTIONAL NETWORK CONSTRUCTION COSTS

| Item | Aerial | Underground |
|--------------------------|----------|-------------|
| <u>Distribution Cost</u> | | |
| <u>Per Mile</u> | | |
| Make Ready | \$ _____ | \$ _____ |
| Engineering | \$ _____ | \$ _____ |
| Labor | \$ _____ | \$ _____ |
| Hardware and Strand | \$ _____ | \$ _____ |
| Cable | \$ _____ | \$ _____ |
| Electronics | \$ _____ | \$ _____ |
| Other | \$ _____ | \$ _____ |
| Total Cost Per Mile | \$ _____ | \$ _____ |
| <u>Cost Per Drop</u> | | |
| Drop Material | \$ _____ | \$ _____ |
| Labor | \$ _____ | \$ _____ |
| Taps and Filters | \$ _____ | \$ _____ |
| Total Cost Per Drop | \$ _____ | \$ _____ |

* For each service other than basic and paycable, show bill of materials for all equipment at Headend and at subscriber's premises.

Specify the model number and unit price of the converter for each tier of service.

DEPRECIATION

| Year | Antenna(s) & Towers | Regional Inter- Connect | Headend (Incl. Computer) | Earth Station | Distribution | | | Institu- tional Network | Drops | Conver- ters | Build- ings | Leasehold Improvements Furnishings & Fixtures |
|---------|---------------------------|-------------------------------|--------------------------------|------------------|--------------|--|--|-------------------------------|-------|-----------------|----------------|--|
| Year 1 | | | | | | | | | | | | |
| Year 2 | | | | | | | | | | | | |
| Year 3 | | | | | | | | | | | | |
| Year 4 | | | | | | | | | | | | |
| Year 5 | | | | | | | | | | | | |
| Year 6 | | | | | | | | | | | | |
| Year 7 | | | | | | | | | | | | |
| Year 8 | | | | | | | | | | | | |
| Year 9 | | | | | | | | | | | | |
| Year 10 | | | | | | | | | | | | |
| Year 11 | | | | | | | | | | | | |
| Year 12 | | | | | | | | | | | | |
| Year 13 | | | | | | | | | | | | |
| Year 14 | | | | | | | | | | | | |
| Year 15 | | | | | | | | | | | | |

(continued)

NOTE: Year 1 begins on the date the certification of acceptance is filed.

DEPRECIATION--continued

| Year | Origination | | | Test Equipment, Tools, Parts, Inventory | Vehicles | Pre-Op- erating | Engineer- ings | Pay Cable Related Equipment | Capitalized Overhead & Equipment | Other | Total |
|---------|-------------|----------------|----------------|--|----------|--------------------|-------------------|-----------------------------------|--|-------|-------|
| | Studios | Mobile Vans | Equip- ment | | | | | | | | |
| Year 1 | | | | | | | | | | | |
| Year 2 | | | | | | | | | | | |
| Year 3 | | | | | | | | | | | |
| Year 4 | | | | | | | | | | | |
| Year 5 | | | | | | | | | | | |
| Year 6 | | | | | | | | | | | |
| Year 7 | | | | | | | | | | | |
| Year 8 | | | | | | | | | | | |
| Year 9 | | | | | | | | | | | |
| Year 10 | | | | | | | | | | | |
| Year 11 | | | | | | | | | | | |
| Year 12 | | | | | | | | | | | |
| Year 13 | | | | | | | | | | | |
| Year 14 | | | | | | | | | | | |
| Year 15 | | | | | | | | | | | |

NOTE: Year 1 begins on the date the certification of acceptance is filed.

DEPRECIATION JUSTIFICATION SHEET

| Item | Depreciation Life (years) |
|--|------------------------------|
| 1. Antenna(s) & Towers | |
| 2. Regional Interconnect | |
| 3. Headend (including computers) | |
| 4. Earth Station | |
| 5. Distribution: | |
| a. Aerial | |
| b. Underground | |
| c. Hub Interconnect | |
| 6. Drops | |
| 7. Converters | |
| 8. Buildings: | |
| a. Headends | |
| b. Studio | |
| c. Offices | |
| 9. Leasehold Improvements, Furniture, Fixtures | |
| 10. Origination Equipment - Studio | |
| 11. Origination Equipment - Remote | |
| 12. Test Equipment, Tools, Spare Parts & Inventory | |
| 13. Vehicles | |
| 14. Preoperating | |
| 15. Engineering | |
| 16. Pay Cable Converters (and related equipment) | |
| 17. Capitalized Payroll | |
| 18. Other (detail) | |

PAYROLL EXPENSE

1. Under each category below, specify actual titles of anticipated personnel (e.g., system manager under General & Administrative; access coordinator under Origination; etc.). In the parentheses (), indicate the equivalent number of full-time employees for each category for Years 3, 5 and 10 (e.g., an entry might appear as \$97,500 (7)—indicating seven employees receiving a total of \$97,500 in that particular year).

ANNUAL SALARIES AND WAGES
(in \$000s)

| Category | Year 1 | Year 3 | Year 5 | Year 10 |
|--------------------------------------|--------|--------|--------|---------|
| A. Plant | | | | |
| 1. | () | () | () | () |
| 2. | () | () | () | () |
| 3. | () | () | () | () |
| 4. | () | () | () | () |
| 5. | () | () | () | () |
| 6. | () | () | () | () |
| 7. | () | () | () | () |
| 8. | () | () | () | () |
| 9. | () | () | () | () |
| 10. | () | () | () | () |
| B. Origination | | | | |
| 1. | () | () | () | () |
| 2. | () | () | () | () |
| 3. | () | () | () | () |
| 4. | () | () | () | () |
| 5. | () | () | () | () |
| 6. | () | () | () | () |
| 7. | () | () | () | () |
| 8. | () | () | () | () |
| 9. | () | () | () | () |
| 10. | () | () | () | () |
| C. General and Administrative | | | | |
| 1. | () | () | () | () |
| 2. | () | () | () | () |
| 3. | () | () | () | () |
| 4. | () | () | () | () |
| 5. | () | () | () | () |
| D. Other | | | | |
| 1. | () | () | () | () |
| 2. | () | () | () | () |
| Total | _____ | _____ | _____ | _____ |

NOTE: Year 1 begins on the date the certification of acceptance is filed.

2. Describe proposed use of special employee training programs, if any, and relate the proposed programs to the foregoing payroll information.

3. Provide staffing schedule plans, salary increases and methodology used in determining head count, for example: 1 controller per 2,000 new customers; 1 maintenance technical per X miles of plant.

OPERATING EXPENSES 15 YEARS DETAILED PROJECTIONS*

| Category | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|--------|--------|--------|--------|--------|
| A. Plant: | | | | | |
| 1. Salaries | | | | | |
| a. Overtime | | | | | |
| 2. Employee Benefits | | | | | |
| 3. Maintenance (Distribution) | | | | | |
| 4. Drop Materials Expense | | | | | |
| 5. Converter Maintenance | | | | | |
| 6. Pole and Site Rentals | | | | | |
| 7. Maintenance (Microwave Service & Head end) | | | | | |
| 8. System Power | | | | | |
| 9. Shop & Warehouse Utilities | | | | | |
| 10. Vehicle Expense | | | | | |
| 11. Computer Maintenance | | | | | |
| 12. Rent | | | | | |
| 13. Professional Services | | | | | |
| 14. Payroll and Expenses Capitalized | | | | | |
| 15. Other ** | | | | | |
| TOTAL PLANT | | | | | |

*Fifteen-year totals to be reflected in Summary on Form G, page 26.

(Continued)

**For all "other" categories of a particular total operating cost, specify the individual components that make up the "other" category and document these expenses.

NOTE: On a separate sheet, please describe all assumptions made to develop operating expenses such as power cost per mile, number of subscribers per general and administrative clerk or technician, leasing cost per vehicle, etc.

OPERATING EXPENSES 15 YEARS DETAILED PROJECTIONS*

| Category | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|--|--------|--------|--------|--------|---------|
| A. Plant: | | | | | |
| 1. Salaries | | | | | |
| a. Overtime | | | | | |
| 2. Employee Benefits | | | | | |
| 3. Maintenance (Distribution) | | | | | |
| 4. Drop Materials Expense | | | | | |
| 5. Converter Maintenance | | | | | |
| 6. Pole and Site Rentals | | | | | |
| 7. Maintenance (Microwave Service & Head end) | | | | | |
| 8. System Power | | | | | |
| 9. Shop & Warehouse Utilities | | | | | |
| 10. Vehicle Expense | | | | | |
| 11. Computer Maintenance | | | | | |
| 12. Rent | | | | | |
| 13. Professional Services | | | | | |
| 14. Payroll and Expenses Capitalized | | | | | |
| 15. Other * * | | | | | |
| TOTAL PLANT | | | | | |

(Continued)

*Fifteen-year totals to be reflected in Summary on Form G, page 26.

**For all "other" categories of a particular total operating cost, specify the individual components that make up the "other" category and document these expenses.

NOTE: On a separate sheet, please describe all assumptions made to develop operating expenses such as power cost per mile, number of subscribers per general and administrative clerk or technician, leasing cost per vehicle, etc.

OPERATING EXPENSES 15 YEARS DETAILED PROJECTIONS*

| Category | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|---|---------|---------|---------|---------|---------|
| A. Plant: | | | | | |
| 1. Salaries | | | | | |
| a. Overtime | | | | | |
| 2. Employee Benefits | | | | | |
| 3. Maintenance (Distribution) | | | | | |
| 4. Drop Materials Expense | | | | | |
| 5. Converter Maintenance | | | | | |
| 6. Pole and Site Rentals | | | | | |
| 7. Maintenance (Microwave Service & Head end) | | | | | |
| 8. System Power | | | | | |
| 9. Shop & Warehouse Utilities | | | | | |
| 10. Vehicle Expense | | | | | |
| 11. Computer Maintenance | | | | | |
| 12. Rent | | | | | |
| 13. Professional Services | | | | | |
| 14. Payroll and Expenses Capitalized | | | | | |
| 15. Other * * | | | | | |
| TOTAL PLANT | | | | | |

(continued)

*Fifteen-year totals to be reflected in Summary on Form G, page 26.

**For all "other" categories of a particular total operating cost, specify the individual components that make up the "other" category and document these expenses.

NOTE: On a separate sheet, please describe all assumptions made to develop operating expenses such as power cost per mile, number of subscribers per general and administrative clerk or technician, leasing cost per vehicle, etc.

EXPENSES 15 YEARS DETAILED PROJECTIONS* -- continued

| Category | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-------------------------------------|--------|--------|--------|--------|--------|
| B. Origination Expenses: | | | | | |
| 1. Salaries | | | | | |
| 2. Overtime | | | | | |
| 3. Benefits | | | | | |
| 4. Rent | | | | | |
| 5. Equipment Maintenance | | | | | |
| 6. Vehicle Expenses | | | | | |
| 7. Common Carrier (Terrestrial) | | | | | |
| 8. Local Program Materials | | | | | |
| a. Tape Stock | | | | | |
| b. Misc. Supplies | | | | | |
| 9. Satellite Signals+ | | | | | |
| a. Independents | | | | | |
| b. Other | | | | | |
| c. Pay Cable | | | | | |
| 10. Stand-alone Program Material | | | | | |
| a. Film Service | | | | | |
| b. Other Nonautomated | | | | | |
| c. Automated Programming | | | | | |
| 11. Promotion (LO & Access) | | | | | |
| 12. Other Miscellaneous++ | | | | | |
| TOTAL ORIGINATION EXPENSE | | | | | |

*Fifteen-year totals to be reflected in Summary on Form G, p. 26. (continued)

+List all signals imported and their corresponding annual cost (i.e., WBS--\$_____, MSG--\$_____, UPI--\$_____).

++List separately. Include any grants proposed to specific institutions or entities to facilitate local programming.

EXPENSES 15 YEARS DETAILED PROJECTIONS* -- continued

| Category | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|-------------------------------------|--------|--------|--------|--------|---------|
| B. Origination Expenses: | | | | | |
| 1. Salaries | | | | | |
| 2. Overtime | | | | | |
| 3. Benefits | | | | | |
| 4. Rent | | | | | |
| 5. Equipment Maintenance | | | | | |
| 6. Vehicle Expenses | | | | | |
| 7. Common Carrier (Terrestrial) | | | | | |
| 8. Local Program Materials | | | | | |
| a. Tape Stock | | | | | |
| b. Misc. Supplies | | | | | |
| 9. Satellite Signals+ | | | | | |
| a. Independents | | | | | |
| b. Other | | | | | |
| c. Pay Cable | | | | | |
| 10. Stand-alone Program Material | | | | | |
| a. Film Service | | | | | |
| b. Other Nonautomated | | | | | |
| c. Automated Programming | | | | | |
| 11. Promotion (LO & Access) | | | | | |
| 12. Other Miscellaneous++ | | | | | |
| TOTAL ORIGINATION EXPENSE | | | | | |

*Fifteen-year totals to be reflected in Summary on Form G, p. 26. (continued)

+List all signals imported and their corresponding annual cost (i.e., WIBS--\$_____,
MSG--\$_____, UPI--\$_____).

++List separately. Include any grants proposed to specific institutions or
entities to facilitate local programming.

EXPENSES 15 YEARS DETAILED PROJECTIONS* -- continued

| Category | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|-------------------------------------|---------|---------|---------|---------|---------|
| B. Origination Expenses: | | | | | |
| 1. Salaries | | | | | |
| 2. Overtime | | | | | |
| 3. Benefits | | | | | |
| 4. Rent | | | | | |
| 5. Equipment Maintenance | | | | | |
| 6. Vehicle Expenses | | | | | |
| 7. Common Carrier (Terrestrial) | | | | | |
| 8. Local Program Materials | | | | | |
| a. Tape Stock | | | | | |
| b. Misc. Supplies | | | | | |
| 9. Satellite Signals+ | | | | | |
| a. Independents | | | | | |
| b. Other | | | | | |
| c. Pay Cable | | | | | |
| 10. Stand-alone Program Material | | | | | |
| a. Film Service | | | | | |
| b. Other Nonautomated | | | | | |
| c. Automated Programming | | | | | |
| 11. Promotion (LO & Access) | | | | | |
| 12. Other Miscellaneous++ | | | | | |
| TOTAL ORIGINATION EXPENSE | | | | | |

*Fifteen-year totals to be reflected in Summary on Form G, p. 26. (continued)

+List all signals imported and their corresponding annual cost (i.e., WBS--\$, MSG--\$, UPI--\$).

++List separately. Include any grants proposed to specific institutions or entities to facilitate local programming.

EXPENSES-- 15 YEARS AND DETAILED PROJECTIONS--continued

| Category | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|--------|--------|--------|--------|--------|
| C. General, Selling & Administrative Expenses | | | | | |
| 1. Salaries | | | | | |
| a. Overtime | | | | | |
| 2. Benefits | | | | | |
| 3. Light, Heat & Power | | | | | |
| 4. Vehicle Expense | | | | | |
| 5. Rent | | | | | |
| 6. Travel & Entertainment | | | | | |
| 7. Contributions/Dues & Publications | | | | | |
| 8. Professional Services | | | | | |
| 9. Stationery & Supplies | | | | | |
| 10. Billing and Mailing | | | | | |
| 11. Postage & Freight | | | | | |
| 12. Advertising & Promotion | | | | | |
| 13. Telephone and Telegraph | | | | | |
| 14. Sundry Office Expenses | | | | | |
| 15. Insurance/Bonding | | | | | |
| 16. Bad Debt Accounts | | | | | |
| 17. Start-up Expenses | | | | | |
| 18. State and Local Taxes (including real and Per property taxes) | | | | | |
| 19. Franchise Fees | | | | | |
| 20. License & Permit Fees (Local) | | | | | |
| 21. FCC Fees | | | | | |
| 22. Copyright Payments | | | | | |
| 23. Services Purchased from Parent Company* | | | | | |
| 24. Payroll & Expenses (capitalized) | | | | | |
| 25. Management Fee | | | | | |
| 26. Sales Commissions | | | | | |
| 27. Training | | | | | |
| 28. Other** | | | | | |
| TOTAL GS&A | | | | | |
| TOTAL PLANT + ORIGINATION + GSA | | | | | |

*If applicable, fill in Form G, p. 27 in complete detail.

**For all "other" categories of a particular total operating cost, specify the individual components that make up the "other" category and document these expenses.

NOTE: Year 1 begins on the date the certification of acceptance is filed.

EXPENSES-- 15 YEARS AND DETAILED PROJECTIONS--continued

| Category | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|---|--------|--------|--------|--------|---------|
| C. General, Selling & Administrative Expenses | | | | | |
| 1. Salaries | | | | | |
| a. Overtime | | | | | |
| 2. Benefits | | | | | |
| 3. Light, Heat & Power | | | | | |
| 4. Vehicle Expense | | | | | |
| 5. Rent | | | | | |
| 6. Travel & Entertainment | | | | | |
| 7. Contributions/Dues & Publications | | | | | |
| 8. Professional Services | | | | | |
| 9. Stationery & Supplies | | | | | |
| 10. Billing and Mailing | | | | | |
| 11. Postage & Freight | | | | | |
| 12. Advertising & Promotion | | | | | |
| 13. Telephone and Telegraph | | | | | |
| 14. Sundry Office Expenses | | | | | |
| 15. Insurance/Bonding | | | | | |
| 16. Bad Debt Accounts | | | | | |
| 17. Start-up Expenses | | | | | |
| 18. State and Local Taxes (including real and Per property taxes) | | | | | |
| 19. Franchise Fees | | | | | |
| 20. License & Permit Fees (Local) | | | | | |
| 21. FCC Fees | | | | | |
| 22. Copyright Payments | | | | | |
| 23. Services Purchased from Parent Company* | | | | | |
| 24. Payroll & Expenses (capitalized) | | | | | |
| 25. Management Fee | | | | | |
| 26. Sales Commissions | | | | | |
| 27. Training | | | | | |
| 28. Other** | | | | | |
| TOTAL GS&A | | | | | |
| TOTAL PLANT + ORIGINATION + GSA | | | | | |

*If applicable, fill in Form G, p. 27 in complete detail.

**For all "other" categories of a particular total operating cost, specify the individual components that make up the "other" category and document these expenses.

NOTE: Year 1 begins on the date the certification of acceptance is filed.

EXPENSES-- 15 YEARS AND DETAILED PROJECTIONS--continued

| Category | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|---|---------|---------|---------|---------|---------|
| C. General, Selling & Administrative Expenses | | | | | |
| 1. Salaries | | | | | |
| a. Overtime | | | | | |
| 2. Benefits | | | | | |
| 3. Light, Heat & Power | | | | | |
| 4. Vehicle Expense | | | | | |
| 5. Rent | | | | | |
| 6. Travel & Entertainment | | | | | |
| 7. Contributions/Dues & Publications | | | | | |
| 8. Professional Services | | | | | |
| 9. Stationery & Supplies | | | | | |
| 10. Billing and Mailing | | | | | |
| 11. Postage & Freight | | | | | |
| 12. Advertising & Promotion | | | | | |
| 13. Telephone and Telegraph | | | | | |
| 14. Sundry Office Expenses | | | | | |
| 15. Insurance/Bonding | | | | | |
| 16. Bad Debt Accounts | | | | | |
| 17. Start-up Expenses | | | | | |
| 18. State and Local Taxes (including real and Per property taxes) | | | | | |
| 19. Franchise Fees | | | | | |
| 20. License & Permit Fees (Local) | | | | | |
| 21. FCC Fees | | | | | |
| 22. Copyright Payments | | | | | |
| 23. Services Purchased from Parent Company* | | | | | |
| 24. Payroll & Expenses (capitalized) | | | | | |
| 25. Management Fee | | | | | |
| 26. Sales Commissions | | | | | |
| 27. Training | | | | | |
| 28. Other** | | | | | |
| TOTAL GS&A | | | | | |
| TOTAL PLANT + ORIGINATION + GSA | | | | | |

*If applicable, fill in Form G, p.27 in complete detail.

**For all "other" categories of a particular total operating cost, specify the individual components that make up the "other" category and document these expenses.

NOTE: Year 1 begins on the date the certification of acceptance is filed.

OPERATING EXPENSES—SUMMARY (in 000s)

| Year | PLANT | | | ORIGINATION | | | | GS&A | | | Total |
|-------------------|-------------------------------------|-------|----------|-------------|------------|--------|----------|---------------------------|-------|----------|-------|
| | Technical Salaries & Benefits | Other | Subtotal | Other | Local 0 | Access | Subtotal | Salaries & Benefits | Other | Subtotal | |
| Preoper- ating | | | | | | | | | | | |
| Year 1 | | | | | | | | | | | |
| Year 2 | | | | | | | | | | | |
| Year 3 | | | | | | | | | | | |
| Year 4 | | | | | | | | | | | |
| Year 5 | | | | | | | | | | | |
| Year 6 | | | | | | | | | | | |
| Year 7 | | | | | | | | | | | |
| Year 8 | | | | | | | | | | | |
| Year 9 | | | | | | | | | | | |
| Year 10 | | | | | | | | | | | |
| Year 11 | | | | | | | | | | | |
| Year 12 | | | | | | | | | | | |
| Year 13 | | | | | | | | | | | |
| Year 14 | | | | | | | | | | | |
| Year 15 | | | | | | | | | | | |
| Total | | | | | | | | | | | |

NOTE: Year 1 begins on date the certification of acceptance is filed.

SERVICES PURCHASED FROM PARENT ORGANIZATION
(if applicable)

[NOTE: If the applicant owns more than one cable system, describe the basis to be used for allocating overhead or organization joint costs among various systems. For example, perhaps all overhead pool costs are allocated to systems on the basis of a ratio of system subscribers to total company subscribers. Show total amount of corporate overhead to be shared by all systems for each year of projection. (Use additional sheets if necessary.)]

| Year | Management Services | Legal | Accounting | Customer Billing | Programming | Engineering & Technical | Other (Please detail) | Total |
|-------------------|------------------------|-------|------------|---------------------|-------------|----------------------------|--------------------------|-------|
| Preoper- ating | | | | | | | | |
| Year 1 | | | | | | | | |
| Year 2 | | | | | | | | |
| Year 3 | | | | | | | | |
| Year 4 | | | | | | | | |
| Year 5 | | | | | | | | |
| Year 6 | | | | | | | | |
| Year 7 | | | | | | | | |
| Year 8 | | | | | | | | |
| Year 9 | | | | | | | | |
| Year 10 | | | | | | | | |
| Year 11 | | | | | | | | |
| Year 12 | | | | | | | | |
| Year 13 | | | | | | | | |
| Year 14 | | | | | | | | |
| Year 15 | | | | | | | | |

NOTE: Year 1 begins on the date the certification of acceptance is filed.

[No form on this page]

Will any of the costs of submitting this proposal or building the system be charged to or collected from any existing system affiliated with or controlled by the applicant or any of its principals?

FORM H: CONSTRUCTION PRACTICES
AND SCHEDULES

CONSTRUCTION PRACTICES

1. System Construction

a. Will construction be undertaken by a turnkey Contractor? ☐ Yes ☐ No

b. If "yes:"

(1) Has turnkey contractor been selected?* ☐ Yes ☐ No

(2) Who is turnkey contractor? _____

2. Discuss availability of work crews and equipment to ensure compliance with construction schedule. Detail outstanding agreements with construction companies or equipment suppliers. Supply copies of any commitments regarding this particular project.

3. Discuss proposed construction standards dealing with safety and reliability. List construction codes that will be followed. Describe planned safety/security provisions for the cable system.

* It is expected that the franchisee will submit a copy of the turnkey draft contract to the Cable Television Commission prior to execution.

CONSTRUCTION PRACTICES (continued)

4. List or discuss standards to be followed regarding tower construction, marking and lighting.

5. Do you have a manual of construction practices to be followed by construction crews?

☐ yes ☐ no

If "yes," attach a copy of the manual as an appendix to this application.

CONSTRUCTION PRACTICES (continued)

6. With regard to the cable distribution lines, provide:

- a. Detailed construction drawing(s)/specification(s) of typical poles.
- b. A map illustrating sections of the cable distribution system which would be installed overhead and which would be installed underground, and indication of the lengths of these sections to the approximate nearest tenth of a mile.
- c. Identification of areas in which existing utility poles would be used, and areas in which new poles would have to be installed, estimated number of new poles which would be required, and the approximate distances between poles.
- d. For any underground cable sections which would be installed outside public street rights-of-way, indicate the locations and lengths to the approximate nearest tenth of a mile.
- e. The width and depth of any underground trenching.
- f. Identification of any freeways, railroads or waterways (including creeks) to be crossed by the cable distribution system, and locations of crossing.

7. Underground Policy

Describe the policy proposed for undergrounding cable, including cost sharing with other utilities and proposed arrangements with residential developers. Indicate whether any undergrounding will occur in areas where utilities are not undergrounded. Indicate criteria for determining whether underground cable will require conduit, or can be buried directly.

CONSTRUCTION PRACTICES (continued)

8. Attach as an appendix to this application a map indicating the boundaries of the service area to be constructed in each year of construction.*

9. Discuss any proposals you wish to make which will ensure that service is extended to each geographical area of the system and to various socio-economic neighborhoods within the system on a substantially equal basis during each phase of construction.

10. If desired, propose and describe line extensions more liberal than prescribed by Ordinance §5.50.424, as authorized by §5.50.426.

*Year 1 begins on the date the certification of acceptance is filed.

CONSTRUCTION SCHEDULE BY MILEAGE

| CATEGORY | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--|-----------|-----------|-----------|-----------|-----------|
| Aerial Plant Miles | | | | | |
| Underground Plant Miles with Conduit | | | | | |
| Underground Plant Miles without Conduit | | | | | |
| Total Plant Miles for Year Specified | | | | | |
| Cumulative Plant Miles Completed | | | | | |
| Cumulative Percentage Completed | | | | | |

TOTAL CONSTRUCTION PERIOD _____ Months from date certification of acceptance is filed.

CONSTRUCTION SCHEDULE BY AREA
(Basic Subscriber Network Only)

Show the proposed schedule of system construction by census tracts.

| Year | Census Tract Numbers |
|------|----------------------|
| 1 | |
| 2 | |
| 3 | |
| 4 | |
| 5 | |

NOTE: Year 1 begins on the date the certification of acceptance is filed.

FORM I: CHANNEL CAPACITY AND SYSTEM DESIGN

CHANNEL CAPACITY AND SYSTEM DESIGN

1. Proposed System Design

Plant Miles

a. Mileage

(1) Subscriber Network--basic subscriber system

(Note: dual cable is required). _____

(2) Institutional Network (if separate institutional cable is proposed). _____

(3) Other (explain). _____

b. Briefly describe the type of layout that will be used to provide coverage to the franchise area. Example: Hub system linked by AML, or radial trunk layout using a remote headend interconnected by super trunk.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

2. Describe distribution system, cable and equipment. Give manufacturer, type and model number for the following.*

Please Note: If any equipment proposed for use (in this or other sections of Form I) is not presently available for purchase, this fact must be indicated (e.g., converters in development but not yet available).

Cable (specify manufacturer and model number for all cable):

Aerial

Buried

Drop

Active Electronics:

Trunk Amplifiers

Bridging Stations

Line Extenders

Power Supplies

Standby Power Systems

Distribution System

Institutional System

Alarm System

Converters

Addressable Taps

Lock-Out Device

Other

Passive Electronics:

Splitters

Power Combiner

Subscriber Taps

Connectors

Other

*It will be presumed that equipment described or its equivalent will be used in actual construction. As an alternative, applicant may provide detailed specifications for such equipment.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

3. Describe headend design and reception facilities. List the height and type of towers that will be used (i.e. guyed or self-supporting), the make and model numbers of antennas, signal processors, modulators, demodulators, and all equipment used for the FM audio services.* Indicate whether signal studies or measurement programs have been undertaken in selecting the proposed site(s).

- a. Will HRC or IRC channelization be used? ☐ yes ☐ no
If "yes" to (a), indicate which type will be used.
- b. Will common video synchronization be used? ☐ yes ☐ no
- c. Will individual FM radio signal processing be used? ☐ yes ☐ no

*It will be presumed that equipment described or its equivalent will be used in actual construction. As an alternative, applicant may provide detailed specifications for such equipment.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

4. Describe plans to operate or contract for any satellite earth station(s) including appropriate technical specifications (e.g., size of antenna; manufacturer of antenna; low-noise amplifier make; model number and noise figure; receiver make and model number; standby power; etc.)*

a. Has frequency coordination study been performed? ☐ Yes ☐ No

b. Have on-site measurements been made? ☐ Yes ☐ No

c. Has a TVRO link analysis been performed? ☐ Yes ☐ No

If "Yes," to (a), (b) and/or (c), attach copy(s) as an appendix to this application.

d. Will earth station(s) be protected by FCC license? ☐ Yes ☐ No

*It will be presumed that equipment described or its equivalent will be used in actual construction. As an alternative, applicant may provide detailed specifications for such equipment.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

5. a. Describe plans for standby power at the headend, hubs and satellite terminal. Give make and model numbers of equipment as well as time capacity. Indicate whether environmental systems (i.e., air conditioning and lighting) are to be powered during standby conditions.*

b. Estimate planned daily energy usage of the system, including information concerning peaks and fluctuations in energy consumption. Measure energy usage in watts.

*It will be presumed that equipment described or its equivalent will be used in actual construction. As an alternative, applicant may provide detailed specifications for such equipment.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

6. a. With regard to the headend (hub) sites, provide the following information:

- (1) The number of sites proposed and their proposed locations.
- (2) Detailed schematics in three dimensions of typical site design, including any antenna(s) and tower(s).
- (3) Description of external appearance of any structures.
- (4) Planned number of employees at each site.

b. With regard to the main office/studio complex and any other buildings (studios, etc.) to be constructed, provide the following information:

- (1) Proposed location.
- (2) Schematics in three dimensions for typical site designs including structures, parking requirements and landscaping, and description of external appearance of structures.
- (3) Planned number of employees, visitors and operating hours.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

7. Describe plans to operate or contract for microwave transmission services using the following bands.

a. Common Carrier

b. Cable Television Relay Service (CARS)

c. Multipoint Distribution Service (MDS)

d. Describe anticipated microwave emissions, including sources, magnitude at the source, and magnitude at various distances from source. Explain in as great detail as possible the expected consequences of microwave emissions (e.g., interference with other broadcasting/communication systems, personal health hazards, etc.).

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

8.a. Describe the equipment to be used for programming any automated channels, including make and model numbers.*

8.b. Describe any other non-interactive, non-entertainment services you offer to provide (see §5.50.504 of the Ordinance and Form J, p.7) and list all equipment to be used therefor, including make and model numbers.*

*It will be presumed that equipment described or its equivalent will be used in actual construction. As an alternative, applicant may provide detailed specifications for such equipment.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

9. Describe proposed Emergency Alert System including make and model numbers of equipment. Indicate whether system will override all audio and video channels or only audio channels.* Also indicate how the system will be activated and from where.

*It will be presumed that equipment described or its equivalent will be used in actual construction. As an alternative, applicant may provide detailed specifications for such equipment.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

10. Will converters be initially provided to all subscribers, for all tiers of basic service? ☐ Yes ☐ No

If "no," explain under what condition converters will be made available.

11. List the type of converter (by make and model number) that will be provided for each level of service.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

12. In regard to closed captioning or other services for the hearing impaired, what, if any, services will be made available? If any such provisions are made, please indicate type and availability of equipment to be utilized.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

13. SERVICE LEVEL SEPARATION

a. Pay Cable Isolation

Describe design specifications for the delivery of pay cable television, including methods of security (e.g., negative-option or positive-option traps, sync suppression, addressable converters, etc.).

b. Tier Isolation

If more than one basic service tier is to be provided, describe how lower tier subscribers will be isolated from receiving upper tier programming.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

14. HOME ALARM SERVICE

a. Equipment

If proposed, describe home alarm service to be installed (include make and model numbers).*

*It will be presumed that equipment described or its equivalent will be used in actual construction. As an alternative, applicant may provide detailed specifications for such equipment.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

14. HOME ALARM SERVICE (continued)

b. Availability

Will this service be immediately available as each portion of the cable network is activated?

[] yes [] no

If not, when and on what basis will such service be made available?

c. Personnel

Will a separate staff be provided to operate the alarm service or will cable service personnel be shared among the operating divisions? Will contract employees be used? Explain.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

15. a. Describe all interactive capabilities to be included in the system.* What services are proposed? When will they be available, and to whom will they be available? Will services be offered by franchisee, or by others, or by both? If by others, what will be the criteria for deciding to whom access is provided, and what are the proposed terms of any agreements relating thereto (e.g. leased access contracts)?

b. List by make and model number any headend electronics, computer equipment or subscriber terminal equipment* that will be installed or offered for installation which will support services such as pay-per-view, energy management, text display, polling or other sophisticated services. If this equipment is not provided initially, state the year in which the equipment will be provided and for which funds are shown in Form G. Itemize any arrangements made or agreements reached that bear directly on the programming sources and/or data bases/software needed in connection with the optional services described in this section of the application.

c. Specify for each capability or service the extent to which the technology proposed has been tested and/or operated in other cable systems.

*It will be presumed that equipment described or its equivalent will be used in actual construction. As an alternative, applicant may provide detailed specifications for such equipment.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

16. Channel capacity to and from subscribers (Subscriber Network).*

a. Downstream:

(1) Frequency Spectrum _____ -MHz

(2) Channel Capacity _____

(3) Number of channels initially
activated _____

b. Upstream:

(1) Frequency Spectrum _____ - MHz

(2) Channel Capacity _____

(3) Will the upstream capability be initially
activated from all subscribers? ☐ Yes ☐ No(4) Will upstream be initially activated along any
portion of the Subscriber Network? ☐ Yes ☐ No(5) If "yes," please explain. If "no," indicate when, under what
circumstances and how future capacity will be provided.

*If more than one cable, indicate spectrum and capacity of each and
provide totals.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

16. Channel capacity to and from subscribers--Subscriber Network (continued)

c. Discuss the extent to which bi-directional capability will be available initially, and what steps are proposed to provide additional capability as the state-of-the-art and public need develop.

d. Discuss any provisions made to circumvent unwanted signal ingress ("noise") in the upstream path.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

17. Channel capacity to and from institutions (Institutional Network)..

a. Downstream:

(1) Frequency Spectrum _____ - MHz

(2) Channel Capacity _____

(3) Number of channels to be
initially activated? _____

b. If full downstream capacity will not be initially activated, indicate when, under what circumstances and how additional downstream capacity will be provided to institutions.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

17. Channel capacity to and from institutions (Institutional Network)
(continued).

c. Upstream:

- (1) Frequency Spectrum _____ - MHz
- (2) Channel Capacity _____
- (3) Number of channels to be
initially activated? _____

d. If full upstream capacity will not be initially activated, indicate when, under what circumstances, and how additional upstream capacity will be provided to institutions.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

17. e. Describe any centralized switching equipment and other equipment that will be provided at the headend to enable the institutional channel capacity to be utilized.

f. Describe how use of the upstream/downstream channels of the network will be coordinated and managed.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

18. Institutional Network

- a. List institutions proposed to be included in the institutional network. (Note that a list of all public facilities which the institutional cable must pass is included in the Uniform Data information provided in the Request for Proposal.)

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

18. Institutional Network (continued)

b. Clearly indicate whether the institutions listed on the previous page will be initially connected or simply passed by cable. Also, discuss the provision of terminal equipment to institutions to support use of the proposed network.

c. List specifically resources, including studios, equipment, staff assistance and funds which you propose to commit and make available to institutional network users. If there is any overlap between resources described here and in Form K, please explain.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

18. Institutional Network (continued)

d. Describe anticipated uses of the institutional network. Also give details of any agreements with or commitments to any potential institutional network user(s). (Attach any such letters or agreements as appendix to this application.)

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

19. Discuss channel capacity with regard both to the short-term and the long-term, including specific references to the degree of flexibility for adapting the proposed system to increasing or changing capacity requirements.

20. Attach as an appendix to this application a spectrum utilization chart for each activated cable in the proposed system. For the subscriber cables, show the channel designations as listed in Form J and the frequencies to which each channel corresponds.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

21. System Interconnection--if more than one headend or hub is proposed, describe the type of interconnection that will be provided between headend and hubs:

(a) Microwave

- (1) Describe the type of microwave, the equipment to be used and indicate whether spectrum availabilities have been determined to support the use of this equipment.

(2) Number of channels:

(i) Downstream: _____ (ii) Upstream: _____

(3) Frequency spectrum: _____ -MHz

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

21. b. Cable

(1) Describe the size and type of trunk cable (list make and model number):*

(2) List interconnection equipment (amplifiers, etc.), giving make and model number.* Indicate modulation technique to be used.

(3) Frequency Spectrum:

(i) Downstream _____ channels _____ -MHz

(ii) Upstream _____ channels _____ -MHz

(4) Initial Activation:

(i) Downstream _____ channels

(ii) Upstream _____ channels

* It will be presumed that equipment described or its equivalent will be used in actual construction. as an alternative, applicant may provide detailed specifications for such equipment.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

22. Please provide system performance specifications for headend to most remote subscriber as well as for most remote institutional organization point to most remote subscriber. Indicate the number of trunk, bridger and line extender amplifiers used in these calculations.

- a. Longest subscriber network amplifier cascade in the proposed system:

Feet of cable in longest trunk? _____

Type and size of cable? _____

Number of amplifiers in this trunk? _____

How many of these will have AGC? _____

Feet of cable in longest distribution feeder? _____

Type and size of cable? _____

Number of cascaded line extenders? _____

- b. What will the design input and output levels and the tilts be on the distribution system amplifiers?

| | | | | | | |
|---------------------|-------|------------|--------|------------|------|----------|
| Trunk amplifiers: | Input | _____ dBmV | Output | _____ dBmV | Tilt | _____ dB |
| Bridger amplifiers: | Input | _____ dBmV | Output | _____ dBmV | Tilt | _____ dB |
| Line extenders: | Input | _____ dBmV | Output | _____ dBmV | Tilt | _____ dB |

- c. What other losses were assumed in determining the number of amplifiers needed?

List the key system technical performance standards which will be met by the proposed cable television system. Provide detailed calculations supporting these specifications associated with the following transmission paths. In order to compare proposals on an equal basis, the subscriber tap will be used as the end point. Please do not include converter losses. Please use manufacturers published specifications in calculating performance, or indicate how and why they were changed. Any enhancements such as improvements due to HRC channelization must be separately stated.

- (1) Longest trunk and distribution feeder to furthest subscriber tap.

(a) Carrier-to-noise ratio _____

(b) Composite triple beat _____

(c) Cross modulation _____

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

22. (2) Worst-case satellite received signal at cable system headend(s).

Carrier-to-noise ratio _____

(3) Worst-case off-air TV signal at cable system headend(s).

Carrier-to-noise ratio _____

(4) If a cable hub interconnect system is proposed, list the performance standards for the longest link.

(a) Length of cable _____

(b) Number of amplifiers _____

(c) Carrier-to-noise ratio _____

(d) Composite triple beat _____

(e) Cross modulation _____

(f) If FM video is proposed, what improvements were included in the figures listed above.

(5) If a microwave hub interconnect system is proposed, state the minimum carrier-to-noise ratio design level as well as the fade margin and reliability level.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

22. (6) Worst-case satellite received signal to furthest subscriber tap (including downstream distribution system and system interconnection, if needed).

Carrier-to-noise ratio _____

Composite triple beat _____

Cross modulation _____

- (7) Worst-case off-air TV signal to furthest subscriber tap (including downstream distribution system and system interconnection, if needed).

Carrier-to-noise ratio _____

Composite triple beat _____

Cross modulation _____

- (8) Worst-case furthest institutional originator to furthest subscriber tap (including upstream path, downstream distribution system and system interconnect, if needed).

Carrier-to-noise ratio _____

Composite triple beat _____

Cross modulation _____

- (9) What will be the minimum signal level delivered at a subscriber's terminal after allowing for drop losses?

The applicant certifies and guarantees that these freely offered technical standards that exceed the minimum requirements of FCC are within the financial capability of the proposed system as demonstrated on the pro forma statements and will be delivered to the Sacramento County, California system.

Signed: _____

Title: _____

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

23. Describe anticipated noise (including humming, buzzing, etc.) if any, from all system sources, including studios and headend (hub) stations, measured in decibels at (a) the noise source, (b) a 100-foot radius from the noise source, and (c) a 200-foot radius from the noise source.

21. Performance Tests

Describe procedures for initial proof of performance tests and ongoing performance tests including number and general location of test points. Describe the test equipment to be used; method and frequency of test equipment calibration; and forms and method of recording field data and permanent recordkeeping. A clear summary of the test procedures is desired, rather than lengthy test manuals.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

25. Regional Interconnection

Describe proposals for interconnection with other broadband telecommunications systems. Include technical plans for interconnection, detailing how the company will ensure compatibility with other systems. Indicate any existing agreements that bear on the matter of regional interconnection.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

26. System Maintenance

Describe procedures for routine preventive maintenance, including type and frequency of system inspection and testing, number and qualifications of technical staff, and the test equipment to be provided. A clear summary of the maintenance procedures is desired, rather than lengthy maintenance manuals.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

27. Is status monitoring of system to be employed? ☐ yes ☐ no

If "yes," describe, in detail, the status-monitoring system you plan to use.*

*It will be presumed that equipment described or its equivalent will be used in actual construction. As an alternative, applicant may provide detailed specifications for such equipment.

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

28. Customer Complaint Policies

Discuss procedures for responding to and resolving customer complaints. Give maximum response time for responding to and resolving customer complaints received during normal business hours, after hours, weekends and holidays. Indicate how subscribers will file trouble reports during office hours, after hours and on weekends. Will answering services or automatic answering machines be used at any time?

CHANNEL CAPACITY AND SYSTEM DESIGN (continued)

29. System Map

Attach, as appendix to this application, a map indicating estimated locations of headend, tower and antenna, hubs, studio, microwave facilities and earth station(s). Also show the anticipated routings for the major trunks.

30. Attach, as appendix to this application, a headend block diagram showing all major components. Provide separate illustrations for master headend, slave headends, hubs, etc., as may be needed to describe the facilities to be provided.

