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A G E N D A  
JOINT SUB-COMMITTEE OF THE  
SACRAMENTO CITY COUNCIL AND COUNTY BOARD OF SUPERVISORS  
RELATING TO CABLE TELEVISION  
700 "H" STREET - SUITE 1450  
SACRAMENTO, CALIFORNIA 95814

WEDNESDAY

FEBRUARY 23, 1983

1:30 P.M.

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Members: Bill Bryan; Terry Kastanis; Lynn Robie; Ted Sheedy

ITEM NO. 1: STAFF REPORT: Status of Negotiations

ITEM NO. 2: FINAL RESOLUTION OF AWARD: Tentative Approval - Services,  
General Provisions and Staffing

# SACRAMENTO METROPOLITAN



Cable  
Television  
Commission

SUITE 2500, 700 'H' ST., SACRAMENTO, CA 95814 • (916) 440-6661

ROBERT E. SMITH  
EXECUTIVE DIRECTOR

February 16, 1983

For Sub-Committee Meeting of  
February 23, 1983

To: Members, Sacramento Metropolitan Cable Television Commission

From: Bob Smith, Executive Director  
Sacramento Metropolitan Cable Television Commission

Subject: CABLE TELEVISION FRANCHISE - SERVICES, GENERAL PROVISIONS, STAFFING  
SECTIONS

The attached three sections of the Resolution Offering the Franchise (Services, General Provisions and Staffing) are submitted for your review and approval. These final drafts reflect many hours of discussions with UTC. Their purpose is to specify detail terms and conditions to make the commitments contained in UTC's Application more enforceable, clarify ambiguities and, where appropriate, alter the form of those commitments as well as identify any which are not intended to be contractually binding upon UTC.

The following discussion summarizes the final drafts and highlights those few terms in which UTC still objects. Except as expressly specified in this report, it can be assumed that UTC agrees with the terms and conditions as attached.

## A. SERVICES.

This section describes all subscriber services and rates and is divided into three major components - Home Entertainment Services, Non-Entertainment Services to the Home Subscriber and Institutional Uses.

Home Entertainment Services: This subsection more clearly and enforceably defines how the entertainment programming commitments contained in the Application will be allocated among the service tiers. Attachment 1 to the Services Section is a detailed listing of hours and types of entertainment services to be provided by UTC. You will note that UTC proposes an average of 7,910 hours of weekly programming, of which 5,082 hours are from satellite, 59 hours locally originated, 125 hours from community use and approximately 1400 hours being distant signals.

The Services Section reflects the methodology included in the Ordinance for substitution of a particular service for another as may occur from time-to-time due to market conditions. Such substitutions are subject to the Commission's right to object if the nature, extent, volume and/or quality of the substitution materially alters the programming as submitted in the Application.

Non-Entertainment Services: This subsection describes various services in generic terms wherever possible rather than the copyright and trade name included in the Application. This is to ensure that the community receives services included in the Application whether or not the vendors such as Cox "Indax" specified in that document are able to provide such services. There are also generic descriptions and implementation timelines for tele-banking, tele-shopping and local data base reference sources such as the restaurant guide and others which are more definitive in scope and nature than contained in the Application.

Institutional Use: This subsection details the efforts UTC must undertake to establish the I-Net including the implementation of marketing studies, demonstration grants to local public agencies, development of use contracts and the Commission's reporting requirements.

Finally, provisions have been drafted wherein the Commission may from time-to-time review the feasibility of UTC services and, at its sole discretion, may grant modifications or substitutions upon the request of UTC.

Distant Signal - UTC disagrees.

The Services Section contains one provision which currently does not have UTC concurrence. As a result of significant increase in copyright fees established by the Copyright Royalty Tribunal, UTC requested that they be excused from the provision of providing ten distant signals contained in the Application and shown with an asterisk (\*) on Exhibit I. UTC's request is based on the significant increase from the 3.2% of basic service revenues anticipated in their Application to 23.8% now estimated to cost for the ten distant signals. According to UTC, this 700% fee increase was not anticipated at the time of Application submission and is an extraordinary burden to the economic feasibility of providing the Cable System in Sacramento.