31. Please designate an individual by name, title, address, and telephone number who can provide additional or clarifying information regarding system design on behalf of applicant.

FORM J: PROPOSED SIGNAL CARRIAGE AND CHANNEL ALLOCATIONS

Tier _____: (complete for Basic Service and each other tier as it is identified in the proposal) (See Ordinance Section 5.50.504)

Channel _____: (complete for each channel in this tier)

- A. Description of all programming from satellite and other sources to be offered (include minimum number of hours per day and week types of programming described will be shown).

Within 23 months:

Within 37 months:

Within 51 months:

- B. Minimum number of hours per day and week this channel will contain home educational and entertainment programming which has not previously been broadcast within the Sacramento Community.

Channel _____: (complete for each channel in this tier)

- A. Description of all programming from satellite and other sources to be offered (include minimum number of hours per day and week types of programming described will be shown).

Within 23 months:

Within 37 months:

Within 51 months:

- B. Minimum number of hours per day and week this channel will contain home educational and entertainment programming which has not previously been broadcast within the Sacramento Community.

Tier _____: (complete for Basic Service and each other tier as it is identified in the proposal)

Channel _____: (complete for each channel in this tier)

- A. Description of all programming from satellite and other sources to be offered (include minimum number of hours per day and week types of programming described will be shown).

Within 23 months:

Within 37 months:

Within 51 months:

- B. Minimum number of hours per day and week this channel will contain home educational and entertainment programming which has not previously been broadcast within the Sacramento Community.

Channel _____: (complete for each channel in this tier)

- A. Description of all programming from satellite and other sources to be offered (include minimum number of hours per day and week types of programming described will be shown).

Within 23 months:

Within 37 months:

Within 51 months:

- B. Minimum number of hours per day and week this channel will contain home educational and entertainment programming which has not previously been broadcast within the Sacramento Community.

Tier _____: (complete for Basic Service and each other tier as it is identified in the proposal)

Channel _____: (complete for each channel in this tier)

- A. Description of all programming from satellite and other sources to be offered (include minimum number of hours per day and week types of programming described will be shown).

Within 23 months:

Within 37 months:

Within 51 months:

- B. Minimum number of hours per day and week this channel will contain home educational and entertainment programming which has not previously been broadcast within the Sacramento Community.

Channel _____: (complete for each channel in this tier)

- A. Description of all programming from satellite and other sources to be offered (include minimum number of hours per day and week types of programming described will be shown).

Within 23 months:

Within 37 months:

Within 51 months:

- B. Minimum number of hours per day and week this channel will contain home educational and entertainment programming which has not previously been broadcast within the Sacramento Community.

Tier _____: (complete for Basic Service and each other tier as it is identified in the proposal)

Channel _____: (complete for each channel in this tier)

- A. Description of all programming from satellite and other sources to be offered (include minimum number of hours per day and week types of programming described will be shown).

Within 23 months:

Within 37 months:

Within 51 months:

- B. Minimum number of hours per day and week this channel will contain home educational and entertainment programming which has not previously been broadcast within the Sacramento Community.

Channel _____: (complete for each channel in this tier)

- A. Description of all programming from satellite and other sources to be offered (include minimum number of hours per day and week types of programming described will be shown).

Within 23 months:

Within 37 months:

Within 51 months:

- B. Minimum number of hours per day and week this channel will contain home educational and entertainment programming which has not previously been broadcast within the Sacramento Community.

Tier _____: (complete for Basic Service and each other tier as it is identified in the proposal)

Channel _____: (complete for each channel in this tier)

- A. Description of all programming from satellite and other sources to be offered (include minimum number of hours per day and week types of programming described will be shown).

Within 23 months:

Within 37 months:

Within 51 months:

- B. Minimum number of hours per day and week this channel will contain home educational and entertainment programming which has not previously been broadcast within the Sacramento Community.

Channel _____: (complete for each channel in this tier)

- A. Description of all programming from satellite and other sources to be offered (include minimum number of hours per day and week types of programming described will be shown).

Within 23 months:

Within 37 months:

Within 51 months:

- B. Minimum number of hours per day and week this channel will contain home educational and entertainment programming which has not previously been broadcast within the Sacramento Community.

Tier _____: (complete for Basic Service and each other tier as it is identified in the proposal)

Channel _____: (complete for each channel in this tier)

- A. Description of all programming from satellite and other sources to be offered (include minimum number of hours per day and week types of programming described will be shown).

Within 23 months:

Within 37 months:

Within 51 months:

- B. Minimum number of hours per day and week this channel will contain home educational and entertainment programming which has not previously been broadcast within the Sacramento Community.

Channel _____: (complete for each channel in this tier)

- A. Description of all programming from satellite and other sources to be offered (include minimum number of hours per day and week types of programming described will be shown).

Within 23 months:

Within 37 months:

Within 51 months:

- B. Minimum number of hours per day and week this channel will contain home educational and entertainment programming which has not previously been broadcast within the Sacramento Community.

For each Tier of Service proposed, state all premium services to be offered with such Tier of Service, together with program descriptions of each such service, and the minimum number of hours per day and week each such service will be available within 23 months, within 37 months, and within 51 months.

Attach copies of the contracts under which applicant shall obtain the rights to programming services other than local broadcast television signals stated in its proposal, or other satisfactory evidence that applicant will be able to provide the level of programming proposed.

Describe such non-entertainment services as the applicant offers to provide in either the Subscriber Network or Institutional Network during the term of the franchise, including all information required by Section 5.50.504.

For each Tier of Service proposed, state all premium services to be offered with such Tier of Service, together with program descriptions of each such service, and the minimum number of hours per day and week each such service will be available within 23 months, within 37 months, and within 51 months.

Attach copies of the contracts under which applicant shall obtain the rights to programming services other than local broadcast television signals stated in its proposal.

Describe such non-entertainment services as the applicant offers to provide in either the Subscriber Network or Institutional Network during the term of the franchise, including all information required by Section 5.50.504.

PROPOSED SIGNAL CARRIAGE AND CHANNEL ALLOCATIONS--continued

2a. Automated Programming (continued)

On a separate page, detail proposed text retrieval (i.e. teletext and viewdata) services. Indicate bandwidth requirements (i.e. vertical interval; six MHz), projected date of service activation, persons or entity responsible for providing content and format of the service. Indicate whether there will be a per-use or per-channel charge for the service in addition to cost of basic service.

PROPOSED SIGNAL CARRIAGE AND ALLOCATIONS (continued)

SERVICE TIER NO. _____ (if applicable)

3. Pay Cable Service

a. Per channel service

| Type* | Source | Cable Channel | Hours Per Day Available | Proposed Activation Date** |
|-------|--------|---------------|-------------------------|----------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

*For example, first-run movies, regional sports, classic movies, etc.

**Specify proposed activation date if other than initial date.

PROPOSED SIGNAL CARRIAGE AND ALLOCATIONS (continued)

SERVICE TIER NO. _____ (if applicable)

3. Pay Cable Service

b. Per program service (if applicable).

| Type* | Source | Cable Channel | Hours Per Day Available | Proposed Activation Date** |
|-------|--------|------------------|----------------------------|-------------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

*For example, first-run movies, regional sports, classic movies, etc.

**Specify proposed activation date if other than initial date.

PROPOSED SIGNAL CARRIAGE AND ALLOCATIONS (continued)

4. Audio Service

b. Nonbroadcast Audio Programming

| Title/Format* | Source† | Hours Per Day (estimate) | Proposed Activation Date** |
|---------------|---------|--------------------------------|----------------------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

†Satellite, microwave, local origination, local access, etc.

*For example, country, rock, etc.

**Specify proposed activation date if other than initial date.

K. COMMUNITY ACCESS AND RESOURCE
COMMITMENTS TO LOCAL ENTITIES/
LOCAL ORIGINATION

COMMUNITY ACCESS AND COMMITMENTS
TO LOCAL ENTITIES/LOCAL ORIGINATION

The Ordinance requires certain information to be provided in this proposal if a community use element is proposed. In addition, for purposes of evaluating each proposal, the Governing Bodies desire to know the total of studio facilities, equipment, staff and other resources which each applicant proposes to commit to local program production in the Sacramento Community (including both community use programming and other local programming), whether or not applicant proposes a community use element. Applicants are therefore asked to complete the following forms. Where overlap, cross-utilization of facilities, or other ambiguities may exist as a result of being responsive both to the Ordinance requirements and to these forms, applicants should include a complete explanation. The proposed commitment of studio facilities, equipment, staff and other resources to local origination shall be included in the franchise and become subject to the enforcement provisions of the Ordinance.

I. LOCAL PROGRAM PRODUCTION EQUIPMENT AND FACILITIES

Applicants should list all studio facilities and equipment which will be provided for local program production. Although facilities may be available to all classes of users, please note that community use studios and equipment (listed on page 3) are for priority use for community use programming production, and should exclude any facilities or equipment listed on page 2.

Please indicate location of production facilities and list make, model number and your approximate cost for each piece or grouping of equipment.

1. Local Origination Studio:

a. Location (approximate): _____

b. Size (approximate): _____

c. Will this facility also serve as a studio for production of Community Use Programming? ☐ Yes ☐ No

| | | |
|--------------------------------|------------------------------|-----------------------------|
| (i) By Franchisee | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| By local governmental agencies | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| By local non-profit agencies | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| By access users | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

2. Local Origination Equipment List (provide make, model number and your approximate cost for each piece or grouping of equipment*). Do not include equipment available to access/community users on an exclusive or priority basis.

a. Will this equipment also be available for production of community use or access programming? ☐ Yes ☐ No

*It will be presumed that equipment described or its equivalent will be provided. As an alternative, applicant may provide detailed specifications for such equipment.

II. ACCESS PRODUCTION EQUIPMENT AND FACILITIES

Please describe local origination facilities and list equipment, if any, that will be available for community use programming on an exclusive or priority basis. Do not include local origination equipment listed on Form K, page 2. Distinguish, as appropriate, between facilities and equipment for programming which is franchisee produced or sponsored, and facilities and equipment for non-franchisee produced or sponsored programming.

1. Community Use/Access Studios:

a. Locations (approximate): _____

b. Size (approximate): _____

2. List community use/access equipment that will be made available to community use/access channel users on an exclusive or priority basis (provide make and model number and your cost).*

*It will be presumed that equipment described or its equivalent will be provided.

III. COMMITMENT TO LOCAL ORIGATION AND ACCESS PROGRAMMING*

1. Total Operating Budget (include only salaries, benefits, maintenance of production equipment, tape stock, miscellaneous supplies and local origination and access promotion) for Local Origination Programming by franchisee (LOP), Community Use Programming produced or sponsored by franchisee (CUP-F), and Community Use Programming not produced or sponsored by franchisee (CUP-NF).

| Year | | Year | | Year | |
|------|----------|------|----------|------|----------|
| 1 | \$ _____ | 6 | \$ _____ | 11 | \$ _____ |
| 2 | \$ _____ | 7 | \$ _____ | 12 | \$ _____ |
| 3 | \$ _____ | 8 | \$ _____ | 13 | \$ _____ |
| 4 | \$ _____ | 9 | \$ _____ | 14 | \$ _____ |
| 5 | \$ _____ | 10 | \$ _____ | 15 | \$ _____ |

| 2. Staff Commitment: | Full-time Personnel | | | Part-time Personnel | | |
|----------------------|---------------------|-------|--------|---------------------|-------|--------|
| | LOP | CUP-F | CUP-NF | LOP | CUP-F | CUP-NF |
| a. First year | _____ | _____ | _____ | _____ | _____ | _____ |
| b. Third year | _____ | _____ | _____ | _____ | _____ | _____ |
| c. Fifth year | _____ | _____ | _____ | _____ | _____ | _____ |
| d. Tenth year | _____ | _____ | _____ | _____ | _____ | _____ |

Attach a narrative statement describing how personnel will be assigned among LOP, CUP-F and CUP-NF production.

3. How many part-time positions equal one full person year? _____

4. Approximately how many hours per week of local origination programming will be presented by system operator? Do not include automated programming, access programming, pay programming or programming received via satellite. Also, do not include repeat showings of a particular program. Do not include community use programming which shall fulfill franchisee's obligations under a Community Use element proposed pursuant to §§5.50.336 or 5.50.338 of the Ordinance.

- a. Programming produced locally by operator. _____ hrs/week
- b. Programming obtained from other sources. _____ hrs/week
- Total _____ hrs/week

5. What percentage of total operating budget listed in question 1 above will be allocated to:

CUP-F _____ percent

CUP-NF _____ percent

6. Discuss local programming philosophy specifically describing plans and objectives for access, community use, and local origination. Include the names of organizations and individuals contacted by the applicant to assess local needs and desires.

* This specifically excludes programming obtained via satellite.

IV. ACCESS CHANNELS AND ADMINISTRATION

1. Applicant is to attach a complete set of rules and procedures for the operation of public, educational, government and leased access channels. The rules must describe:

- . availability of channels to various users;
- . availability of equipment and rules governing use of equipment;
- . scheduling procedures for reserving equipment and channel time;
- . any rates to be charged, including deposits;
- . copies of contract forms and application forms; and
- . availability of production assistance, etc.

V. In light of Sections 5.50.332 through 5.50.344 of the Ordinance, describe on this form in detail, if desired, any proposals regarding community access and resource commitments to local entities.

A. Community Access

1. If you propose community use programming as envisioned by Section 5.50.336 of the Ordinance (Access Community Use) complete the following:

(a) State the number (one or more) of channels on the subscriber network which will be made available exclusively for the type of access use and programming prescribed by Section 5.50.336.

(b) Specify the tier or tiers of service in which each channel will be included.

(c) Describe the location, nature and extent of separate and independent studio facilities, production equipment, personnel resources, and other resources to be provided in connection with such access use and programming, designed in such a manner as to permit operation by users with minimal training and supervision. Include make, model number and approximate cost for each piece or grouping of equipment. (Note that no applicant is required to propose community use programming. Note also that by voluntarily proposing community use programming of the type envisioned by Section 5.50.336, you make a commitment to keep the studio facilities, production equipment, personnel resources, other resources and channel(s) available for use, program production and broadcasts twenty-four (24) hours per day, seven (7) days per week, during the term of the franchise, at the sole cost of the franchisee without any charge whatever, if the independent authority created pursuant to 5.50.334 so requires. You also make a commitment to allow use of the studio facilities, production equipment, personnel resources, other resources, and channel(s) for the production and broadcast of community use programming by members of the general public, including individuals and non-profit community organizations on a first-come, first-serve basis.)

(d) State the nature and extent of all training to be offered by the Franchisee respecting equipment operation and training required as a condition of facility and equipment use and operation by users:

(e) Describe the independent body proposed by the applicant to administer community use programming envisioned by Section 5.50.334 of the Ordinance. Such a body shall not include any officer or employee of the County, Cities or Cable Television Commission. Nor shall the body include appointees of officers, employees, governing bodies or boards or committees of the County, Cities or Commission. Any such proposal shall specifically identify the following respecting such a body:

(1) Legal form of existence;

(2) How established and who will be responsible for establishment;

(3) The size, composition and method of selection and appointment of members;

(4) The terms of members, and grounds and procedures for removal of members, if any;

(5) The specific powers of the body in relation to administration of community use and the means by which such powers may be exercised and enforced; and

(6) Sources and amounts of funding for support of operation of the body.

(f) Describe any standards or criteria which you intend to utilize in connection with the following issues:

(1) The time made available for and community use programming covering candidates for public elective office during election campaigns;

(2) Program quality control;

(3) The legality of program content and violation of the legal rights of others;

(4) Any and all pre-conditions of whatever kind or nature relating to use by third parties of studio facilities or production equipment and broadcast of programming presented thereby.

(5) Determinations relating to the tier of service in which community use programming by local governmental agencies and local non-profit community organizations will be placed.

2. If you propose community use programming as contemplated by Section 5.50.338 of the Ordinance (Franchisee Sponsored Community Use Programming), complete the following:

(a) Specify in the Schedule of Franchisee Sponsored Community Use Programming provided herewith the minimum number of hours per week per tier of service new (not previously broadcast within the Sacramento Community) community use programming will be shown on the Cable Television System. Make additional copies of the form, if necessary, to include each tier. (Note that all hours of programming proposed must be provided. Note also that with respect to hours of programming proposed to be provided by local governmental agencies and local community non-profit organizations, the applicant agrees to make available at its sole cost, and without any charge whatsoever, studio facilities, production equipment, staffing resources, materials resources, and all other resources to train and permit such entities to plan, direct and produce such programming for broadcast -- subject to the criteria relating to hours of programming -- i.e., programs need not be permitted to be produced which would be in excess of the broadcast time proposed.)

Form K

SCHEDULE OF FRANCHISEE SPONSORED COMMUNITY USE PROGRAMMING

(The hours shown on this schedule will be provided during Year(s) _____ of the franchise term. Year 1 begins on the date the franchise is awarded.)

Tier: _____ (Describe for Basic Service Tier and for each other tier as it is identified in the proposal.)

- a. Number of hours of community use programming between the hours of 6 a.m. and 5 p.m.

| | <u>Audio and Visual</u> | <u>Audio Only</u> |
|---------------------------------------|-----------------------------|-------------------|
| Nonautomated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |
| Automated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |

- b. Number of hours of community use programming between the hours of 5 p.m. and 11 p.m.

| | <u>Audio and Visual</u> | <u>Audio Only</u> |
|---------------------------------------|-----------------------------|-------------------|
| Nonautomated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |
| Automated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |

- c. Number of hours of community use programming between the hours of 11 p.m. and 6 a.m.

| | <u>Audio and Visual</u> | <u>Audio Only</u> |
|---------------------------------------|-----------------------------|-------------------|
| Nonautomated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |
| Automated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local Governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |

Form K

SCHEDULE OF FRANCHISEE SPONSORED COMMUNITY USE PROGRAMMING

(The hours shown on this schedule will be provided during Year(s) _____ of the franchise term. Year 1 begins on the date the franchise is awarded.)

Tier: _____ (Describe for Basic Service Tier and for each other tier as it is identified in the proposal.)

- a. Number of hours of community use programming between the hours of 6 a.m. and 5 p.m.

| | Audio and Visual | Audio Only |
|---------------------------------------|---------------------|-------------|
| Nonautomated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |
| Automated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |

- b. Number of hours of community use programming between the hours of 5 p.m. and 11 p.m.

| | Audio and Visual | Audio Only |
|---------------------------------------|---------------------|-------------|
| Nonautomated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |
| Automated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |

- c. Number of hours of community use programming between the hours of 11 p.m. and 6 a.m.

| | Audio and Visual | Audio Only |
|---------------------------------------|---------------------|-------------|
| Nonautomated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |
| Automated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local Governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |

Form K

SCHEDULE OF FRANCHISEE SPONSORED COMMUNITY USE PROGRAMMING

(The hours shown on this schedule will be provided during Year(s) _____ of the franchise term. Year 1 begins on the date the franchise is awarded.)

Tier: _____ (Describe for Basic Service Tier and for each other tier as it is identified in the proposal.)

- a. Number of hours of community use programming between the hours of 6 a.m. and 5 p.m.

| | Audio and Visual | Audio Only |
|---------------------------------------|---------------------|-------------|
| Nonautomated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |
| Automated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |

- b. Number of hours of community use programming between the hours of 5 p.m. and 11 p.m.

| | Audio and Visual | Audio Only |
|---------------------------------------|---------------------|-------------|
| Nonautomated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |
| Automated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |

- c. Number of hours of community use programming between the hours of 11 p.m. and 6 a.m.

| | Audio and Visual | Audio Only |
|---------------------------------------|---------------------|-------------|
| Nonautomated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |
| Automated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local Governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |

Form K

SCHEDULE OF FRANCHISEE SPONSORED COMMUNITY USE PROGRAMMING

(The hours shown on this schedule will be provided during Year(s) _____ of the franchise term. Year 1 begins on the date the franchise is awarded.)

Tier: _____ (Describe for Basic Service Tier and for each other tier as it is identified in the proposal.)

- a. Number of hours of community use programming between the hours of 6 a.m. and 5 p.m.

| | Audio and Visual | Audio Only |
|---------------------------------------|---------------------|-------------|
| Nonautomated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |
| Automated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |

- b. Number of hours of community use programming between the hours of 5 p.m. and 11 p.m.

| | Audio and Visual | Audio Only |
|---------------------------------------|---------------------|-------------|
| Nonautomated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |
| Automated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |

- c. Number of hours of community use programming between the hours of 11 p.m. and 6 a.m.

| | Audio and Visual | Audio Only |
|---------------------------------------|---------------------|-------------|
| Nonautomated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |
| Automated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local Governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |

SCHEDULE OF FRANCHISEE SPONSORED COMMUNITY USE PROGRAMMING

(The hours shown on this schedule will be provided during Year(s) _____ of the franchise term. Year 1 begins on the date the franchise is awarded.)

Tier: _____ (Describe for Basic Service Tier and for each other tier as it is identified in the proposal.)

- a. Number of hours of community use programming between the hours of 6 a.m. and 5 p.m.

| | Audio and Visual | Audio Only |
|---------------------------------------|---------------------|-------------|
| Nonautomated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |
| Automated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |

- b. Number of hours of community use programming between the hours of 5 p.m. and 11 p.m.

| | Audio and Visual | Audio Only |
|---------------------------------------|---------------------|-------------|
| Nonautomated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |
| Automated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |

- c. Number of hours of community use programming between the hours of 11 p.m. and 6 a.m.

| | Audio and Visual | Audio Only |
|---------------------------------------|---------------------|-------------|
| Nonautomated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |
| Automated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local Governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |

SCHEDULE OF FRANCHISEE SPONSORED COMMUNITY USE PROGRAMMING

(The hours shown on this schedule will be provided during Year(s) _____ of the franchise term. Year 1 begins on the date the franchise is awarded.)

Tier: _____ (Describe for Basic Service Tier and for each other tier as it is identified in the proposal.)

- a. Number of hours of community use programming between the hours of 6 a.m. and 5 p.m.

| | <u>Audio and Visual</u> | <u>Audio Only</u> |
|---------------------------------------|-----------------------------|-------------------|
| Nonautomated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |
| Automated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |

- b. Number of hours of community use programming between the hours of 5 p.m. and 11 p.m.

| | <u>Audio and Visual</u> | <u>Audio Only</u> |
|---------------------------------------|-----------------------------|-------------------|
| Nonautomated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |
| Automated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |

- c. Number of hours of community use programming between the hours of 11 p.m. and 6 a.m.

| | <u>Audio and Visual</u> | <u>Audio Only</u> |
|---------------------------------------|-----------------------------|-------------------|
| Nonautomated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |
| Automated programming provided by: | | |
| Franchisee | _____ hours | _____ hours |
| Local Governmental agencies | _____ hours | _____ hours |
| Local nonprofit community agencies | _____ hours | _____ hours |

(b) If you propose different quantities of franchisee sponsored community use programming during different years of the franchise term, prepare a set of Schedule of Franchisee Sponsored Community Use Programming for each such different quantity proposed, and indicate at the top of the schedule in the space provided the year or years during which that quantity of programming is proposed.

(c) Describe the specific and detailed affirmative strategies to be utilized to solicit and encourage interest by local nonprofit community organizations in producing community use programming to fulfill the broadcast time commitment proposed. Such affirmative action might include, for example, continual contact with community organizations for the purpose of offering programming suggestions and assistance in planning, implementation and development, and assistance without charge in the direction and production of programs.

(d) Propose all criteria intended to be utilized to select between and apportion time among local non-profit community organizations if the demand to produce community use programming exceeds the broadcast time proposed in the application.

(e) Describe specifically the location, nature and extent of studio facilities, production equipment and personnel and other resources proposed to be made available at the sole cost of the Franchisee and without any charge whatsoever to produce and assist local governmental agencies and local non-profit community organizations in the presentation of community use programming. Include make, model number and approximate cost for each piece or grouping of equipment.

Indicate whether the studio facilities, production equipment, staffing resources and other resources will be exclusively available for community use programming to local governmental agencies and local non-profit community organizations, or whether such resources will be shared with the Franchisee's operation or others. If shared, specific criteria shall be stated showing how time priorities will be allocated among competing interests to insure, for example, that studio space and production resources will not be made available to local organizations only at the least desirable times.

(f) Describe any standards or criteria which you intend to utilize in connection with the following issues. (Refer to and incorporate your answer to Question 1.(f) above, as appropriate.)

(1) The time made available for and community use programming covering candidates for public elective office during election campaigns;

(2) Program quality control;

(3) The legality of program content and violation of the legal rights of others;

(4) Any and all pre-conditions of whatever kind or nature relating to use by third parties of studio facilities or production equipment and broadcast of programming presented thereby.

(5) Determinations relating to the tier of service in which community use programming by local governmental agencies and local non-profit community organizations will be placed.

(g) Describe the independent body proposed by you to administer community use programming. Such a body shall not include any officer or employee of the County, Cities or Cable Television Commission. Nor shall the body include appointees of officers, employees, governing bodies or boards or committees of the County, Cities or Commission. (Refer to and incorporate your answer to Question 1.(e) above as appropriate.) Any such proposal shall specifically identify the following respecting such a body:

(1) Legal form of existence;

(2) How established and who will be responsible for establishment;

(3) The size, composition and method of selection and appointment of members;

(4) The terms of members, and grounds and procedures for removal of members, if any; and

(5) The specific powers of the body in relation to administration of community use and the means by which such powers may be exercised and enforced; and

(6) Sources and amounts of funding for support of operation of the body.

3. If you proposed community use programming as contemplated by Section 5.50.338 of the Ordinance (Franchisee Sponsored Community Use Programming), you may also propose here a specific number of channels to be set aside for the exclusive provision of community use programming on a Leased Basis by individuals and local nonprofit community organizations.

Provide:

- (a) The number of channels committed exclusively for such purposes.

- (b) An itemization of the amounts of fees and charges, if any, to be levied at various times during the franchise term for leased use -- the fees and charges, if any, to include all rights and privileges associated with the lease, use of studio facilities, production equipment and staffing and other resources, and broadcast time; and copies of all contract documents to be utilized in connection with such leases.

- (c) A statement as to whether identification of parties to whom channels will be leased and apportionment of leased time thereon will be vested within the sole discretion of the Franchisee, or determined in accordance with standards or criteria and, if so, all criteria, standards and requirements intended to be utilized by the Franchisee in apportioning leased time should the demand therefor exceed the channel supply.

B. Resource Commitments to Local Entities

1. Describe the resources (channels, channel time, studios, equipment, staff assistance and financial support, etc.) if any, you propose to commit to local entities. Detail the process by which you have ascertained the needs of entities in the community. Demonstrate that the allocation of resources proposed is consistent with the priorities set forth in the Request for Proposals.

Demonstrate that the institutions to whom channels, channel time, studio and equipment resources are committed will have or will receive adequate staff assistance and financial resources to make effective use of the channels, channel time, studio and equipment resources.

2. Detail other resources, benefits or specialized services, if any, to be provided to the County, City or Educational Consortium pursuant to Section 5.50.342 of the Ordinance.

3. By a separate attachment, fully disclose in detail, all commitments of services, resources, or other benefits (by lease, contract, or otherwise), if any, to specifically identified parties for non-commercial programming other than the County, Cities, or Educational Consortium, as required by Section 5.50.344 of the Ordinance. Attach all written agreements relating thereto.

C. Summary Plan

1. If you propose resources for A. Community Access or B. Local Entities as permitted by the Ordinance, please submit an overview plan which: summarizes and distinguishes between initial and ongoing resources; and indicates if and how resources committed will be reallocated to meet community use needs over the full term of the franchise.

FORM L: PROPOSED RATES AND
MARKETING/PROMOTIONAL PLANS

PROPOSED RATES

1. Basic Service Rates Proposed

- (a) If desired, describe Basic Service and the rates and charges to be imposed therefor when service is first made available under the Franchise. (See §5.50.618 of the Ordinance: Application Contents.)

- (b) Does applicant propose that the rates and charges described in (a) above shall be maintained during the term of the franchise at levels determined in accordance with Section 5.50.622 of the Ordinance: Basic Service Rates and Charges - Increases? (See §5.50.618 of the Ordinance: Application Contents. A "Yes" constitutes reference to and incorporation of the provisions of 5.50.622.)

[] Yes [] No

- (c) If so, provide all additional information relating the amounts and types of rates, charges and deposits required by §5.50.618 of the Ordinance: Application Contents.

- (d) Does applicant propose to be bound by the provisions of §5.50.624 of the Ordinance: Discriminatory Practices? (Note that an applicant must propose to be bound by both §5.50.622 and §5.50.624 if it intends to be bound by either. A "Yes" constitutes reference to and incorporation of the provisions of §5.50.624.)

[] Yes [] No

PROPOSED RATES - continued

- (e) If so, set forth distinctions, if any, offered or to be made as permitted by subparagraph (a) of Section 5.50.624.

2. Other Service Rates Proposed

If desired, describe various other services on the Subscriber Network and the rates and charges to be imposed therefor when service is first made available under the franchise. (See §5.50.618 of the Ordinance: Application Contents.)

- 3. Whether or not you make proposals under 1, or 2 above, you may - if desired - provide additional information regarding rates, charges, deposits, studio and equipment usage rates, advertising policy and fees, leased channel policy and fees, etc.

- 4. If desired, describe proposed marketing/promotional plans for entertainment and other services.

- 5. Describe in detail billing practices, payment policies, collection policies and charges, and procedures to be followed in billing disputes.

FORM M: EMPLOYMENT PRACTICES AND
MINORITY/FEMALE CONTRACTING

FORM N: MISCELLANEOUS

MISCELLANEOUS

Please briefly summarize any elements of the proposal which have not been adequately covered in other parts of the application forms.

Anticipated future developments may be discussed, but should clearly be identified as such. Please limit responses to approximately 5 pages.

81-103

FINAL DRAFT
(Number 5)

CABLE TELEVISION ORDINANCE

FOR

THE COUNTY OF SACRAMENTO
AND CITIES OF SACRAMENTO,
FOLSOM, ISLETON AND GALT

APPROVED
BY THE CITY COUNCIL

NOV 23 1981

OFFICE OF THE
CITY CLERK

November 24, 1981

OFFICE OF THE SACRAMENTO COUNTY COUNSEL

HEARING DRAFT
CABLE TELEVISION ORDINANCE
TABLE OF CONTENTS

| | Page |
|---|------|
| Sub-Chapter 1 | |
| General Provisions | 1 |
| Sub-Chapter 2 | |
| Cable Television Commission | 17 |
| Sub-Chapter 3 | |
| Issuance and Renewal of Franchise | 25 |
| Sub-Chapter 4 | |
| Terms-Conditions-Requirements of Franchises | 43 |
| Article 4-a | |
| System Capability and Standards Prevailing Rates Community Use | 43 |
| Article 4-b | |
| Construction and Extention of System Use of Streets | 60 |
| Article 4-c | |
| Services | 86 |
| Article 4-d | |
| Franchise Fees - Rates | 106 |
| Article 4-e | |
| Security - Indemnification - Insurance | 120 |
| Sub-Chapter 5 | |
| Assignments - Remedies | 126 |

Article 5-a

Assignments 126

Article 5-b

Remedies 132

ORDINANCE NO. 81-103

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

AN ORDINANCE ADDING CHAPTER 20 TO THE SACRAMENTO
CITY CODE RELATING TO CABLE TELEVISION FRANCHISES

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:

SECTION 1

Chapter 20 is hereby added to the Sacramento City Code to read as follows:

CHAPTER 20

CABLE TELEVISION ORDINANCE

SUBCHAPTER 1

GENERAL PROVISIONS

20.010 PURPOSES. The purposes of this Chapter include, but are not limited to, the promotion of the general welfare of the citizens of the Sacramento community by:

- a. Establishing a master plan for the franchising of cable television services within the Sacramento community;
- b. Establishing a regulatory framework for the administration of franchises in order to insure that the potential recreational, educational, social, economic and other advantages of cable television will in fact inure to the benefit of the Sacramento community and the citizens thereof;
- c. Providing for the unified administration of cable television franchises in order to reduce the danger that the nature and extent of services received and benefit derived therefrom will be dependent upon the jurisdiction in which a citizen of the Sacramento community resides; and
- d. Regulating the operations of Franchisees for the purpose of protecting and promoting the public health, peace, safety and welfare.

APPROVED
BY THE CITY COUNCIL

NOV 20 1981

OFFICE OF THE
CITY CLERK

The provisions of this Section shall not be deemed to confer any right upon a Franchisee which is not otherwise conferred by another express provision of this Chapter.

5.50.012 DEFINITIONS. As used in this Chapter, the following terms, phrases, and words shall be ascribed the following meanings, unless the context indicates otherwise. The word "shall" is mandatory, and the word "may" is permissive. Words not defined herein shall be given their common and ordinary meanings, consistent with the context in which such words are used and the purposes of this Chapter.

- a. "Basic Service" -- shall mean: (i) a single Tier of Service provided in connection with each residential hook-up for a uniform monthly charge, if any, which includes the following:

(1) Reception of all local television broadcasting stations as prescribed by applicable FCC Regulations (47 C.F.R. 76.51 through 76.67, inclusive) as said regulations exist on March 1, 1981;

(2) Any additional stations which may be required by FCC Regulations enacted subsequent to March 1, 1981;

(3) One (1) of the channels made available to K.V.I.E. pursuant to Section 5.50.328 in Article 4-a (in addition to the pre-existing channel operated by K.V.I.E. otherwise required to be carried);

(4) One (1) of the channels made available to the Educational Consortium pursuant to Section 5.50.328 in Article 4-a;

(5) One (1) Access Channel, if an Access Channel is made available by a Franchisee pursuant to the provisions of Section 5.50.336 in Article 4-a; and

(6) Any other or additional cable television services proposed by a Franchisee in its application to be included within Basic Service; and

(ii) if proposed in the application submitted by a Franchisee and prescribed by the Resolution Offering the Franchise, one (1) or more Tiers of Service which consist of less television reception services than prescribed by "(i)", above, provided

in connection with each residential hook-up for a uniform monthly charge, if any.

- b. "Cable Television 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 Sacramento Community, including both Subscriber Networks and Institutional Networks.

A "Cable Television System" shall not include any facility which serves or will serve exclusively only subscribers in one or more multiple-unit dwellings under common ownership, control or management, one or more condominiums, a mobilehome park, or a residential subdivision with private roads, which is not installed in and does not use Streets and other public and utility rights-of-way.

- c. "Cable Television Commission" or "Commission" -- shall mean the Sacramento Metropolitan Cable Television Commission created pursuant to the provisions of Sub-Chapter 2, or any successor in interest thereof established by the County and Cities.
- d. "Cities" -- shall mean the Municipality of Sacramento, and each of the Municipalities of Folsom, Isleton, and Galt which enacts the provisions of this Chapter in identical form and does not adopt a resolution disapproving selection of the Franchisee under the Initial CATV Franchise pursuant to Section 5.50.212, in Sub-Chapter 3.
- e. "Community Use", "Community Use Programming", and "Community Use Channels" -- shall mean use, programming or channels for purposes of non-commercial cablecasts presented by or in behalf of a Franchisee, the County or Cities, individuals and local community non-profit organizations, which consist of topics of special interest to the Sacramento Community or elements thereof, including matters of a political, governmental, sociological, religious, educational, cultural, artistic, health oriented, ethnic, economic, recreational, charitable and philanthropic nature; a significant part of such programming having been locally produced. "Non-Commercial" means:

- (i) the content of such programming shall not be for the purpose of either directly or indirectly selling any product or service for private gain; and
(ii) that the programming shall not be associated with or interrupted during presentation by commercial advertising or announcements presented for the purpose of selling products or services for private gain.
- f. "Converter" -- shall mean an electronic device which converts signals to a frequency not susceptible to interference within the television receiver of a subscriber, and by an appropriate channel selector also permits a subscriber to view all signals delivered at designated converter dial locations.
- g. "County" -- shall mean the County of Sacramento.
- i. "FCC" -- shall mean the Federal Communications Commission and any legally appointed, designated or elected agent or successor thereof.
- j. "Franchise Documents" -- shall, with respect to a franchise for a Cable Television System issued pursuant to the provisions of this Chapter, mean the provisions of this Chapter, the map defining any Imposed Service Area for the franchise as adopted by resolution, the provisions of any Request for Proposals issued pursuant to the provisions of this Chapter in connection with that franchise, the provisions of the application for the franchise submitted by the Franchisee, the provisions of the resolution offering the franchise, and the provisions of the certificate of acceptance by the Franchisee of the franchise.
- k. "Franchisee" -- shall mean the party to whom a franchise to operate a Cable Television System is issued pursuant to the provisions of this Chapter.
- l. "Governing Body" -- shall mean the Board of Supervisors with respect to the County, and each City Council with respect to the Cities.
- m. "Gross Revenues" -- shall mean all cash, credits, property of any kind or nature or other consideration derived directly or indirectly by a Franchisee, its affiliates, subsidiaries, parent, and any other person or entity in which the Franchisee has a financial interest or which has a financial interest in the Franchisee, arising from or attributable to operation of the Cable Television System, including, but not limited to: (i) revenue from all services provided on the Subscriber Network and Institutional Network

(including Leased Access fees); (ii) advertising revenues; (iii) revenue from the use of studio facilities, production equipment and personnel; (iv) revenue from installation, connection and reinstatement and the provision of subscriber and other services; and (v) the sale, exchange or cablecast of any programming developed for community use or institutional users. "Gross Revenues" shall include, valued at retail price levels, the value of any goods, services or other remuneration in non-monetary form received by the Franchisee or others described above in consideration for performance by a Franchisee or others described above of any advertising or other service in connection with the Cable Television System.

"Gross Revenues" shall not include: (i) any taxes on services furnished by the Franchisee which are imposed directly upon any Subscriber or User by the United States, State of California or local agency and collected by the Franchisee on behalf of the government; (ii) revenue received directly from the Franchisee by an affiliate, subsidiary or parent of the Franchisee or any other person or entity in which the Franchisee has a financial interest or which has a financial interest in the Franchisee, when the revenue received has already been included in reported Gross Revenue as received by the Franchisee; and (iii) revenue received by such an affiliate, subsidiary, parent, person or entity when the revenue received is from the sale of national advertising shown on programs distributed on a national basis by the affiliate, subsidiary, parent, person or entity and, but for this exception, that portion of the revenue attributable to broadcasts through the Cable Television System would be treated as Gross Revenues.

- n. "Initial CATV Franchise" -- shall mean the first franchise for a Cable Television System issued pursuant to the provisions of this Chapter.
- o. "Institutional Network" -- shall mean a cable communications network used exclusively for the provision of services to businesses, schools, public agencies or other non-profit agencies in connection with the on-going operations of such enterprises.
- p. "Inter-active Services" -- shall mean services provided to subscribers or users where the subscriber either: (i) both receives information consisting of either television or other signals and transmits signals generated by the subscriber or user or

equipment under his control for the purpose of selecting what information shall be transmitted to the subscriber or user for any other purpose; or (ii) transmits signals to any other location for any purpose.

- r. "Leased Access" -- shall mean use on a fee-for-service basis of the Subscriber Network or Institutional Network by business enterprises (whether profit, non-profit or governmental) to render services within the Sacramento Community.
- s. "Monitoring" -- shall mean observing a communications signal, or the absence of a signal, where the observer is not the subscriber, whether the signal is observed by visual or electronic means, for any purpose whatsoever; provided that "Monitoring" shall not include systemwide, non-individually addressed sweeps of the Cable Television System for purposes of verifying System integrity, controlling return path transmissions, or billing for pay services.
- t. "Sacramento Community" -- shall mean the entire geographical territory within the unincorporated area of the County, the corporate limits of the City of Sacramento, and the corporate limits of each of the municipalities of Folsom, Isleton and Galt which enacts this Chapter and elects to issue the Initial CATV Franchise pursuant to the provisions of this Chapter.
- u. "Streets" -- shall mean the surface of and the space above and below any street, road, highway, freeway, utility right-of-way or any other easement which now or hereafter exists for the provision of public or quasi-public services to residential or other properties, and in which the County or Cities are expressly or impliedly authorized or empowered to permit use for installation and operation of a Cable Television System.
- v. "Subscriber" -- shall mean a lawful recipient of service from a Cable Television System.
- w. "Subscriber Network" -- shall mean a cable communications network which carries television entertainment channels and Community Use Channels (including Basic Service) and may carry channels providing commercial or other non-entertainment services and Leased Access channels.

- x. "Tier of Service" -- shall mean a grouping of program services on the Subscriber Network which is marketed by a Franchisee to Subscribers for a single monthly or other charge. "Basic Service" as defined by "(i)" under subparagraph "a" of this Section shall constitute a single Tier of Service. "Basic Service" as authorized under "(ii)" of subparagraph "a" of this Section shall constitute a separate and distinct tier of Service.
- w. "User" -- shall mean a party utilizing a Cable Television System channel for purposes of production or transmission of material to Subscribers, as contrasted with receipt thereof in a Subscriber capacity.

5.50.014 FRANCHISE REQUIRED. Except as otherwise provided by this Chapter, Streets within the Sacramento Community shall not be occupied by or used for a Cable Television System except under a franchise issued pursuant to the provisions of this Chapter.

5.50.016 GENERAL CHARACTERISTICS OF FRANCHISE ISSUED. Any franchise issued pursuant to the provisions of this Chapter, shall be deemed to:

- a. Authorize utilization of the Streets for the public or quasi-public purpose of installing cables, wires, lines, and other facilities in order to operate a Cable Television System;
- b. Be non-exclusive, and neither expressly nor impliedly be deemed to preclude the issuance of subsequent franchises to operate Cable Television Systems within the Sacramento Community; and
- c. Be for a term prescribed by the issuing authority which shall not extend beyond December 31, 2002.

Such a franchise shall not be deemed to authorize or either expressly or impliedly permit the Franchisee, except with the consent of the owners, to provide Cable Television System service to, or install antennae, cables, wires, lines, towers, waveguides, other conductors, converters, or any other equipment or facilities upon private property, including, but not limited to, apartment complexes, condominiums, mobilehome parks and residential subdivision developments with private roads. The purpose of this paragraph is to require owner consent for the provision of service. This paragraph shall not be construed to prohibit a Franchisee from entering or utilizing private property as an incident to its use of the Streets to the extent entry

or use is expressly or impliedly authorized by the right conferred by this Section to occupy the Streets.