Staff has reviewed this matter and concurs that there is a need to provide a mechanism to ensure that the increased copyright fees are not an undue burden on the cable franchise. However, at the same time, it is our firm belief that UTC should not make an extraordinary profit as a result of being relieved from a significant program obligation as presented in their Application. Staff, therefore, recommended that UTC either secure Commission approval by presenting an acceptable substitute program for each eliminated distant signal or have the latitude of reducing distant signals at their sole discretion when three conditions are met. They are as follows:

- 1) The estimated copyright expenditure in total dollar terms for all distant signal channels shall not be less than that specified in the Application.
- 2) The estimated expenditures for copyright fees shall not be less than 3.2% of basic services revenues.
- 3) The estimated net profit (after depreciation and before taxes) shall not exceed the profit projected in the Application.

This methodology will ensure that if the copyright fees are reduced by the Tribunal or if the net profits of the cable system increase, then UTC is obliged to reinstate the distant signals. If this process is onerous, UTC may always come to the Commission under 5.50.510 of the Ordinance and request to substitute programming for the distant signals eliminated and thus restore their profit-making capabilities. Therefore, this process provides two methods by which UTC may be relieved from providing the distant signals.

UTC disagrees and argues that this is a burdensome provision which restricts profits and their incentive to undertake cost-effective actions which would increase such profit. In addition, the provision has no relationship to subscriber revenues in that the staff definition of net profits relate to the entire system including the institutional network. Finally, UTC argues that their Application contains virtually every reasonably available program and it would be difficult to find substitutions. UTC, therefore, requests to be required to expend only 3.2% of basic service revenues and be excused from providing any distant signals which exceed that amount, no matter how much profit they make.

It is the staff recommendation that you approve the formula and substitution procedures as outlined.

B. GENERAL PROVISIONS.

This section defines the ownership of the UTC joint ventures and reflects the Ordinance requirement of the Commission's right to approve any change exceeding 10% of the ownership. It details procedures for acceptance of the Franchise by UTC, including payment of the post award fee as well as bonding and insurance requirements specified in the Ordinance. This section also reflects the two parent companies' (United Cable of Denver and the Tribune Company of Chicago) agreement to be jointly and severably liable for the cable system construction and operation.

It is this element combined with the acquisition provisions contained in the Ordinance which generate another UTC concern.

Acquisition Procedures - UTC disagrees.

UTC argues that a change of ownership exceeding 10%, a change in Federal or State law or other events may result in a breach. The fact that the Commission could conceivably make a profit as a result of acquisition and resale creates an incentive for it to declare such a breach. UTC contends it may be in the Commission's best interest to declare a breach or disapprove a change of ownership and initiate acquisition in order to take advantage of a windfall profit.

UTC has requested until February 18, 1983 to formally present their position. Since this specific acquisition issue does not directly relate to the Ordinance requirements for a change in ownership, staff recommends, and UTC

agrees, that you tentatively approve the General Provision Section as submitted. Subsequently, it can be changed to reflect your decision regarding UTC's February 18, 1983 request after you have an opportunity to review legal opinions.

C. STAFFING.

The Staffing Section reflects both staff's and UTC's concurrence. The provisions of this document provide UTC with expenditure flexibility and management perogatives as long as the commitments detailed in the Resolution and Application are fulfilled.

This document provides that UTC will, at all times, provide sufficient staff to meet all terms and conditions contained in the Resolution and deliver all services as described in the Application. Therefore, as long as UTC complies with the provisions of the Resolution and the Ordinance including performance standards contained therein, they are permitted to employ those numbers of employees that UTC at their sole discretion determine are sufficient to operate the system.

Staff concurs with this approach since contract administration is based on measuring the output of such a contract rather than a "body count" of the employees being hired.

The local origination and community use sections are an exception to this concept. While the other services provided by UTC are revenue generating, community and local origination are generally not. As a result, UTC may not have the natural incentives to adequately staff these service components. Staff was compelled to prepare both new performance standards for the delivery of these generally non-revenue producing activities and provide, at the Commission's sole discretion, a mechanism which would require the employment at the numbers and levels of UTC staff identified in the Application.

Therefore, the Staffing Section relating to these two functional areas provide that UTC must deliver the services as described in the Ordinance, Resolution and Application and should they fail to do so, not only must they correct that deficiency but at the same time the Commission may order UTC to augment its community use and L.O. staff to the levels set forth in the Application. Non-compliance with this order will constitute a material breach determination by the Commission.

Recommendation:

It is, therefore, recommended that the attached final draft of Services, General Provisions and Staffing Sections of Resolution Offering the Franchise be tentatively approved by the Sub-Committee subject to minor modifications and/or amplifications prior to the official adoption of such Resolution as may be required.

Members, Sacramento Metropolitan Cable  
Television Commission  
February 16, 1983  
Page 5

SUB-COMMITTEE RECOMMENDATIONS:

Ayes:

Noes:

Abstentions:

A handwritten signature in black ink that reads "Bob Smith". The signature is written in a cursive, flowing style.

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BOB SMITH, Executive Director  
Sacramento Metropolitan Cable  
Television Commission

RES:ab

Attachments

## VI. SERVICES

a. Generally

1. Definitions. As used in this Resolution and the Ordinance the following terms shall be ascribed the following meanings:

- (a) "Electronic Mail" -- means a type of bidirectional service in which a cable television subscriber creates and transmits an electronic textual message via the cable television network to another location.
- (b) "Home Entertainment Services" -- Home Educational Entertainment Programming", and "Home Educational and Entertainment Services" -- as used in Sections 5.50.500 through 5.50.512 of the Ordinance, the Request for Proposals and this Resolution mean services offered on Tiers I, II and III (or other tiers as they may change from time to time) on the Subscriber Network to Home Subscribers, as those services described by Pages 1 of 20 through 2w of 20 and 2dd of 20 through 3ll of 20, Form J, Volume 4 of the Application, together with those premium and pay-per-view services described by Pages 7a-7f and 7i-7m of 20, Form J, Volume 4 of the Application, plus future similar services or substitute services as programming may change from time to time.
- (c) "Home Subscriber" -- means a person occupying a residential dwelling who is lawfully entitled to receive Home Entertainment Services or Non-Entertainment Services from the Franchisee.
- (d) "Institutional Services:" -- mean any service provided through the cable television system to Institutional Users.
- (e) "Institutional User" -- means the operator of a commercial enterprise, including, but not limited to, business and professional offices; retail, wholesale and industrial firms; Cities, County, School Districts, other Special Districts, State and Federal agencies, offices, facilities, schools and services of whatever kind of nature; public and private utilities; private non-profit educational, philanthropic, social service, health and other service entities; and hotels and motels; who are lawfully entitled to receive cable television services from the Franchisee, including any person legally entitled to receive such services in behalf of the operator.
- (f) "Non-Entertainment Services" -- means videotex, teletext, electronic mail, telemonitoring, transactional and any other service other than Home Entertainment Services which may be offered to Home Subscribers and/or Institutional Subscribers.

- (g) "Telemonitoring Services" -- means a type of service in which the status of certain cable installations are monitored by computer activation or headend, including security and burglar alarm monitoring, other surveillance monitoring, and polling of Home Subscribers or Institutional User preferences.
- (h) "Teletext Services" -- means a method of information retrieval under which information is continuously transmitted from a headend through the Subscriber or Institutional Networks to Home Subscribers or Institutional Users in pre-formatted and cyclical page formats.
- (i) "Transactional Services" -- means a type of interactive service in which a Subscriber initiates, processes and completes a transaction through interaction with a local or remote computer based service, utilizing at least, in part, the cable television network as the local communications medium. Examples of such services include, but are not limited to banking, shopping, reservations, et. al.
- (j) "Videotex Services" -- means a method of information retrieval which is interactive in the sense that a Home Subscriber or Institutional in the sense that a Home Subscriber or Institutional User transmits a signal from the viewing location through the Subscriber or Institutional Networks to a headend which requests particular information in a database, and the information is transmitted back from the headend through the Subscriber or Institutional Networks and displayed on the screen of the viewer until released. Videotex Services include data base access, computing, data processing, storage and retrieval.