5.50.018 FRANCHISE AS CONTRACT. A franchise issued pursuant to the provisions of this Chapter shall be deemed to constitute a contract between the Franchisee and the Cable Television Commission. Each Franchisee shall be deemed to have contractually committed itself to comply with the terms, conditions and provisions of the Franchise Documents, and with all rules, orders, regulations, and determinations applicable to the franchise which are issued, promulgated or made pursuant to the provisions of this Chapter. The regulatory authority conferred by the provisions of this Chapter, including the power to amend the provisions of this Chapter as reserved under Section 5.50.038, below, shall constitute a reserved authority under the contract.

All terms, conditions and provisions of the contract shall be deemed to be embodied in the Franchise Documents, and conflicts in terms, conditions or provisions of the Franchise Documents shall be resolved as follows:

- a. The express terms of this Chapter shall prevail over conflicting or inconsistent provisions in any other Franchise Document;
- b. The express terms of the resolution offering the franchise shall prevail over conflicting or inconsistent provisions in any other Franchise Document, except the express terms of this Chapter;
- c. The express terms of the request for proposals shall prevail over conflicting or inconsistent provisions in either the application for the franchise or the certificate of acceptance of the franchise; and
- d. The express terms of the application for the franchise shall prevail over inconsistent or conflicting provisions in the certificate of acceptance of the franchise.

The provisions of the Franchise Documents shall be liberally construed in order to effectuate the purposes and objects thereof. Prior to the initial enactment of this Chapter, the provisions of this Chapter were developed pursuant to numerous public hearings conducted for the purpose of receiving comments from the citizenry, operators interested in applying for a franchise in meetings with staff and through the submission by the operators of public oral and written comments, and the submission of independent staff recommendations. Operators interested in applying for a franchise have either directly or indirectly made it clear that any ordinance must contain minimum

terms satisfactory to the operators in order to induce their interest in applying for a franchise, and innumerable changes have been made in drafts of this Chapter at the request of operators. The Franchise Documents shall not be construed to constitute a contract of adhesion.

5.50.020 FRANCHISE AREAS. The Initial CATV Franchise shall permit the operation of the Cable Television System throughout the geographic area of the entire Sacramento Community pursuant to the provisions of this Chapter as the Franchise Area.

The Franchise Area for any franchise subsequently issued under the provisions of this Chapter shall be defined by the Board of Directors of the Cable Television Commission.

No Franchisee shall be authorized by the provisions of this Chapter to construct, install or operate a Cable Television System outside its designated Franchise Area.

Installation and extensions of and additions to Cable Television Systems and service is mandated within Franchise Areas pursuant to the terms, conditions and requirements set forth in Article 4-b of Sub-Chapter 4.

5.50.022 UTILITY POLES. No franchise issued pursuant to the provisions of this Chapter shall be deemed to expressly or impliedly authorize the Franchisee to utilize poles owned by the Pacific Gas and Electric Company, Pacific Telephone, the Municipal Utility District or any other public or private utility which are located within Streets, without the express consent of the utility.

5.50.024 NOTICES. All notices and other writings authorized or prescribed by this Chapter to be "mailed", shall be deemed to have been given and served when deposited in the United States Mail, postage prepaid, and addressed, with respect to a Franchisee to any office maintained by the Franchisee within the Sacramento Community, and with respect to other parties to the last known address of such party.

Any notice or other writing authorized or required by this Chapter to be "filed", shall be deemed "filed" when received in the business office of the party with whom such notice or writing is authorized or required to be "filed".

Whenever a provision of this Chapter requires a public hearing to be conducted by the Board of Directors of the Cable Television Commission, notice of the time, date, place and purpose of the hearing shall be published at least once not later than ten (10) calendar days in advance of the date of commencement of the hearing in a newspaper of general circulation which is published within the Sacramento Community. Each Franchisee

who is interested in the hearing and who is providing service on the Subscriber Network shall also, at its sole cost and expense, announce the time, date, place and purpose of the hearing on at least two (2) channels which are included in Basic Service between the hours of 7:00 p.m. and 9:00 p.m. for five (5) consecutive days prior to the hearing. The failure of a Franchisee to announce a public hearing in the manner herein prescribed shall not invalidate such hearing or any action taken as a result of or subsequent to the conduct thereof.

5.50.026 LEASES. Any Franchisee or parent, subsidiary or affiliated company or agent thereof who leases either real property situated within the Sacramento Community or personal property to be located within the Sacramento Community for use in connection with the provision of services under a franchise issued pursuant to the provisions of this Chapter, shall insure that each such lease contains a clause which either: (i) authorizes that lessee to assign the lease to the Cable Commission or its assignee without the consent of the lessor or payment of additional compensation by virtue of the assignment; or (ii) authorizes such Lessee to so assign such lease without payment of additional compensation by virtue of the assignment and prohibits the lessor from unreasonably withholding consent to such assignment.

5.50.028 AUTHORITY. With respect to the County and chartered Cities enacting this Chapter, it is declared that this Chapter is enacted pursuant to the authority conferred by their charters. With respect to the County and Cities it is also enacted pursuant to the police powers conferred by Article XI, Section 7 of the California Constitution for the promotion and protection of the peace, health, safety and general welfare of the citizens within their respective jurisdictions.

5.50.030 FUTURE INCORPORATIONS. It is hereby declared that the unified process for the administration of franchises issued pursuant to the provisions of this Chapter is necessary for protection and promotion of the convenience and welfare of all of the citizens of the Sacramento Community, and that fragmentation in administration or right to administer such franchises resulting from the future incorporation of municipalities within the unincorporated area of the County would be detrimental to the convenience and welfare and the purposes of this Chapter.

Therefore, the incorporation of any municipality within the unincorporated area of the County during the initial term of any franchise issued pursuant to the provisions of this Chapter shall not operate to either divest the Franchisee of its authority to install or provide services through its Cable Television System within the newly incorporated area or vest the newly created municipality with any administrative

or other authority whatsoever respecting operations by the Franchisee under the franchise. During such initial term, the County, Cities and Cable Television Commission shall continue to administer the provisions of this Chapter for the benefit of the inhabitants of a newly incorporated area in the same manner as if the area had not been incorporated.

Upon expiration of the initial term of a franchise, the provisions of this Chapter shall cease to be applicable to that portion of the Cable Television System and the operations by the Franchisee thereof within the municipal limits of any Municipality which is incorporated subsequent to the commencement of the initial term. The Sacramento Community shall not be deemed to include any area within the limits of a Municipality incorporated after the date this Chapter becomes effective and prior to the filing of the certificate of acceptance of any franchise.

5.50.032 ANNEXATIONS. The annexation by a municipality which has either not enacted this Chapter or is not a member of the Cable Television Commission of unincorporated area of the County during the initial term of any franchise issued pursuant to the provisions of this Chapter shall not operate to either divest the Franchisee of its authority to install or provide services through its Cable Television System within the annexed area or vest the municipality with any administrative or other authority whatsoever respecting operations by the Franchisee under the franchise. During the initial term, the County, Cities and Cable Television Commission shall continue to administer the provisions of this Chapter for the benefit of the inhabitants of the annexed area in the same manner as if the area had not been annexed.

Upon expiration of the initial term of a franchise, the provisions of this Chapter shall cease to be applicable to that portion of the Cable Television System and the operations by the Franchisee thereof within any area which has been annexed by such a municipality. The Sacramento Community shall not be deemed to include any area annexed by such a municipality subsequent to the date this Chapter becomes effective and prior to the filing of the certificate of acceptance of any franchise.

5.50.034 ORDINANCES - POLICE POWERS. All zoning and other land use ordinances, building, electrical, plumbing and mechanical codes, business license ordinances and all other ordinances of general application now in existence or hereafter enacted by the Governing Bodies of the County and Cities shall be fully applicable to the exercise of any franchise issued pursuant to the provisions of this Chapter, and the Franchisee shall comply therewith. In the event of a conflict between the provisions of this Chapter and those of such an ordinance of general application, the provisions of such ordinance of general application shall prevail.

5.50.036 OPERABILITY - AMENDMENTS. The provisions of this Chapter shall not become effective or operable unless said provisions are enacted in identical form by both the Governing Body of the County and the Governing body of the Municipality of Sacramento. The provisions of this Chapter shall become applicable within the geographic boundaries of the Municipalities of Folsom, Isleton and Galt, respectively, upon the enactment of the Governing Body of each such municipality of the provisions of this Chapter in identical form.

From and after the date on which the certificate of acceptance for the Initial CATV Franchise is filed pursuant to the provisions of Section 5.50.220 in Sub-Chapter 3, no addition to, deletion from, alteration of the provisions of, repeal or other amendment of this Chapter shall become effective unless such amendment or repeal is enacted by the Governing Body of the County and the Governing Body of the Municipality of Sacramento. After enactment of the provisions of this Chapter by the Governing Bodies of the Municipalities of Folsom, Isleton or Galt, no addition to, deletion from, alteration of the provisions of, repeal or other amendment of this Chapter enacted by the Governing Bodies of the County and Municipality of Sacramento shall become effective within the boundaries of any of said Municipalities of Folsom, Isleton or Galt unless such amendment is enacted by the Governing Body of the particular Municipality.

5.50.038 RIGHT TO AMEND. Except as hereinafter provided, any franchise issued pursuant to the provisions of this Chapter shall be subject and subordinate during its term to exercise of the police powers for protection and promotion of the public health, safety and welfare through amendment of this Chapter as authorized by Section 5.50.036, above. In the absence of an emergency, and without the consent of the Franchisee, the following provisions of this Chapter shall not be altered or repealed as applied to a franchise for which a certificate of acceptance has been filed in compliance with the provisions of Section 5.50.220 in Sub-Chapter 3 in advance of the effective date of the alteration or repeal:

- a. Subparagraphs "a", "m" and "u" of Section 5.50.012 and Sections 5.50.016, 5.50.018, 5.50.034, 5.50.036, 5.50.038, and 5.50.050 in this Sub-Chapter;
- b. The right to receive compensation for acquisition by the Cable Television Commission or its assignee of any of a Franchisee's property utilized in the performance of services under the franchise in accordance with the valuation standards prescribed by Sections 5.50.246 and 5.50.248 in Sub-Chapter 3.
- c. The provisions relating to requirements of the Cable Television System prescribed by Sections 5.50.300

through 5.50.312, and the provisions relating to prevailing rates prescribed by Sections 5.50.316 through 5.50.326;

- d. The provisions, standards, procedures and remedies relating to construction, completion and service prescribed by Sections 5.50.400 through 5.50.446, inclusive, in Article 4-b of Sub-Chapter 4;
- e. The provisions relating to cable television services contained in Sections 5.50.504, 5.50.506, and 5.50.510 in Article 4-c of Sub-Chapter 4.
- f. The provisions and procedures relating to the amount of, payment of, and increases in franchise fees prescribed by Sections 5.50.600 through 5.50.606 and 5.50.610 through 5.50.614 in Article 4-d of Sub-Chapter 4;
- g. The provisions relating to security, surety, indemnification and insurance prescribed by Sections 5.50.700 through 5.50.708, inclusive, in Article 4-e of Sub-Chapter 4;
- h. The provisions, relating to transfers and assignments prescribed by Sections 5.50.750 through 5.50.758 and 5.50.762 in Article 5-a of Sub-Chapter 5; or
- i. The provisions relating to remedies prescribed by Sections 5.50.804 through 5.50.826 and 5.50.830 through 5.50.840 in Article 5-b of Sub-Chapter 5.

5.50.040 FRANCHISOR. Any franchise issued pursuant to the provisions of this Chapter shall be in the name of the Cable Television Commission as the franchisor.

5.50.042 RESERVATION OF RIGHTS. The provisions of this Chapter shall not be so construed as to in any manner restrict or impair the power or authority of the Governing Bodies of the County or Cities to issue cable television franchises within their jurisdictional boundaries; provided that no such franchise shall be issued until ninety (90) calendar days following the mailing to each party issued a franchise under the provisions of this Chapter of written notice of the Governing Body's intention to do so.

5.50.044 COMMUNICATIONS WITH REGULATORY AGENCIES. Copies of all petitions, applications, communications, and reports submitted by a Franchisee to the FCC, Securities and Exchange Commission, 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 ser-

VICES provided through the System, also shall be filed simultaneously with the Clerk of the Board of Directors of the Cable Television Commission. Copies of responses or any other communications from the regulatory agencies to a Franchisee likewise shall be filed immediately on receipt with said Clerk.

5.50.046 RIGHT OF INTERVENTION. The Cable Television Commission shall have the right of intervention in any suit or proceedings to which a Franchisee is a party, and the Franchisee shall not oppose such intervention by the Commission.

5.50.048 LIMITATIONS OF ACTIONS. Except as otherwise expressly provided by this Chapter, any judicial proceeding, whether for the recovery of damages or otherwise, brought for the purpose of adjudicating the validity of any provision of this Chapter or amendment thereof or any provision of the other Franchise Documents shall be commenced not later than thirty (30) calendar days following the effective date of the provisions, and any such judicial proceeding brought for the purpose of adjudicating the validity of any rule, order, regulation, determination or arbitration award which purports to have been made pursuant to the provisions of this Chapter or of any of the other Franchise Documents shall be commenced not later than thirty (30) calendar days following the date of adoption, issuance or making of such rule, order, regulation, determination or arbitration award. No judicial proceeding shall be commenced in violation of the limitations prescribed by this Section.

The provisions of this Section shall not be applicable to any judicial proceeding, whether for the recovery of damages or otherwise, commenced by the Cable Television Commission, County or Cities for breach or enforcement of the provisions of this regulation, determination or arbitration award purporting to have been issued thereunder.

5.50.050 CHANGES IN LAW. Should the State of California or any agency thereof, the United States or any Federal agency, or any State or Federal Court require either the Cable Television Commission, County, Cities or a Franchisee to act in a manner which is inconsistent with any provisions of the Franchise Documents, the Board of Directors of the Cable Television Commission shall be authorized to determine whether a material provision of the Franchise Documents is affected in relation to the rights and benefits conferred by the Franchise Documents upon the Commission, County, Cities or the public. Upon such determination, the Franchise Documents shall be subject to modification or amendment to such extent as may be necessary to carry out the full intent and purposes thereof in relation to the rights and benefits of the Commission, County, Cities or the public. The Board of Directors of the Cable Television Commission may terminate a Franchise issued pursuant to the provisions of this Chapter if it determines that substantial and material compliance

with the Franchise Documents in relation to the rights or benefits of the Commission, County, Cities or the public has been frustrated by such a State, Federal or judicial requirement.

5.50.052 ILLEGAL TAPPING. It shall be unlawful for any person to make or use any unauthorized connection, whether physically, electrically, accoustically, inductively or otherwise, with any part of a Cable Television System for which a franchise has been issued pursuant to the provisions of this Chapter for the purpose of taking or receiving or enabling himself or others to receive or use any television signals, radio signals, picture, program or sound, without payment to the owner of said System.

It shall be unlawful for any person, without the consent of the owner, to wilfully tamper with, remove, injure or vandalize any part of such a Cable Television System including any cables, wires, or equipment used for distribution of television signals, radio signals, pictures, programs or sound.

5.50.054 SEVERABILITY. The provisions of Section ^{1.5}~~1.01.150~~ ~~Chapter 1.01 of Title 1~~ of this Code shall not be applicable to the provisions of this Chapter.

5.50.056 EXCLUSION OF FOLSOM, ISLETON OR GALT. Notwithstanding any provision in this Chapter to the contrary, if any of the Municipalities of Folsom, Isleton or Galt fail to enact the provisions of this Chapter on or before December 9, 1981, the geographical territory within the limits of any such Municipality shall be deemed to be excluded from any Franchise Area and Service Area established by or under this Chapter, there shall be no opportunity to offer Galt as a Proposed Service Area as otherwise authorized by Section 5.50.404 in Article 4-b of Sub-Chapter 4 should Galt fail to enact this Chapter by December 9, 1981, and any and all other provisions of this Chapter which impose or confer a right, privilege, duty or limitation upon any such Municipality per se or as included within the definition of "Cities" shall be deemed to be ineffective and null and void.

SUB-CHAPTER 2

CABLE TELEVISION COMMISSION

5.50.100 ESTABLISHMENT OF COMMISSION. Pursuant to the provisions of Title 1, Division 7, Chapter 5 of the Government Code, (commencing with Section 6500), there shall be established a separate and distinct public agency to be known as the Sacramento Metropolitan Cable Television Commission (herein referred to as the "Cable Television Commission" or "Commission").

5.50.102 MEMBERSHIP. The Cable Television Commission shall be formed by and consist of, as members, the County and the Cities.

5.50.104 BOARD OF DIRECTORS. The powers and authority of the Cable Television Commission shall be vested in a Board of Directors which consists of nine (9) members.

- a. Five (5) members of the Board of Directors shall be members of the Governing Body of the County.
- b. One (1) member of the Board of Directors shall be a member of the Governing Body of either the Municipalities of Folsom, Isleton or Galt; provided that the member shall be from a Governing Body of Municipality which is a member of the Commission. The member shall be appointed by and serve at the pleasure of the Governing Bodies of Folsom, Isleton and Galt jointly, or so many of said Municipalities as are members of the Commission.
- c. In the event the municipality of Folsom, municipality of Isleton or municipality of Galt is a member or members of the Commission, three (3) members of the Board of Directors shall be members of, appointed by and serve at the pleasure of the Governing Body of the Municipality of Sacramento.

In the event neither the Municipality of Folsom, the municipality of Isleton nor the Municipality of Galt is a member of the Commission, four (4) members of the Board of Directors shall be members of, appointed by and serve at the pleasure of the Governing Body of the City of Sacramento.

Each member of the Board of Directors shall be authorized to appoint a personal representative to attend meetings of the Board

in the absence of the member, and, during such meetings, vote and exercise all other powers of the member. Such an appointment shall be effective when the member files with the Clerk of the Board of Directors a written notice executed by the member which identifies by name and residential address the personal representative who has been appointed. Personal representatives shall serve at the pleasure of the members who appoint them, and such appointments may be revoked by the filing of written notice of revocation with the Clerk of the Board of Directors signed by the member and reciting revocation of the appointment of a designated personal representative. In the event of removal from the Board of Directors of a member who serves at the pleasure of a Governing Body, such removal shall automatically effect removal of any personal representative which that member has appointed.

5.50.106 EXISTENCE. The Cable Television Commission shall become operable and be fully competent to exercise the powers and authority vested therein thirty-one (31) calendar days following the date of selection of the Franchisee for the Initial CATV Franchise pursuant to the provisions of Section 5.50.210 in Sub-Chapter 3.

5.50.108 PURPOSES. The purposes of the Cable Television Commission shall be as follows.

- a. To administer pursuant to the terms and conditions of the Franchise Documents, the Initial CATV Franchise and any franchise subsequently issued pursuant to the provisions of this Chapter;
- b. To exercise any and all other powers conferred by the Franchise Documents.

5.50.110 DELEGATION OF POWERS. The Board of Directors of the Cable Television Commission shall be authorized to form and appoint advisory and other committees of citizens, officials or representatives of concerned interests, and delegate to each committee such powers and authority vested in it by the terms of this chapter as it deems appropriate; provided that the Board of Directors shall reserve the right and authority by means of appeal or otherwise, to make the final decision upon any matter relating to issuance or termination of a franchise issued pursuant to the provisions of this Chapter or the administration thereof upon which a discretionary determination is authorized or required by the provisions of this Chapter.

5.50.112 AGREEMENT OF FORMATION. The Cable Television Commission shall be deemed to be created upon execution by each member thereof of an agreement of formation. Enactment of this Chapter constitutes approval by the Governing Bodies of the County and Cities of the terms of the agreement of formation.

The Chairperson of the Governing Body of the County and Mayor of the Municipality of Sacramento shall execute the following agreement of formation on the date of selection of the Franchisee for the Initial CATV Franchise pursuant to the provisions of Section 5.50.210 in Sub-Chapter 3. The Mayors of any of the Municipalities of Folsom, Isleton or Galt which have enacted this Chapter, shall execute the agreement of formation thirty-one (31) calendar days following the date of selection of the Franchisee for the Initial CATV Franchise pursuant to the provisions of Section 5.50.210 in Sub-Chapter 3, unless the Governing Body of that Municipality has adopted a resolution making the selection inapplicable to that Municipality pursuant to the provisions of Section 5.50.212 in Sub-Chapter 3.

AGREEMENT OF FORMATION
SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION

THIS AGREEMENT is made and entered into pursuant to the provisions of Section 6500 et seq. of the Government Code of the State of California by and between the County of Sacramento, herein referred to as "County"; and the City of Sacramento and municipalities of Folsom, Isleton and Galt, herein referred to as "Cities"; who do hereby mutually agree as follows:

1. Establishment. There is hereby created an organization known and denominated as the Sacramento Metropolitan Cable Television Commission, which shall be a public entity, separate and apart from the County and Cities. The Sacramento Metropolitan Cable Television Commission (hereinafter referred to as "Commission") shall be governed by the terms of this Agreement, the terms of an ordinance enacted by each agency which enters into this Agreement which is entitled "Cable Television Ordinance", and is hereinafter referred to as the "Ordinance", and by such rules as are duly passed and adopted by the Board of Directors of the Commission.

Notwithstanding the provisions of the introductory paragraph of this Agreement, it is specifically contemplated that each of the Municipalities of Folsom, Isleton and Galt may or may not execute this Agreement and participate in the formation of and become members of the Commission. Therefore, the Commission shall be formed by, as members, the County, the Municipality of Sacramento, and so many of the other Municipalities as approve and execute this Agreement. If neither Folsom, Isleton nor Galt approve and execute this Agreement, this Agreement shall be deemed to have been entered into and the Commission formed by, as members, the County and Municipality of Sacramento.

2. Board of Directors. The Commission shall be

governed by and the powers of the Commission vested in a Board of Directors. The number of members of the Board of Directors, composition thereof, and tenure of Directors shall be prescribed by Sub-Chapter 2 of the Ordinance.

- a. Meetings of the Board of Directors and of such advisory or other committees as the Board may appoint, shall be governed by the provisions of the Ralph M. Brown Act (Government Code Sec. 54950 et seq.). The Board of Directors shall establish a time and place for its regular meetings, which shall be held not less frequently than every three (3) months.
- b. A majority of the members of the Board of Directors shall constitute a quorum for the purpose of transacting business.
- c. No action taken by the Board of Directors shall be effective except by duly adopted motion receiving the votes of a majority of the Directors of the Board.
- d. The Board of Directors shall annually elect its Chairperson.
- e. The Clerk of the Board of Supervisors of the County shall serve as Secretary to the Board of Directors, shall be responsible for recordation of the official actions by the Board, and shall be the official custodian of all records of the Board of Directors.

The County may determine reasonable charges to be made against the Commission for the services of the Clerk and the Commission shall pay such charges.

3. Powers. The Board of Directors of the Commission shall be vested with the following powers:

- a. To employ in the name of the Commission an Executive Director and such other personnel as the Board of Directors deems appropriate. The Executive Director shall be appointed by and serve at the pleasure of the Board of Directors.
- b. To make and enter into contracts in the name of the Commission as authorized by or in order to carry out the objects or purposes of this Agreement or the Ordinance, including, but not limited to, contracts with the County providing for provision by County personnel of services for the Commission and reimbursement of the County by the Commission of the costs thereof.

- c. To acquire in the name of the Commission take title to, hold and dispose of real and personal property.
- d. To incur in the name of the Commission debts, liabilities and obligations, which shall not constitute debts, obligations or liabilities of any of the member agencies.
- e. To accept in the name of the Commission grants, gifts and donations in the public interest to carry out the purposes and functions of the Commission;
- f. To establish and provide for the payment of reasonable compensation to its members or their personal representatives for performance of the duties of office; and
- g. To exercise such other powers as are expressly conferred by the provisions of this Agreement or the Ordinance.

The Board of Directors shall also be authorized to sue in the name of the Commission. The Commission shall be subject to suit in its name.

4. Limitations. Pursuant to the provisions of Government Code Section 6509, the powers of the Commission are subject to the restrictions upon the manner of exercising such powers of one (1) of the designated member agencies. For such purposes, the Municipality of Sacramento is hereby designated.

5. Budget. Prior to July 1st of each fiscal year, the Board of Directors shall adopt a preliminary budget. Prior to September 1st of each fiscal year, said Board shall adopt a final budget.

6. Payments. Not later than the first day of October of each year during the term of this Agreement, the Commission shall distribute to the County and Cities who are members of the Commission the difference between: (i) the revenue required to finance the costs to be incurred in accordance with the Commission's Budget (including a reserve for contingencies) for the fiscal year commencing on the preceding first day of July; and (ii) the revenues from franchise fees actually received by the Commission pursuant to the provision of Article 4-d of Sub-Chaptr 4, on or before the preceding first day of August for the preceding fiscal year ending June 30. Notwithstanding the foregoing, the Commission shall distribute to said County and Cities not later than the first day of each October not less than twenty (20%) percent of the revenue from such franchise fees.

The franchise fees shall be paid to the County and Cities who are members of the Commission in the same proportion as the ratios which the population of the unincorporated area of the County and incorporated area of the Cities bear to the total population of the Sacramento Community, as disclosed by the Federal Decennial Census for 1980 during the period ending June 30, 1991, the Federal Decennial Census for 1990 during the period commencing July 1, 1991 and ending June 30, 2001, and the Federal Decennial Census for 2000 during any period succeeding June 30, 2001.

Each distribution shall be accompanied by a statement by the Auditor of the Commission stating the amounts of all franchise fees received by the Commission for the distribution period, the dates of receipt, the amount of revenue required to finance the Commission Budget, and the population ratios upon which apportionment of the distribution is being made.

7. Treasurer. The Treasurer of the County shall be the depository of funds of the Commission, and said Treasurer shall be the ex officio Treasurer of the Commission.

The Treasurer shall receive and have custody of and disburse Commission funds on the warrant of the Auditor and shall make disbursements authorized by this Agreement. The Treasurer shall invest Commission funds in accordance with the general law. All interest collected on Commission funds shall be accounted for and posted to the account of said funds.

The County may determine reasonable charges to be made against the Commission for the Services of the Treasurer, and the Commission shall pay such charges.

8. Auditing. The Auditor of the County shall be the ex officio Auditor of the Commission, and shall draw warrants against the funds of the Commission when the demands are approved by the Executive Director or his designee. At the close of each fiscal year, as provided in Government Code Section 6505, the Auditor shall make an audit. In the alternative, the Board of Directors may contract with a public accountant or certified public accountant to make an audit of the accounts and reports of the Commission.

The Auditor shall establish and maintain such funds and accounts as are deemed necessary to account for and report on receipts and disbursements. The Commission shall keep such additional records and accounts which are deemed necessary to account for and report on sources of funds, expenditures, grants and programs as may be required by good accounting practices. The books and records of the Commission shall be open to inspection at all reasonable times by representatives of the member agencies.

The County may determine reasonable charges to be made against the Commission for the services of the Auditor, and the Commission shall pay such charges.

9. Term. Except as hereinafter provided, this Agreement shall terminate and the Commission shall be deemed dissolved on December 31, 2002.

In the event the Initial CATV Franchise is not renewed at the expiration of its term and at the expiration of said term there is no other franchise issued pursuant to the provisions of this Chapter to operate a Cable Television System in effect within the Sacramento Community, this Agreement shall be deemed terminated and the Commission shall be deemed dissolved on the date of expiration of the Initial CATV Franchise.

10. Disposition of Assets. Upon dissolution of the Commission, its assets shall be distributed to member agencies in the same proportion as distributions to member agencies have most recently been made pursuant to the provisions of Paragraph 6, above. Any real property owned by the Commission shall, in advance of dissolution, be conveyed by the Board of Directors to member agencies as tenants in common with proportional interests equal to the proportion of distributions most recently made pursuant to the provisions of said Paragraph 6.

11. Debts. The debts, liabilities and obligations of the Commission shall not constitute any debts, liabilities or obligations either jointly or severally of the County of Sacramento, City of Sacramento or municipalities of Folsom, Isleton or Galt.

12. Amendment. This Agreement may be amended by written contract approved by and executed in behalf of the Governing Bodies of each member agency. No Franchisee shall be deemed to either expressly or impliedly be a party to this Agreement, a third party beneficiary thereof, or to have any interest which precludes amendment of the terms of this Agreement in any manner in which the Governing Bodies of the member agencies, in their discretion, may mutually agree.

IN WITNESS HEREOF the parties hereto have approved and executed this Agreement as follows.

SUB-CHAPTER 3

ISSUANCE AND RENEWAL OF FRANCHISES

5.50.200 REQUEST FOR PROPOSALS. Except with respect to renewal of a pre-existing Franchisee, no franchise to operate a Cable Television System shall be issued within the Sacramento Community except pursuant to a request for proposals and selection of the Franchisee on the basis of any proposals submitted in response to the request.

5.50.202 ISSUANCE OF REQUEST FOR PROPOSALS. The request for proposals for the Initial CATV Franchise shall be approved and issued by the Governing bodies of the County and Cities. The request for proposals for franchises subsequently issued under the provisions of this Chapter shall be approved and issued by the Board of Directors of the Cable Television Commission.

5.50.204 CONTENTS OF REQUEST FOR PROPOSALS. The request for proposals shall identify bidding alternatives vested in applicants by the terms of this Chapter, establish the procedure for submission of applications, consideration of applications, selection of the successful applicant and issuance of the franchise, establish fees to be paid by applicants and the Franchisee to cover costs of preparation, solicitation, selection and award, and prescribe such terms, conditions and requirements relating to the franchise consistent with the express provisions of this Chapter as the issuing authority, in its discretion, may determine.

5.50.206 PRIVACY OF PROPOSALS. Applications for a franchise submitted in response to a request for proposals shall be sealed at the time of submission by an applicant. Prior to the deadline for submission of applications, it shall be unlawful for any applicant and any officer, agent, or employee thereof to, whether directly or indirectly, exchange information concerning proposals, enter into any agreement or understanding, or take any other action for the purpose of reducing or eliminating competition among applicants in the selection process.

5.50.208 ENVIRONMENTAL ANALYSIS. For each franchise issued pursuant to the provisions of this Chapter, one or more environmental analysis shall be undertaken pursuant to the provisions of the California Environmental Quality Act commencing at Section 21000 of the Public Resources Code. The provisions of this Chapter, requests for proposals, and resolution offering the franchise shall be subject to amendment for the purpose of implementing any changes dictated by the environmental analysis.

5.50.210 TENTATIVE SELECTION OF INITIAL FRANCHISEE. The Franchisee for the Initial CATV Franchise shall be tentatively selected by the Governing Body of the County and the Governing Body of the Municipality of Sacramento as a combined issuing authority in accordance with the following procedure.

A public hearing on one or more dates shall be held by the Governing body of the County and the Governing Body of the Municipality of Sacramento sitting jointly for the purpose of receiving presentations by the applicants for the franchise and comments from the public. Notice of the time, date, place and purpose of the hearing shall be given in the manner prescribed by Section 5.50.024 in Sub-Chapter 1, and mailed to each applicant.

After the conclusion of the public hearing, balloting for selection of the Franchisee shall be conducted jointly by the Governing Bodies of the Municipality of Sacramento and County. The joint balloting shall take place either during the meeting at which the public hearing is closed or during a separately scheduled meeting. In any event, the joint balloting shall be conducted solely during a single meeting of the Governing Bodies meeting jointly. The failure of a member of either Governing Body to be present during a portion or the entirety of the public hearing shall not be deemed to disqualify that member from voting in the joint balloting.

During the joint balloting the applicant who first receives three (3) votes by members of the Governing Body of the County and, during the same balloting, five (5) votes by members of the Governing Body of the Municipality of Sacramento shall be deemed to have been selected as the Franchisee for the Initial CATV Franchise.

The joint balloting shall be conducted as follows:

- a. Each member of the Governing Bodies present shall simultaneously cast a written, secret ballot which contains the name of the voting member and name of the applicant for whom the vote for selection is cast. The clerk of each Governing Body shall announce the votes immediately following the balloting. The announcement shall include the name of each voter and identification of the applicant for whom the ballot was cast.
- b. If as a result of the first balloting the Franchisee is not selected a second balloting shall be conducted in the same manner as the first, and announced in the same manner as the first.
- c. If as a result of the second balloting a Franchisee has not been selected, a third balloting shall be

conducted in the same manner as the first two, with the following exception. The applicant who received the lowest combined number of votes on the second balloting shall be deemed eliminated from competition, and no vote on the third balloting may be cast for that applicant.

- d. If as a result of the third balloting a Franchisee has not been selected, a fourth balloting shall be conducted in the same manner as the third, with the following exception. The applicant who received the lowest combined number of votes on the third balloting shall also be deemed eliminated from competition, and no vote on the fourth balloting may be cast either for that applicant or the applicant who was eliminated from the third balloting.
- e. If as a result of the fourth balloting a Franchisee has not been selected, a fifth balloting shall be conducted in the same manner as the fourth, with the following exception. The applicant who received the lowest combined number of votes on the fourth balloting shall also be deemed eliminated from competition, and no vote on the fifth balloting may be cast either for that applicant or the applicants who were eliminated from the third and fourth balloting.

Any member of the Governing Bodies shall be authorized to cast a vote of abstention during a particular balloting, and such a vote shall not prevent the member from casting a vote in favor of a particular applicant on any later ballot.

If as a result of the fifth balloting a Franchisee has not been selected, new balloting shall be conducted in exactly the same manner as prescribed by Subparagraphs "a" through "e", above, and applicants disqualified from competition during balloting initially conducted pursuant to said Subparagraphs shall not be disqualified during the subsequent balloting conducted pursuant to said Subparagraphs except in accordance with those Subparagraphs during the subsequent balloting.

If as a result of the fifth balloting during the subsequent balloting a Franchisee has not been selected, further repetitive balloting may be conducted pursuant to the provisions of Subparagraph "a", above. Applicants previously eliminated from competition shall not be deemed eliminated during such further balloting pursuant to Subparagraph "a".

The meeting during which the joint balloting occurs shall be subject to periodic recess for periods not exceeding fifteen (15) minutes more or less, in duration, and shall not be subject to continuance to a later time or date. Either Governing Body shall be authorized to separately adjourn the meeting by an affirmative

vote of a majority of the members of that Body. If one or both of the Governing Bodies adjourn the meeting prior to selection of the Franchisee, the vote upon the motion for adjournment shall be deemed to constitute a rejection of all applications, and no franchise shall be issued pursuant to that request for proposals.

5.50.212 DISAPPROVAL BY OTHER MUNICIPALITIES. Not later than thirty (30) calendar days after selection of the Franchisee for the Initial CATV Franchise pursuant to the provisions of Section 5.50.210, above, any of the Governing Bodies of the Municipalities of Folsom, Isleton or Galt which have adopted this Chapter may disapprove the selection by resolution duly adopted by the disapproving Governing Body. In the event of adoption of such a resolution the Initial CATV Franchise shall not be applicable to the geographical area within the boundaries of that Municipality, the Franchise Area shall be deemed to exclude such geographical territory, the Municipality shall be deemed to have withdrawn its membership from the Cable Television Commission, and the Franchisee shall, in advance of adoption of a resolution offering the franchise, redesign the Cable Television System proposed in the application to eliminate installation thereof within the disapproving Municipality.

In the event such a resolution is not adopted by the Governing Body of one or more of the three Municipalities which have enacted this Chapter, the Board of Directors of the Cable Television Commission shall be deemed fully empowered to issue the Initial CATV Franchise, and such franchise shall be deemed to be fully applicable within the geographic territory of such Municipality.

5.50.214 TENTATIVE AND FINAL SELECTION PROCEDURES. The Board of Directors of the Cable Television Commission shall tentatively select all Franchisees for franchises issued pursuant to the provisions of this Chapter, except the Franchisee for the Initial CATV Franchise. Prior to tentative selection the Board shall conduct a public hearing for the purpose of receiving presentations from the applicants and comments from the public. Notice of the hearing shall be given in the manner prescribed by Section 5.50.024 in Sub-Chapter 1, and mailed to the applicants.

Not later than thirty (30) calendar days following the date of tentative selection of the Franchisee the Governing Bodies of the County and Municipality of Sacramento sitting jointly with respect to the Initial CATV Franchise, and the Board of Directors of the Commission with respect to any other franchise, shall conduct a hearing for the purpose of receiving comments from proposed recipients of services, resources or benefits and shall make the determinations required by Section 5.50.344 in Article 4-a of Sub-Chapter 4. Written notice of time, date, place and purpose of the hearing shall be mailed to all proposed recipients as identified in the application by the

tentative selectee and pursuant to the provisions of said Section 5.50.344.

With respect to the Initial CATV Franchise, the tentative selection shall not become final until the Governing Bodies of the Municipality of Sacramento and County have approved identical Resolutions offering the franchise. The Resolution offering the franchise approved by the Governing Bodies shall be adopted without change by the Board of Directors of the Commission pursuant to Section 5.50.218, below. The Board of Directors shall not be authorized to adopt a resolution offering the Initial CATV Franchise unless such resolution has been approved in advance by said Governing Bodies.

With respect to any franchise issued pursuant to the provisions of the Chapter other than the Initial CATV Franchise, the tentative selection of the Franchisee shall not become final until the Board of Directors of the Commission adopts the resolution offering the franchise pursuant to Section 5.50.218, below.

If a tentative selection has not been made within nine (9) months following the deadline for submission of applications established by a request for proposals, all applications shall be deemed rejected, and no franchise shall be issued pursuant to that request for proposals.

At any time prior to adoption of the resolution offering the franchise pursuant to Section 5.50.218, below, either the Governing Body of the County or Municipality of Sacramento with respect to the Initial CATV Franchise, or the Board of Directors of the Commission with respect to any other franchise to be issued under this Chapter, may reject the tentative selectee. In the event of such rejection, all applications for the franchise shall be deemed to have been rejected, and no franchise shall be issued pursuant to the request for proposals by which the applications were solicited.

If the resolution offering the franchise has not been adopted within six (6) months following the date of tentative selection of a Franchisee, the tentative selectee shall be deemed to have been rejected, all applications for the franchise shall be deemed to have been rejected, and no franchise shall be issued pursuant to the request for proposals by which the applications were solicited.

5.50.216 CRITERIA - REJECTION. Determination of whether a request for proposals will be issued shall be vested within the exclusive discretion of the issuing authority. Upon the receipt of applications for a franchise to operate a Cable Television System, the issuing authority may, in its sole discretion, either award a franchise to the successful applicant or reject all applications. Selection of the successful applicant and party to whom a franchise will be issued shall be vested within the exclu-

sive discretion of the issuing authority, and may be made upon the basis of such factors or criteria as the issuing authority, in its sole discretion, may elect.

5.50.218 FRANCHISE RESOLUTION. Each franchise issued pursuant to the provisions of this Chapter shall be issued by and in the name of the Board of Directors of the Cable Television Commission as the issuing authority. A franchise shall be offered to the successful applicant by resolution duly adopted by the Board of Directors of the Cable Television Commission. The resolution may prescribe terms, conditions, or requirements respecting the franchise which are in addition to those set forth in this Chapter, but which are not inconsistent with the express terms of this Chapter. The resolution may also prescribe terms, conditions or requirements respecting the franchise which are in addition to or in conflict with the provisions of the request for proposals and application by the party to whom the resolution offers the franchise.

5.50.220 ACCEPTANCE OF FRANCHISE. The resolution offering the franchise shall be deemed repealed and all applications shall be deemed rejected thirty (30) calendar days after its adoption unless not later than the thirtieth (30th) day following adoption of the resolution the party to whom the franchise is offered files a certificate in writing which expressly and unconditionally accepts the franchise in compliance with terms, conditions and requirements of the resolution, application, request for proposals and this Chapter. The certification shall be signed by a person duly authorized to act in behalf of the Franchisee, shall be notarized, shall have attached thereto a certified copy of an order by the Board of Directors of the Franchisee directing execution and filing of the certification, and shall be accompanied by any fee required by the request for proposals, and the performance bond, security deposit and policy or policies of insurance prescribed by Sections 5.50.700, 5.50.702, and 5.50.706, respectively, in Article 4-e of Sub-Chapter 4, and the documents required by Section 5.50.764 in Article 5-a of Sub-Chapter 5. The certification and accompaniments shall be filed with the Clerk of the Board of Directors of the Cable Television Commission. A certification which constitutes a qualified acceptance or places other limits or conditions thereon, shall be deemed to be a nullity and the resolution shall be deemed to be repealed and all applications rejected. The thirty (30) day period for acceptance prescribed by this Section may be extended either prior or subsequent to its expiration by the Board of Directors of the Commission through express action which prescribes the period of extension.

Filing of the certification in the manner and within the time prescribed above shall effect issuance of the Initial CATV Franchise. With respect to any franchise other than the Initial CATV Franchise, the procedure prescribed above shall effect

issuance of the franchise, unless issuance is disapproved pursuant to the provisions of Section 5.50.222, below.

5.50.222 DISAPPROVAL OF ISSUANCE. Not later than thirty (30) calendar days after certification of acceptance of any franchise other than the Initial CATV Franchise, issuance of the franchise may be disapproved by resolution adopted by the Governing Body of any directly affected Agency. The County and Municipalities of Sacramento, Folsom, Islton and Galt will be deemed to be directly affected if the Franchise Area for the franchise would include territory within their jurisdictions.

Adoption of such a resolution shall be deemed to nullify the resolution offering the franchise and certification of acceptance, and all applications shall be deemed rejected.

5.50.224 TERM OF FRANCHISES. The term of the Initial CATV Franchise shall be fifteen (15) years from the date of filing of the certificate of acceptance pursuant to the provisions of Section 5.50.220, above. The term of any franchise issued pursuant to the provisions of this Chapter other than the Initial CATV Franchise shall be as prescribed by the Board of Directors of the Cable Television Commission in its sole discretion, and set forth in the request for proposals; provided that no such franchise shall expire later than December 31, 2002.

5.50.226 AUTHORITY TO RENEW. Any franchise issued pursuant to the provisions of this Chapter, may be renewed by the Cable Television Commission upon such terms, conditions and requirements as the Commission, in its discretion, may prescribe for a period which does not exceed the term of the agreement of formation of the Commission as prescribed by Paragraph 9, thereof.

5.50.228 REQUEST FOR RENEWAL. A Franchisee who desires to renew its franchise shall file a written request for renewal with the Clerk of the Board of Directors of the Cable Television Commission not later than forty-eight (48) calendar months prior to the date of expiration of the franchise. The request for renewal shall include the following:

- a. A statement of the period of renewal proposed by the Franchisee;
- b. A description of any improvements in the Cable Television System and in services proposed by the Franchisee in the event the franchise is renewed;
- c. Any changes in the terms, conditions or requirements of the franchise proposed by the Franchisee to be applicable during the period of renewal;
and

- d. Such other and further information as the Commission may request.

5.50.230 PUBLIC HEARING. The Board of Directors of the Cable Television Commission shall schedule a public hearing upon the request for renewal to commence not later than one hundred eighty (180) calendar days after request is filed. Notice of the hearing shall be given in the manner prescribed by Section 5.50.024 in Sub-Chapter 1.

The Commission shall be authorized to retain a consultant to provide information and advice respecting any issues raised by the request for renewal.

5.50.232 DECISION. Not later than one (1) year after a request for renewal is filed, the Board of Directors of the Cable Television Commission shall decide whether renewal of the franchise will be offered to the Franchisee. Decision as to whether renewal will be offered to the Franchisee, shall, except as provided by Section 5.50.238, below, be vested within the sole discretion of the Board of Directors of the Commission, shall be made on the basis of such factors or criteria as the Board of Directors of the Commission may in its discretion elect, and upon such terms, conditions or requirements as the Board of Directors in its discretion may prescribe.

If the Board of Directors of the Commission fails to decide whether to offer renewal of the franchise to the Franchisee within the time prescribed above, the request for renewal shall be deemed denied and the franchise shall terminate at the expiration of its terms.

5.50.234 RENEWAL RESOLUTION. In the event the Board of Directors of the Cable Television Commission decides to offer renewal to the Franchisee, it shall, not later than one (1) year after the request for renewal is filed, adopt a resolution offering renewal of the franchise to the Franchisee. The resolution may prescribe terms, conditions or requirements respecting the franchise which are in addition to those set forth in this Chapter, but which are not inconsistent with the express terms of this Chapter. The resolution may also prescribe terms, conditions or requirements respecting the franchise which are in addition to or in conflict with the provisions of the request for renewal and original franchise resolution. In the event of a conflict between the provisions of the request for renewal and the provisions of the resolution adopted pursuant to this Section, the provisions of the resolution shall prevail. In the event of a conflict between the provisions of the original franchise resolution and the provisions of the resolution adopted pursuant to this Section, the provisions of the later resolution shall prevail.

5.50.236 ACCEPTANCE OF RENEWAL. The resolution offering renewal shall be deemed repealed and the request for renewal rejected twenty (20) calendar days after its adoption unless not later than the twentieth (20th) day following adoption the Franchisee files a certification in writing which expressly and unconditionally accepts renewal of the franchise in compliance with the terms, conditions and requirements of the resolution, request for renewal and this Chapter. The certification shall be signed by a person duly authorized to act in behalf of the Franchisee, shall be notarized, shall have attached thereto a certified copy of an order by the Board of Directors of the Franchisee directing execution and filing of the certification, and shall be accompanied by the performance bond, security deposit and policy or policies of insurance prescribed by Sections 5.50.700, 5.50.702, and 5.50.706, respectively, in Article 4-e, Sub-Chapter 4, and the documents required by Section 5.50.764 in Article 5-a of Sub-Chapter 5. The certification and accompaniments shall be filed with the Clerk of the Board of Directors of the Cable Television Commission. A certification which constitutes a qualified acceptance or places other limits or conditions thereon shall be deemed to be a nullity and the resolution shall be deemed to be repealed and the request for renewal denied. The twenty (20) day period for acceptance prescribed by this Section may be extended either prior or subsequent to its expiration by the Board of Directors of the Commission through express action which prescribes the period of extension.

Filing of the certification in the manner and within the time prescribed above shall renew the franchise, unless renewal is disapproved pursuant to the provisions of Section 5.50.238, below.

5.50.238 DISAPPROVAL OF RENEWAL. Not later than thirty (30) calendar days after certification of acceptance of renewal of a franchise, the County and Cities shall be authorized to disapprove renewal.

- a. If the Governing Body of either the County or City of Sacramento adopts a resolution disapproving renewal of the franchise within the time prescribed above, the resolution adopted by the Board of Directors of the Cable Television Commission offering renewal and certification of acceptance thereof by the Franchisee shall be deemed null and void, the request for renewal deemed denied, and the franchise shall terminate upon the expiration of its term.
- b. If the Governing Body of either of the Municipalities of Folsom, Isleton or Galt adopt a resolution disapproving renewal with the time

prescribed above, renewal of the franchise shall nevertheless be effective in all areas of the Sacramento Community except within the geographical limits of the municipality so disapproving, upon the expiration of the original term of the franchise the Franchisee shall be required to remove that portion of the Cable Television System which is situated in the Streets of the disapproving municipality as, to the extent, and upon such terms and conditions as the Governing Body of the disapproving Municipality may prescribe, the disapproving Municipality shall immediately cease to be a member of the Cable Television Commission, the Governing Body of the disapproving Municipality shall thereafter be authorized to issue other franchises to operate Cable Television Systems within its geographical boundaries, and the Cable Television Commission shall not thereafter be authorized to issue or renew a franchise within the geographical boundaries of the disapproving municipalities.

5.50.240 AUTHORITY TO PURCHASE SYSTEM. The Cable Television Commission shall have the right to purchase real and personal property as described by Section 5.50.242, below, which is owned or in which an interest is held by the Franchisee, any parent company of the Franchisee, any subsidiary of the Franchisee or any other entity in which the Franchisee, its parent company or its subsidiary has a financial interest and which is utilized to provide service under the franchise. Such right shall not arise except and shall be exercisable under the following circumstances:

- a. In the event of termination of a franchise in advance of the expiration of its term pursuant to the provisions of Sections 5.50.818 through 5.50.826 in Article 5-b of Sub-Chapter 5;
- b. At the expiration of the term of a franchise, if the franchise is not renewed to the Franchisee by the Commission pursuant to the provisions of Sections 5.50.226 through 5.50.238, above; or
- c. Pursuant to an election by the Commission to terminate a franchise and purchase the property under Section 5.50.758 in Article 5-a of Sub-Chapter 5.

5.50.242 SCOPE OF PURCHASE. The property which is subject to purchase by the Cable Television Commission shall consist of the following:

- a. The Cable Television System;
- b. Land, buildings and other improvements situated within the Sacramento Community and utilized by the Franchisee to provide services under the Franchise, including studio facilities;
- c. Cameras and other studio production equipment; mobile production equipment; vehicles for services and repairs; inventories of materials, supplies and parts; tools; and other personal property utilized within the Sacramento Community to provide services under the franchise and which the Board of Directors determines is peculiarly designed for that purpose; and
- d. Books, accounts and records relating to the Franchisee's business, including subscriber lists.

There shall be excluded from the purchase any parcel of land and improvements or leasehold space which is utilized exclusively for business office purposes and not, for example, jointly for both business office and studio, warehousing or repair purposes associated with operation of the Cable Television System.

Notwithstanding any provision to the contrary, the Board of Directors of the Commission, in its sole discretion, shall have the right to exclude from the purchase any real property (including improvements thereon) upon which no component of the Cable Television System is situated and which the Board determines is not essential to the System or the provision of services thereunder.

5.50.244 ASSIGNMENT. The right to purchase as prescribed by Section 5.50.240, above, may be exercised by the Cable Television Commission for public ownership and use by the Commission, in behalf of a third party, or by any party to whom the Commission may assign the right. The Commission shall have the right to assign the right to purchase to any third party at any time prior to payment for the purchase and transfer of titles. Written notice of any such assignment shall be mailed to the Franchisee. Such an assignee shall, subsequent to the date of assignment, be vested with any and all discretion respecting purchase which is vested in the Board of Directors of the Commission.

5.50.246 VALUATION DEFINITIONS. As used in this Section through Section 5.50.260, below, the following terms shall be ascribed the following meanings:

- a. "Book Value" -- shall mean the capital amount at

which property is shown on the books of account consisting of original cost, less reserves for depreciation which for purposes of application of this definition shall be calculated on a straight-line basis for a period of fifteen (15) years, plus additions to capital.

- b. "Market Value" -- shall mean the price in terms of money which a property will bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus.
- c. "Replacement Cost" -- shall mean the direct cost of construction at current prices of an improvement having utility and technological capacity and function equivalent to the improvement being appraised but built with modern materials and according to current standards, design and layout; less depreciation and obsolescence from physical, functional and economic causes.
- d. "Going Concern Value" -- shall mean the benefits that attach to the business as a result of its location within the Franchise Area, the Franchisee's reputation among Subscribers or potential Subscribers for dependability and quality of service, and any other circumstances resulting in probable retention of old Subscribers; provided that no value shall be assigned to either the franchise itself or any right, privilege or expectancy arising to the Franchisee out of the right to transact business under the franchise, and particularly no value shall be allowed for any increase in value arising out of any expectation of revenues from the Cable Television System beyond the termination date or expiration date of the franchise, whichever is sooner.

Except to the extent inconsistent with the express provisions of this Section through Section 5.50.260, below, the words in this Section shall be ascribed the meanings and the appraisal and valuation standards, methodology, approaches and processes respecting determination of the amount to be paid for property which the Cable Television Commission or its assignee is entitled to purchase shall comply and be consistent with those set forth in that 1975 publication entitled Real Estate Appraisal Terminology, issued by the Center for Real Estate and Urban Economic Studies at the University of Connecticut, compiled and edited by Byrl N. Boyce, Ph.D., sponsored jointly by the American Institute of Real Estate Appraisers and Society of Real Estate Appraisers.

16

5.50.248 VALUATION LIMITS. The property which is purchased shall be valued as follows:

- a. In the event the right of purchase is exercised pursuant to the contingency prescribed by Sub-paragraph "a" in Section 5.50.240, above, as a result of termination of a franchise on grounds identified by Section 5.50.818 in Article 5-b of Sub-Chapter 5, the value of the Cable Television System, personal property and improvements attached to land to be acquired shall be solely based on the Book Value of the tangible assets, and the value of land owned by the seller or in which the seller has a leasehold interest with option to purchase shall be based upon the original cost thereof, no other or further value to be assigned for the tangible and intangible assets acquired.
- b. In the event the right of purchase is exercised pursuant to either the contingency prescribed by Sub-paragraph "a" in Section 5.50.240, above, as a result of termination of a franchise on grounds identified by Section 5.50.050 in Sub-Chapter 1, or the contingency prescribed by Sub-paragraph "b" in Section 5.50.240, above; (i) the value of the Cable Television System, personal property and improvements attached to real property to be acquired shall be the Replacement Cost of the tangible assets; (ii) the value of land owned by the seller or in which the seller has a leasehold interest ~~with~~ *with option to purchase* shall be the Market Value thereof; and (iii) the value of all other tangible and intangible assets acquired shall be the Going Concern Value;
- c. In the event the right of purchase is exercised pursuant to the contingency prescribed by Sub-paragraph "c" in Section 5.50.240, above, the value of the Cable Television System, personal property, land (owned by the seller or in which the seller has a leasehold interest with option to purchase) and improvements attached to land to be acquired shall be the Market Value of the tangible assets, no other or further value to be assigned for the tangible and intangible assets to be acquired; provided that in determining Market Value it shall be assumed that the property to be purchased is not subject to utilization for the provision of cable television services within the Sacramento Community subsequent to the expiration of the stated term of the franchise to which the property pertains.

5.50.248 VALUATION LIMITS. The property which is purchased shall be valued as follows:

- a. In the event the right of purchase is exercised pursuant to the contingency prescribed by Sub-paragraph "a" in Section 5.50.240, above, as a result of termination of a franchise on grounds identified by Section 5.50.818 in Article 5-b of Sub-Chapter 5, the value of the Cable Television System, personal property and improvements attached to land to be acquired shall be solely based on the Book Value of the tangible assets, and the value of land owned by the seller or in which the seller has a leasehold interest with option to purchase shall be based upon the original cost thereof, no other or further value to be assigned for the tangible and intangible assets acquired.
- b. In the event the right of purchase is exercised pursuant to either the contingency prescribed by Sub-paragraph "a" in Section 5.50.240, above, as a result of termination of a franchise on grounds identified by Section 5.50.050 in Sub-Chapter 1, or the contingency prescribed by Sub-paragraph "b" in Section 5.50.240, above; (i) the value of the Cable Television System, personal property and improvements attached to real property to be acquired shall be the Replacement Cost of the tangible assets; (ii) the value of land owned by the seller or in which the seller has a leasehold interest shall be the Market Value thereof; and (iii) the value of all other tangible and intangible assets acquired shall be the Going Concern Value;
- c. In the event the right of purchase is exercised pursuant to the contingency prescribed by Sub-paragraph "c" in Section 5.50.240, above, the value of the Cable Television System, personal property, land (owned by the seller or in which the seller has a leasehold interest with option to purchase) and improvements attached to land to be acquired shall be the Market Value of the tangible assets, no other or further value to be assigned for the tangible and intangible assets to be acquired; provided that in determining Market Value it shall be assumed that the property to be purchased is not subject to utilization for the provision of cable television services within the Sacramento Community subsequent to the expiration of the stated term of the franchise to which the property pertains.

When real or personal property subject to the purchase is leased, the lease shall be subject to assignment to the Cable Television Commission or its assignee, as prescribed by Section 5.50.026 in Sub-Chapter 1, above, and except as otherwise provided above no value shall be assigned to such property.

No value or benefits shall be assigned to the books, accounts or records, including subscriber lists, utilized in connection with the Franchisee's business pursuant to valuation under either Subparagraphs "a" or "c" of this Section.

A Franchisee shall not be entitled to relocation costs, and any right to such costs authorized or prescribed by law shall be deemed to have been waived by filing of the certificate of acceptance of the franchise.

5.50.250 DATE OF VALUATION. The date of valuation for purchase pursuant to the provisions of this Chapter shall be the day immediately following the date of expiration or termination of the franchise.

5.50.252 REQUEST FOR INVENTORY. Proceedings for the acquisition by the Cable Television Commission or its assignee under this Chapter shall be commenced by written notice mailed to the Franchisee of a request by the Commission or its assignee for an inventory of the Franchisee's property. Such a notice shall not be mailed earlier than the following dates:

- a. The date a determination by the Board of Directors of the Commission to terminate the franchise becomes final under Sections 5.50.822 or 5.50.824 in Article 5-b of Sub-Chapter 5, when the purchase is made pursuant to the contingency prescribed by Subparagraph "a" of Section 5.50.240, above;
- b. The date of a determination made pursuant to the provisions of Section 5.50.232, above, by the Board of Directors of the Commission not to renew the franchise, or the date renewal is deemed denied, when the purchase is made pursuant to the contingency prescribed by Subparagraph "b" of Section 5.50.240, above; or
- c. The date of a determination made pursuant to the provisions of Section 5.50.758 in Article 5-a of Sub-Chapter 5 by the Board of Directors of the Commission to purchase the property, when the purchase is made pursuant to the contingency prescribed by Subparagraph "c" in Section 5.50.240, above.

5.50.254 INVENTORY. Not later than thirty (30) calendar days after the date of mailing of the notice of

When real or personal property subject to the purchase is leased, the lease shall be subject to assignment to the Cable Television Commission or its assignee, as prescribed by Section 5.50.026 in Sub-Chapter 1, above, and except as otherwise provided above no value shall be assigned to such property.

No value or benefits shall be assigned to the books, accounts or records, including subscriber lists, utilized in connection with the Franchisee's business pursuant to valuation under either Subparagraphs "a" or "c" of this Section.

A Franchisee shall not be entitled to relocation costs, and any right to such costs authorized or prescribed by law shall be deemed to have been waived by filing of the certificate of acceptance of the franchise.

5.50.250 DATE OF VALUATION. The date of valuation for purchase pursuant to the provisions of this Chapter shall be the day immediately following the date of expiration or termination of the franchise.

5.50.252 REQUEST FOR INVENTORY. Proceedings for the acquisition by the Cable Television Commission or its assignee under this Chapter shall be commenced by written notice mailed to the Franchisee of a request by the Commission or its assignee for an inventory of the Franchisee's property. Such a notice shall not be mailed earlier than the following dates:

- a. The date a determination by the Board of Directors of the Commission to terminate the franchise becomes final under Sections 5.50.822 or 5.50.824 in Article 5-b of Sub-Chapter 5, when the purchase is made pursuant to the contingency prescribed by Subparagraph "a" of Section 5.50.240, above;
- b. The date of a determination made pursuant to the provisions of Section 5.50.232, above, by the Board of Directors of the Commission not to renew the franchise, or the date renewal is deemed denied, when the purchase is made pursuant to the contingency prescribed by Subparagraph "b" of Section 5.50.240, above; or
- c. The date of a determination made pursuant to the provisions of Section 5.50.758 in Article 5-a of Sub-Chapter 5 by the Board of Directors of the Commission to purchase the property, when the purchase is made pursuant to the contingency prescribed by Subparagraph "c" in Section 5.50.240, above.

5.50.254 INVENTORY. Not later than thirty (30) calendar days after the date of mailing of the notice of

request for inventory, the Franchisee shall file with the Clerk of the Board of Directors of the Cable Television Commission a written inventory which includes the following:

- a. A complete plan, with specifications, of the entire Cable Television System installed at any time during the term of the franchise.
- b. An identification of all real property which is subject to the right of acquisition by the Commission or its assignee, showing the address and legal descriptions thereof, and including a description of all buildings (including the square footage thereof) and other improvements thereon;
- c. A list of all cameras and other studio production equipment; mobile production equipment; office and other furnishings; vehicles for service and repairs; inventories of materials, supplies and parts; tools; and other personal property utilized within the Sacramento Community to provide services under the franchise (such lists shall show the the manufacturers, model and serial numbers, dates or manufacture and dates of acquisition of such property); and
- d. Copies of all leases, chattel and other mortgages and other instruments evidencing an interest by any third party in any of the property identified by this Section.

5.50.256 DEMAND FOR ARBITRATION. Not later than thirty (30) calendar days after the date on which the Franchisee files the inventory, the Cable Television Commission or its assignee may mail to the Franchisee written notice of its tentative intention to exercise its right to purchase, including a list of all property which the Commission or its assignee has tentatively elected to purchase, and a demand for arbitration.

5.50.258 ARBITRATION OF VALUE. The arbitration panel shall be selected, the hearing scheduled within the time prescribed, notice given, the hearing conducted, decision made and costs divided in the manner prescribed by Section 5.50.830 through 5.50.840, inclusive in Article 5-b of Sub-Chapter 5. The Franchisee shall make its Cable Television System, other property and books, accounts and other records available, upon request, for inspection by the Cable Television Commission, its assignee or their experts. The discovery provisions of the California Arbitration Act (Code of Civil Procedure, Section 1280 et seq.) shall be applicable to the arbitration proceeding under this Section.

The questions which may be submitted to the arbitration panel and jurisdiction of the panel shall be limited to the following:

- a. The amount to be paid by the Commission or its assignee under the valuation limits prescribed by Section 5.50.248, above; and
- b. Interpretation of the provisions of the Franchise Documents solely in relation to the issues within its jurisdiction.

Upon request by the Commission or its assignee or the Franchisee or upon its own initiative, the arbitration panel shall appoint and retain one or more independent experts for the purpose of providing advice upon the valuation issues to be determined.

The arbitration award may be judicially enforced, shall be final, binding and conclusive upon the parties and shall not be subject to judicial review or vacation except on grounds set forth in Section 1286.2 of the Code of Civil Procedure.

5.50.260 SUBSEQUENT VALUATIONS. With respect to any proceeding in which the arbitration panel makes valuation determinations in advance of the termination or expiration of the franchise, the same panel shall be available to receive and determine values for any additions to, replacements of or other acquisitions of property tentatively elected to be purchased which have occurred subsequent to the award made pursuant to Section 5.50.258, above. Such determinations shall be initiated by written notice mailed to the arbitration panel by the Franchisee and filed with the Clerk of the Board of Directors of the Cable Television Commission, shall be governed by all standards, procedures and other provisions in Section 5.50.246 through this Section, and written recital thereof shall be mailed to the Franchisee, Commission and its assignee (if any) not later than ninety (90) calendar days following the date of mailing of the notice initiating the determination. No such notice shall be mailed or filed later than one hundred twenty (120) calendar days prior to the date of expiration or termination of the franchise.

5.50.262 JUDICIAL RELIEF. In the event a Franchisee or the Cable Television Commission or its assignee fails to comply with any provision contained in Sections 5.50.240 through 5.50.264, inclusive, above, the injured party shall be authorized to either seek judicial relief or relief from the arbitrator during the arbitration proceeding. In the event judicial relief is sought, the provisions of Section 5.50.258 and 5.50.260, above, shall not be deemed to deprive the Court of jurisdiction to interpret the provisions of this Chapter, and any such interpretation shall be binding upon the arbitrator.

5.50.264 SALE - TRANSFER OF TITLE. Not later than thirty (30) calendar days following the date of expiration or termination of the franchise, the Cable Television Commission or its assignee shall notify the Franchisee of its intention to purchase the property identified in the notice mailed pursuant to the provisions of Section 5.50.256, above. The purchase price shall be the value as determined by the arbitration panel. The election to purchase shall be evidenced by a written notice so stating mailed to the Franchisee not later than thirty (30) calendar days following the date of expiration or termination of the franchise. The failure to mail such notice within the time prescribed herein shall be conclusively presumed to constitute an election not to purchase the property pursuant to the provisions of this Chapter, and the Franchisee shall not be entitled to any compensation for such property or other costs or damages, whether related to conduct of the arbitration proceedings, or otherwise. If any notice, memorandum or report required by Sections 5.50.258 or 5.50.260, above, has not been received by the date of expiration or termination of the franchise, the notice of election herein need not be mailed until thirty (30) calendar days following the date of receipt of such notice, memorandum or report.

The purchase price shall be deposited into an escrow of a title company named by the Commission or its assignee. The title company shall be authorized to pay the purchase price as directed by the Franchisee when it can provide for the Commission or its assignee grant deeds with respect to real property, bills of sale with respect to personal property or other evidences of title vesting insured title in the Commission or its assignee free and clear of all liens and encumbrances except easements and rights-of-way respecting the real property which do not impair its use for the purposes intended, and assignments of leases, if any, with respect to real or personal property which is leased. The seller or sellers shall pay all title insurance, recording, escrow and closing fees and costs.

5.50.266 NEGOTIATED ACQUISITION. The provisions of this Sub-Chapter shall not be deemed to preclude acquisition by the Cable television Commission or its assignee through a negotiated agreement; provided that the commencement or existence of such negotiations shall not be deemed to waive or relieve any actions or times therefore prescribed by Sections 5.50.254 through 5.50.264, above.

SUB-CHAPTER 4

TERMS - CONDITIONS - REQUIREMENTS OF FRANCHISES

ARTICLE 4-a

SYSTEM CAPABILITY AND STANDARDS PREVAILING RATES COMMUNITY USE

5.50.300 MINIMUM REQUIREMENTS. The provisions of Sections 5.50.302 through 5.50.308, below, constitute minimum standards for a Cable Television System installed pursuant to the provisions of this Chapter within an Imposed Service Area as defined by Section 5.50.402 in Article 4-b. Higher standards and additional requirements for such a Cable Television System may be established by the request for proposals, the application and other Franchise Documents applicable to each franchise.

The provisions of Sections 5.50.302 through 5.50.308, below, shall not be applicable to a Cable Television System or that portion of such a System which is installed pursuant to the provisions of this Chapter within a Proposed Service Area, as defined by Section 5.50.402 in Article 4-b. Minimum standards for such a Cable Television System or portion thereof installed within a Proposed Service Area may be established by the request for proposals, the application and other Franchise Documents applicable to each franchise.

5.50.302 GENERAL CAPABILITY. Each Cable Television System shall, at minimum:

- a. Relay to subscriber terminals those broadcast signals required by the FCC;
- b. Distribute in color all television signals which it receives in color;
- c. Make available upon request by any subscribers receiving channels showing premium services and pay per view events, a lockout device which prevents the unauthorized viewing of such channels;
- d. Make available to subscribers, upon request, an Rf switch permitting conversion from cable to antenna reception;

5.50.304 CABLE - CAPACITY. The Cable Television System installed pursuant to the Initial CATV Franchise shall consist of not less than two (2) cables for the Subscriber Network, plus a third cable for the Institutional Network. Each of the three cables shall have a capacity of not less than thirty-five (35) channels.

The cables for the Subscriber Network shall be installed within Service Area and outside thereof in such a manner as to comply with the availability of service requirements established by Article 4-b. One of the cables for the Subscriber Network shall be fully operational as services are required to be made available pursuant to the provisions of Article 4-b. The second cable for the Subscriber Network shall be installed at the same time as the other two cables, but may be initially inoperable. The second cable for the Subscriber Network shall become operable by such date or within such time as is prescribed within the application submitted by the Franchisee or resolution offering the franchise.

The cable for the Institutional Network shall be fully operational as services are required to be made available pursuant to the provisions of Article 4-b. The cable for the Institutional Network may, but shall not be required to, be installed in all areas in which the Subscriber Network cables are installed. Within Service Areas applicable to a franchise, the cable for the Institutional Network shall pass such public and institutions, facilities and buildings as are prescribed by the request for proposals.

5.50.306 STANDBY POWER. Each Cable Television System shall include equipment capable of providing standby powering for headend, transportation and trunk amplifiers for a minimum of two (2) hours. The equipment shall be so constructed as to automatically notify the cable office when it is in operation and to automatically revert to the standby mode when the AC power returns. The system shall incorporate all safeguards necessary to prevent injury to a lineman resulting from a standby generator powering a "dead" utility line.

5.50.308 OVERRIDE CAPABILITY. Each Cable Television System shall include an "Emergency Alert Capability" which will permit the County and Cities, in times of emergency, to override by remote control alternatively the audio and video of all channels simultaneously.

Each Cable Television System shall include the capability to broadcast from the County's headquarters for Civil Defense, Disaster and Emergency Services.

5.50.310 INTERCONNECTION. The interconnection capability of Cable Television Systems with other Cable Systems within the greater Sacramento metropolitan area and obligations of each Franchisee with respect to such interconnection shall be as prescribed by the request for proposals or other Franchise Documents for each franchise.

5.50.312 PLANS AND SPECIFICATIONS. Each application for a franchise shall include detailed plans and specifications for the Cable Television System which is proposed by the applicant. The System shall be constructed and installed by a Franchisee in compliance with the plans and specifications contained in the application, except as modified by other Franchise Documents.

5.50.314 TECHNICAL STANDARDS. Each Franchisee shall construct, install and maintain its Cable Television System in a manner consistent and in compliance with all applicable laws, ordinances, construction standards, governmental requirements, FCC technical standards and detailed standards set forth in the Franchise Documents. Each Franchisee shall provide to the Cable Television Commission, upon request, written reports of the Franchisee's annual proof of performance tests conducted pursuant to FCC standards and requirements.

- a. Each Franchisee shall at all times comply with the:

National Electrical Safety Code (National Bureau of Standards);

National Electrical Code (National Bureau of Fire Underwriters);

California Public Utility Commission General Orders 95, 112-d and 128;

Applicable FCC and other Federal, State and local regulations; and

Codes and other ordinances of the County and Cities.

- b. In any event, the Cable Television System shall not endanger or interfere with the safety of persons or property within the Sacramento Community or other areas where the Franchisee may have equipment located.
- c. All working facilities, conditions, and procedures, used or occurring during construction of the Cable Television System shall comply with the standards of the Occupational Safety and Health Administration.
- d. Construction, installation and maintenance of the Cable Television System shall be performed in an orderly and workmanlike manner, and in close coordination with public and private utilities serving the Sacramento Community following accepted construction procedures and practices and working through existing committees and organizations.
- e. All cables and wires shall be installed, where possible, parallel with electric and telephone lines, and multiple cable configurations shall be arranged in parallel and bundled with due respect for engineering consideration.

- f. Any antenna structure used in the Cable Television System shall comply with construction, marking, and lighting of antennae structures, required by the United States Department of Transportation.
- g. Rf leakage shall be checked at reception locations for emergency radio services to prove no interference signal combinations are possible. Radiation shall be measured adjacent to any proposed aeronautical navigation or communication radio sites to prove no interference to air navigational reception.

5.50.316 PREVAILING RATE PROGRAM. The purposes of this Section through Section 5.50.326, below, are to require that workers engaged in the initial construction of Cable Television Systems and in the ongoing installation, maintenance, repair, extension, reconstruction and subsequent construction of such Systems are compensated during the term of each franchise at not less than prevailing rates as defined by Section 5.50.318, and to establish self-enforcing mechanisms to insure compliance with such requirements.

5.50.318 PREVAILING RATE STANDARD. The compensation for workers engaged in the initial construction of Cable Television Systems and in the installation, maintenance, repair, extension, reconstruction and subsequent construction of such Systems shall in each instance be not less than the prevailing rate for comparable service in other employment associated with initial construction, installation, maintenance, repair, extension, reconstruction and subsequent construction of cable systems within the Counties of Los Angeles, San Diego, Orange, Alameda, San Bernardino, Santa Clara, Sacramento (other than the Franchisee in connection with whom the prevailing rate is to be paid), San Francisco (City and County), Riverside, and Contra Costa, whenever such prevailing rate can be ascertained within such Counties.

The provisions of Sections 5.50.316 through 5.50.326 shall not be applicable to the installation of cable within subdivisions; when the work of installation is undertaken by the owner of the subdivision or a general contractor or subcontractor of the owner, and the cable is installed during the development of the subdivision at the same time as other utilities and public improvements including sewers, storm drains, electrical, gas and telephone lines, and street improvements are being installed, whether the work of installation of the cable is performed pursuant to a contract between the Franchisee and the owner of the subdivision or otherwise.

5.50.320 METHOD OF DETERMINATION. Whenever under Section 5.50.322, below, a prevailing rate is required to be ascer-

tained, the Board of Directors of the Cable Television Commission shall appoint a person or firm to conduct a prevailing rate study and determine the prevailing rates. The person or firm appointed shall not be an officer, agent, employee or representative of the Franchisee, the Cities, the County, the Commission or any labor union or organization, and the Board of Directors shall be the sole judge of the qualifications of the appointee. All compensation and costs payable to the appointee for services rendered shall be paid by the Franchisee. The Board of Directors may, prior to execution of any contract by which the appointee is retained to render services, require the Franchisee to deposit a sum equal to the reasonably estimated cost of compensating the appointee for the services to be rendered.

The appointee shall identify the jobs and positions with respect to which the prevailing rate determination will be applicable. The Franchisee shall provide all data and information requested by the appointee including, but not limited to, data relating to job titles, job descriptions, work functions, and rates of compensation, and shall, upon request, admit the appointee to the inspection of records and work areas as necessary to allow the appointee to make such personal examination as the appointee desires. The appointee shall conduct a survey of rates of compensation in connection with the initial construction, installation, maintenance, repair, extension, reconstruction and subsequent construction associated with cable systems within the Counties identified by Section 5.50.318, above.

Not later than ninety (90) calendar days following the date of the contract by which the appointee is retained, the appointee shall arrive at prevailing rate determinations based upon the survey and the appointee's analysis, without hearings, and shall prepare and file with the Clerk of the Board of Directors of the Commission and with the Franchisee a written report which contains the following information:

- a. The methodology utilized in conducting the survey;
- b. The methodology utilized in arriving at prevailing rate determinations;
- c. The types of compensation, in addition to salary, considered in arriving at the prevailing rate determinations;
- d. With respect to prevailing rate determinations in connection with initial construction, installation, maintenance, repair, extension, reconstruction or subsequent construction of a Cable Television System to be performed by the Franchisee through independent contracts, a list of all crafts and other jobs associated therewith, together with the determined prevailing rates therefor;

e. With respect to prevailing rate determinations in connection with initial construction, installation, maintenance, repair, extension, reconstruction or subsequent construction of a Cable Television System to be performed by the Franchisee through its own personnel, the following:

- (1) The job titles of the Franchisee with respect to which a prevailing rate could not be ascertained within the Counties, and the reasons why;
- (2) The prevailing rate for each job title of the Franchisee for which a prevailing rate could be ascertained within the Counties;
- (3) A list of those job titles of the Franchisee with respect to which compensation paid by the Franchisee equals or exceeds the determined prevailing rate; and
- (4) A list of those job titles of the Franchisee, if any, with respect to which compensation paid by the Franchisee is lower than the determined prevailing rate, together with the amount of difference or differences between the determined prevailing rate and the actual compensation paid for each job title.

All investigations, analyses and surveys undertaken by an appointee shall be performed independently, and the appointee shall not receive or consider any opinions, argument, claims, suggestions, or other persuasion concerning such matters or the prevailing rate determination from the Franchisee, interested workers, or labor unions or organizations. All compensation data received by an appointee from the Franchisee and others shall be held by the appointee in strict confidence, and shall not be subject to disclosure to either the Franchisee, the Commission, the Cities, the County, interested workers, any labor union or organization, or any member of the public.

Any and all determinations made by an appointee, whether or not appearing in the written report, and including, but not limited to, all decisions concerning comparability of services or the absence of comparability, decisions relating to whether a prevailing rate can be ascertained, and decisions concerning the amounts of prevailing rates, shall be final, conclusive, and not subject to judicial review as to the Franchisee, the Cities, the County, the Commission, interested workers, labor unions or organizations or any other interested party; provided that the function performed by the appointee and determinations made shall not be deemed to constitute an arbitration, nor shall the appointee

be deemed to be an arbitrator, within the meaning of the provisions of this Chapter. The determinations by the appointee shall be judicially enforceable in the manner prescribed by Section 5.50.326, below.

5.50.322 FREQUENCY OF DETERMINATIONS. A report pertaining to prevailing rates respecting initial construction of the Cable Television System under the Initial CATV Franchise shall be filed by an appointee with the Clerk and the Franchisee not later than thirty (30) calendar days following the date of filing of the certificate of acceptance of that franchise. Notwithstanding the provisions of Section 5.50.320, above, the appointee may be appointed and retained by the Governing Body of the County, and the Governing Body shall be vested with the same rights, powers and duties connected with the selection, appointment and retention of the appointee as are otherwise vested in the Board of Directors of the Cable Television Commission, including the right to compensation for the cost of the appointee's services.

Not later than each March 1 during the term of a Franchise, the Board of Directors of the Commission shall select, appoint, and retain an appointee whose responsibility it shall be to analyze, investigate and survey rates of compensation and make prevailing rate determinations in connection with workers engaged in initial construction, installation, maintenance, repair, extension, reconstruction and subsequent construction of Cable Television Systems, whether such workers are employed by the Franchisee or general contractors or subcontractors or other contractors engaged by the Franchisee to perform such functions.

5.50.324 PREVAILING RATE OBLIGATIONS. With respect to each contract issued by a Franchisee for work involving the initial construction, installation, maintenance, repair, extension, reconstruction or subsequent construction of the Cable Television System, the Franchisee shall include within the contract prevailing rate data from the latest report filed by an appointee for all workers performing services in connection with such initial construction, installation, maintenance, repair, extension, reconstruction or subsequent construction and require that such workers be compensated in accordance with such data, and in accordance with prevailing rate determinations contained in any subsequent report filed during the term of the contract from and after the date of filing of such report. Any call for bids with respect to such a contract, shall contain notice of such requirements. Any such contract shall also include a provision making the contractor and any subcontractor under him liable for the difference between actual compensation paid to the workers and the determined prevailing rates.

Each Franchisee shall, from and after the date of filing of each report containing prevailing rate determinations by an appointee, increase the compensation of any of its workers who

engage in initial construction, installation, maintenance, repair, extension, reconstruction or subsequent construction of the Cable Television System by an amount necessary to provide compensation which equals the prevailing rate for the job title shown in the report.

5.50.326 ENFORCEMENT. Any worker who has rendered services in connection with the initial construction, installation, maintenance, repair, extension, reconstruction or subsequent construction of a Cable Television System and any labor union which represents members who perform services of the same general type as that performed by such workers, shall be vested with standing to maintain an action for the recovery of the difference between compensation actually paid for services rendered and prevailing rates stated in a report filed by an appointee. The Franchisee, contractor and subcontractor, if any, shall be jointly and severally liable for any such damages.

Any employee of a Franchisee who, subsequent to the filing with the Franchisee of a written report by an appointee determining a prevailing rate for that employee, has been compensated by the Franchisee in an amount or amounts less than such prevailing rate, and any labor union which represents members performing services of the same general type as such an employee, shall be vested with standing to maintain an action against the Franchisee for the recovery of any such difference between amounts of compensation actually paid by the Franchisee and the determined prevailing rate.

5.50.332 COMMUNITY USE PROPOSALS. The purpose of this Section through Section 5.50.340, below, is to permit applicants for the Initial CATV Franchise to propose plans and resources for Community Use Programming in order to permit the community to design, produce and present programming of local interest and to promote the educational, recreational and character building opportunities of the viewing public.

An applicant who chooses not to make such a proposal shall not be disqualified from bidding or consideration in selection of the Franchisee. It is expressly declared that the factors upon which selection will be based are so numerous and subjective as to make it impossible to know in advance the relative importance of a determination by an applicant to either make or not to make such a proposal in relation to other factors upon which award of the Initial CATV Franchise will be based.

5.50.334 APPLICATION CONTENTS. Applicants for the Initial CATV Franchise shall be authorized, alternatively, to propose in their applications: (i) no Community Use Programming, by making no reference to Community Use Programming therein; (ii) to propose Community Use Programming in the form of and in accordance

with Alternative No. 1, as described by Section 5.50.336, below; or (iii) to propose Community Use Programming in the form of and in accordance with the provisions of Alternative Nos. 1 and 2, as described by Sections 5.50.336 and 5.50.338, below.

An applicant who proposes Community Use Programming in its application shall include in the application the following in relation to the Alternative or Alternatives proposed:

- a. Any standard or criteria which will be utilized in connection with the following matters:
 - (1) The time made available for and Community Use Programming covering candidates for public elective offices during election campaigns;
 - (2) Program quality control;
 - (3) The legality of program content and violation of the legal rights of others;
 - (4) Any and all pre-conditions of whatever kind or nature relating to use by third parties of studio facilities or production equipment and broadcast of programming presented thereby.
- b. The establishment of an independent body proposed by the applicant to administer Community Use Programming. Such a body shall not include any officer or employee of the County, Cities, or Cable Television Commission. Nor shall the Body include appointees of officers, employees, Governing Bodies or boards or committees of the County, Cities or Commission. Once formed or created, the body also shall not include any franchisee nor any appointee by a franchisee or representative of a franchisee. Any such proposal shall specifically identify the following respecting such a body:
 - (1) The legal form of existence;
 - (2) How the body will be established and who will be responsible for establishment;
 - (3) The size, composition and method of selection and appointment of members;
 - (4) The terms of members, and grounds and procedures for removal of members, if any;

with Alternative No. 1, as described by Section 5.50.336, below; or (iii) to propose Community Use Programming in the form of and in accordance with the provisions of Alternative Nos. 1 and 2, as described by Sections 5.50.336 and 5.50.338, below.

An applicant who proposes Community Use Programming in its application shall include in the application the following in relation to the Alternative or Alternatives proposed:

- a. Any standard or criteria which will be utilized in connection with the following matters:
 - (1) The time made available for and Community Use Programming covering candidates for public elective offices during election campaigns;
 - (2) Program quality control;
 - (3) The legality of program content and violation of the legal rights of others;
 - (4) Any and all pre-conditions of whatever kind or nature relating to use by third parties of studio facilities or production equipment and broadcast of programming presented thereby.
- b. The establishment of an independent body proposed by the applicant to administer Community Use Programming. Such a body shall not include any officer or employee of the County, Cities, or Cable Television Commission. Nor shall the Body include appointees of officers, employees, Governing Bodies or boards or committees of the County, Cities or Commission. Once formed or created, the body also shall not include any Franchisee nor any appointee by a Franchisee or representative of a Franchisee. Any such proposal shall specifically identify the following respecting such a body:
 - (1) The legal form of existence;
 - (2) How the body will be established and who will be responsible for establishment;
 - (3) The size, composition and method of selection and appointment of members;
 - (4) The terms of members, and grounds and procedures for removal of members, if any;

- (5) The specific powers of the body in relation to administration of Community Use Programming and the means by which such powers will be exercised and enforced; and
- (6) The sources and amounts of funding for support of operation of the body.

5.50.336 ALTERNATIVE NO. 1 - ACCESS USE. The type of Community Use Programming envisioned by this Alternative constitutes a form of access opportunity to members of the general public to produce programming in separate studio facilities with minimal instructional assistance, direction and control by a Franchisee, on a first-come-first-serve basis.

Applicants desiring to propose this Alternative shall include the following within their applications:

- a. That one (1) or more (specifying the number) channels on the Subscriber Network will be made available exclusively for the type of Access Use Programming prescribed by this Section;
- b. If two (2) or more channels are to be made available for such use, a specification of the Tier or Tiers of Service in which all such channels except the one (1) included in Basic Service will be placed;
- c. A description of the location, nature and extent of separate and independent studio facilities, production equipment, personnel resources and other resources to be provided in connection with such Access Use and Community Use Programming, designed in such a manner as to permit operation by members of the public with minimal training and supervision;
- d. A commitment to make the studio facilities, production equipment, personnel resources, other resources and channel(s) available for use, program production and broadcasts twenty-four (24) hours per day, seven (7) days per week, during the term of the Franchise; the actual number of days per week and hours per day such resources are available for use, program production and broadcasts being subject to regulation from time to time by the independent authority created pursuant to Subparagraph "b" in Section 5.50.334, above;
- e. A commitment to operate and provide the studio facilities, production equipment, personnel resources, other resources, channel(s) broadcast time and programming opportunity at the sole cost of the applicant without any charge whatsoever;

- f. A statement of the nature and extent of all training to be offered by the applicant respecting equipment operation and training required as a condition of facility and equipment use and operation by members of the public; and
- g. A commitment to allow use of the studio facilities, production equipment, personnel resources, other resources, and channel(s) for the production and broadcast of Community Use Programming by members of the general public, including individuals and local non-profit community organizations, on a first-come-first-serve basis during the term of the franchise.