2. Subscriber Network. For both the Imposed and Proposed Service Areas, and as used in this Resolution and Section 5.50.012-w of the Ordinance shall:

- (a) Consist of--
  - (1) Two cables (A and AA).
  - (2) Each within a frequency spectrum of 0 - 399 MHz -- with:
    - a. the equivalent of at least four 6 MHz channels upstream within a frequency spectrum of 5 - 30 MHz on each cable; and
    - b. the equivalent of at least 51 video channels downstream within a frequency spectrum of 54 - 399 MHz, on each cable.
- (b) Shall Be Utilized -- in the absence of Commission consent, solely for the purpose of providing:
  - (1) Home Entertainment Services;

- (2) Non-Entertainment Services;
- (3) The transmission of Tier I, II and III Home Entertainment Services and Institutional Services of Institutional Users; and
- (4) System support functions, such as status monitoring.

3. Institutional Network. As used in this Resolution and Section 5.50.012-o of the Ordinance for both the Imposed and Proposed Service Areas:

- (a) Consists of -- two residential subscriber cables; one institutional cable and two distinct mini-networks as specified below. Multiple Distribution System (MDS) shall also be provided contingent upon receive of necessary licenses granted by the Federal Communication Commission (FCC), and more fully described herein.
  - (1) Cable B -- covering approximately 875 miles within the Imposed Service area and with the equivalent of at least 63 video channels within a frequency spectrum of 0 - 440 MHz as follows:
    - a. the equivalent of at least 28 downstream video channels; and
    - b. the equivalent of at least 35 upstream video channels;
  - (2) Cable A -- within the Imposed and Proposed Service areas, and consisting of the equivalent of 6 downstream video channels; upstream usage is limited to conditions that do not create interference with subscriber upstream signals;
  - (3) Cable AA -- within the Imposed and Proposed Service areas, and consisting of the equivalent of 6 downstream video channels; upstream usage is limited to conditions that do not create interference with subscriber upstream signals;
  - (4) Sacramento City/County/State Mini-Network -- a cable covering approximately 3.0 plant miles within the downtown area of Sacramento with the equivalent of at least 200 MHz capacity;
  - (5) Sacramento County Branch Mini-Network -- a cable covering approximately 1.8 plant miles within the County's Branch Center and with the equivalent of at least 200 MHz capacity; and
  - (6) MDS Services - a 4 channel microwave service by which transmissions shall be made within and beyond the Imposed and Proposed Service Areas.

- (b) Shall be Utilized -- in the absence of consent by the Commission, as follows:
- (1) Cable B -- shall be utilized "at least to extent of institutional demand" for the purposes of providing Institutional Services.
  - (2) Cables A and AA -- may be utilized for the purpose of providing Institutional Services to Institutional Users whose places of business are within the Imposed or Proposed Service Areas, but are not passed by and subject to connection to Cable B.
  - (3) The two Mini-Networks -- shall be utilized for the purpose of providing Institutional Services.
  - (4) The MDS -- shall be utilized solely for the purpose of providing Institutional Services to public schools, County buildings and facilities, buildings and facilities of special districts and other commercial and non-commercial users which are situated outside the reach of the B cable.
  - (5) Notwithstanding anything contained herein, the Institutional Network shall serve at least the locations set forth in Exhibit \_\_\_ attached hereto and incorporated herein.

b. Home Entertainment Services

4. Tier Structure. Home Entertainment Services shall be offered within three Service Tiers. Modification of the number and structure of the tiers shall be subject to the provisions of Section 5.50.510 of the Ordinance.

The Franchisee shall utilize Cables A and AA within, at least, the frequency range from 54 - 400 megahertz (MHz) on each cable, to provide Home Entertainment; Educational; and Home Non-Entertainment Services in three tiers or packages as follows:

- (a) Tier I: Tier I shall consist of the equivalent of not less than 39 video channels.
- (b) Tier II: Tier II shall consist of the equivalent of not less than 40 video channels.
- (c) Tier III: Tier III shall consist of the equivalent of not less than 36 video channels.