5.50.338 ALTERNATIVE NO. 2 - FRANCHISEE SPONSORED PROGRAMMING. The type of Community Use Programming contemplated by this Alternative is that which is produced as a result of an affirmative effort by the Franchisee to interest community organizations and groups in program ideas, development and production, is presented on the Subscriber Network in minimum quantities prescribed by the application, and is distributed among the various Tiers of Service as prescribed by the application.

Applicants desiring to propose this Alternative shall include the following within their applications:

- a. Schedules showing the number of hours per week new (not previously broadcast within the Sacramento Community) Community Use Programming will be shown on the Subscriber Network within each Tier of Service proposed in the application, categorized according to minimum number of hours per week per Tier of Service between the hours of 6:00 a.m. and 5:00 p.m., 5:00 p.m. and 11:00 p.m., and 11:00 p.m. and 6:00 a.m., with respect to the following variables:
 - (1) Differences in volumes of hours of Community Use Programming at various times during the term of the Franchise, if the applicant proposes different volumes of such Programming at various times during the term of the Franchise;
 - (2) Volumes of hours of audio only Community Use Programming, if the applicant proposes both audio only and audio and visual Community Use Programming;
 - (3) The minimum numbers of hours respecting Community Use Programming to be produced by the Franchisee;
 - (4) The minimum numbers of hours respecting Community Use Programming to be produced by the County or Cities;

- (5) The minimum numbers of hours respecting Community Use Programming to be produced by local non-profit community organizations; and
 - (6) Volumes of hours of automated Community Use Programming, as distinguished from regular non-automated Community Use Programming, if such automated Programming is to be shown.
- b. A commitment by the applicant to provide during the entire term of the Franchise all hours of programming which it has proposed in the schedules identified by subparagraph "a", above;
 - c. A description of the location, nature and extent of studio facilities, production equipment and personnel and other resources proposed to be made available at the sole cost of the applicant and without any charge whatsoever to produce and assist the County, Cities and local non-profit community organizations in the presentation of Community Use Programming. The applicant shall indicate whether the studio facilities, production equipment, staffing resources and other resources will be exclusively available for Community Use Programming to the County, Cities and local non-profit community organizations, or whether such resources will be shared with the applicant's operation or others. If shared, specific criteria shall be stated showing how time priorities will be allocated among competing interests to insure, for example, that studio space and production resources will not be made available to local organizations only at the least desirable times;
 - d. Specific and detailed affirmative strategies to be utilized by the applicant to solicit and encourage interest by the County, Cities and local non-profit community organizations in planning, producing and presenting Community Use Programming to fulfill the broadcast time commitments proposed; and
 - e. A statement of all criteria intended to be utilized by the applicant to select between and apportioned time among local non-profit community organizations, the County, and the Cities if the demand to produce Community Use Programming exceeds the broadcast time proposed in the schedules identified by subparagraph "a", above.

In addition to the foregoing, and as a part of this Alternative, an applicant may, but is not required to, propose in its application a specific number of channels on the

Subscriber Network which it would set aside for the exclusive provision of Community Use Programming on a Leased Access basis by individuals and local non-profit community organizations. Such channels, if proposed, shall be subject to lease, in whole or in part, for Community Use Programming. Programming meeting the definition of "Community Use Programming" shall be included in fulfilling the broadcast time proposal contained in subparagraph "a", above. With respect to any such proposal, the application shall contain the following:

- a. An itemization of the amounts of fees and charges, if any, to be levied by the applicant at various times during the Franchise term for Leased Access use -- the fees and charges, if any, to include all rights and privileges associated with the lease, use of studio facilities, production equipment and personnel and other resources, and broadcast time;
- b. Copies of all contract documents to be utilized in connection with such leases; and
- c. A statement as to whether identification of parties to whom channels will be leased and apportionment of leased time thereon will be vested within the sole discretion of the applicant, or determined in accordance with standards or criteria, and if so, a statement of all criteria, standards and requirements proposed to be utilized by the applicant in apportioning leased time should the demand therefor exceed the channel supply.

5.50.340 COMPLIANCE WITH PROPOSAL. A Franchisee under the Initial CATV Franchise who has included within its application for the Franchise a proposal for Community Use Programming under the above Sections shall comply during the entire term of the Franchise with all such commitments contained in its application and the resolution offering the franchise, including, but not limited to, provision of the specified number of hours of Community Use Programming pursuant to the terms and conditions stated, allocation and use of channels pursuant to the terms and conditions stated, and provision of all studio facilities, production equipment, personnel resources and other resources identified for the uses specified pursuant to the terms and conditions stated. During such term, the Franchisee shall keep and maintain all such facilities, equipment and resources in good condition and repair, and replace any and all such facilities, equipment and resources as necessary to fulfill the obligation that the foregoing be provided and maintained during the entire term of the Franchise. The failure to comply with the commitments and obligations identified by this paragraph shall be deemed to constitute a material violation and breach of the Franchise Documents.

If a Franchisee has included within its application a proposal under both Alternative No. 1 as described by Section 5.50.336, above, and Alternative No. 2 as described by Section 5.50.338, above, Community Use Programming cablecast on the access channel(s) provided under Alternative No. 1, as described by Section 5.50.336, above, shall not count for the purposes of fulfilling the broadcast commitments assumed under Alternative No. 2, as described pursuant to subparagraph "a" of Section 5.50.338, above.

5.50.342 RESOURCES FOR PUBLIC AGENCIES. Applicants for a franchise shall be authorized, but not required, to include within their applications proposals for services, resources or benefits to the County or Cities, including, but not limited to, free or discounted rates for subscription to services on the Subscriber Network or Institutional Network, channels or time thereon on the Subscriber Network or Institutional Network, electronic or other equipment, use of the Institutional Network, staffing resources or other services, resources or benefits for improvement in the delivery of governmental services or efficiency of governmental operations. A Franchisee who has proposed the provision of such services, resources or benefits in its application shall comply during the entire term of the Franchise with all such commitments contained in its application and the resolution offering the franchise pursuant to the terms and conditions stated therein, and the failure to provide such services, resources or benefits pursuant to the terms and conditions stated shall be deemed to constitute a material violation and breach of the Franchise Documents.

An applicant who chooses not to make such a proposal shall not be disqualified from bidding or consideration in selection of the Franchisee. It is expressly declared that the factors upon which selection will be based are so numerous and subjective as to make it impossible to know in advance the relative importance of a determination by an applicant to either make or not to make such a proposal in relation to other factors upon which award of a franchise will be based.

5.50.344 RESOURCES FOR OTHERS. Applicants for a franchise may, for the purpose of promoting improvement in cable services to the community and influencing the motivation of the awarding authority to select the particular applicant as the Franchisee, include within their applications the commitment of services, resources or other benefits (including, but not limited to, ongoing financial support, channels or broadcast time thereon, personnel resources or facilities or equipment) to specifically identified parties other than the County or Cities. The application shall contain an identification of any such commitments, including a specific description of the nature and extent of all services, resources or benefits committed, the names and addresses of all parties to whom the commitments are made, all

terms and conditions of the commitments, and copies of legal instruments such as contracts, leases, memoranda of understanding or other documents by which the commitments, when accepted and the documents executed by the recipients, would be evidenced. Each such legal instrument shall contain provisions requiring that such services, resources or benefits be utilized exclusively for cultural, educational, scientific, character building, recreational or public service purposes, and prohibiting the utilization thereof for commercial purposes.

During the hearing conducted for the purpose of receiving comments from such recipients pursuant to the provisions of Section 5.50.214 in Sub-Chapter 3, the body of bodies conducting the hearing shall:

- a. Order such changes in the legal instruments by which the commitment of such services, resources, or benefits are to be evidenced as are found necessary in order to fulfill the objects and purposes of the application submitted by the tentative selectee, without altering the nature or scope of the commitments made; or direct the proposed recipients and tentative selectees to meet separately for the purpose of developing mutually acceptable changes in the legal instruments for later review and approval by the body or bodies conducting the hearing;
- b. Approve as to form all legal instruments determined to be sufficient to adequately express the commitments and terms and conditions thereof; and
- c. Determine which, if any, of such legal instruments are to be incorporated into the Franchise Documents and made a part of the terms and conditions of the franchise, and order such incorporation by reference to the instrument in the resolution offering the franchise.

With respect to any legal instrument which is made a part of the Franchise Documents by reference in the resolution offering the franchise, the violation and breach by the Franchisee of the obligations therein shall be deemed to constitute a material violation and breach of the Franchise Documents. Obligations and prohibitions assumed by the recipient under such legal instruments by either execution of the instruments or acceptance of the services, resources or benefits committed shall be enforceable either by the Franchisee or the Cable Television Commission. Violation and breach by the Franchisee of any legal instrument which is not made a part of the Franchise Documents by reference in the resolution offering the franchise shall not be deemed to constitute a violation or breach of the Franchise Documents. Incorporation of such a legal instrument into the

Franchise Documents by reference in the resolution offering the franchise shall not be deemed to obligate the County, Cities or Commission to fulfill any promise contained therein. Services, resources or benefits committed to specifically identified parties other than the County or Cities which are not evidenced by separate legal instruments included with the application, shall not be considered in the selection process.

An applicant who chooses not to commit services, resources or benefits as authorized by this Section shall not be disqualified from bidding or consideration in selection of the Franchisee. It is expressly declared that the factors upon which selection will be based are so numerous and subjective as to make it impossible to know in advance the relative importance of a determination by an applicant to either make or not to make such proposals in relation to other factors upon which award of a franchise will be based.

ARTICLE 4-b

CONSTRUCTION AND EXTENSION OF SYSTEM USE OF STREETS

5.50.400 DWELLING UNITS. As used in this Chapter, the terms "Dwelling Units" means Residential living units as distinguished from temporary lodging facilities such as hotel and motel rooms and dormitories, and includes single family residential units and individual apartments, condominium units, mobilehomes within mobilehome parks, and other multiple family residential units.

5.50.402 SERVICE AREAS. As used in this Chapter the terms "Imposed Service Area" with respect to the Initial CATV Franchise, means that geographical territory shown on that map which is marked Exhibit A, and which is approved by resolution adopted by the Governing Bodies on the dates this Chapter is enacted. The terms "Imposed Service Area" with respect to a franchise issued pursuant to the provisions of this Chapter other than the Initial CATV Franchise means a geographical territory defined by resolution adopted by the Board of Directors of the Cable Television Commission on or before the date of approval of a request for proposals for that franchise. The boundaries of an Imposed Service Area shall not be subject to amendment or revision during the term of a franchise to which the Imposed Service Area pertains.

As used in this Chapter, the terms "Proposed Service Areas" refer to geographical units within a Franchise Area defined by a Franchisee in its application for the franchise, which are situated outside an Imposed Service Area established for the franchise to which the application is directed. Each applicant shall plan the Proposed Service Areas which it offers in such a manner that it can complete construction and provide such services within the entirety of each such Service Area within the times prescribed herein. Each application for a franchise shall contain a map or maps showing the locations of proposed Proposed Service Areas, together with word descriptions either in the form of meets and bounds or by reference to the names of public roads or highways and parcel lines shown on County Assessor's Parcel Maps. Each applicant shall also state the number of Dwelling Units within each Proposed Service Area, and the number of such Dwelling Units shall be stated in the resolution offering the franchise.

As used in this Chapter the terms "Service Areas" generically refer to both the Imposed Service Area and Proposed Service Areas, or either of such types of Service Areas.

5.50.404 SYSTEM COVERAGE - INITIAL CATV FRANCHISE. The Franchisee under the Initial CATV Franchise shall install the Cable Television System throughout the entirety of the Imposed

Service Area in compliance with the construction standards set forth in Article 4-a and the applicable standards for the System including, but not limited to, channel capacity, number of cables and other functional and technological features of the System as identified in the Franchise Documents, and shall make Basic Service and other services identified pursuant to Section 5.50.504 in Article 4-c, available within the times prescribed by Section 5.50.410, below.

The Governing Bodies hereby find as follows: (i) that at the current time construction of the Cable Television System under the Initial CATV Franchise within areas outside the Imposed Service Area, except, perhaps, within the geographical boundaries of the Municipality of Galt, would be uneconomic, even with reduced System design and capability, reduced services and higher rates, because of the sparcity of residential development to support construction costs; (ii) that subjecting potential service of areas outside the Imposed Service Area and the geographical boundaries of the Municipality of Galt to the competitive selection process could result in issuance of a franchise for service in areas which is not economically justified and threatens imposition of unreasonably high service costs upon subscribers in urban areas in order to underwrite the cost of service in sparsely populated areas; and (iii) that permissive proposal of service outside the Imposed Service Area and the geographical boundaries of the Municipality of Galt would result in competing applications which variously propose service only within the Imposed Service Area, within the Imposed Service Area and the Municipality of Galt, and within the Imposed Service Area and a potential number of other areas, and would make the applications extremely difficult to compare in relation to such factors as economic feasibility, cross-subsidization, propriety of system design and service levels, and rates with respect to applicants who propose Basic Service rate restrictions.

Therefore, applicants for the Initial CATV Franchise shall be authorized to propose in their applications a single Proposed Service Area which consists of the entirety of and is limited to the geographica boundaries of the Municipality of Galt. An applicant shall not include in its application a Proposed Service Area other than Galt. A Franchisee under the Initial CATV Franchise who has identified the geographical boundaries of the Municipality of Galt as a Proposed Service Area shall install the Cable Television System throughout the entirety of such Proposed Service Area in compliance with the construction standards set forth in Article 4-a and the applicable standards for the System including, but not limited to, channel capacity, number of cables and other functional and technological features of the System as identified in the Franchise Documents and shall make Basic Service and other services identified pursuant to Section 5.50.504 in Article 4-c, available within the times prescribed by Section 5.50.410, below.

An applicant who chooses not to include within its application the geographical boundaries of the Municipality of Galt as a Proposed Service Area shall not be disqualified from bidding or consideration in selection of the Franchisee. It is expressly declared that the factors upon which selection will be based are so numerous and subjective as to make it impossible to know in advance the relative importance of a determination by an applicant to either make or not to make such a proposal in relation to other factors upon which award of the Initial CATV Franchise will be based.

5.50.406 SYSTEM COVERAGE - OTHER FRANCHISES. If an Imposed Service Area has been adopted for a franchise other than the Initial CATV Franchise, the Cable Television System shall be installed throughout the entirety of the Imposed Service Area in compliance with the construction standards set forth in Article 4-a, and the applicable standards for the System including but not limited to, channel capacity, number of cable, and other functional and technological features of the System as identified in the Franchise Documents, and the Franchisee shall make Basic Service and other services identified pursuant to Section 5.50.504 in Article 4-c, available within the times prescribed by Section 5.50.410, below.

Applicants for a franchise other than the Initial CATV franchise may be authorized to include within their applications Proposed Service Areas. In the event such a franchise is issued to an applicant who has included Proposed Service Areas within its application, the Franchisee shall install the Cable Television System throughout the entirety of each Proposed Service Area in compliance with the construction standards set forth in Article 4-a and the applicable standards for the System including, but not limited to, channel capacity, number of cables and other functional and technological features of the System as identified in the Franchise Documents, and shall make Basic Service and other services identified pursuant to Section 5.50.504 in Article 4-c, available within the times prescribed by Section 5.50.410, below.

5.50.408 QUANTITY OF DWELLING UNITS. The number of Dwelling Units within an Imposed Service Area shall be estimated in the request for proposals issued for the franchise to which the Imposed Service Area pertains. The identification of Dwelling Units in the request for proposals shall be deemed to be an estimate only, shall not constitute a basis for reliance by an applicant, and each applicant shall by means which it chooses ascertain the number of Dwelling Units within such Imposed Service Areas and state same in its application.

Each applicant for a franchise shall ascertain by means which it chooses the number of Dwelling Units within any Proposed Service Area which is included within its application, and state such number or numbers in the application.

Each resolution offering a franchise shall state therein the number of Dwelling Units within the Imposed Service Area and any Proposed Service Area to which it pertains.

5.50.410 CONSTRUCTION SCHEDULE. The Cable Television System shall be constructed and installed in accordance with the construction standards set forth in Article 4-a, above, within the entirety of each Service Area and Basic Service and other services identified pursuant to the provisions of Section 5.50.504 in Article 4-c, shall be made available to all Dwelling Units within each Service Area within the times prescribed below, regardless of density, and the standards for line extensions set forth in Section 5.50.424, below, shall not be applicable to territories within Service Areas. Each Franchisee shall:

- a. Commence construction of the Cable Television System in each Service Area by stringing or laying cable not later than nine (9) months following the date of filing of the certificate of acceptance of the franchise pursuant to the provisions of Section 5.50.220 in Sub-Chapter 3;
- b. Make Basic Service and other services identified pursuant to the provisions of Section 5.50.504 in Article 4-c, below, available to at least twenty (20%) percent of all Dwelling Units within each Service Area not later than twenty-three (23) months following the date of filing of the certificate of acceptance of the franchise pursuant to the provisions of Section 5.50.220 in Sub-Chapter 3;
- c. Make Basic Service and other services identified pursuant to the provisions of Section 5.50.504 in Article 4-c, below, available to at least fifty (50%) percent of all Dwelling Units within each Service Area not later than thirty-seven (37) months following the date of filing of the certificate of acceptance of the franchise pursuant to the provisions of Section 5.50.220 in Sub-Chapter 3; and
- d. Make Basic Service and other services identified pursuant to the provisions of Section 5.50.504 in Article 4-c, below, available to one hundred (100%) percent of all Dwelling Units within each Service Area not later than fifty-one (51) months following the date of filing of the certificate of acceptance of the franchise pursuant to the provisions of Section 5.50.220 in Sub-Chapter 3.

Except as otherwise provided by or pursuant to the Franchise Documents, any and all studio facilities, equipment, channels and

other services, resources or benefits required of a Franchisee under any provision of the Franchise Documents shall be completed and made available, and the provision of any Community Use Programming which the Franchisee has proposed pursuant to the provisions of Sections 5.50.332 through 5.50.340 in Article 4-a, shall commence not later than thirty-seven (37) months following the date of filing of the certificate of acceptance of the franchise pursuant to the provisions of Section 5.50.220 in Sub-Chapter 3. When other times are prescribed by or pursuant to the Franchise Documents, such services, resources, benefits and programming shall be completed, made available or commenced, as the case may be, within the times required.

5.50.412 ISOLATED DWELLING EXCEPTION. For purposes of determining compliance with the provisions of subparagraph "d" of Section 5.50.410, above, and of Section 5.50.416, below, and notwithstanding any other provision of this Chapter, a Franchisee shall be excused from making Basic Service and such other services available to a particular Dwelling Unit within a Service Area if that Dwelling Unit is situated at least five hundred (500) feet from another Dwelling Unit and making service available to the Dwelling Unit would require an aerial or underground extension of cable in excess of five hundred (500) feet from an otherwise existing aerial or underground trunk cable. The sole purpose of this exception is to relieve a Franchisee from providing service to an isolated Dwelling Unit within a Service Area under circumstances wherein extension of the System would constitute an excessive burden, and occupants of only one Dwelling Unit within the area would be deprived of services as a result of the relief.

A Franchisee shall not be entitled to relief under this Section unless it shows that it would not have been reasonable to have located cable in such a manner as to be within the distance limitation prescribed by this Section.

5.50.414 DUTY TO REPORT. Commencing at the beginning of the sixth (6th) month following the filing of the certificate of acceptance of a franchise pursuant to the provisions of Section 5.50.220 in Sub-Chapter 3, and continuing every three (3) months thereafter until the date Basic Service and other services identified pursuant to the provisions of Section 5.50.504 in Article 4-c, are made available to one hundred (100%) percent of the Dwelling Units within each Service Area, the Franchisee shall, by the first day of each such third month file with the Clerk of the Board of Directors of the Cable Television Commission a written statement identifying the number and percentage of dwelling units in each Service Area to which such services have been made available as of the date on which the statement is filed, together with such other information concerning progress by the Franchisee in complying with the schedule prescribed by Section 5.50.410, above, as is pertinent.

If any Franchisee is unable to comply with the schedule prescribed by Section 5.50.410, above, it shall when it first knows that it will be unable to so comply, file with its quarterly statement a written certification which explains that it will be unable to comply, identifies the detailed reasons for its inability to comply, and proposes a new schedule for completion consistent with the delays which are explained.

5.50.416 COMPLETION. A Final Order of Completion shall be issued by the Board of Directors of the Cable Television Commission when: (i) construction of the Cable Television System has been completed within the entirety of each Service Area in compliance with construction standards set forth in Article 4-a and the design and other requirements of the Franchise Documents; (ii) Basic Service and other services identified pursuant to the provisions of Section 5.50.504 in Article 4-c have been made available to one hundred (100%) percent of the Dwelling Units within each Service Area; (iii) any and all studio facilities, equipment, channels and other services, resources or benefits required by the Franchise Documents have been completed and made available; (iv) any Community Use Programming which the Franchisee has proposed pursuant to the provisions of Section 5.50.332 through 5.50.340 in Article 4-a shall have commenced in compliance with the Franchise Documents; and (v) a Notice of Completion has been filed by the Franchisee as hereinafter provided

For purposes of Section 5.50.410, above, and this Section, Basic Service and other services identified pursuant to the provisions of Section 5.50.504 in Article 4-c shall be deemed to be made available when Basic Service (at rates and charges in amounts proposed within the application for the franchise and as permissibly adjusted pursuant to Section 5.50.622 in Article 4-d, or if none are included in the application, at rates and charges in amounts customarily offered by the Franchisee) and other services identified pursuant to the provisions of Sections 5.50.504 and in Article 4-c (at rates and charges in amounts customarily offered by the Franchisee) are offered for immediate provision to the owner or legal representative of the owner empowered to consent to use of the property of such individual Dwelling Units.

For the purpose of determining compliance with the provisions of Subparagraph "b" and "c" of Section 5.50.410, above; the total number of Dwelling Units within each Service Area to which the percentages apply shall be deemed to be the numbers stated in the resolution offering the franchise. For the purpose of determining compliance with the provisions of Subparagraph "d" of Section 5.50.410, above, and of determining completion under this Section, the total number of Dwelling Units within each Service Area shall be deemed to be the actual number of Units available for occupancy as of a date forty-five (45) calendar days in advance of the date of filing by the Franchisee of the

Notice of Completion; provided that the Franchisee files the notice of completion with a good faith belief that it has in fact achieved completion as of the date of filing. Otherwise the total number shall be determined as of the date on which the Board of Directors of the Cable Television Commission makes a final decision as to whether a Final Order of Completion will be adopted.

A Franchisee who asserts completion shall file a written Notice of Completion with the Clerk of the Board of Directors of the Commission. The Notice of Completion shall state the total number of Dwelling Units available for occupancy within each Service Area forty-five (45) calendar days in advance of the filing of the Notice, the total number of Dwelling Units to which Basic Service and other services have been made available within each Service Area as of the date of filing, and shall otherwise certify completion as defined by the first paragraph in this Section. Neither the Notice of Completion nor the statements, assertions or certifications contained therein shall be deemed to be binding upon the Board of Directors of the Commission.

During the period of construction of the Cable Television System or during the sixty (60) day period following filing of the Notice of Completion, all elements and components thereof, and all equipment and studio facilities required by the Franchise Documents shall be subject to inspection by the Cable Television Commission, employees or authorized agents or representatives thereof, for the purpose of determining whether the System and related facilities comply with the Franchise Documents. The Franchisee shall authorize such inspection and provide such information and cooperation as is required in order to permit an adequate investigation to determine the existence or non-existence of such compliance.

5.50.418 HEARING AND DETERMINATION. Not later than forty-five (45) calendar days following the filing of the Notice of Completion, the Board of Directors of the Cable Television Commission shall commence a public hearing with respect to the Notice of Completion. Written notice of the time, date and place of the hearing shall be mailed to the concerned Franchisee. Notice of the time, date, place and purpose of the hearing shall be publicized in the manner prescribed by Section 5.50.024 in Sub-Chapter 1.

During the hearing, any interested person may appear and comment upon the question of whether completion has occurred and a Final Order of Completion should be issued. The public hearing may be continued from time-to-time. While the hearing is pending, the Board of Directors may direct such investigations of issues or questions raised during the hearing as it deems appropriate.

During the public hearing, the Board of Directors may, by resolution, identify specific deficiencies respecting completion and decline to adopt a Final Order of Completion pending correction or elimination of the deficiencies so identified. If at the conclusion of the public hearing a Final Order of Completion is not issued, the Board of Directors shall, by resolution, identify specific deficiencies respecting completion which must be corrected in advance of issuance of a Final Order of Completion.

The Final Order of Completion shall certify completion in compliance with the terms and conditions of the Franchise Documents. The Order shall also designate the actual date when all elements defined by the first paragraph in Section 5.50.416, above, have been completed. Issuance of such a Final Order of Completion shall constitute a determination of completion which is conclusive for all purposes of this Chapter.

5.50.420 REQUEST FOR ARBITRATION. At any time on or after one hundred twenty (120) calendar days following the date of filing by a Franchisee of the Notice of Completion the Franchisee may, if a Final Order of Completion has not been adopted by the Board of Directors of the Cable Television Commission, make a written request for arbitration. If a Final Order of Completion has been issued and the Franchisee disagrees with the actual date of completion stated therein, the Franchisee may, within thirty (30) calendar days following mailing to the Franchisee of the Order, make a written request for arbitration. The request shall be in writing, shall state the grounds therefor, and shall be filed with the Clerk of the Board of Directors of the Commission.

If arbitration is requested, the arbitration panel shall be selected, the hearing scheduled within the time prescribed, notice given, the hearing conducted, decision made and costs divided in the manner prescribed by Sections 5.50.830 through 5.50.840, inclusive in Article 5-b of Sub-Chapter 5. The Discovery provisions of the California Arbitration Act (Code of Civil Procedure, Section 1280, et seq.) shall be applicable to arbitration proceedings under this Section. The questions which may be submitted to the arbitration panel and jurisdiction of the arbitration panel shall be limited to the following:

- a. The interpretation of the provisions of the Franchise Documents solely in relation to the decision required by Subparagraph "b", below; and
- b. Whether a Final Order of Completion should be issued, and if so, the actual date of completion; or if an Order has been issued, the actual date of completion.

The jurisdiction of the Arbitration Panel shall not include questions of enforcement, breach or remedies, and any such deter-

mination concerning enforcement, breach or remedies shall be inadmissible in and without force or effect in relation to proceedings conducted under Sections 5.50.438 through 5.50.444, inclusive, below.

If ordered by the Arbitration Panel, the Board of Directors of the Commission shall issue a Final Order of Completion not later than ten (10) calendar days following receipt of the arbitration award. The arbitration award may be judicially enforced, shall be final, binding and conclusive upon the parties, and shall not be subject to judicial review or vacation except on grounds set forth in Section 1286.2 of the Code of Civil Procedure.

5.50.422 FUTURE DEVELOPMENTS WITHIN SERVICE AREAS. A Franchisee shall, if practical, install its Cable Television System at the time the public improvements are being installed with respect to any territory within Service Areas for which an application has been filed by the time the franchise is issued to subdivide the territory into five (5) or more lots for residential purposes. In any event, Basic Service and other services identified pursuant to the provisions of Section 5.50.504 and in Article 4-c, shall be made available to all lots within such territory the subdivision of which has been completed not later than fifty-one (51) months following the date of filing of the certificate of acceptance of the franchise pursuant to the provisions of Section 5.50.220 of Sub-Chapter 3.

With respect to all territories within Service Areas for which application for approval of a tentative map for such subdivision purposes is made after issuance of the franchise, the Franchisee shall install its Cable Television System at the time the public improvements for the subdivision are being installed. Basic Service and other services identified pursuant to the provisions of Section 5.50.504 and in Article 4-c, shall be made available to each lot within such subdivisions not later than the date of occupancy of each Dwelling Unit, or fifty-one (51) months following the date of filing of the certificate of acceptance of the franchise pursuant to the provisions of Section 5.50.220 in Sub-Chapter 3, whichever occurs later.

5.50.424 LINE EXTENSIONS. After completion of the construction, installation and service schedule prescribed by Section 5.50.410, above, as that schedule may be modified pursuant to the provisions of Sections 5.50.438 through 5.50.444, inclusive, below, each Franchisee may, within its Franchise Area, extend its Cable Television System beyond the Service Areas described in the Franchise Documents, and shall so extend its System pursuant to the following requirements:

- a. The Franchisee shall extend the Cable Television System and make Basic Service and other services

identified pursuant to Sections 5.50.504 and in Article 4-c, available to every Dwelling Unit within any area reaching the minimum density of at least forty (40) Dwelling Units per street mile, or five (5) Dwelling Units within six hundred sixty (660) feet, as measured from the existing System.

- b. The Franchisee shall extend the Cable Television System and make Basic Service and other services identified pursuant to Section 5.50.504 in Article 4-c, available to any isolated resident outside the Service Area, requesting connection at the standard connection charge, if the connection to the isolated resident would require no more than a standard one hundred fifty (150) foot aerial drop line.

With respect to requests for connection requiring an aerial drop line in excess of one hundred fifty (150) feet, the Franchisee shall extend the Cable Television System and make available such services to such residents at a connection charge not to exceed the actual installation costs incurred by the Franchisee for the distance exceeding one hundred fifty (150) feet plus an administrative charge of ten (10%) percent of said amount to cover overhead costs.

- c. Whenever the Franchisee shall have received written requests for services from at least fifteen (15) assured subscribers within thirteen hundred (1,300) cable feet of its aerial trunk cable, it shall extend its Cable Television System to such subscribers solely for the usual connection and service fees for all subscribers, provided that such extension is technically and economically feasible. The thirteen hundred (1,300) cable feet shall be measured in extension length of the Franchisee's cable required for service located within the street and shall not include the length of necessary drop to the subscriber's house or premises.

When a Cable Television System is extended from the boundaries of an Imposed Service Area the standards for the System so extended including, but not limited to, channel capacity, number of cables and other functional and technological features of the System shall be the same as are applicable to the System within the Imposed Service Area, the services provided through the System so extended shall be the same as are provided within the Imposed Service Area, and the rates and charges associated with Basic Service (if the Franchisee has proposed restrictions upon

such rates and charges pursuant to the provisions of Sections 5.50.616 through 5.50.624 in Article 4-d) shall be the same as rates and charges associated with Basic Service within the Imposed Service Area. When a Cable Television System is extended from the boundaries of a Proposed Service Area the standards for the System so extended including, but not limited to, channel capacity, number of cables and other functional and technological features of the System shall be the same as are applicable to the System within the Proposed Service Area from which extension is made, the services provided through the System so extended shall be the same as are provided within the Proposed Service Area from which extension is made, and the rates and charges associated with Basic Service (if the Franchisee has proposed restrictions upon such rates and charges pursuant to the provisions of Sections 5.50.616 through 5.50.624 in Article 4-d) shall be the same as rates and charges associated with Basic Service within the Proposed Service Area from which extension is made.

5.50.426 OTHER PROVISIONS. Any applicant for a franchise may propose in its application line extension provisions which are more liberal than prescribed by Section 5.50.424, above. In the event of any inconsistency between the line extension provisions prescribed by Section 5.50.424, above, and the express terms in other Franchise Documents, the provisions in the other Franchise Documents shall prevail if the issuing authority has found that the provisions in the other Franchise Documents will better serve the needs of the public and promote the public interest.

An applicant who chooses not to make a more liberal proposal for line extension shall not be disqualified from bidding or consideration in selection of the Franchisee. It is expressly declared that the factors upon which selection will be based are so numerous and subjective as to make it impossible to know in advance the relative importance of a determination by an applicant to either make or not to make such a proposal in relation to other factors upon which award of a franchise will be based.

5.50.428 TIME. Line extensions required pursuant to Sections 5.50.424 or 5.50.426, above, shall be made and completed within reasonable periods of time consistent with the relative cost and periods required for planning and construction. A Franchisee shall not be deemed to be in breach of said Sections until after written notice is mailed to the Franchisee by the Cable Television Commission identifying a particular extension which the Commission asserts is required. If within thirty (30) calendar days following mailing of such notice the Franchisee has not filed with the Clerk of the Board of Directors of the Commission a written notice specifying the date of completion of such extension, the Franchisee shall be deemed to be in breach, if it has failed to comply with the requirements of said Sections, from and

after the expiration of the thirty (30) day period. A Franchisee's designation of a completion date shall not be presumed to be reasonable or binding upon the Commission.

5.50.430 NEW SUBDIVISIONS BEYOND SERVICE AREAS. Notwithstanding the provisions of Section 5.50.424, above, with respect to developing territories within a Franchise Area which are situated outside of a Service Area, a Franchisee shall, at any time, be authorized to install its Cable Television System at the time public improvements for new subdivisions or units thereof are being installed, if either:

- a. The subdivision is adjacent to the boundaries of a Service Area, or so situated that the density between the boundaries of the subdivision and the boundaries of a Service Area require extension to the subdivision under the standards set forth in Subparagraphs "a" through "c" of Section 5.50.424, above; or
- b. The Franchisee has been authorized by the Board of Directors of the Cable Television Commission to provide cable television service within the subdivision pursuant to a plan approved by the Board under the provisions of Section 5.50.446, below.

5.50.432 COMPLAINTS. Any citizen who asserts that there has been a violation of any of the provisions of Sections 5.50.404 through 5.50.416, 5.50.422 through 5.50.430, above, or 5.50.446, below, may file a written complaint asserting such violation with the Clerk of the Board of Directors of the Cable Television Commission.

5.50.434 EXCUSES FOR VIOLATIONS. Except as hereinafter provided, violation by a Franchisee of any of the provisions set forth in Sections 5.50.404 through 5.50.416, 5.50.422 through 5.50.430, above, or 5.50.446, below, caused by circumstances beyond the control of the Franchisee shall constitute good and sufficient excuse and justification for such violations precluding the Franchisee from being in breach of said Sections. The following are examples of acts or omissions by a Franchisee or circumstances which shall be deemed not to be beyond the control of the Franchisee and which shall not constitute excuses or justifications for violations:

- a. The failure at any time by a Franchisee or its officers, agents or employees to exercise diligence in planning, organizing, arranging for or prosecuting the work of construction and installation, or in taking any other action necessary to permit or facilitate the work of construction and installation;

- b. Unanticipated cost increases or insufficiency of capital with which to take actions necessary to comply or facilitate compliance with any of the provisions of Sections 5.50.404 through 5.50.416, 5.50.422 through 5.50.430, above, or 5.50.446, below;
- c. Considerations relating to economy or cost efficiency, as respects acts or omissions by a Franchisee;
- d. Delays occasioned by the failure of a Franchisee to diligently apply for and prosecute any request for a required certificate, approval or consent from the FCC;
- e. Delays occasioned by seasonal changes in weather or climatic conditions, such as rain (exclusive of catastrophic conditions in the nature of "Acts of God") (Rain delay shall not constitute an excuse or justification for violation except with respect to measurable precipitation occurring on more than fifty-nine (59) days during any period commencing July 1 and ending the next following June 30; and only if such is the proximate cause of the violation.);
- f. Delays occasioned by failure to obtain approval to attach lines to poles owned by private or public utilities or in the attachment of cable to the poles; and
- g. Delays occasioned by the customary and usual time required to process and secure approvals under zoning ordinances of the County and Cities for the location of components of the Cable Television System and other installations associated therewith, given the nature of the approval required and magnitude of the project; provided that if a Franchisee submits specific sites and plans for all headends, towers and transmitters to the County and requests the County to perform a single environmental analysis upon all such facilities as the lead agency, any time consumed by such environmental analysis which is longer than one hundred twenty (120) calendar days during a period subsequent to the filing of the certificate of acceptance of the franchise pursuant to Section 5.50.220 in Sub-Chapter 3 shall be deemed to excuse the Franchisee from any violations which are proximately caused by such delay in excess of one hundred twenty (120) calendar days.

Notwithstanding the provisions of Subdivision "a" through "f", inclusive, above, a Franchisee shall not be excused from any violation of the provisions of Sections 5.50.404 through 5.50.416, 5.50.422 through 5.50.430, above, or 5.50.446, below, except for causes which are beyond the control of the Franchisee, and except with respect to violations which have not been contributed to or aggravated by acts or omissions by the Franchisee.

Except as otherwise provided above, violations caused exclusively by acts or omissions by the County, the Cities, the Cable Television Commission or their officers, agents or employees shall constitute an excuse and justification for failure of a Franchisee to comply with the provisions of Sections 5.50.404 through 5.50.416, 5.50.422 through 5.50.430, above, or 5.50.446, below, precluding a determination that the Franchisee is in breach. However, violations as a result of such exclusive causes shall not be deemed to excuse the Franchisee from other violations, shield the Franchisee from a determination that it is in breach for violations, or bar any relief for damages or otherwise as a result of such breach.

5.50.436 EXAMPLES OF EXCUSES FOR VIOLATIONS. Examples of circumstances beyond the control of a Franchisee which excuse a Franchisee from violation and being in breach of the provisions of Sections 5.50.404 through 5.50.416, 5.50.422 through 5.50.430, above, or 5.50.446, below, when such violations are caused thereby, include the following: strikes; acts of public enemies; orders by military authority; insurrections; riots; epidemics; landslides; lightening; earthquakes; fires; floods; civil disturbances; explosions; and partial or entire failure of utilities.

5.50.438 ENFORCEMENT PROCEEDINGS. At any time and from time to time proceedings may be commenced by the Board of Directors of the Cable Television Commission.

The purpose of such proceedings shall be, and the powers of the Board of Directors of the Commission shall include, the following:

- a. Determination of whether there has been a violation of any of the terms, conditions or requirements set forth in Sections 5.50.404 through 5.50.416, 5.50.422 through 5.50.430, above, or 5.50.446, below, or any requirements in relation thereto established pursuant to previously conducted enforcement proceedings;
- b. Establishment of new or revised schedules for compliance with any of the terms, conditions or requirements set forth in Sections 5.50.404 through 5.50.416, 5.50.422 through 5.50.430, above, or

5.50.446, below, or any requirements in relation thereto established pursuant to previously conducted enforcement proceedings, with respect to any such terms, conditions or requirements which are determined to have been violated;

- c. Determination of whether the Franchisee is in breach of any of the terms, conditions or requirements set forth in Sections 5.50.404 through 5.50.416, 5.50.422 through 5.50.430, above, or 5.50.446, below, or of the Franchise Documents with respect to the violation of any such terms, conditions or requirements, and, if so, the nature and extent of any such breach; and
- d. With respect to any finding of breach, determination of the remedy therefore authorized by Sections 5.50.804 and 5.50.806 in Article 5-b of Sub-Chapter 5.

In connection with determinations by the Board of Directors that there has been a violation of any time limit prescribed by Sections 5.50.404 through 5.50.416, 5.50.422 through 5.50.430, above, or 5.50.446, below, the Board shall be authorized to establish new time schedules and time limitations based upon the circumstances, which shall supersede those set forth in said Sections. Future enforcement proceedings pursuant to this Section and Sections 5.50.440 and 5.50.442, below, may be undertaken in relation to time schedules and time limitations established pursuant to prior enforcement proceedings. In the event the Board finds that a Franchisee has breached any of the time limitations set forth in Sections 5.50.404 through 5.50.416, 5.50.422 through 5.50.430, above, or 5.50.446, below, or established pursuant to prior enforcement proceedings, the Board shall be authorized to determine and assess the amount of liquidated damages, if any, which the Franchisee shall be required to pay as a result of such breach, and whether, and if so, the extent to which the term of the Franchise should be reduced with respect to any such breach. Such determinations shall, without appeal to arbitration or as affirmed by arbitration, be self-executing.

In the event the Board of Directors determines that the Cable Television System fails to comply with any of the requirements of the Franchise Documents or that the Franchisee has failed to provide any of the facilities or services (including those relating to community use) required by the Franchise Documents, the Board may determine the specific deficiencies and order the correction thereof. Such determinations shall, without appeal to arbitration or as affirmed by arbitration, be self-executing.

5.50.440 COMMENCEMENT OF ENFORCEMENT PROCEEDINGS. The Board of Directors of the Commission shall commence enforcement proceedings by scheduling a hearing for the purpose of inquiring into matters specified in Section 5.50.438, above. Written notice of the time, date and place of the hearing shall be mailed to the Franchisee and to the Franchisee's surety on the performance bond filed pursuant to Section 5.50.700 in Article 4-e, below not later than thirty (30) calendar days in advance of the date of commencement of the hearing. The notice shall state the reasons for the hearing, identify the terms, conditions or requirements alleged to be violated, and generally describe the areas or subject matter with respect to which the violation or violations are alleged to have been committed.

The hearing may be conducted either by the Board of Directors of the Commission or, at the sole discretion of the Board, by a hearing officer appointed by the Board to conduct the hearing. Any such hearing officer shall be an attorney licensed to practice under the laws of the State of California, who shall not be an officer or employee either of a Franchisee, the Commission, the County or the Cities.

The cost of providing quarters for the hearing, the compensation for the hearing officer, if any, and the per diem cost of any reporter retained to record the proceedings shall be borne by the Cable Television Commission. The cost of preparing a transcript and record of the hearing shall be borne by the Franchisee. All costs incurred by the parties for attorneys fees, expert witness fees and other expenses shall be borne solely by the party incurring the costs.

5.50.442 CONDUCT OF HEARING. All witnesses testifying at the enforcement hearing shall be sworn. Witnesses shall be subject to direct and cross-examination. However, formal rules of evidence applicable to the trial of civil or criminal proceedings in the trial courts of this State shall not be applicable to the hearing. The provisions of the Administrative Procedure Act, commencing at Section 11500 of the California Government Code, or any successor legislative enactment, shall not be applicable to any such hearing. The burden of proving violation by the Franchisee of the Franchise Documents shall be borne by the party presenting the charges and the burden of proving excuses from performance shall be borne by the Franchisee. The hearing may be continued from time to time.

If the hearing is conducted by a hearing officer, the officer shall, upon conclusion of the hearing, prepare a recommended decision which includes findings of fact, conclusions and all determinations authorized by Section 5.50.438, above. The recommended decision shall be filed with the Clerk of the Board of Directors of the Commission and mailed to the parties not later than thirty (30) calendar days after conclusion of the hearing.

Upon receipt of such a recommended decision, the Board of Directors may, without a hearing except as otherwise required below, either:

- a. Adopt the findings of fact, conclusions and determinations contained in the recommended decision;
- b. Adopt the findings of facts and conclusions contained in the recommended decision, modify the determinations, and adopt the recommended decision as so revised;
- c. Based upon the record of the hearing, modify the findings of fact, conclusions or determinations, and adopt the recommended decision as so revised; or
- d. Reject the recommended decision and conduct a new hearing.

If the hearing is conducted by the Board of Directors of the Commission, upon conclusion of the hearing, the Board of Directors shall adopt a decision which includes findings of fact, conclusions, and determinations authorized by Section 5.50.438, above. Copies of the decision adopted by the Board of Directors shall be mailed to the parties.

5.50.444 ARBITRATION OF ENFORCEMENT PROCEEDINGS. Not later than thirty (30) calendar days following the date of mailing to the Franchisee of the decision by the Board of Directors, the Franchisee shall be authorized to appeal the decision or any portion thereof to arbitration by filing a written notice of appeal with the Clerk of the Board of Directors. The notice of appeal shall specifically identify the determination or determinations from which the appeal is taken, the grounds therefor, and shall be accompanied by a fee equal to the estimate by the Clerk of the cost of preparing the transcript and record of the hearing or hearings. In the event the Franchisee fails to file the notice of appeal within the time and in compliance with the requirements prescribed above, the determinations by the Board of Directors shall become final, binding, conclusive and not subject to review or reversal by any authority. Judicial enforcement of such determinations may be sought.

Except as otherwise provided herein, the arbitration panel shall be selected, the hearing scheduled within the time prescribed, notice given, the hearing conducted, decision made and costs divided in the manner prescribed by Sections 5.50.830 through 5.50.838, inclusive, in Article 5-b of Sub-Chapter 5.

The questions which may be submitted to the arbitration panel and jurisdiction of the panel shall be limited to a decision as to whether the findings of fact by the Board are supported by substantial evidence in the record and whether the conclusions

by the Board are consistent with the provisions of the Franchise Documents as interpreted by the arbitration panel. The powers of the arbitration panel shall be limited to a conclusion as to whether the decision by the Board of Directors from which appeal is taken should be affirmed, or reversed and remanded to the Board for further determination, and interpretation of the provisions of the Franchise Documents solely in relation to review of the decision by the Board of Directors.

The hearing by the arbitration panel shall not be a trial de novo, and the sole function of the panel shall be to review the record of the hearing preceding the decision by the Board of Directors to decide whether there was substantial evidence in the light of the whole record to support the findings and to interpret the Franchise Documents in relation to the decision by the Board of Directors. No new evidence shall be introduced, received or considered by the arbitration panel; provided that where the panel finds that there is relevant evidence which, in the exercise of reasonable diligence, could not have been produced or which was improperly excluded at the hearing preceding the arbitration, the panel may remand the matter to the Board of Directors to be reconsidered in light of such evidence. The determinations by the Board of Directors shall be sustained by the arbitration panel if it finds that there is substantial evidence in the record to sustain the determinations, and that the conclusions are consistent with the provisions of the Franchise Documents. The panel shall not substitute its discretion for that of the Board with respect to the determinations made by the Board, or reweigh or otherwise judge the credibility of the evidence presented during the hearing preceding the Board's decision. If the panel decides that the determinations by the Board violate the provisions of the Franchise Documents it shall remand the matter to the Board for further determinations, reserving jurisdiction to review the determinations. Objections by the Franchisee to the determinations by the Board which were not presented during the hearing preceding the Board's decision shall be deemed to have been waived.

The decision by the Board of Directors as affirmed by an arbitration award, may be judicially enforced, shall be final, binding and conclusive upon the parties, and shall not be subject to judicial review or vacation except on grounds set forth in Section 1286.2 of the Code of Civil Procedure to the extent such grounds are consistent with the express terms of this Chapter.

5.50.446 SERVICE IN NEW AREAS. The purpose of this Section is to encourage Franchisees to install Cable Television Systems and provide services within geographical locations which are outside of Service Areas and within which installation of such Systems and services is not required under the line extension provisions of Sections 5.50.424 or 5.50.426, and to establish a flexible framework by which the magnitude of the Cable Television System,

services and rates and charges associated with Basic Service (if a Franchisee has proposed limitations upon such rates and charges pursuant to the provisions of Sections 5.50.616 through 5.50.624 in Article 4-d) may be regulated in order to encourage such expansion, and insure that the uncompensated costs thereof are not so excessive as to impose an unreasonable burden upon subscribers within urbanized areas which are already being served. The provisions of this Section shall be applicable to all territory outside of Service Areas whether extensions of a Cable Television System are required by or pursuant to the provisions of Sections 5.50.424 or 5.50.426, above, or not.

A Franchisee shall not be authorized to install its Cable Television System or provide services within a geographical location outside a Service Area except pursuant to an application requesting authority for such installation and service which is approved by the Board of Directors of the Cable Television Commission.

An application for such approval shall be filed with the Clerk of the Board of Directors of the Commission, shall describe the boundaries of the area proposed to be served, shall describe in detail the standards for the System proposed to be installed including, but not limited to, channel capacity, number of cables and other functional and technological features of the System, shall describe in detail the services proposed to be provided, shall identify the rates and charges associated with Basic Service (if the Franchisee has proposed limitations upon such rates and charges pursuant to the provisions of Sections 5.50.616 through 5.50.624 in Article 4-d), shall include a budget of construction costs and a projection of operating revenues and costs, shall identify a proposed time schedule for installation of the System and provision of service, and shall contain such other and further information as the Board of Directors may require. The Board of Directors of the Commission shall schedule a public hearing upon the application to commence not later than thirty (30) calendar days after the application is filed, notice of which is given in the manner prescribed by Section 5.50.024 in Sub-Chapter 1.

After the conclusion of the public hearing, the Board of Directors shall approve the application if it finds that the nature and extent of the System to be installed, services to be provided, time within which installation will be complete and services provided, and rates and charges associated with Basic Service (if the Franchisee has proposed limitations upon such rates and charges pursuant to Sections 5.50.616 through 5.50.624 in Article 4-d) will adequately serve the needs of the residents within the geographical location proposed to be served; provided, that notwithstanding such determinations, the Board may deny an application if it finds that uncompensated costs of constructing the System or providing service will cause increases

in rates or charges paid by subscribers who are already being served by the Franchisee. In approving such an application, the Board of Directors may impose conditions relating to such matters as the following:

- a. The standards for the System to be installed, including, but not limited to, channel capacity, number of cables and other functional and technological features of the System;
- b. The nature and extent of services to be provided;
- c. Interconnection of the System to be installed with the System operated by the Franchisee within Service Areas;
- d. The amounts of rates and charges associated with Basic Service (if the Franchisee has proposed limitations upon such rates and charges pursuant to Sections 5.50.616 through 5.50.624 in Article 4-d); and
- e. The time schedule for installation and completion of the System and delivery of services.

A Franchisee shall comply with the provisions of an approved application and any terms or conditions of approval.

5.50.448 USE OF STREETS - INTERFERENCE. Each Cable Television System, including wires and appurtenances, shall be located and installed and maintained so that none of the facilities endanger or interfere with the lives or safety or persons, or interfere with any improvements the County, Cities or State of California may deem proper to make, or unnecessarily hinder or obstruct the free use of the Streets or other public property.

All transmission and distribution structures, lines and equipment erected or installed by a Franchisee within the Sacramento Community shall be so located as to cause minimum interference with the proper use of Streets and other public property, and to cause minimum interference with the rights and reasonable convenience of property owners who adjoin any of the Streets or other public property.

5.50.450 PERMITS AND APPROVALS. During the term of each franchise, in advance of occupying, working upon or otherwise utilizing any Street, the Franchisee shall apply for and obtain any encroachment permit, license, authorization or other approval required by ordinances in force within the County and Cities, pay any fees and post any security required by such ordinances, and in the course of construction, installing, replacing, maintaining and repairing the Cable Television System shall comply.

with all applicable requirements of such ordinances and any terms or conditions of encroachment permits, licenses, authorizations or approvals issued thereunder.

The County and Cities shall be authorized to establish special fees payable by a Franchisee to defray the costs incurred by the Department of Public Works of the respective agencies in supervising and regulating the installation of a Cable Television System within the Streets of the respective agencies. The respective Directors of Public Works of the County and Cities shall be authorized to formulate reasonable schedules for installation of a Cable Television System within the Streets of the agencies for the purpose of promoting safety, reducing inconvenience to the public, and insuring adequate restoration and repair of the Streets, and a Franchisee and its officers, agents, contractors and subcontractors shall comply with any and all such schedules.

5.50.452 RESTORATION OF STREETS AND PRIVATE PROPERTY.

All disturbance by a Franchisee of pavement, sidewalk, driveways, landscaping or other surfacing of Streets shall be restored, repaired or replaced by the Franchisee at its sole cost in a manner approved by the Director of Public Works and in compliance with generally applicable ordinances of the agency vested with jurisdiction thereover, and in as good condition as before the disturbance occurred.

To the extent practicable and reasonable, each Franchisee shall accommodate the desires of any property owner respecting location within easements or rights-of-way traversing private land of the property owner of above ground boxes or appurtenances constituting a part of the Cable Television System. Any disturbance of landscaping, fencing or other improvements upon private property, including private property traversed by easements or rights-of-way utilized by a Franchisee, shall, at the sole expense of the Franchisee, be promptly repaired or restored (including replacement of such valuables as shrubbery and fencing) to the reasonable satisfaction of the property owner as soon as possible. Each Franchisee shall, through authorized representatives, make a reasonable attempt to personally contact the occupants of all private property in advance of entering such property for the purpose of commencing any installation of elements of the System within easements or rights-of-way traversing such property. As used in this paragraph, the terms "easements" and "rights-of-way" do not include easements or rights-of-way for roadway purposes.

5.50.454 ERECTION OF POLES. No franchise shall be deemed to expressly or impliedly authorize the Franchisee to construct or install poles or wire-holding structures within Streets for the purpose of placing cables, wires, lines or otherwise, without the written consent of the County or Cities within which the

Street is situated. Such consent shall be given or withheld in the sole discretion of the Governing Body, and may be given upon such terms and conditions as the Governing Body in its sole discretion may prescribe which shall include a requirement that the Franchisee perform, at its sole expense, all tree trimming required to maintain the poles clear of obstructions.

With respect to any poles or wire-holding structures which a Franchisee is authorized to construct and install within Streets, the County or Cities with jurisdiction over the Street or a public utility or public utility district serving the County or Cities may, if denied the privilege of utilizing such poles or wire-holding structures by the Franchisee, apply for such permission to the Cable Television Commission. If the Commission finds that such use would enhance the public convenience and would not unduly interfere with the Franchisee's operations, the Commission may authorize such use subject to such terms and conditions as it deems appropriate. Such authorization shall include the condition that the County, Cities, public utility or public utility district pay to the Franchisee any and all actual and necessary costs incurred by the Franchisee in permitting such use.

5.50.456 UNDERGROUNDING. Except as hereinafter provided, in all areas of the Sacramento Community where the cables, wires and other like facilities of a public utility or public utility district are placed underground, each Franchisee shall construct and install its cables, wires and other facilities underground. Amplifier boxes and pedestal mounted terminal boxes may be placed above ground if existing technology reasonably requires, but shall be of such size and design and shall be so located as not to be unsightly or unsafe. In any area of the Sacramento Community where there are certain cables, wires and other like facilities of a public utility or public utility district underground and at least one operable cable wire or like facility of a public utility or public utility district suspended above ground from poles a Franchisee may construct and install its cables, wires and other facilities from the same poles.

With respect to any cables, wires and other like facilities constructed and installed by a Franchisee above ground, the Franchisee shall, at its sole expense, reconstruct and re-install such cables, wires or other facilities underground pursuant to any project under which the cables, wires or other like facilities of such utilities are placed underground within an area. The duty of a Franchisee to underground shall arise only if all existing above ground like facilities of such utilities are placed underground.

5.50.458 RELOCATION. If during the term of a franchise the County, Cities, a public utility district, a public water district, a public sanitation district, a public drainage district or any other similar special public district 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 Franchisee, 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 a subdivision in which all utility lines, including those for the Cable Television System, were installed at the same time, the entities may decide among themselves who is to bear the cost of relocation; provided that neither the Cities nor County shall be liable to a Franchisee for such costs. Regardless of who bears the costs, a Franchisee shall take action to remove or relocate at such time or times as are directed by the agency or company undertaking the work. Reasonable advance written notice shall be mailed to the Franchisee advising the Franchisee of the date or dates removal or relocation is to be undertaken.

5.50.460 TREE TRIMMING. The Franchisee shall not, and shall prohibit any officer, agent, employee, contractor or subcontractor which it retains from, removing or trimming any tree or portion thereof (either above, at or below ground level), which is located within a Street without the prior written approval of the Director of Public Works of the County or City in which the Street is located. Such consent may be given or withheld upon such terms and conditions as the Director of Public Works deems appropriate. Each Franchisee shall be responsible for, shall indemnify, defend and hold harmless the County, Cities, Cable Television Commission, and their officers, agents and employees from and against any and all damages arising out of or resulting from the removal, trimming, mutilation of or any injury to any tree or trees proximately caused by the Franchisee or its officers, agents, employees, contractors or subcontractors.

5.50.462 MOVEMENT OF BUILDINGS. Each Franchisee shall, upon request by any person holding a building moving permit, license or other approval issued by the County, Cities or State of California, temporarily remove, raise or lower its wires to permit the movement of buildings. The expense of such removal, raising or lowering shall be paid by the person requesting same, and a Franchisee shall be authorized to require such payment in advance. A Franchisee shall be given not less than forty-eight (48) hours oral or written notice to arrange for such temporary wire changes.

5.50.464 REMOVAL. Upon expiration or termination of a franchise, if the franchise is not renewed and if neither the

Cable Television Commission nor an assignee purchase the Cable Television System, the Franchisee 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 Franchisee 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. The Franchisee 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 Board of Directors of the Cable Television Commission based upon a determination, in the sole discretion of the Board, that removal is required in order to eliminate or prevent a hazardous condition or promote future utilization of the Streets for public purposes. Any order by the Board of Directors to remove cable or conduit shall be mailed to the Franchisee not later than thirty (30) calendar days following the date of expiration of the franchise. A Franchisee shall file written notice with the Clerk of the Board of Directors not later than thirty (30) calendar days following the date of expiration or termination of the franchise of its intention to remove cable authorized by this paragraph to be removed. The notice shall specify the location of all 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 Director of Public Works of the County and Cities with jurisdiction over the Streets from which cable is to be removed. Removal shall be completed not later than twelve (12) months following the date of expiration or 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 Cities and County within whose jurisdiction the cable or conduit is situated.

Upon expiration or termination of a franchise, if the franchise is not renewed and if neither the Commission nor an assignee purchase the System, the Franchisee, at its sole expense, shall, unless relieved of the obligation by the County or Cities, remove from the Streets all above ground elements of the Cable Television System, including, but not limited to amplifier boxes, pedestal mounted terminal boxes, and cable attached to or suspended from poles, which are not purchased by the Commission or its assignee.

The Franchisee shall apply for and obtain such encroachment permits, licenses, authorizations or other approvals and pay such fees and deposit such security as required by applicable ordinance of the County or Cities in which the Streets are located, shall conduct and complete the work of removal in compliance with all such applicable ordinances, and shall restore the streets to the same condition they were in before the work of removal com-

menced. The work of removal shall be completed not later than one (1) year following the date of expiration of the franchise.

5.50.466 ENFORCEMENT. Any Director of Public Works of the County or Cities who determines that within his or her jurisdiction a Franchisee has committed an act or omission in violation of any of the provisions of Sections 5.50.448 through 5.50.464, inclusive, above, shall be authorized to mail written notice of the violation to the Franchisee.

Not later than seven (7) calendar days following the mailing of such notice the Franchisee shall be authorized to file an appeal with the Clerk of the Governing Body of the County or Cities by whom the Director of Public Works is employed. The Franchisee shall also file a copy of the notice in the office of the Director of Public Works. The Governing Body shall hear the appeal, and shall be authorized to do so at its earliest convenience. The Franchisee shall be authorized to present oral and documentary evidence and cross-examine witnesses. Formal rules of evidence shall not be applicable.

If no appeal is filed and within ten (10) calendar days following mailing of the notice the Franchisee has failed to correct the violation, or if an appeal is filed and within five (5) calendar days following mailing to the Franchisee of an order by the Governing Body the Franchisee has failed to correct the violation as directed in the order, the Director of Public Works shall be authorized to correct the violation through assignment of such task to his or her subordinate personnel or delegation of authority to take such corrective action to a public utility, public district, contractor or other third party. In such event, the Franchisee shall be liable for the full amount of any charges made for such corrective action, any salary and benefit costs of any public employees assigned to take such corrective action, and the costs of material, supplies and goods utilized in taking such corrective action.

The provision of this Section shall not be construed to fix the date of a breach by a Franchisee of any of the provisions of Sections 5.50.448 through 5.50.464, inclusive, above, at the prescribed period following mailing of the notice of violation, or to prevent a determination that a Franchisee has breached any of said sections in advance either of the ten (10) days following the mailed notice or in advance of mailing of the notice or any communication pursuant to this section to the Franchisee. Nor shall the provisions of this section be so construed as to relieve the Franchisee from liability for any damages which may arise out of and be proximately caused by breach by a Franchisee of any of the provisions of said sections.

ARTICLE 4-c

SERVICES

5.50.500 PURPOSES. It is anticipated that the cost of installing the Cable Television System under the Initial CATV Franchise could range from \$75 to \$100 million. It is also anticipated that annual gross revenues derived by the Franchisee after the System has been completed and is fully operable could range as high as \$100 million. Whereas Cable Television Services have traditionally been limited to television programming primarily for purposes of entertainment, advancing technology permits delivery of a new generation of Interactive services which invade non-entertainment commercial fields, and may extend from the provision of burglar alarm services to services which permit the Subscriber to shop or bank from his or her home and receive a vast array of professional, technical, educational and other information, to medical, fire protection and other emergency services, and to types of services which are as yet unidentified.

Such services promise significant benefit to the community. They also potentially generate regulatory needs the exact nature and scope of which are impossible to predict, and the enforceability of which could be time consuming and expensive should a Franchisee refuse to comply. The need to regulate could extend to:

- a. Potentially unfair and unlawful competitive practices by a Franchisee in operating and utilizing the Cable Television System to provide services;
- b. Inadequate maintenance or repair by the Franchisee of the Cable Television System;
- c. Invasion of the privacy of Subscribers;
- d. Unethical or unfair business practices in relation to Subscribers or others; and
- e. A variety of other regulatory measures which are necessary to protect the health, safety or welfare of inhabitants of the Sacramento Community.

The provisions of this Chapter address these issues by, with few exceptions, placing no limit upon the services which a Franchisee may provide, mandating few services, prescribing general duties and responsibilities in relation to future public interest issues, and making no attempt, with few exceptions, to limit the services which a Franchisee may provide to those which may be listed in the Franchisee's proposal, and reserving broad authority to amend the provision of this Article under Section

5.50.038 in Sub-Chapter 1. The purposes of this Chapter and this Article are to:

- a. Reserve and vest broad regulatory authority in the Cable Television Commission in order to enable it to enact future regulations which are tailored to address the problems requiring regulation and to avoid sensitive constitutional issues which may arise in attempts to regulate operation of a Cable Television System;
- b. Establish general regulatory guidelines defining the rights, duties and responsibilities of Franchisee and the Cable Television Commission which may be made more specific, expanded or otherwise modified to meet future regulatory needs by regulations enacted by the Commission or amendment of this Article.

5.50.502 SYSTEM OWNERSHIP. Legal and equitable title to the Cable Television System, including any and all studio facilities and production equipment provided for Community Use, the Institutional Network, and all channels of whatever kind or nature shall be vested in the Franchisee.

5.50.504 SERVICES. Within a Service Area services provided by a Franchisee through its Cable Television System upon both the Subscriber and Institutional Networks shall be offered uniformly upon non-discriminatory terms to Subscribers and users, and shall not differ based upon geographical location. The nature, extent and volume of services offered within a Proposed Service Area and, except as provided by Section 5.50.424 and 5.50.426 in Article 4-b, outside of a Service Area, may differ from those offered within an Imposed Service Area, and may differ from one Proposed Service Area to another. Each application for a franchise shall describe in detail the manner, if at all, the nature, extent or volume of services offered within Proposed Service Areas will differ from those offered within an Imposed Service Area, and the manner, if at all, the nature, extent or volume of services offered will differ from one Proposed Service Area to another.

Each application for a franchise shall contain schedules of all home educational and entertainment programming proposed to be shown on either the Subscriber Network or Institutional Network within each Service Area throughout the term of the franchise. The applications shall show for each Service Area:

- a. All Tiers of Service, Basic Service being the lowest Tier;
- b. The number of channels within each Tier of Service offered at the subscription rate applicable to the

Tier, together with an identification of the Tier placement of any channels allocated pursuant to Section 5.50.336, the second main paragraph in Section 5.50.338, and Sections 5.50.342 and 5.50.344 in Article 4-a;

- c. A description of all programming from satellite and other sources to be offered on each such channel within each Tier of Service (including program descriptions) within the times prescribed by Subparagraphs "b", "c" and "d" of Section 5.50.410 in Article 4-b;
- d. A statement of the minimum number of hours per day and week programs or types of programming described in Subparagraph "c", above, will be shown within the times prescribed by Subparagraphs "b", "c" and "d" of Section 5.50.410 in Article 4-b;
- e. A statement of the minimum number of hours per day and week each channel within each Tier of Service will contain home educational and entertainment programming which has not previously been broadcast within the Sacramento Community; and
- f. A statement of all premium services to be offered within each Tier of Service, together with program descriptions of each such service, and the minimum number of hours per day and week each such service will be available within each Tier of Service within the times prescribed by Subparagraphs "b", "c" and "d" of Section 5.50.410 in Article 4-b.

The provisions of Subparagraphs "c", "d", "e" and "f", above, shall not be applicable to channels described by Subparagraph "a-(1-5)" of Section 5.50.012 in Sub-Chapter 1.

Each application for a franchise shall also contain a description of such non-entertainment services (whether or not of an Inter-active nature) as the applicant offers to provide on either the Subscriber Network or Institutional Network within each Service Area throughout the term of the franchise. For each such service, applications shall show:

- a. The nature, scope and extent of each service;
- b. For each service, any restrictions relating to the geographical location of delivery, and the class of customer or recipient of service;
- c. Schedules of all rates and charges under which each service will be offered to customers or recipients;

- d. The names and addresses for each service of the proposed provider or providers of the service, together with a copy of the contract or other legal instrument between the Franchisee and the provider(s); and
- e. Such other information by amendment to the application as may be required during the public hearing referred to below.

During the public hearings prior to tentative selection of a Franchisee conducted pursuant to Sections 5.50.210 and 5.50.214 in Sub-Chapter 3, the Governing Bodies of the County and Municipality of Sacramento respecting the Initial CATV Franchise, and the Board of Directors of the Cable Television Commission respecting any other franchise, may, in their sole discretion, determine which, if any, such non-entertainment services shown in each application the applicant, if selected as the Franchisee, would be vested with a contractual right and duty to perform throughout the term of the franchise. Any such identification may be accompanied by such conditions as are determined to be appropriate, including, but not limited to, conditions relating to the nature and extent of service provided, the terms and conditions of provision, and opportunities for use of the Cable Television System by others, including the circumstances under which Leased Access for such purposes will be provided. Any services so identified, together with the conditions thereof, shall be prescribed in the resolution offering the franchise to the extent they appear in the application filed by the Franchisee.

5.50.506 NON-ENTERTAINMENT SERVICE RIGHTS AND DUTIES. A Franchisee's rights and duties respecting the provision of non-entertainment services (whether or not of an Inter-active nature) on either the Subscriber or Institutional Networks during the term of the franchise shall be as follows:

- a. A Franchisee shall be authorized, but not vested with a contractual right or duty, to provide services which either: (i) have been identified in its application but have not been prescribed by the resolution offering the franchise; or (ii) have not been described, specified or identified either in the application or resolution offering the franchise. The authorization shall be subject to modification through regulation or revocation (by prohibiting the service) pursuant to Section 5.50.508, below.
- b. A Franchisee shall be vested with a contractual right and duty to provide services prescribed by the resolution offering the franchise during the entire term of the franchise. Such services shall be provided in compliance with all conditions prescribed by the resolution. Pursuant to Section

5.50.508, below, such services may be regulated and the conditions applicable thereto set forth in the resolution may be modified or expanded; provided that no such service shall be prohibited.

A Franchisee providing a non-entertainment service or desiring to offer or provide such a non-entertainment service which has not been identified in the resolution offering the franchise (whether or not the service has been described in the Franchisee's application) may, at any time during the term of the franchise, file with the Clerk of the Board of Directors of the Cable Television Commission a written request for approval of the vesting thereof. The written request for approval shall contain such information as is required by the Board of Directors of the Commission. Not later than thirty (30) calendar days following the date of filing of the request for approval, the Board of Directors of the Commission shall commence a public hearing thereon, notice of which is given in the manner prescribed by Section 5.50.024 in Sub-Chapter 1. At the conclusion of the public hearing, the Board of Directors of the Commission may, in its sole discretion, either approve or disapprove the proposed service. If the service is approved, the approval may be granted upon such conditions as are described by the last paragraph in Section 5.50.504, above. A Franchisee, from and after the date of such approval, shall be vested with a contractual right and duty to provide such a service subject to the following limitations. The service shall be provided in compliance with all conditions prescribed by the approval. Pursuant to Section 5.50.508, below, such service may be regulated and the conditions set forth in the approval may be modified or expanded, but no such service may be prohibited.

5.50.508 REGULATION OF NON-ENTERTAINMENT SERVICES. No non-entertainment service (whether or not of an Inter-active nature) provided through the Cable Television System shall be provided or operated in a manner which is detrimental to the public peace, health, safety or welfare.

The Board of Directors of the Cable Television Commission may, from time to time during the term of a franchise, after public hearings notice of which is given in the manner prescribed by Section 5.50.024 in Sub-Chapter 1, exercise the following powers:

- a. Prohibit or adopt rules or regulations governing the provision or manner of operation or provision of a non-entertainment service which either has been described by the application for the franchise but not identified in the resolution offering the franchise or which has not been described, identified or specified either in the application or resolution offering the franchise, and which has not been approved pursuant to the last paragraph in Section 5.50.506, above;

- b. Adopt rules or regulations governing, or modifying or adding conditions relating to, the provision or manner of operation or provision of a non-entertainment service which has either been identified by the resolution offering the franchise or approved pursuant to the last paragraph in Section 5.50.506, above; or
- c. Adopt regulations relating to opportunities for use of the Cable Television System by others, in relation to a specific non-entertainment service provided by the Franchisee, including the circumstances under which Leased Access for such purposes will be provided.

A Franchisee shall comply with any such conditions, rules or regulations; provided that with respect to any service identified by the resolution offering the franchise or approved pursuant to the last paragraph in Section 5.50.506, above, a Franchisee shall be authorized to terminate the service in lieu of complying with conditions, rules or regulations applicable thereto adopted pursuant to this Section.

The powers of the Board of Directors of the Commission under this Section are coextensive with those which are authorized by laws of the State of California or United States and with those defined by the police power expressed by Article XI, Section 7 of the California Constitution. A Franchisee shall not in relation to this Section be deemed to have contractually or otherwise waived any constitutional right which would otherwise be applicable to a franchised cable television operator.

5.50.510 EDUCATIONAL AND ENTERTAINMENT SERVICES. Subject to the provisions of this Section and the authority reserved by Section 5.50.512, below, a Franchisee shall be deemed to be vested with a contractual right and duty to provide those home educational and entertainment services identified in its application.

It is understood that with respect to home educational and entertainment programming on either the Subscriber or Institutional Networks, Tier arrangements, premium services, and program selection and content which a Franchisee has elected to propose in its application are among the material factors which are considered in selecting the Franchisee. The hierarchy of programming arranged within Tiers of Service and placement of premium programs therein as shown by the application, cost relationships between Tiers of Service (other than Basic Service) to the extent an operator includes such rates in its application, and number of channels within Tiers and programming thereon also constitute material factors considered in selection.

It is also understood that changing circumstances, including marketing strategy, program availability and other factors, will require that programming identified in the Franchisee's application pursuant to Section 5.50.504, above, will be changed from

time to time during the term of the franchise.

Therefore, a Franchisee shall be authorized to alter the allocation of channels to Tiers of Service and home educational and entertainment programming from time to time during the term of the franchise from that identified in its application and provided at the times defined by Subparagraphs "b", "c" and "d" of Section 5.50.410 in Article 4-b; provided that no such change shall materially reduce or eliminate programming of the nature, extent, volume or quality identified in the application or provided at the above times or materially alter the hierarchy of program relationships identified by the application or provided at the above times. A Franchisee shall be authorized to move particular premium services from one Tier of Service to another during the term of a franchise if with respect to a specifically identified premium service, the application clearly shows that the Franchisee has placed the premium service in a particular Tier only for purposes of illustration, and reserves the right, in its sole discretion, to place the premium service in any Tier which it elects from time to time during the term of the franchise.

If at any time the Board of Directors of the Cable Television Commission asserts that a Franchisee has violated the provisions of this Section it shall be authorized to mail to the Franchisee written notice of its demand for arbitration. The notice shall specify the particulars underlying the Board's assertions.

If arbitration is requested, the arbitration panel shall be selected, the hearing scheduled within the time prescribed, notice given, the hearing conducted, decision made and costs divided in the manner prescribed by Sections 5.50.830 through 5.50.840, inclusive, in Article 5-b of Sub-Chapter 5. The discovery provisions of the California Arbitration Act (Code of Civil Procedure, Section 1280 et seq.) shall be applicable to arbitration proceedings under this Section. The questions which may be submitted to the arbitration panel and jurisdiction of the arbitration panel shall be limited to the following:

- a. The interpretation of the provisions of the Franchise Documents solely in relation to the decision required by Subparagraph "b", below;
- b. Determination of whether the Franchisee has materially reduced or eliminated programming of the nature, extent, volume or quality identified in its application or provided at the times defined by Subparagraphs "b", "c" or "d" of Section 5.50.410 in Article 4-b, or materially altered the programming relationships between Tiers of Service identified by the application or provided at the above times; and

- c. In the event of an affirmative determination under Subparagraph "b", above, the remedy, which may include, but is not limited to, the re-allocation of channels among Tiers of Service, the re-allocation of programming among Tiers of Service, increases of particular types of programming or reinstatement of terminated programming.

The arbitration award may be judicially enforced, shall be final, binding and conclusive upon the parties and shall not be subject to judicial review or vacation except on grounds set forth in Section 1286.2 of the Code of Civil Procedure.

5.50.512 REGULATION OF EDUCATIONAL AND ENTERTAINMENT SERVICES. No home educational or entertainment service provided through a Cable Television System, shall be provided or operated in a manner which is detrimental to the public peace, health, safety or welfare. The provisions of this Section shall not be self-executing, shall not be deemed to authorize the Cable Television Commission or any other public authority to establish bans upon services in advance of the offering thereof, and may be invoked solely pursuant to the following procedure.

If the Board of Directors of the Cable Television Commission determines that there is reason to believe that a particular service provided through a Cable Television System is of a type or is otherwise provided in a manner which is detrimental to the public peace, health, safety or welfare, the Board shall schedule a public hearing. Written notice identifying the service or services or method of provision subject to the determination shall be mailed to the Franchisee not later than thirty (30) days in advance of the hearing. Notice of the hearing shall be given in the manner prescribed by Section 5.50.024 in Sub-Chapter 1. If at the conclusion of the public hearing, the Board determines that a service is being provided of a type or in a manner which is detrimental to the public peace, health, safety or welfare, the Board may enact regulations which prohibit the services or otherwise regulate the manner of the provision thereof, as the case may be, and may enforce the regulation by appropriate action in the courts of this state.

The powers of the Board of Directors of the Commission under this Section are coextensive with those which are authorized by laws of the State of California or United States and with those defined by the police power expressed by Article XI, Section 7 of the California Constitution. A Franchisee shall not in relation to this Section be deemed to have contractually or otherwise waived any constitutional right which would otherwise be applicable to a franchised cable television operator.

5.50.514 SUBSCRIBER ANTENNAS. No Franchisee shall remove or offer to remove any potential or existing Subscriber antenna, or

provide any inducement for removal as a condition respecton the provision of service.

5.50.516 ANTI-COMPETITIVE PRACTICES. No franchise issued pursuant to the provisions of this Chapter shall be deemed to expressly or impliedly authorize the Franchisee to utilize its Cable Television System to provide any service in such a manner as to unlawfully damage any business competitor or other third party or violate any statutes or regulations of the Unites States or State of California. Nor shall any Franchisee, by act or omission, engage in any anti-competitive practice in violation of any statutes or regulations of the United States or State of California. The provisions of this Section shall be enforceable in courts of competent jurisdiction against a Franchisee by any party who alleges injury as a result of an alleged violation thereof.

Each Franchisee shall hold harmless, indemnify and defend the County, Cities and Cable Television Commission, and their officers, agents and employees from and against any and all suits, claims and liability for damages, penalties, fines, or other relief arising out of, resulting from or in any manner relating to any act or omission by the Franchisee the allegation of which would constitute a violation of the provisions of this Section.

5.50.518 POST FRANCHISE SERVICE. In the event the Cable Television Commission fails to renew a franchise, a franchise is cancelled in advance of the expiration of its term, or a new operator succeeds to the franchise by assignment or otherwise, the preceding Franchisee shall, without compensation, cooperate with the Cable Television Commission, new operator or new Franchisee in maintaining continuity of service to all Subscribers and Users. Such cooperation shall include, but not be limited to, making records available for inpsection and review, the provision of advice and other assistance as requested.

Upon written notice mailed by the Commission to the Franchisee for the purpose of insuring continuity of service to Subscribers and Users, a Franchisee, without compensation or other special consideration, shall operate the Cable Television System during the period subsequent to the termination of the franchise and shall repair and maintain the System, conduct the business associated with operation of the System, and provide uninterrupted services during the post franchise period during such time as is requested by the Commission pursuant to the terms and conditions of the Franchise Documents for the franchise which has expired or terminated. During such period, the Franchisee shall be entitled to revenues, profits and shall be solely responsible for any operating losses; provided that franchise fees prescribed pursuant to Article 4-d shall be payable during said period.

5.50.520 AUDIO AND VIDEO QUALITY. Each Franchisee shall furnish to its Subscribers, Users and other customers all services through a Cable Television System at the best possible signals available under the circumstances existing at the time, to the satisfaction of the Cable Television Commission, and shall provide quality reception of Basic Service and other services described pursuant to Section 5.50.504, above, to each Subscriber so that both sound and picture are produced free from visible and audible distortion and ghost images on standard television receivers in good repair.

No Franchisee shall permit its Cable Television System to interfere with television reception of persons not served by the Franchisee. Nor shall any System interfere with, obstruct or hinder in any manner, the operation of the various utilities serving the Sacramento Community.

5.50.522 CONTINUITY OF QUALITY. Each Franchisee shall continue throughout the term of the franchise to maintain the technical standards and quality of service set forth in the Franchise Documents for that franchise.

5.50.524 MAINTENANCE AND REPAIR. During the term of each Franchise, the Franchisee shall maintain its Cable Television System in good condition and repair, render efficient service, make repairs promptly, and interrupt service only for good cause and for the shortest time possible.

5.50.526 OFFICE - SERVICE. Each Franchisee shall maintain at least one business office and repair center within the Sacramento Community. The business office shall be open at least during the hours of 9:00 a.m., through 5:00 p.m., Mondays through Fridays, excepting legal holidays. Staffing shall be maintained to provide repair services at least during the hours 9:00 a.m., through 5:00 p.m., seven (7) days a week, legal holidays other than Saturdays and Sundays excepted. Capacity shall be maintained to receive and record service calls for maintenance and repairs seven (7) days per week, twenty-four hours per day, including legal holidays.

The business office and repair center shall be reachable by local toll-free telephone, and the telephone number or numbers shall be listed in all directories published by all telephone companies containing telephone numbers within the Sacramento Community.

Each Franchisee shall promptly respond to, investigate and resolve complaints. Necessary maintenance or repairs shall be made expeditiously, permitting as little interruption of service as possible. No direct charge shall be made to subscribers for service calls or for repairs which do not result from damage caused by subscribers.

5.50.528 CONTINUITY OF SERVICE. Each Franchisee shall take such affirmative action as is necessary in order to avoid interruptions of services and minimize unavoidable interruptions of services.

- a. If during the term of the franchise, the Franchisee determines that it is necessary to significantly interrupt receipt by some or all subscribers or users of services as a result of the need to undertake major repairs or extend, expand, modify or otherwise improve the Cable Television System, such work shall be planned, designed and scheduled in such a manner as to avoid continuous interruption of service to the maximum extent possible, keep prolonged interruption to a minimum, and restrict interruptions to periods of least viewing intensity. Plans for such interruptions of service shall be subject to approval of the Cable Television Commission in advance of implementation.
- b. The Board of Directors of the Cable Television Commission shall be authorized to enact, and a Franchisee shall comply with, rules which excuse subscribers from the payment of rates to a Franchisee for services provided through a Cable Television System during periods transmission or receipt of signals for such services is interrupted as a result of defects in, malfunctions of, periods required for repair of or periods required for expansion, modernization or improvement of the Cable Television System, or any part or portion thereof.

5.50.530 RECORDS. Each Franchisee shall maintain for a period of five (5) years and make available for inspection and copying by authorized representatives of the Cable Television Commission, the following:

- a. A permanent service log which shows the name and address of each person requesting maintenance or repair service, the nature of the service requested, the date and time the request was received, and the disposition (including the date on which repair was made or the request otherwise resolved, and method of resolution);
- b. A permanent record of each request for subscription to Basic Service, including the name and address of the person making the request, and the date of the request;
- c. A permanent record of each written complaint received by the Franchisee pursuant to the provisions of

Section 5.50.540, below, together with the name and address of the complainant, the nature of the complaint, and the dates and descriptions of any and all investigatory, corrective or other actions taken as a result thereof.

5.50.532 REPORTING. During the term of any franchise issued pursuant to the provisions of this Chapter, each Franchisee shall, not less frequently than annually, file a written report with the Clerk of the Board of Directors of the Cable Television Commission. The report shall be filed not later than forty-five (45) calendar days after the end of the Franchisee's fiscal year. The report shall include the following:

- a. A summary of the activities of the Franchisee during its previous fiscal year in the development and operation of the Cable Television System, including, but not limited to: a description of all services provided through the Cable Television System as of the conclusion of the fiscal year; a description of all such services which were added or terminated during the fiscal year; a statement of the number of subscribers by category of services rendered as of the end of the fiscal year; and a summary of the facilities, channels and resources made available during the fiscal year for Community Use, including a list of the persons and organizations which have produced, sponsored and broadcast programming upon Community Use Channels, a description of the types of programming provided through such Channels, and any recommendations by the Franchisee for improvement in Community Use;
- b. A specific and detailed description of all components, elements and extensions of the Cable Television System which have been installed during the Franchisee's previous fiscal year, showing the locations of all such installations, and including copies of plans, specifications and drawings showing the components, elements and extensions as installed;
- c. A statement showing the Franchisee's investments in property within the Sacramento Community during the Franchisee's previous fiscal year, including an identification of all real property or interests therein within the Sacramento Community acquired or transferred by the Franchisee and the amounts which the Franchisee paid for the acquisition of said property or interests, a description of all

buildings or other improvements which the Franchisee constructed upon or added to real property within the Sacramento Community together with the cost of such construction or additions, and an itemization by component category of all costs of components, elements and extensions of the Cable Television System;

- d. An audited statement signed by a public or certified public accountant of all income received by the Franchisee during its previous fiscal year, including an itemization of all services provided through the Cable Television System, the unit or regular rates or charges for such services, and the amount of income received attributable to each service, and all other income from whatever sources, including an identification of each source and the amount of income attributable thereto; and
- e. Audited financial statements for the Franchisee's previous fiscal year signed by a public or certified public accountant, including a balance sheet and profit and loss statement.

A Franchisee shall prepare and furnish to the Board of Directors of the Cable Television Commission, at the times and in the form prescribed by the Board, such other reports with respect to its operations, affairs, transactions, or property, as the Board may deem necessary or appropriate to the performance of its functions.

5.50.534 DISCRIMINATION IN SERVICE PROHIBITED. No Franchisee shall deny service, deny access or otherwise discriminate against Subscribers, channel users or general citizens on the basis of race, color, religion, national origin or sex.

It shall be the right of all Subscribers, subject only to the payment of lawful rates and reasonable terms and conditions established by a Franchisee or the Board of Directors of the Cable Television Commission, to receive and continue to receive services. Initial subscription to service shall not be denied to any person on the basis of the person's credit rating or for other reasons relating to economic condition.

5.50.536 FRANCHISEE'S RULES. Each Franchisee shall have authority to promulgate rules and conditions governing the conduct of its business. No such rules or conditions shall conflict with the Franchise Documents applicable to the franchise, the provisions of Federal or State statutes or regulations, or County or Cities' ordinances.

Such rules or conditions shall be reasonable and subject to approval as to reasonableness by the Board of Directors of the Cable Television Commission, after public hearings, notice of which has been given in the manner prescribed by Section 5.50.024 in Sub-Chapter 1, above, and shall not conflict with Rules and Regulations enacted by the Board of Directors of the Commission.

5.50.538 **PRIVACY.** Each Franchisee, and its officers, agents, employees, contractors and sub-contractors, shall respect, refrain from invading, and take affirmative action to prevent violation of the privacy of subscribers served by the Cable Television System and others.

- a. Neither the Franchisee nor any other person, agency, or entity shall tap, or arrange for the tapping or monitoring of any cable, line, signal input device, or subscriber outlet or receiver for any purpose whatsoever, except that the Franchisee may conduct tests of the functioning of the System where necessary in order to ensure proper maintenance of the System and to collect performance data for agencies regulating the quality of signals, and the Franchisee may conduct System-wide or individually addressed "sweeps" for the sole purpose of verifying System integrity (including individual security system integrity), controlling return path transmissions, billing for pay services, or collecting aggregate data on viewing patterns by channel. "Tapping" shall mean observing a communications signal exchange where the observer is neither of the communicating parties, whether the exchange is observed by visual, aural or electronic means, for any purpose whatsoever. The provision of Inter-Active Services shall not be construed to be "tapping" or "monitoring" under this sub-paragraph.
- b. The Franchisee shall not place in any private residence or in any institution any equipment capable of two-way communications without the written consent of the Subscriber, and shall not utilize the two-way communications capability of the System for Subscriber surveillance of any kind without the written consent of the Subscriber specifying how the data collected will be used and by whom. Tenants who occupy premises connected by the System shall be deemed to be Subscribers within the meaning of this sub-paragraph regardless of who actually pays for the service. The written consents shall be, and shall show on their face that they are, revocable by the Subscriber at any time by written communication mailed by the Subscriber to the Franchisee. No penalty shall be invoked for a Subscriber's failure to provide a

written consent or for his or her revocation thereof, and all written consents shall so state on their face. The Franchisee shall not make such written consent a condition precedent to receipt by a Subscriber of non-interactive service. The provisions of this subparagraph shall not be deemed to require consent as a condition precedent to System-wide or individually addressed "sweeps" for the sole purpose of verifying System integrity, controlling return-path transmissions, billing for pay services, or collecting aggregate data on viewing patterns by channel.

- c. No cable, line, wire, amplifier, convertor, or other piece of equipment associated with Cable Television System services shall be attached to any residence or other property of a citizen (except within Streets) without first securing the written permission of the owner or tenant of the property. If such permission is later revoked, whether by the original or a subsequent owner or tenant, the Franchisee shall remove forthwith all of the equipment and promptly restore the property to its original condition. The Franchisee shall perform all installations in a workmanlike manner and shall be responsible for any damage to residences or other property caused by the installation.
- d. No Franchisee or officer, agent or employee thereof shall sell, or otherwise make available, lists of the names and addresses of its subscribers, or any list which identifies, by name or otherwise individual subscriber viewing habits, to any person, agency, or entity for any purpose whatsoever; except that the Franchisee shall, upon request, provide lists of names and addresses of its subscribers to authorized representatives of the Cable Television Commission when the Board of Directors of the Commission deems such information necessary for performance of the regulatory functions of the Commission. Names and addresses of Subscribers within the possession of the Commission shall not be subject to public inspection or review.
- e. A Franchisee may release the number of Subscribers but only as a total number and as a percentage of the potential Subscribers within the Franchise Area. When indicating the number of Subscribers viewing a particular channel, a Franchisee shall indicate only the total number of Subscribers viewing during the relevant time and, the percentage of all Subscribers which they represent, but not the identity of any Subscriber.

- f. No polls or other two-way responses of Subscribers shall be conducted whether for commercial purposes, in connection with Community use, or otherwise unless the program of which the poll is a part contains an explicit disclosure of the nature, purpose, and prospective use of the results of the poll. The Franchisee shall supervise and monitor all polls in which responses are received through the Cable Television System, and shall adopt and enforce measures which ensure that personally identifiable information concerning a Subscriber, including his or her viewing habits and response or responses to the inquiry or inquiries, is not received by any third party, including the party sponsoring the poll.
- g. A Franchisee shall not tabulate any test results, nor permit the use of the System for such tabulation, which would reveal the commercial product preferences or opinions of individual Subscribers, members of their families or their invitees, licensees or employees, without advance written authorization by the Subscriber.

5.50.540 COMPLAINTS. The Cable Television Commission and each Franchisee shall separately designate representatives whose responsibility it is to receive and investigate complaints relating to violations of the Franchise Documents.

As Subscribers are connected or re-connected to a Cable Television System and at least annually as respects continuing subscriptions each Franchisee shall by appropriate means, such as card or brochure, furnish information concerning the opportunity to make complaints, including the names, addresses and telephone numbers of the representatives designated by the Franchisee and Commission.

Each Franchisee shall make available for inspection and copying, all records relating to complaints, and make such other information available to the Commission's representative as necessary to permit a complete investigation of complaints by the representative.

5.50.542 EVALUATION SESSIONS. Upon request by either a Franchisee or the Cable Television Commission and, in any event, not less frequently than thirty (30) calendar days following the third, sixth, ninth and twelfth years' anniversary dates following the date of filing of the certificate of acceptance of each franchise, the Franchisee and the Commission shall conduct evaluation sessions. The evaluation sessions shall be conducted during public hearings held by the Board of Directors or an advisory or other committee appointed by the Board of Directors of the Commission, notice of which has been given in the manner

prescribed by Section 5.50.024 in Sub-chapter 1, above. Topics discussed at such sessions may include service rate structures, franchise fees, free and discounted services, application of new technologies, System performance, services provided, programming offered, customers complaints, privacy of Franchisee or Commission rules and regulations; and shall include any topic which the Franchisee, the Commission or members of the public request be discussed.

5.50.544 STANDARDS FOR SYSTEM QUALITY. After public hearings notice of which is given in the manner prescribed by Section 5.50.024 in Sub-Chapter 1, the Board of Directors of the Cable Television Commission shall, from time to time, be authorized to enact technical standards applicable to the operation, maintenance, repair, replacement or functioning of a Cable Television System for the purpose of improving or maintaining quality of video or audio signals, freedom from interference, reliability of service delivery, or other similar types of functional characteristics of the System. Each Franchisee shall take such actions as are necessary to comply with such standards, and the failure to do so shall constitute a material violation and breach of the Franchise Documents.

5.50.546 TESTING AND IMPROVEMENT OF SYSTEM. When the Board of Directors of the Cable Television Commission finds that complaints from Subscribers or other factors cast doubt upon the reliability or quality of service, the Board of Directors shall have the right to order a Franchisee to test, analyze and report upon the performance of the Cable Television System. Such tests shall be conducted at the sole expense of the Franchisee. The Board of Directors may require that the tests be supervised by an engineer selected by the Board and compensated by the Franchisee who signs all test records and provides an independent report or advice to the Board. Within forty-five (45) calendar days following the date on which an order requiring the tests is mailed to the Franchisee, the Franchisee shall file with the Clerk of the Board of Directors a report which identifies the System component or components tested, describes the equipment used and procedures employed in testing, and explains the nature, extent and cost of feasible alternative methods of correcting any deficiencies revealed.

If after a public hearing notice of which has been given in the manner prescribed by Section 5.50.024 in Sub-Chapter 1, above, the Board of Directors of the Commission finds that a Franchisee has failed to comply with or maintain the technical standards or quality of service prescribed pursuant to Section 5.50.544, above, or otherwise set forth in the Franchise Documents for that franchise, the Board of Directors may order the Franchisee to make specifically enumerated repairs of or improvements in the System or changes in the maintenance, repair or operation of the System. The Franchisee shall complete such

repairs or improvements within a reasonable time, and, in any event, not later than six (6) months following the date on which the order requiring repair or improvement is mailed to the Franchisee.

5.50.548 AFFIRMATIVE ACTION. No Franchisee shall discriminate in employment or selection of contractors or sub-contractors on the basis of race, color, religion, national origin or sex (including marital status). Each Franchisee shall strictly comply with the Equal Employment Opportunity Regulations promulgated by the FCC, and all applicable Federal and State statutes and regulations and ordinances of the County and Cities. Each Franchisee shall establish as objectives the employment of a work force based upon merit and achievement of a racial balance within its work force consistent with that which pertains within the residential population of the Sacramento Community.

5.50.550 COMMUNITY USE. Whether or not a Franchisee has proposed Community Use Programming pursuant to the provisions of Sections 5.50.332 through 5.50.340 in Article 4-a, a Franchisee shall make studio facilities, channel capacity, and viewing time available for Community Use Programming without charge, and personnel resources, materials and supplies, and other resources available at charges which do not exceed actual cost for the planning, production and broadcast for such Programming.

The Board of Directors of the Cable Television Commission shall be empowered to enter into contracts with the Franchisee, an independent body established to oversee Community Use Programming pursuant to Subparagraph "b" of Section 5.50.334, or community organizations or entities, public agencies or others which provide for or for the promotion of Community Use Programming or the funding by the Commission of the costs thereof.

The obligations imposed upon a Franchisee by the provisions of this Section are independent of and in addition to any which the Franchisee may assume pursuant to the provisions of Sections 5.50.332 through 5.50.340 in Article 4-a.

5.50.552 COMMISSION POWERS. Except as otherwise expressly provided in this Chapter, the Board of Directors of the Cable Television Commission shall be authorized to regulate all Cable Television System operations and services provided by a Franchisee for the purpose of promoting and protecting the public convenience, health, safety and welfare. The Board of Directors of the Commission may exercise regulatory powers conferred herein by the enactment, from time to time, of rules and regulations, after a public hearing by the Board or an advisory committee appointed by the Board, notice of which is given in the manner prescribed by Section 5.50.024 in Sub-Chapter 1, above. The rule making powers of the Board of Directors shall include, but not be

limited to, the authority to interpret, clarify, make specific and apply the provisions of Section 5.50.500 through this Section, inclusive, and to enact rules and regulations which impose specific duties or prohibitions for the purpose of implementing the duties, responsibilities and restrictions set forth in said Sections. Each Franchisee shall comply with all such rules and regulations.

ARTICLE 4-d

FRANCHISE FEES - RATES

5.50.600 FRANCHISE FEES. For the use of the Streets and for the purposes of providing revenue with which to defray the costs of regulation arising out of issuance of franchises under this Chapter and promoting, assisting and financing Community Use Programming and other cable services of a public character, each Franchisee shall pay franchise fees in the amount prescribed by Section 5.50.602, below. Each Franchisee shall cooperate with the Cable Television Commission in filing with the FCC and supporting a waiver request permitting payment of the amount prescribed by Section 5.50.602, below.

5.50.602 AMOUNT AND PAYMENT OF FRANCHISE FEES. During the term of each franchise, each Franchisee shall pay to the Cable Television Commission an amount equal to five (5%) percent per year of the Franchisee's annual Gross Revenues.

Said fees shall be paid quarterly not later than August 1, November 1, February 1, and May 1 for the preceding three month period ending, respectively, June 30, September 30, December 31, and March 31. Not later than the date of each payment, each Franchisee shall file with the Clerk of the Board of Directors of the Cable Television Commission and with the Governing Bodies of the County and Cities a written statement signed under penalty of perjury by an officer of the Franchisee which identifies in detail the sources and amounts of Gross Revenues received by a Franchisee 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 Commission may have for further or additional sums payable under the provisions of this Section.

5.50.604 MINIMUM ADVANCE PAYMENT. From and after the date of filing of a certificate of acceptance of a franchise pursuant to the provisions of Section 5.50.220 in Sub-Chapter 3, above, the Franchisee shall pay to the Cable Television Commission an annual amount equal to the lesser of the following: (i) one hundred twenty (120%) percent times each annual budget of the Commission; or (ii) a minimum annual amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000). Said annual amount shall be paid by the Franchisee in equal quarterly installments (prorated for the first quarter if a franchise is issued in the middle of a quarter) at the times and for the periods prescribed by Section 5.50.602, above. At the commencement of the first full fiscal year following issuance of a franchise and at the commencement of each fiscal year thereafter, said minimum annual amount of Three Hundred Twenty-Five Thousand

Dollars (\$325,000) shall be increased by a percentage equal to the annual percentage increase in the Consumer Price Index for all urban consumers published by the United States Department of Labor for the San Francisco-Oakland Bay Area for the twelve month period ending June 30 immediately preceding the commencement of the fiscal year for which adjustment is to be made.

At such time as annual franchise fees due to the Commission pursuant to the provisions of Section 5.50.602, above, shall exceed the annual sum payable under this Section, the amounts previously paid to the Commission pursuant to the provisions of this Section which have exceeded annual amounts otherwise owing under Section 5.50.602, above, shall be credited against the franchise fee in an amount not to exceed twenty (20%) percent of the total franchise fee payment each year until the entire amount advanced to the Commission is accounted for; provided that in no event shall such credits be used to reduce actual payments to the Commission below the minimum amount specified above; provided further that at no time during the term of a franchise shall the amount payable by a Franchisee be lower than prescribed by this Section; and provided further, that in no event shall the Commission, County or Cities become or be liable to the Franchisee for payments made pursuant to the provisions of this Section.

The purpose of this Section is to provide operating capital with which to defray the costs of regulation and other operations incurred by the Cable Television Commission, County and Cities during any period in which the Franchisee's Gross Revenues are too low to provide adequate funds from franchise fees to finance such functions.

5.50.606 FUTURE LAWS. Neither the County nor Cities have or expect in the foreseeable future to receive sufficient funds with which to defray the costs of administering and regulating cable television franchises within the Sacramento Community. The ability to finance such costs through franchise fees pursuant to the provisions of Sections 5.50.602 and 5.50.604, above, constitutes a material inducement to initiate a cable television program within the Sacramento Community, because neither the County nor Cities would be willing to reduce or eliminate other public programs in order to make public funds available with which to defray the costs of administering and regulating the cable television program.

Therefore, should any future law or regulation limit or prevent the Cable Television Commission from imposing a franchise fee in the amount provided for herein, each Franchisee shall nevertheless pay to the Commission the same amounts at the same times as are prescribed by Sections 5.50.602 and 5.50.604, above. Each Franchisee shall make a good faith effort to obtain any possible waiver or permission to pay the full amounts pro-

vided for herein, and, to the extent such future law or regulation permits a Franchisee discretion to make the limitation or prohibition applicable or inapplicable, each Franchisee shall elect to make the limitation or prohibition inapplicable.

The failure of the Commission to receive the fees prescribed by this Article shall be deemed to constitute a substantial and material failure to comply with the Franchise Documents within the meaning of Section 5.50.050 in Sub-Chapter 1, above.

5.50.608 AUDITING AND FINANCIAL RECORDS. The Auditor of the Cable Television Commission may, from time-to-time during the term of a franchise prescribe standards governing the nature, extent and type of accounting system and accounting procedures utilized by a Franchisee and require changes in accounting standards or procedures utilized by a Franchisee, for the purpose of promoting the efficient administration of the franchise pursuant to the provisions of this Chapter. Any such standards shall be in writing, shall be filed with the Clerk of the Board of Directors of the Commission, and shall be mailed to the Franchisee to whom directed. A Franchisee shall promptly comply with all such standards.

During the term of each franchise, the Cable Television Commission may, not more frequently than once each year, conduct an audit of the books, records and accounts of the Franchisee for the purpose of determining whether the Franchisee has paid franchisee fees in the amounts prescribed by Section 5.50.602, above. The audit may be conducted by the Auditor of the Commission or by an independent certified public accounting firm retained by the Commission, and shall be conducted at the sole expense of the Commission. The party conducting the audit shall prepare a written report containing its findings, and the report shall be filed with the Clerk of the Board of Directors of the Commission, and mailed to the County, Cities and Franchisee. Notwithstanding the foregoing, the Commission shall conduct such an audit at any time, if requested to do so by the Governing Body of the County or any of the Cities. The cost of such an audit so requested shall be borne by and at the sole expense of the County or any of the Cities making the request, and the cost shall be paid within thirty (30) calendar days following receipt of billing therefore by the Commission. The report of the audit shall be filed and mailed as prescribed above.

At any time during the term of a franchise, the Cable Television Commission may, through its Auditor or a certified public accounting firm which it retains, and at its sole expense, conduct an audit of the books, records and accounts of the Franchisee for the purpose of identifying any information which the Board of Directors of the Commission deems necessary to obtain for the purpose of administering the franchise under the

provisions of this Chapter. A written report of such audit shall be filed with the Clerk of the Board Directors of the Commission; and mailed to the County, Cities and Franchisee. The Franchisee shall comply with any recommendations or directives set forth in such report respecting changes in its accounting system.

Each Franchisee shall make available for inspection by authorized representatives of the Cable Television Commission, its books accounts, and all other financial records at reasonable times and upon reasonable advance notice for the purpose of permitting exercise of the authorities conferred by this Section.

5.50.610 DELINQUENT FEES - LIMITATIONS - DAMAGES. The period of limitation for recovery of any franchise fees payable pursuant to the provisions of Sections 5.50.602 or 5.50.604, above, shall be five years from the date on which payment by the Franchisee is due. Unless within five years from said date, the Cable Television Commission initiates recovery pursuant to the provisions of Section 5.50.612, below, recovery shall be barred. Delinquent franchise fees shall bear interest at an annual rate equivalent to that Federal Reserve Discount Rate on advances to member banks in effect on January 2, April 1, July 1, and October 1 for the succeeding quarter of delinquency. The interest shall be compounded quarterly, at the end of each quarter. In addition to interest as above prescribed, a ten (10%) percent per annum penalty shall be paid on all delinquent franchisee fees in recognition of the fact that fluctuating interest rates on borrowed funds makes it impossible to establish a reliable interest rate standard as a measure of damage for delinquency in the payment of franchise fees, and other elements of damage resulting from delinquency, such as the inadequacy of revenue with which to adequately administer and enforce the franchise, arising out of such delinquency are subjective and impossible to estimate.

5.50.612 DELINQUENT FEES - ARBITRATION. In the event a Franchisee fails to pay franchise fees pursuant to Sections 5.50.602 or 5.50.604, above, or the Board of Directors of the Commission determines that a Franchisee has paid franchise fees in a lower amount or amounts than prescribed, written notice thereof shall be mailed to the Franchisee. The notice shall show the basis for the determination that fees are owing, and the amount thereof, if known, and may show the amount of interest and penalties accumulated to date.

Within thirty (30) calendar days following the date of mailing of such notice, the Franchisee may pay any amount stated in the notice, plus interest and penalties, without protest. Any payment made without accompaniment of a written statement of protest shall be deemed to have been made without protest, and shall constitute a waiver of the right to request arbitration or other relief respecting any and all amounts so paid.

Within thirty (30) calendar days following the date of mailing of such notice, the Franchisee may, alternatively, file a written request for arbitration with the Clerk of the Board of Directors of the Commission objecting to payment, and specifically identifying why objection is made and wherein the Franchisee disagrees with the determination. At the time of filing such a request for arbitration, the Franchisee may deposit with the Commission, under protest, any amount, including interest and penalties, which the Franchisee estimates to be in dispute. Any such deposit shall be accompanied by a written statement by the Franchisee stating that the amount deposited is pursuant to protest and a request for arbitration. From and after the date of any such deposit, interest and penalties as prescribed by Section 5.50.610, above, on the amount deposited shall terminate, and no such interest or penalties on such amount shall accrue subsequent to the date of deposit. In the event it is finally determined that the whole or any portion of an amount so deposited under protest was not owing by the Franchisee, such amount, without interest, shall be credited against and reduce the amount of franchise fees which become owing by the Franchisee subsequent to the date of such final determination; provided that no such future payment shall be reduced as such a credit by an amount greater than ten (10%) per cent of the franchise fee payment otherwise owing; and provided further, that in no event shall the Commission, County or Cities become or be liable to the Franchisee for reimbursement of any portion of an amount so deposited under protest except as a credit against any future franchise fees which become owing.

If the notice to the Franchisee by the Commission shows the amount of franchise fees owing, including interest and penalties, the Board's determination shall become final and conclusive, not subject to judicial review or reversal by any authority and judicially enforceable, unless the Franchisee requests arbitration within the time and in the manner prescribed above.

If the Franchisee fails to either pay the franchise fees without protest or request arbitration and if the notice by the Commission does not specify the amount of franchise fees, including interest and penalties, owing, or if the Franchisee pays an amount without protest and the Board of Directors of the Commission disagrees that the amount paid is the amount owing, the Board of Directors, at its sole discretion, may request arbitration by mailing written notice of its election to arbitrate to the Franchisee.

If arbitration is requested, the arbitration panel shall be selected, the hearing scheduled within the time prescribed, notice given, the hearing conducted, decision made and costs divided in the manner prescribed by Sections 5.50.830 through 5.50.840, inclusive of Article 5-b of Sub-Chapter 5 below. The discovery provisions of the California Arbitration Act (Code

of Civil Procedure, Section 1280 et seq.) shall be applicable to arbitration proceedings under this Section. The questions which may be submitted to the arbitration panel and jurisdiction of the arbitration panel shall be limited to the following:

a. The interpretation of the provisions of the Franchise Documents solely in relation to the decision required by Subparagraph "b", below, and

b. The amount, if any, owing by the Franchisee.

The Franchisee shall immediately pay any amount determined to be owing by the arbitration panel. The arbitration award may be judicially enforced, shall be final, binding and conclusive upon the parties and shall not be subject to judicial review or vacation except on grounds set forth in Section 1286.2 of the Code of Civil Procedure.

5.50.614 INCREASE IN FRANCHISEE FEES - ARBITRATION. The amount of the franchise fees prescribed by Section 5.50.602, above, has been established pursuant to limitations set forth in State law (California Government Code, Section 53066) and regulations of the FCC (47 C.F.R. 76.31).

In the event the above described limitations upon the amount of franchise fees should, during the term of any franchise issued pursuant to the provisions of this Chapter, be increased or eliminated, the Franchisee, upon request by the Commission, shall enter into negotiations with the Cable Television Commission for the purpose of formulating a mutually agreeable increase in the franchise fees prescribed by Section 5.50.602, above.

Any agreement relating to such an increase shall be embodied in a written contract between the Commission and Franchisee, which shall be deemed to amend Section 5.50.602, above, respecting the amount of the fees. If within ninety (90) calendar days following the date of request by the Commission for negotiations, mutual agreement has not been reached respecting an amendment of the provisions of Section 5.50.602, above, increasing the fees, the Board of Directors of the Commission may cause written notice of its request to arbitrate to be mailed to each concerned Franchisee and the County and Cities. The notice shall specifically identify the amount of increase in fees which the Board desires to submit to arbitration, and shall describe the nature and amount of uncompensated costs which the Commission, County and Cities are incurring or desire to incur in administering the franchise or franchises and promoting, assisting and regulating the various types of Access use.

The arbitration panel shall be selected, the hearing scheduled within the time prescribed, notice given, the hearing

conducted, decision made and costs divided in the manner prescribed by Sections 5.50.830 through 5.50.840, inclusive, in Article 5-b of Sub-Chapter 5. Parties to the arbitration proceeding may include each Franchisee who would be affected by an amendment of Section 5.50.602, above, the Commission, the County, and the Cities. The questions which may be submitted to the arbitration panel and jurisdiction of the panel shall be limited to:

a. The interpretation of the provisions of the Franchise Documents solely in relation to the determination required by Subdivision "b" below; and

b. The amount, if any, by which the franchise fees prescribed by Section 5.50.602, above, may be increased.

The arbitration panel shall authorize an increase in the franchise fees by an amount which the panel finds is justified by actual (including past uncompensated) or proposed costs incurred by the Commission, County and Cities of administering each franchise issued pursuant to the provisions of this Chapter and promoting, assisting and financing any types of Community Use proposed pursuant to the provisions of Sections 5.50.332 through 5.50.340 in Article 4-a or provided pursuant to Section 5.50.548 in Article 4-c, provided that the annual franchisee fee shall under no circumstances exceed ten (10%) percent per year of a Franchisee's annual Gross Revenues. In the event more than one (1) franchise is issued pursuant to the provisions of this Chapter, the arbitration panel shall establish such an amount with respect to each Franchisee. Any increase or increases ordered by the arbitration panel shall be deemed to amend the provisions of Section 5.50.602, above, respecting the amount of the fees. The County and Cities shall be authorized to amend Section 5.50.602, above, by increasing the franchise fees by any amounts authorized under the decision of the arbitration panel.

Negotiations and arbitration proceedings pursuant to this Section may be initiated by the Commission not more frequently than once each year during the remainder of the term of any franchise issued pursuant to the provisions of this Chapter following the increase of or elimination of the statutory and regulatory limitations upon the amount of franchise fees which may be charged under State and Federal law.

The arbitration award pursuant to this Section may be judicially enforced, shall be final, binding, and conclusive upon the parties, and shall not be subject to judicial review or

vacation except on grounds set forth in Section 1286.2 of the Code of Civil Procedure.

5.50.616 RATE PROPOSALS. The purpose of this Section through Section 5.50.624, below, is to permit applicants for a franchise to propose the provision of minimal service during the term of a franchise at rates and charges designed to insure that all residents within the Franchise Area, including the economically underprivileged, will have the opportunity to benefit from the educational, recreational and other advantages made available by the Cable Television System.

An applicant who chooses not to make such a proposal shall not be disqualified from bidding or consideration in selection of the Franchisee. It is expressly declared that the factors upon which selection will be based are so numerous and subjective as to make it impossible to know in advance the relative importance of a determination by an applicant to either make or not to make such a proposal in relation to other factors upon which award of a franchise will be based.

5.50.618 APPLICATION CONTENTS. Each applicant for a franchise may state in its application the rates and charges at which various services on the Subscriber Network will be offered when service is first made available under the franchise.

In addition, an applicant may (but is not required to) propose that the rates and charges for the provision of Basic Service be maintained during the term of the franchise at levels not greater than those described by Sections 5.50.622 and 5.50.624, below. An applicant desiring to make such a proposal shall state in its application, for each Service Area applicable to the franchise, the amounts and types of all rates and charges, including deposits, of whatever kind or nature to be applicable to the provision of Basic Service, including, but not limited to, rates and charges for connection, installation, reinstatement and the monthly subscription or service charge; and in relation thereto refer to and incorporate by express reference into the application the provision of both Sections 5.50.622 and 5.50.624, below. The amounts and types of any deposits required in relation to connection, installation, reinstatement subscription or otherwise shall be stated separately. The acquisition or rental costs of converters required to provide Basic Service, if any, shall not be separately stated and shall be included in the monthly subscription or service charge for Basic Service, if any. An applicant desiring to make different rates and charges for Basic Service applicable to single family residential and commercial or certain types of commercial uses, shall separately state the rates and charges according to categories of uses with respect to which differences will apply. As used in this Section the terms "commercial uses" shall include, in addition to other types of business enterprises,

hotels, motels, apartments, condominiums, mobilehome parks, other multiple family residential units, and areas served by master antenna systems.

5.50.620 COMPLIANCE WITH PROPOSAL. A Franchisee who has referred to and incorporated in its application the provisions of Sections 5.50.622 and 5.50.624, below, shall comply with the provisions of said Sections during the term of the franchise. Such a Franchisee shall not during the term of the franchise elect or take any other type of action to exempt itself from the requirements of said Sections or elect any rate increase or other limitations inconsistent with the provisions of said Sections, whether under Section 53066.1 of the Government Code, any amendment thereof, or any other statute, regulation or law of the State of California or the United States in existence on the date this Chapter becomes effective or which may be enacted during the term of the franchise.

If a franchise is issued to an applicant who has referred to and incorporated the provisions of said Sections in its application, the receipt by such applicant at any time during the term of the franchise of rates or charges which are inconsistent with the provisions of said Sections shall be deemed to constitute a substantial and material failure to comply with the Franchise Documents within the meaning of Section 5.50.050 in Sub-Chapter 1.

5.50.622 BASIC SERVICE RATES AND CHARGES - INCREASES. The provisions of this Section shall be applicable only to a Franchisee who has referred to and incorporated the provisions hereof by reference in its application for the franchise.

There shall be no charge for the provision of Basic Service to subscribers, whether residential or commercial, except with respect to rates and charges, if any, stated in the application for the franchise and as otherwise authorized by this Section. There shall be no fee or charge to subscribers in connection with the repair or replacement of convertors, except in connection with repair or replacement required as a result of mis-use or abuse of or damage to the convertor while on the premises of the subscriber without fault by the Franchisee or its agents.

All rates and charges for Basic Service stated in the Franchisee's application, including those for connection, installation, reinstatement and the monthly subscription or service charge, shall remain in effect until the date on which the Franchisee makes Basic Service available to one hundred (100%) percent of the dwelling units within each Service Area identified by the Franchise Documents for that franchise. The date on which the Franchisee shall be deemed to have made Basic Service available to one hundred (100%) percent of the dwelling units, shall be deemed to be the date on which the Final Order of Completion is issued pursuant to the provisions of Sections 5.50.418 or 5.50.420 in Article 4-b.

Effective on the date the Franchisee is deemed to have made Basic Service available to one hundred (100%) percent of the dwelling units as prescribed above, the rates and charges for Basic Service stated in the Franchisee's application, including those for connection, installation, reinstatement and the monthly subscription or service charge or any of them, may be increased by amounts which do not individually exceed fifty (50%) percent of the increase, if any, in the Consumer Price Index for all urban consumers published by the United States Department of Labor for the San Francisco-Oakland Bay Area during the twelve calendar month period ending ninety (90) days prior to the effective date of such increases. Such rates and charges for Basic Service shall not exceed the amounts as increased in the manner herein authorized during the twelve calendar month period following the date on which the adjustments become effective.

At the conclusion of the term of the first increase as identified above, and each twelve (12) calendar months thereafter during the remainder of the term of the franchise, such rates and charges for Basic Service stated in the application, or any of them, may be increased in a like manner. In each instance, the increase in the amounts stated in the application shall not exceed fifty (50%) percent of the increase, if any, in the Consumer Price Index for all urban consumers published by the United States Department of Labor for the San Francisco-Oakland Bay Area during the twelve (12) month period ending ninety (90) days prior to the date the increase is to become effective.

In the event a Franchisee increases rates or charges pursuant to the provisions of this Section less frequently than authorized by this Section or in of any amounts lower than authorized by this Section, the provisions of this Section shall apply prospectively respecting any such increases as the limitations herein permit, and cumulative or multiple increases based upon the authorization of this Section are prohibited. For example, a Franchisee who elects to increase Basic Service rates and charges for the first time effective six (6) months following the date on which Basic Service is deemed to have been made available to one hundred (100%) percent of the dwelling units, rather than effective on the date that Basic Service is deemed to have been made available to one hundred (100%) percent of the dwelling units, shall apply the Consumer Price Index increase for the twelve (12) month period ending ninety (90) days prior to the actual effective date of the increase, rather than the date when the increase is permitted by this Section to be effective, and shall not be authorized to increase rates thereafter until the end of a twelve (12) month period following the actual date of the increase, rather than the date when the increase was permitted by this Section to become effective. A potential increase lost by failure to increase rates as authorized by this Section, may not be re-captured through its addition to future rate increases authorized hereby. If certain types of Basic Service rates are increased effective on a particular date and others are not,

though they might have been, the rates not increased may be individually increased at any time without waiting for expiration of the twelve (12) month period applicable to the types of rates actually increased.

No increase in rates or charges pursuant to this Section shall become effective until the expiration of thirty (30) days following the date on which written notice showing the types of rates or charges to be increased, the amount of the increase, the Consumer Price Index increase upon which the rate or charge increase is predicated, and the date on which such rates or charges were last increased is mailed to all existing subscribers of the Franchisee who would be affected thereby and filed with the Clerk of the Board of Directors of the Cable Television Commission.

5.50.624 DISCRIMINATORY PRACTICES. The provisions of this Section shall apply only to a Franchisee who has made reference to this Section and incorporated the provisions hereof by reference in its application for the franchise.

Except as hereinafter provided, or as otherwise expressly authorized by this Chapter, a Franchisee shall not, in its rates or charges, or in making available the services or facilities of its Cable Television System, or in its rules or regulations, or in any other respect, make or grant preference or advantages to any subscriber or user with respect to Basic Service; and such services shall be offered upon terms and conditions which are not discriminatory. A Franchisee may offer or make the following distinctions with respect to the terms or conditions of Basic Service.

- a. Rates and charges associated with Basic Service offered within a Proposed Service Area and, except as provided by Sections 5.50.424 and 5.50.426 in Article 4-b, outside of a Service Area, may differ from those associated with Basic Service offered within an Imposed Service Area and may differ from one Proposed Service Area to another. Any such differences in rates and charges between an Imposed Service Area and Proposed Service Areas or among Proposed Service Areas shall be specifically identified in the application pursuant to Section 5.50.618, above, and in the absence of such identification rates and charges set forth in the application shall apply uniformly within all Service Areas.
- b. Rates and charges associated with Basic Service offered outside of a Service Area shall, except as otherwise provided by Sections 5.50.424 and 5.50.426 in Article 4-b, be subject to review and approval

by the Board of Directors of the Cable Television Commission pursuant to the provisions of Section 5.50.446 in Article 4-b.

- c. Within a Service Area, a Franchisee may generally or within limited geographical areas offer, on a limited term basis, reduced rates or charges as part of a promotional campaign to stimulate subscriptions. The monthly subscription or service rate or charge for Basic Service shall not be eliminated or reduced for a period longer than ninety (90) calendar days during any thirty-six (36) month period for any particular occupant of the same dwelling unit, including both single family and multiple family dwelling units.
- d. A Franchisee may, in connection with the provision of Basic Service to commercial uses, as the terms "commercial uses" are defined by Section 5.50.618, above, establish charges for installation or connection (exclusive of deposits) which are either higher or lower than amounts stated in its application, or as permissibly adjusted pursuant to the provisions of Section 5.50.622, above. The amount of any such variance in such rates and charges shall be predicated upon and limited to differences in costs incurred for installation or connection with respect to particular commercial uses in relation to those estimated as set forth in the application. The sole purpose of this sub-paragraph is to permit variances in connection or installation charges for particular commercial uses based upon the circumstances specially applicable to any individual commercial use, in view of the impracticality of estimating connection or installation costs for commercial uses at the time an application is filed.
- e. A Franchisee may grant preferential rates or charges to hospitals, rest homes and prisons or detention facilities.
- f. With advance approval by the Commission a Franchisee may grant preferential rates or charges for services to the elderly, the handicapped, or the economically disadvantaged.
- g. A Franchisee may require residential subscribers to pay for each month of Basic Service in advance at the beginning of each month. Service shall not be terminated for delinquency in making a monthly advance payment earlier than fifteen (15) calendar

days following the date upon which the advance payment is due, and monthly statements to subscribers shall provide notice of the Franchisee's policy respecting termination of service for delinquency in making advance payments. With the foregoing exception, and except as otherwise expressly authorized by this Chapter, a Franchisee shall not, without advance approval by the Commission, require any other advance payment or deposit of any kind with respect to the provision of Basic Service to subscribers.

The authority vested in the Cable Television Commission by this Section shall be exercised by the Board of Directors of the Commission after public hearings conducted by the Board or an advisory committee which it designates, notice of which is given in the manner prescribed by Section 5.50.024 in Sub-Chapter 1, above. The determinations by the Board of Directors shall be final, binding, conclusive and not subject to review or reversal by any authority.

ARTICLE 4-e

SECURITY - INDEMNIFICATION - INSURANCE

5.50.700 PERFORMANCE BOND. Each Franchisee shall file with the certificate of acceptance which it files pursuant to the provisions of Section 5.50.220 in Sub-Chapter 3, above, and at all times thereafter maintain in full force and effect, an acceptable corporate surety bond in the amount of two million five hundred thousand dollars (\$2,500,000) effective for the entire term of the franchise, and conditioned that in the event the Franchisee shall fail to comply with any one or more of the provisions of the Franchise Documents, whether or not the franchise is terminated, then there shall be recoverable jointly and severally from the principal and surety of such bond, any damages suffered by the County, Cities, or Cable Television Commission as a result thereof, including but not limited to, the full amount of any liquidated damages, delinquent franchise fees, compensation and costs of repairing or completing the Cable Television System, and compensation, and cost of removal or abandonment of property and repair of streets and other public or private improvements, up to the full amount of the bond; said condition to be a continuing obligation for the duration of the franchise and thereafter until the Franchisee has satisfied all of its obligations which may have arisen from the acceptance of the franchise or from its exercise of any privileges thereunder. Neither the provisions of this Section, any bond accepted pursuant thereto, nor any damages recovered thereunder shall be construed to excuse faithful performance by the Franchisee or to limit the liability of the Franchisee under the franchise or for damages, either to the full amount of the bond or otherwise. The bond shall contain a provision which prohibits cancellation by the surety during the term of the franchise, whether for failure to pay a premium or otherwise, without thirty (30) calendar days advance written notice mailed by the surety to the Clerk of the Board of Directors of the Cable Television Commission.

The form of the bond and surety shall be subject to the approval by the County's Risk Manager.

On or after the date of issuance of the Final Order of Completion pursuant to the provisions of Section 5.50.418 or 5.50.420 in Article 4-b, the Board of Directors of the Commission may, in its sole discretion, reduce, for the remainder of the term of the franchise, the required amount of the bond to a sum not less than one million dollars (\$1,000,000).

5.50.702 SECURITY DEPOSIT. Each Franchisee shall file with the certificate of acceptance which it files pursuant to the provisions of Section 5.50.220 in Sub-Chapter 3, above, a certified or cashier's check in the amount of two

hundred fifty thousand dollars (\$250,000) made payable to the order of the Cable Television Commission. The check shall be cashed and the proceeds retained by the Treasurer of the Commission in a special account. Said sum shall be maintained by the Treasurer as security for the faithful performance by the Franchisee of all of the provisions of the Franchise Documents, any damages, including, but not limited to, liquidated damages, delinquent franchise fees, compensation and costs of completing or repairing the Cable Television System, and compensation and costs of removal of abandoned property, and repair of streets, and other public or private improvements incurred as a result of the failure of the Franchisee to comply with the provisions of the Franchise Documents, and shall be payable from the account upon the terms, conditions and under the procedures prescribed by Section 5.50.808 in Article 5-b of Sub-Chapter 5, below. Interest earned upon the sum shall accrue to the credit of the account.

Within ten (10) calendar days after notice is mailed to the Franchisee that any amount has been withdrawn from the special account, the Franchisee shall deposit with the Treasurer of the Commission such sum as may be necessary to restore the account to its required amount, including any interest which may have accrued and been credited to the account.

On the date of issuance of the Final Order of Completion pursuant to Sections 5.50.418 or 5.50.420 in Article 4-b, the Commission shall reduce the amount of said security deposit by paying so much thereof to the Franchisee as will reduce the amount of said deposit retained to one hundred thousand dollars (\$100,000), unless on said date there are scheduled or pending or intended to be scheduled or pending proceedings relating to the alleged violation by the Franchisee of any of the provisions of Section 5.50.410 in Article 4-b. In such event the reduction shall not occur and payment shall not be made until such proceedings are terminated and any damages determined to be owing, compensated. Subsequent to such reduction and payment, said deposit shall be maintained at one hundred thousand dollars (\$100,000) plus interest accumulations credited thereto during the remainder of the term of the franchise.

Upon termination of the franchise and satisfaction of any damages, including liquidated damages, which may be due, the balance of the special account, including all interest credited thereto, shall be returned to the Franchisee.

The rights reserved with respect to the special account are in addition to all other rights of the County, Cities and Cable Television Commission, whether reserved by the Franchise Documents or authorized by law, and no action, proceeding or exercise of a right with respect to such account shall affect any other right which the County, Cities, or Commission may have. Nor shall the amount of the special account constitute a monetary

limit on the liability for any actual or liquidated damages resulting from breach of the Franchise Documents.

5.50.704 INDEMNIFICATION BY FRANCHISEE. Each Franchisee shall, at its sole expense, fully indemnify, defend and hold harmless the County, the Cities, the Cable Television Commission, 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:

- a. 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 Franchisee or its officers, agents, employees, or contractors or to which the Franchisee's or its officers, agents, employees or contractors acts or omissions in any way contribute;
- b. Arising out of or alleged to arise out of any claim for damages for invasion of the right of privacy, defamation of any person, firm or corporation, or the violation or infringement of any copyright, trade mark, trade name, service mark or patent, or of any other right of any person, firm or corporation; and
- c. Arising out of or alleged to arise out of Franchisee's failure to comply with the provisions of any statute, regulation or ordinance of the United States, State of California or any local agency applicable to the Franchisee in its business.

The indemnification and hold harmless provisions of this Section shall include those prescribed by Section 5.50.516 in Article 4-c.

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 the Franchisee's sole expense. Such participation shall not under any circumstances relieve the Franchisee from its duty of defense against liability or of paying any judgment entered against such party.

5.50.706 FRANCHISEES INSURANCE. As a part of the indemnification provided by Section 5.50.704, above, but without limiting the foregoing, each Franchisee shall file with the certificate of acceptance which it files pursuant to the provisions of Section 5.50.220 in Sub-Chapter 3, and at all times thereafter maintain in full force and effect at its sole expense, an acceptable policy or policies of liability insurance, including

comprehensive general liability insurance products/completed operations liability, personal injury liability, owners and contractors protective liability, broad form property damage, contractual liability, automobile liability (owned; non-owned and hired automobiles), workers compensation and employer liability. The policy or policies shall name as primary insured the County, the Cities, the Cable Television Commission, and in their capacity as such, their officers, agents and employees. The Franchisee and said County, Cities, Commission and officers, agents and employees shall be named as co-insureds, and the policy or policies shall contain cross-liability endorsements. The policy or policies of insurance shall be in the minimum single limit amount of five million dollars (\$5,000,000) per occurrence. The insurance policy or policies shall contain contractual liability insurance naming the Franchise Documents, and shall insure against the types of liabilities covered by the indemnification and hold harmless provisions of Section 5.50.704.

The insurer or insurers shall be authorized to write the required insurance, approved by the Insurance Commissioner of the State of California, and subject to the approval of the County's Risk Manager. The form and substance of the policy or policies of insurance shall also be subject to approval by the County's Risk Manager.

The policy or policies of insurance shall be maintained by the Franchisee in full force and effect during the entire term of the franchise. Each policy of insurance shall contain a statement on its face that the insurer will not cancel the policy or fail to renew the policy, whether for non-payment or premium, or otherwise, and whether at the request of the Franchisee or for other reasons, except after thirty (30) calendar days advance written notice mailed by the insurer to the Clerk of the Board of Directors of the Sacramento Metropolitan Cable Television Commission, and that such notice shall be transmitted postage prepaid, with return receipt requested, and addressed to the Clerk at 700 H Street, Room 2450, Sacramento, California, 95814.

5.50.708 WAIVER OF SUBROGATION. Each Franchisee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against the County, Cities, Cable Television Commission and in their capacities as such the officers, agents and employees thereof in connection with any damage covered by any policy. The County, Cities, Commission and in their capacities as such the officers, agents and employees thereof shall not be liable to the Franchisee for any damage caused by any of the risks insured against under an insurance policy obtained by the Franchisee.

5.50.710 COMMISSION'S INDEMNIFICATION. The Cable Television Commission shall, at its sole expense, fully indemnify, defend and hold harmless the County, the Cities, and in

their capacities as such the officers, agents and employees of the County and Cities from and against any and all claims, suits, actions, liability and judgments for damages for actual or alleged injury to persons or property in any way arising out of or through or alleged to arise out of or through the acts or omissions of the Commission or its officers, agents or employees, or to which the Commission's or its officers, agents or employees acts or omissions in any way contribute.

5.50.712 COMMISSION'S INSURANCE. As a part of the indemnification provided by Section 5.50.710, above, but without limiting the foregoing, the Cable Television Commission shall file with the clerk of each of the Governing Bodies of the County and Cities not later than one hundred twenty (120) calendar days after the initial CATV Franchise is issued and at all times thereafter maintain in full force and effect at its sole expense, a policy of liability insurance naming as primary insureds the County, the Cities, and in their capacities as such, their officers, agents and employees in the minimum single limit amount of five million dollars (\$5,000,000) per occurrence insuring against the types of liabilities covered by the indemnification and hold harmless provisions of Section 5.50.710, above. The insurance policy shall contain a contractual endorsement clause naming the Franchise Documents. The Commission, County, Cities and in their capacities as such the officers, agents and employees thereof shall be named as co-insureds, and the policy or policies shall contain cross-liability endorsements.

The Commission shall cause the policy or policies to provide that the insurance company waives all right of recovery by way of subrogation against any Franchise in connection with any damage covered by the policy or policies. No Franchisee shall be liable to the County, Cities or Commission for any damage by any of the risks insured against under the policy or policies.

The insuror shall be authorized to write the required insurance, and approved by the Insurance Commissioner of the State of California.

The policy of insurance shall be maintained by the Commission in full force and effect during the period of the Commission's existence. The policy of insurance shall contain a statement on its face that the insuror will not cancel the policy or fail to renew the policy, whether for non-payment of premium, at the request of the Commission or for other reasons, except after thirty (30) calendar days advance written notice mailed by the insuror to the clerk of each of the Governing Bodies of the County and Cities.

SUB-CHAPTER 5
ASSIGNMENTS - REMEDIES

ARTICLE 5-a

ASSIGNMENTS

5.50.750 TRANSFERS PROHIBITED. Except as provided by either Section 5.50.752 or 5.50.754, below, no part or element of a Cable Television System or any other real or personal property which is mandatorily included by Section 5.50.242 in Sub-Chapter 3 within a purchase which the Cable Television Commission or its assignee is authorized to make shall be sold, transferred, assigned, mortgaged, pledged, leased, sublet or otherwise encumbered for any purpose whatsoever, nor shall title thereto, either legal or equitable, or any right or interest therein pass to or vest in any party.

Except as provided by either Sections 5.50.752 or 5.50.754, below, a franchise issued pursuant to the provisions of this Chapter shall not, either in whole or in part, be sold, transferred, assigned, mortgaged, pledged, leased, sublet, or otherwise encumbered for any purpose whatsoever; nor shall title thereto, either legal or equitable, or any right or interest therein, pass to or vest in any party.

Any such sale, transfer, assignment, mortgage, pledge, lease, sublease or other encumbrance of whatever kind or nature made in violation of the provisions of this Section shall be void.

5.50.752 ENCUMBRANCES FOR FINANCING PURPOSES. Upon written application by a Franchisee, the lender, and any and all signatories or guarantors upon the proposed loan, the Board of Directors of the Cable Television Commission may, in its sole discretion, from time to time, consent by duly adopted resolution to the sale, transfer, assignment, mortgage, pledge, lease, sublease or other encumbrance upon real or personal property mandatorily included by Section 5.50.242 in Sub-Chapter 3 within a purchase which the Commission or its assignee is authorized to make or upon a franchise issued pursuant to the provisions of this Chapter, for the purpose of securing a loan of capital or constituting a purchase money security interest. Such information concerning the identity and background of the lender, terms of the transaction, intended expenditure of the capital, and other matters relating to the transaction shall be provided as is required by the Board or its authorized representative. If, in its sole discretion, the Board of Directors elects to approve such encumbrance or encumbrances, such approval may be

granted upon such terms and conditions as the Board determines to be appropriate including, but not limited to, the following:

- a. The purpose for which the capital to which the encumbrance relates will be utilized, including guarantees relating to expenditure or disposition of such capital;
- b. The terms and conditions of encumbrance instruments relating to such matters as default, and the rights of the lender and successors in interest in relation thereto;
- c. The amount of the encumbrance and types of properties encumbered;
- d. Subordination of the encumbrance to the rights of the County, Cities and Commission under the franchise, consistent with the terms and conditions of the encumbrance approved by the Board; and
- f. An agreement by any party in whose name the loan secured by the encumbrance is made or any signator or guarantor thereon to be bound by the terms, conditions, provisions and requirements of the Franchise Documents, in addition to the party or parties whose names the franchise is issued by the resolution offering the franchise and certificate of acceptance.

The Board of Directors of the Commission shall by resolution be authorized to delegate to its Executive Director power to consent in writing to such encumbrances for financing purposes of individual items of property described by Section 5.50.242-c in Sub-Chapter 3 subject to limitations prescribed.

5.50.754 TRANSFERS OF SYSTEM OR FRANCHISE. The Board of Directors of the Cable Television Commission may, pursuant to the provisions of Section 5.50.758, below, consent by duly adopted resolution to the sale, transfer, assignment, mortgage, pledge, lease, sublease or other transfer of right, title or interest in property mandatorily included by Section 5.50.242 in Sub-Chapter 3 within that authorized to be purchased or in a franchise issued pursuant to the provisions of this Chapter, when such transfer is for a purpose other than securing a loan of capital. Any such transfer shall be subject and subordinate to the rights of the County, Cities and Commission under the Franchise Documents for the franchise, and the transferee shall acknowledge in writing such subordination and agreement to comply with and be bound by the terms, conditions, provisions and requirements of the Franchise Documents.

5.50.756 TRANSFER OF CONTROL. Every change, transfer or acquisition of control of the Franchisee or of any owner of the Franchisee who is named in the resolution offering the franchise shall render the franchise subject to cancellation by the Board of Directors of the Cable Television Commission unless the Board of Directors consents thereto by duly adopted resolution pursuant to the provisions of Section 5.50.758, below. As used in this Section, the word "control" shall mean the acquisition of sufficient dominance to determine the operational and financial policies of the Franchisee, including disposition of its assets. A rebuttable presumption that a transfer of control has occurred shall arise upon: (i) the acquisition or accumulation by any party or association of parties of ten (10%) percent or more of the voting shares or stock of the Franchisee or named owner of the Franchisee; (ii) a change in general partners of a Franchisee or named owner of the Franchisee; or (iii) a merger or consolidation of the Franchisee or named owner of the Franchisee. The presumption is subject to rebuttal only by determination by the Board of Directors of the Commission.

5.50.758 DETERMINATION OF PROPOSED TRANSFERS. A Franchisee shall file written notice with the Clerk of the Board of Directors of the Cable Television Commission as soon as it acquires knowledge of any impending transaction or other event consent to which by the Board is required by Sections 5.50.754 or 5.50.756, above. The written notice shall be filed not less than ninety (90) calendar days in advance of the proposed effective date of the transaction or event for which consent is required.

The notice shall state the name or names and address or addresses of the party or parties who are interested in the transaction or event and describe the details of the transaction or event. In the event of a voluntary assignment, transfer, lease, sublease, mortgage or other encumbrance, a copy of the executed or proposed agreement shall be filed with the notice. Any written acknowledgement of subordination to the rights of the County, Cities and Commission under the Franchise Documents and agreement to comply with and be bound thereby required by the provisions of Section 5.50.754, above, shall be filed with the notice.

The Franchisee shall immediately submit such additional information concerning such a transaction as the Board of Directors or other authorized representative of the Commission may request.

The Board of Directors of the Commission shall schedule a public hearing to determine whether consent required by the provisions of Sections 5.50.754 or 5.50.756, above, will be given. Notice of the hearing shall be given in the manner prescribed by Section 5.50.024 in Sub-Chapter 1, above. The hearing shall be

commenced not later than sixty (60) calendar days following filing of the notice by the Franchisee pursuant to this Section. At the conclusion of the hearing the Board shall determine whether consent will be given.

In determining whether consent will be given, the Board shall consider the following factors:

- a. The reputation, responsibility, integrity and reliability of the party or parties to whom the transfer is contemplated, and of the directors, officers, employees, and agents thereof;
- b. The financial capability and capacity of the party or parties to whom the transfer is contemplated;
- c. Whether the terms, conditions or other circumstances of the transfer are likely to result in an increase in the rates or charges for services;
- d. Whether at the time of the transfer the Franchisee is in compliance with the terms, conditions and requirements of the Franchise Documents and any rules, regulations or determinations promulgated thereunder;
- e. Whether installation of the Cable Television System has been completed in the manner and within the times prescribed by Section 5.50.410 in Article 4-b of Sub-Chapter 4. In the absence of extraordinary circumstances, a transfer shall not be approved in advance of such completion.
- f. The reasons for the proposed transaction; and
- g. Whether the transactions would detrimentally affect the public.

The determination by the Board of Directors as to whether to give such consent shall be vested within the sole discretion of the Board, but shall be based exclusively upon the factors prescribed above. Such consent may be given upon such express conditions relating to the above factors, including maintenance or operation of the Cable Television System, services to be provided, rates and charges for services, management of the franchise business and other requirements relating to the franchise, as the Board of Directors, in its sole discretion, may order.

In the event the Board does not consent and such failure is reversed by a trial or appellate court, the Board of Directors of the Commission shall have the right, in its sole discretion, to

elect to terminate the franchise and purchase the property associated therewith as defined by Section 5.50.242 in Sub-Chapter 3.

5.50.760 PURCHASE OF FRANCHISEE'S PROPERTY. Purchase of the property associated with the franchise pursuant to an election under Section 5.50.758, shall be made in accordance with the standards, procedures and provisions set forth in Sections 5.50.240 through 5.50.266, inclusive, in Sub-Chapter 3. No compensation shall be payable by the Cable Television Commission or its assignee in relation either to the determination to terminate the franchise or purchase the property, except pursuant to and in accordance with said sections 5.50.240 through 5.50.266.

The effective date of termination of the franchise shall be the date of transfer of titles to the properties pursuant to the provisions of Section 5.50.264 in Sub-Chapter 3. In the event of an election, pursuant to said Section 5.50.264, not to purchase the properties, the franchise shall not terminate.

5.50.762 RECEIVERSHIP. The Board of Directors of the Cable Television Commission shall have the right to cancel a franchise one hundred twenty (120) calendar days after the appointment of a receiver, or trustee, to take over and conduct the business of the Franchisee, whether in receivership, reorganization, bankruptcy, or other action or proceeding, unless such receivership or trusteeship shall have been vacated prior to the expiration of said one hundred twenty (120) calendar days, or unless within such one hundred twenty (120) calendar days the receiver or trustee shall both:

- a. Have fully complied with all of the provisions of the Franchise Documents and any rules, regulations or determinations promulgated thereunder; and
- b. Have executed an agreement, duly approved by the Court having jurisdiction in the premises, whereby such receiver or trustee acknowledges that its rights are subject and subordinate to those of the County, Cities and Cable Television Commission under the Franchise Documents for the franchise, and promising to comply with and be bound by the terms, conditions and requirements of the Franchise Documents and any orders, directives, rules or regulations issued thereunder.

5.50.764 RECORDING AND FILING. Each Franchisee shall execute a document in a form determined by the Cable Television Commission evidencing the Franchise Documents appropriate for recording in the office of the Sacramento County Recorder, and a Financing Statement in a form determined by the Commission for filing pursuant to the provisions of Sections 9401 through 9403, inclusive, of the California Commercial Code.

ARTICLE 5-b

REMEDIES

5.50.800 CRIMES. Violation of the provisions of Section 5.50.052 in Sub-Chapter 1, Section 5.50.206 in Sub-Chapter 3, and Section 5.50.538 in Article 4-c of Sub-Chapter 4, shall constitute a misdemeanor. With the foregoing exception, violation of the provisions of this Chapter shall not constitute a misdemeanor, infraction or other crime.

5.50.802 IMPRACTICALITY OF ASCERTAINING DAMAGES. At the time of issuance of any franchise under the provisions of this Chapter, it will be impractical to reasonably ascertain the total extent of damages which may be incurred as a result of the breach by the Franchisee of its obligations under the Franchise Documents as prescribed by Section 5.50.804, below. The provisions of Section 5.50.804, below, shall apply in the event of breach as liquidated damages therefor. Factors relating to the impracticality of ascertaining damages include, but are not limited to, the following:

- a. The facts that: (i) the primary damage resulting from breaches by the Franchisee of the schedules for construction and extension of the Cable Television System and provision of services prescribed by Sections 5.50.404 through 5.50.416, 5.50.422 through 5.50.430 and 5.50.446 in Article 4-b of Sub-Chapter 4, and of the duty prescribed pursuant to Section 5.50.544 in Article 4-c of Sub-Chapter 4, will be to members of the public who are denied services or denied quality or reliable services; (ii) such breaches cause inconvenience, anxiety, frustration and deprivation of the benefits of the franchise to individual members of the general public in subjective ways and in varying degrees of intensity which are incapable of measurement in precise monetary terms; (iii) that services might be available through the Cable Television System which are both necessary and available at a substantially lower cost than alternative services, and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and (iv) termination of a franchise for such breaches and other remedies are, at best, a means of future correction, and not remedies which make the public whole for past breaches;
- b. The fact that the failure of a Franchisee to make timely reports identifying its progress in installing its Cable Television System within Services Areas will

make it difficult in ways which are not measurable for the Commission to administer the construction schedule, delay initiation of enforcement proceedings, and impede compliance with the periods allowed for construction; and

- c. The fact that the failure of a Franchisee to file timely annual reports will deny information necessary to enable the Commission to expeditiously, effectively and efficiently, administer the franchise and exercise its regulatory powers in relation thereto for the promotion and protection of the public convenience, health, safety and welfare.

Without the provisions of Section 5.50.804, below, the actual damages for which a Franchise would be liable could greatly exceed the specified amount of liquidated damages. Therefore, the provisions of Section 5.50.804, below, are of benefit to a Franchisee.

5.50.804 LIQUIDATED DAMAGES - AMOUNT. In its sole discretion, the Board of Directors of the Cable Television Commission may assess a Franchisee and the Franchisee shall be liable for liquidated damages in the amount of one thousand dollars (\$1,000) for each calendar day on which a Franchisee is in breach and for each breach of any of the provisions of any of the following: Sections 5.50.404 through 5.50.412, 5.50.416, 5.50.422 through 5.50.430, and 5.50.446 in Article 4-b of Sub-Chapter 4; time limitations prescribed pursuant to Section 5.50.438 in Article 4-b of Sub-Chapter 4; or Sections 5.50.544 and 5.50.546 in Article 4-c of Sub-Chapter 4. Said liquidated damage sum shall be separately applicable to each calendar day of delay in complying with the provisions of Sub-Paragraphs "a" through "d" of said Section 5.50.410, and separately applicable for each calendar day of delay in complying with any of the provisions in the last paragraph of said Section 5.50.410. Said liquidated damage amount shall be separately applicable to each instance for each calendar day of delay in extending lines pursuant to the provisions of Sections 5.50.424 or 5.50.426; provided that if more than one dwelling unit is subject to a particular extension from the boundaries of a Service Area, the total liquidated damages shall not exceed one thousand dollars (\$1,000) for each calendar day of delay. Said liquidated damage sum shall be separately applicable to each calendar day of delay in complying with each approval or the conditions thereof issued pursuant to the provisions of said Section 5.50.446.

In its sole discretion, the Board of Directors of the Cable Television Commission may assess a Franchisee and the Franchisee shall be liable for liquidated damages in the amount of five hundred dollars (\$500) for each calendar day in excess of five (5) calendar days the Franchisee is in breach of any of the

provisions of any of the following: Section 5.50.414 in Article 4-b of Sub-Chapter 4, or Section 5.50.532 in Article 4-c of Sub-Chapter 4,

5.50.806 REDUCTION OF TERM. In addition to the foregoing liquidated damages, in its sole discretion, the Board of Directors of the Cable Television Commission may reduce the term of any franchise one (1) calendar month for each cumulative thirty (30) calendar days in excess of the first thirty (30) calendar days a Franchisee is in breach of any of the provisions of Subparagraph "d" or the last paragraph in Section 5.50.410 in Article 4-b in Sub-Chapter 4. The purpose of this Section is to authorize the Commission, after a Franchisee has been in breach of said provisions of said Section for the first thirty (30) calendar days, to reduce the term of the franchise for subsequent delays caused by the Franchisee's breach on a month-to-month basis.

5.50.808 COLLECTION OF DAMAGES. The Auditor of the Cable Television Commission shall charge and transfer from the special account established pursuant to Section 5.50.702 in Article 4-e of Sub-Chapter 4, to the credit of the Commission such amounts as are assessed as liquidated damages by determinations of the Board of Directors pursuant to Section 5.50.442 in Article 4-b of Sub-Chapter 4, which are not appealed to arbitration and become final, or which are affirmed by an arbitration panel under the provisions of Section 5.50.444 in Article 4-b of Sub-Chapter 4.

With respect to breaches of any of the provisions of Sections 5.50.532, 5.50.544 or 5.50.546 in Article 4-c of Sub-Chapter 4, the Board of Directors of the Commission shall determine the amount of liquidated damages to be assessed, and mail notice thereof to the Franchisee. Such a notice may provide for assessments for breaches occurring in advance of the notice and for periods of breach subsequent to issuance of the notice pending compliance by the Franchisee. The determinations by the Board of Directors shall become final, binding and conclusive, not subject to judicial review or reversal by any authority, and judicially enforceable, unless within thirty (30) calendar days following the date of mailing of the notice of the determination the Franchisee files with the Clerk of the Board of Directors of the Commission a written notice appealing the determination to arbitration pursuant to the provisions of Section 5.50.810, below. The notice of appeal shall specifically identify the grounds for the appeal. The Auditor of the Commission shall charge and transfer from the special account established pursuant to Section 5.50.702 in Article 4-e of Sub-Chapter 4, to the credit of the Commission, such amounts as are assessed as liquidated damages by determinations of the Board of Directors pursuant to this paragraph which are not appealed to arbitration and become final or which are affirmed by an arbitration panel under Section 5.50.810, below.

With respect to breaches of any of the provisions of Section 5.50.602 or 5.50.604 in Article 4-d of Sub-Chapter 4, the Auditor of the Commission shall charge and transfer from the special account established pursuant to Section 5.50.702 in Article 4-e of Sub-Chapter 4, to the credit of the Commission such amounts as are assessed as franchise fees, interests and liquidated damages by determinations of the Board of Directors pursuant to Section 5.50.612 in Article 4-d of Sub-Chapter 4, which are not appealed to arbitration and become final or which are affirmed by an arbitration panel under Section 5.50.612 in Article 4-d of Sub-Chapter 4, or such amounts of franchise fees, interests and liquidated damages as are prescribed by a judgment of a court.

The Auditor shall mail notice to the Franchisee of each transfer from the special account. The notice shall identify the amount transferred, the balance of the account after transfer (including accumulated interest), and the total amount, if any, which the Franchisee is required to pay in order to replenish the account in accordance with the requirements of Section 5.50.702 in Article 4-e of Sub-Chapter 4.

Any amounts owing by a Franchisee in excess of the current balance within the special account established pursuant to Section 5.50.702 in Article 4-e of Sub-Chapter 4, may be recovered from the surety on the performance bond filed pursuant to the provisions of Section 5.50.700 in Article 4-e of Sub-Chapter 4, above, or from the Franchisee.

5.50.810 LIQUIDATED DAMAGE ARBITRATION PROCEEDINGS. With respect to arbitration proceedings conducted pursuant to the provisions of the second paragraph in Section 5.50.808, above, the arbitration panel shall be selected, the hearing scheduled within the time prescribed, notice given, the hearing conducted, decision made and costs divided in the manner prescribed by Sections 5.50.830 through 5.50.840, inclusive, below. The questions which may be submitted to the arbitration panel and jurisdiction of the arbitration panel shall be limited to the following:

- a. The interpretation of the provisions of the Franchise Documents solely in relation to the decision required by Subparagraph "b", below; and
- b. The amount, if any, owing by the Franchisee.

The Franchisee shall immediately pay any amount determined to be owing by the arbitration panel.

The arbitration award may be judicially enforced, shall be final, binding and conclusive upon the parties, and shall not be

subject to judicial review or vacation except on grounds set forth in Section 1286.2 of the Code of Civil Procedure.

5.50.812 ALTERNATIVE REMEDIES. Neither reduction of the term of the franchise nor liquidated damages shall be deemed to be the exclusive remedy for the types of breaches identified in Section 5.50.804, above. Neither the right to assess liquidated damages nor the assessment of liquidated damages nor the right to reduce nor reduction of the term of the franchise shall be deemed to bar or otherwise limit the right of the Cable Television Commission to obtain judicial enforcement of the Franchisee's obligations by means of specific performance, injunctive relief, mandate or other remedies at law or in equity, other than monetary damages.

5.50.814 UNCOMMITTED CHANNELS. Twenty (20%) percent (rounded to the next higher whole number) of all video channels on the Subscriber Network which are practically capable of utilization and which at any time during the term of the franchise could be made operable by a Franchisee for the provision of services shall be vested within the jurisdiction and control of the Cable Television Commission, and shall not be used or subject to use by the Franchisee or any third party except pursuant to the provisions of Section 5.50.816, below.

Said channels are herein referred to as the "Uncommitted Channels". A video channel is defined as 6 MHz of bandwidth. The exact number and identification of channels or capacity of the cable or cables to be classified as "Uncommitted Channels" and subject to the restrictions of this Section and Section 5.50.816, below, shall be prescribed by or pursuant to a procedure prescribed by the resolution offering the franchise. If a Franchisee has proposed a System in which a cable for the Subscriber Network is initially inoperable, the Uncommitted Channels for that cable shall be prescribed by the Board of Directors of the Commission when the cable is made operable.

The sole purpose of this Section and Section 5.50.816, below, is to reserve Uncommitted Channels for the purpose of insuring compliance by a Franchisee with the Franchise Documents, establish an incentive to comply with the Franchise Documents, and to provide for release of such channels during the term of a franchise as compliance with the terms and conditions of the Franchise Documents is demonstrated. The Uncommitted Channels are reserved for the sole and exclusive use of the Franchisee, subject only to the terms, conditions and procedures for release to the Franchisee established by this Section and Section 5.50.816, below.

5.50.816 RELEASE OF UNCOMMITTED CHANNELS. If the actual date of completion established pursuant to the provisions of Sections 5.50.418 or 5.50.420 in Article 4-b of Sub-Chapter 4 occurs on or

before the commencement of the fifty-second (52nd) full calendar month following the date of filing of the certificate of acceptance of the franchise pursuant to the provisions of Section 5.50.220 in Sub-Chapter 3, the Board of Directors of the Cable Television Commission, without application or hearing, shall, on the date of issuance of the Final Order of Completion pursuant to the provisions of Sections 5.50.418 or 5.50.420 in Article 4-b of Sub-Chapter 4, release fifty (50%) percent (rounded down to the nearest whole number) of the Uncommitted Channels. If such actual date of completion occurs later than the commencement of the fifty-second (52nd) calendar month following the date of filing of such certificate of acceptance, the Board of Directors, without application or hearing, shall, on the date of issuance of such Final Order of Completion, release twenty-five (25%) percent (rounded down to the next lowest whole number) of such Uncommitted Channels to the Franchisee. None of the Uncommitted Channels shall be subject to release in advance of the date of issuance of the Final Order of Completion.

Upon the expiration of twelve (12) calendar months following the date of issuance of the Final Order of Completion, the Board of Directors of the Commission may, in its sole discretion, release all or any portion of the Uncommitted Channels which were not released on the date of issuance of the Final Order of Completion. The exercise by the Board of its discretion hereunder shall be based upon and limited to an appraisal of the extent to which the Franchisee has complied with the terms and conditions of the Franchise Documents during the period preceding the date of release, and whether other enforcement mechanisms within the Franchise Documents are sufficient to insure future compliance by the Franchisee with the terms and conditions of the Franchise Documents.

Notwithstanding the foregoing, at the conclusion of each of the first five (5) years following the date of issuance of the Final Order of Completion, the Board of Directors of the Commission shall release one (1) of the Uncommitted Channels to the Franchisee unless the Board makes one of the findings described below. At the conclusion of the sixth (6th) year following the date of issuance of the Final Order of Completion, the Board of Directors shall release all remaining Uncommitted Channels unless the Board makes one of the findings described below. Such releases shall be made pursuant to and after written applications verifying that the Franchisee is in compliance with the Franchise Documents and filed by the Franchisee with the Clerk of the Board of Directors of the Commission not later than ninety (90) calendar days prior to the date of requested release, and public hearings, notice of which is given in the manner prescribed by Section 5.50.024 in Sub-Chapter 1, commenced not later than sixty (60) calendar days following the date of filing of the application. The Board of Directors shall release the Uncommitted Channel or Channels as required herein unless,

based upon the evidence presented during the public hearing, the Board makes one (1) of the following findings:

- a. That the Franchisee, at the conclusion of the hearing, is in violation of one or more of the terms, conditions or requirements of the Franchise Documents; or
- b. That the Franchisee, at the conclusion of the hearing, is in violation of one or more rules, regulations or orders enacted or issued by the Board of Directors of the Commission, other than any regulations, which may be enacted pursuant to the provisions of Section 5.50.512 in Article 4-c of Sub-Chapter 4.

The Board of Directors of the Commission shall, under no circumstances, consider content or use intended by a Franchisee in reaching its decision to either approve or disapprove an application by a Franchisee for release of Uncommitted Channels. In the event the Board declines to release an Uncommitted Channel pursuant to a finding described above, the Board shall order the release of such channel at such time as the violation or violations identified in the findings are remedied by the Franchisee.

5.50.818 TERMINATION OF FRANCHISE. The following material breaches of the obligations of a Franchisee under the Franchise Documents shall constitute grounds for termination of a franchise by the Cable Television Commission:

- a. Cumulative unexcused delay in excess of: (i) one hundred-eighty (180) calendar days in complying with the provisions Subparagraph "b" of Section 5.50.410 or beyond the times prescribed pursuant to Section 5.50.438 in relation to Subparagraph "b" of Section 5.50.410 in Article 4-b of Sub-Chapter 4; or (ii) three hundred sixty-five (365) calendar days in complying with the provisions of Subdivision "d" of Section 5.50.410 or beyond the times prescribed pursuant to Section 5.59.438 in relation to Subdivisions "b", "c" or "d" of Section 5.50.410 in Article 4-b of Sub-Chapter 4, or (iii) three hundred sixty-five (365) calendar days in complying with the provisions of the last paragraph in Section 5.50.410 or pursuant to Section 5.50.438 in relation to said last paragraph of Section 5.50.410 in Article 4-b of Sub-Chapter 4.
- b. The failure of a Franchisee to make any payment to replenish the special account for security established under Section 5.50.702 in Article 4-e of Sub-Chapter 4, above, within the time required by said Section;
- c. Any violation of Section 5.50.750, 5.50.756 or 5.50.762 in Article 5-a;

- d. The failure to make any disclosure of fact within the application for the franchise which is required by this Chapter or a request for proposals, or the misrepresentation of such a fact in the application;
- e. The willful failure to make any payments required by Sections 5.50.602 or 5.50.604 in Article 4-d of Sub-Chapter 4; or
- f. Any other act or omission by the Franchisee which materially violates the terms, conditions or requirements of the Franchise Documents or any order, directive, rule or regulation issued thereunder and which is not corrected or remedied within thirty (30) calendar days following mailing to the Franchisee of written notice of the violation or within such period beyond the thirty (30) calendar days as is reasonable.

5.50.820 COMMENCEMENT OF TERMINATION PROCEEDINGS. The Board of Directors of the Cable Television Commission shall not determine that a franchise shall be terminated either upon grounds identified by Section 5.50.818, above, or pursuant to Section 5.50.050 in Sub-Chapter 1, until a hearing has been conducted upon the matter. Written notice of the time, date and place of the hearing shall be mailed to the Franchisee and to the Franchisee's surety on the performance bond filed pursuant to Section 5.50.700 in Article 4-e in Sub-Chapter 4, below, not later than thirty (30) calendar days in advance of the date of commencement of the hearing. The notice shall state the reasons for the hearing, describe the basis for termination, and identify the terms, conditions or requirements with respect to which the breach has occurred, if breach is the basis for termination.

The hearing may be conducted either by the Board of Directors of the Commission or, at the sole discretion of the Board, by a hearing officer appointed by the Board to conduct the hearing. Any such hearing officer shall be an attorney licensed to practice under the laws of the State of California.

The cost of providing quarters for the hearing, the compensation for the hearing officer, if any, and the per diem cost of any reporter retained to record the proceedings shall be borne by the Cable Television Commission. The cost of preparing a transcript and record of the hearing shall be borne by the Franchisee. All costs incurred by the parties for attorneys fees, expert witness fees and other expenses shall be borne solely by the party incurring the costs.

5.50.822 CONDUCT OF HEARING. All witnesses testifying at the hearing concerning termination shall be sworn. Witnesses shall be subject to direct and cross-examination. However, formal rules of evidence applicable to the trial of civil or criminal proceedings in the trial courts of this State shall not be applicable to the hearing. The provisions of the Administrative Procedure Act, commencing at Section 11500 of the California Government Code or any successor legislative enactment, shall not be applicable to any such hearing. The hearing may be continued from time to time.

If the hearing is conducted by a hearing officer, the officer shall, upon conclusion of the hearing, prepare a recommended decision which includes findings of fact and conclusions. The recommended decision shall be filed with the Clerk of the Board of Directors of the Commission and mailed to the parties not later than thirty (30) calendar days after conclusion of the hearing. Upon receipt of such a recommended decision, the Board of Directors may, without a hearing except as otherwise required below, either:

- a. Adopt the recommended decision, including findings of fact and conclusions submitted by the hearing officer;
- b. Adopt the findings of fact and conclusions contained in the recommended decision, modify the decision, and adopt the recommended decision as so revised;
- c. Based upon the record of the hearing, modify the findings of fact, conclusions or decision, and adopt the recommended decision as so revised; or
- d. Reject the recommended decision and conduct a new hearing.

If the hearing is conducted by the Board of Directors of the Commission, upon conclusion of the hearing, the Board of Directors shall adopt a decision which includes findings of facts and conclusions.

If the decision by the Board of Directors is that there are grounds for termination of the franchise and that the franchise should be terminated, the Board shall adopt a resolution which terminates the franchise and includes its decision. The effective date of termination shall be such date as is prescribed by the Board of Directors, within its sole discretion, in the resolution, and the effective date may be made variable in relation to whether an appeal to arbitration is filed pursuant to Section 5.50.824, below.

5.50.824 APPEAL TO ARBITRATION. Not later than thirty (30) calendar days following the date of mailing to the Franchisee of the resolution of termination by the Board of Directors, the Franchisee shall be authorized to appeal to arbitration the determination to terminate the franchise. The appeal shall be taken by filing a written notice thereof with the Clerk of the Board of Directors. The notice of appeal shall state the specific reasons for appeal and shall be accompanied by a fee equal to the estimate by the Clerk of the cost of preparing the transcript and record of the hearing. In the event the Franchisee fails to file the notice of appeal with accompanying fee within thirty (30) calendar days following the date on which a copy of the resolution of termination was mailed to the Franchisee, the termination of the franchise shall become final, binding, conclusive and not subject to review or reversal by any authority. Judicial enforcement of the decision may be sought.

Except as otherwise provided herein, the arbitration panel shall be selected, the hearing scheduled within the time prescribed, notice given, the hearing conducted, decision made and costs divided in the manner prescribed by Sections 5.50.830 through 5.50.840, inclusive, below.

The question which may be submitted to the arbitration panel and jurisdiction of the panel shall be limited to a decision as to whether the evidence received during the hearing preceding the determination by the Board of Directors established a basis for the termination of the franchise, and interpretation of the provisions of the Franchise Documents solely in relation to the question of whether there was a basis for termination. Under no circumstances shall the arbitration panel have authority or be vested with jurisdiction to review, reverse or otherwise nullify the exercise of discretion by the Board of Directors in terminating the franchise, if the panel determines that there are grounds for termination.

The hearing by the arbitration panel shall not be trial de novo, no new evidence shall be introduced, received, or considered, and the sole function of the panel shall be to review the record of the hearing preceding the decision by the Board of Directors to decide whether there was substantial evidence in the record to support the findings and to interpret the Franchise Documents in relation to the decision by the Board of Directors. The Board's determination to terminate shall be sustained by the arbitration panel if it finds that there is substantial evidence in the record to sustain the determination, and that the conclusions are consistent with the provisions of the Franchise Documents. In determining whether there is substantial evidence in the record to support the findings, the panel shall conduct an independent review of the evidence in the record and determine the weight of the evidence contained in the record. The panel

shall not substitute its discretion for that of the Board with respect to the determination to terminate. If the panel decides that the determination by the Board to terminate violates the provisions of the Franchise Documents it shall remand the matter to the Board for further determination, reserving jurisdiction to review the determination. However, such remand shall not include a duty to receive further evidence, unless such evidence was initially offered and excluded during the hearing preceding the Board's decision. Objections by the Franchisee which were not presented during the hearing preceding the Board's decision shall be deemed to have been waived.

The decision by the Board of Directors as affirmed by an arbitration award, may be judicially enforced, shall be final, binding and conclusive upon the parties, and shall not be subject to judicial review or vacation except on grounds set forth in Section 1286.2 of the Code of Civil Procedure to the extent such grounds are consistent with the express terms of this Chapter.

5.50.826 ACQUISITION OF PROPERTY. Upon a final determination to terminate the franchise pursuant to Sections 5.50.822 or 5.50.824, above, the Board of Directors of the Cable Television Commission, in its sole discretion, shall be authorized to purchase the property associated with the franchise, as defined by Section 5.50.242 in Sub-Chapter 3. Purchase of the property shall be made in accordance with the standards, procedures and provisions set forth in Section 5.50.240 through 5.50.266, inclusive, in Sub-Chapter 3. No compensation shall be payable by the Commission or its assignee in relation either to the termination of the franchise or purchase of the property, except pursuant to and in accordance with said Sections 5.50.240 through 5.50.266.

5.50.828 COMMISSION'S RIGHT TO OPERATE SYSTEM. In the event a Franchisee fails to operate its Cable Television System for seven (7) consecutive days without prior approval by the Board of Directors of the Cable Television Commission and for reasons which are not beyond its control, the Commission through its officers, agents, employees or contractors may, at its option, enter upon the premises of the Franchisee, occupy such premises and property constituting the Cable Television System, and operate the System until such time as the Franchisee presents proof satisfactory to the Board of Directors that it is ready, willing and able to renew operation of the System. In operating the System, the Commission or its contractor shall be vested with the powers of a receiver, and shall be authorized to contract in the name of the Franchisee, incur expenses in the name of the Franchisee, and take any and all other actions necessary to enable it to effectuate the purposes of this Section. The costs incurred by the Commission in undertaking such operation shall be a charge against the assets of the Franchisee, and the Commission or its contractor shall be authorized to reimburse itself for the costs incurred from revenues received during the period of operation.

5.50.830 ARBITRATION PROCEEDINGS. Except as otherwise provided by this Chapter, arbitration proceedings of matters expressly made arbitrable under the provisions of this Chapter shall be conducted in compliance with the provisions of the California Arbitration Act, commencing with Section 1280 of the California Code of Civil Procedure.

5.50.832 ARBITRATION PANEL. Each arbitration shall be conducted by a panel of three (3) arbitrators. One arbitrator shall be appointed by the Franchisee, one arbitrator shall be appointed by the Cable Television Commission, and the third arbitrator shall be the chairperson of the panel, and shall be appointed by the other two arbitrators. If the other two arbitrators are unable to agree upon an appointment, the third arbitrator shall be appointed by the Presiding Judge of the Superior Court in Sacramento County. Each member of the arbitration panel shall be an attorney licensed to practice within the courts of the State of California. No member of the panel shall be an officer, employee or attorney of any Franchisee or any affiliate thereof, the County, Cities or the Commission.

The Franchisee and Commission shall each appoint its arbitrator and mail notice to the other of its selection not later than fifteen (15) calendar day following filing of a notice of appeal to arbitration or mailing of the initiation of arbitration. The third arbitrator shall be appointed not later than thirty (30) calendar days following filing of the notice of appeal to arbitration or mailing of the initiation of arbitration.

5.50.834 ARBITRATION HEARING. The chairperson of the arbitration panel shall select the site of the hearing, retain a stenographic reporter to report the hearing, and, in consultation with the other members of the panel and the parties, schedule the hearing. The hearing shall be scheduled to commence not later than seventy-five (75) calendar days following filing of the notice of appeal to arbitration or mailing of the initiation of arbitration. The chairperson of the panel shall mail written notice of the time, date and place of the hearing to the other two arbitrators, legal counsel to the Cable Television Commission, the Franchisee, and the franchisee's surety on the performance bond filed pursuant to the provisions of Section 5.50.700 in Article 4-e of Sub-Chapter 4, above, not later than twenty (20) calendar days in advance of the hearing.

5.50.836 COSTS OF ARBITRATION. The compensation and expenses of the arbitrator appointed by the Franchisee shall be borne and paid solely by the Franchisee. The compensation and expenses of the arbitrator appointed by the Cable Television Commission shall be borne and paid solely by the Commission. The Franchisee and Commission shall each bear and solely pay their own costs of attorneys' fees, expert and other witness fees and other expen-

ses incurred in preparing and prosecuting their respective cases. In proceedings where the record of a public hearing of the Board of Directors of the Commission is to be considered by the arbitration panel, the costs of transcribing, typing and copying the record shall be borne and paid solely by the Franchisee.

The compensation and expenses of the chairperson of the arbitration panel, rental, if any, for the place of the hearing, per diem costs of the stenographic reporter, costs of transcribing and typing any transcripts of the arbitration hearing, and any other costs of the arbitration proceeding not identified in the first paragraph of this Section shall be divided equally between, borne and paid by the Franchisee and Commission. The arbitration panel shall not be empowered to order a division of costs, fees or expenses different from that prescribed by this Section.

5.50.838 ARBITRATION AWARD. The arbitration award shall be determined by a majority of the members of the arbitration panel, and shall be in writing. If it is necessary for the panel to make determinations of fact, it shall include findings of fact and conclusions with the award if requested by any party to the proceeding. The award shall be issued and mailed to the parties not later than ninety (90) calendar days following the close of the arbitration hearing.

5.50.840 LIMITATIONS OF POWERS. The arbitration panel shall have no authority to add to, delete or alter any provisions of the Franchise Documents, but shall limit its interpretation to the express terms of the Franchise Documents. Under no circumstances shall an arbitration panel be vested with authority or jurisdiction to determine or award monetary damages (by way of setoff, counterclaim, directly or otherwise) or any other relief against the County, the Cities, the Cable Television Commission, or their officers, agents or employees, except with respect to proceedings under Section 5.50.258 or 5.50.260 in Sub-Chapter 3 to determine the value of property, and in such instances, any such award shall be limited to a determination of the value of the property according to the expressed terms and standards of the Franchise Documents.

5.50.842 ALTERNATIVE REMEDIES. No provision of this Chapter shall be deemed to bar the right of the County, Cities or Cable Television Commission to seek or obtain judicial relief from a violation of any provision of the Franchise Documents or any rule, regulation, requirement or directive promulgated thereunder. Neither the existence of other remedies identified in said Chapter nor the exercise thereof shall be deemed to bar or otherwise limit the right of the County, Cities or Cable Television Commission to recover monetary damages (except where liquidated damages are otherwise prescribed) for such violation by the Franchisee, or judicial enforcement of the Franchisee's

obligations by means of specific performance, injunctive relief or mandate, or any other judicial remedy at law or in equity.

5.50.844 NO RECOURSE AGAINST AGENCIES. No Franchisee shall have any recourse whatsoever against the County, Cities Cable Television Commission, or their officers, agents, or employee for any loss, costs, expense, or damage arising out of or resulting from any provision or requirement of the Franchise Documents or any rule, regulation, requirement or directive promulgated thereunder, or because of the enforcement of any provision of the Franchise Documents or any rule, regulation, requirement or directive promulgated thereunder, or in the event any provision of the Franchise Documents or any rule, regulation, requirement or directive promulgated thereunder is determined to be invalid.

5.50.846 NON-ENFORCEMENT. A Franchisee shall not be relieved of any obligation to comply with any of the provisions of the Franchise Documents or any rule, regulation, requirement or directive promulgated thereunder by reason of any failure of the County, Cities, Cable Television Commission or their officers, agents or employees to enforce prompt compliance.

SECTION 2

For purposes of numbering the sections in this ordinance, the number 5.50 at the beginning of each section number or section reference shall be deleted and the number 20 inserted in place thereof. The City Clerk is hereby authorized, after adoption of the ordinance, to make this change throughout the ordinance prior to its placement in the Sacramento City Code.

PASSED FOR PUBLICATION:

ENACTED:

EFFECTIVE:

MAYOR

ATTEST:

CITY CLERK