Use of the above specified channels for any use or purpose other than that specified in the Application and this Resolution shall be subject to the provisions of Section 5.50.510 of the Ordinance.

5. Programming Commitments. The programming shown on Channels 2 through 57 and 64 through 120, as described on Pages 1 of 20 through 2w of 20 and 2dd of 20 through 311 of 20, Form J, Volume 4 of the Application shall, subject to the provisions of Section 5.50.510 of the Ordinance, be maintained as described by and in the volume of hours stated during the term of the franchise.

- (a) Volumes of Hours. Those volumes of hours shown in Form J, Volume 4 of the Application, including, but not limited to Pages 1 of 20 through 2w of 20 and 2dd of 20 through 311 of 20, designated "Within 23 months", "Within 37 months" and "Within 51 months" shall, subject only to the provisions of Section 5.50.510 of the Ordinance, respectively:
- (1) Be maintained from the beginning of the 23rd month following filing of the Certificate of Acceptance through the end of the 36th month;
  - (2) Be maintained from the beginning of the 37th month following filing of the Certificate of Acceptance through the end of the 50th month;
  - (3) Be maintained from the beginning of the 51st month following filing of the Certificate of Acceptance through the conclusion of the term of the franchise.
- (b) Distant Signal Network and Satellite Programming. Imported stations, network services and satellite programs and services which are not premium services or pay-per-view services, shown on Pages 1 of 20 through 2w of 20 and 2dd of 20 through 311 of 20 shall be offered by the Franchisee in accordance with the programming structure proposed in the Application subject only to the provisions of Section 5.50.510 of the Ordinance and subparagraph (c) below.
- (c) Distant Signal Channel Reduction. The application set forth ten (1) distant signal channels which the Franchisee proposed to carry, of which eight (8) were independent stations (WTBS, Atlanta; WOR, New York; KTSF, San Francisco; WGN, Chicago; KHBK, San Francisco; KICU, San Jose; KTVU, Oakland; and KTZO, San Francisco) and two (2) were network affiliate stations (KHSY, Chico and KGO, San Francisco).
- (1) The Franchisee has represented that, as a result of a new copyright royalty fee schedule established by the Copyright Royalty Tribunal in October 1982, the total royalty fees for carriage of all ten distant signal channels proposed in the Application would

be twenty-three and eight-tenths percent (23.8%) of basic service revenues rather than three and four-tenths percent (3.4%) of basic service revenues which would have been the total of copyright royalty fees payable for all of the distant signal channels prior to the change of the copyright fee schedule by the Copyright Royalty Tribunal.

- (2) The Franchisee has represented that both judicial and legislative relief from the new rate schedule is presently being sought. Accordingly, the future of the copyright royalty schedule is uncertain.
- (3) In view of the foregoing, the parties hereto have agreed upon the provisions of this paragraph as a fair and equitable adjustment of the present and potential burdens imposed upon the Franchisee by such changes in the copyright royalty fee schedule.
- (4) The parties hereto agree that the elimination of distant signal channels which are network affiliates (KHSY and KGO) shall not constitute a material reduction or elimination of "programming of the nature, extent, volume, or quality identified in the Application" as that phrase is used in Section 5.50.510 of the Ordinance.
- (5) During each year of the franchise, the Franchisee shall be expressly permitted to reduce the number of distant channels cable case upon the system to the extent, and only to the extent, that, based upon reasonable estimates for the next succeeding franchise year:
  - a. The estimated expenditures for copyright fees for such distant signal channels in a given year shall not be less than the amount set forth for such copyright fees for the corresponding year of the franchise term at line 22 of page 23, 24, or 25 of 29 of Form G of the application, and
  - b. The estimated expenditures for copyright fees shall not be less than three and four-tenths percent (3.4%) of the total basic service revenues, and
  - c. The estimated net income of the Franchisee after depreciation but before taxation for the next succeeding year shall not exceed that specified for the corresponding year in the sixth column from the left on Page 4 of 29 of Form G of the Application.
6. If reduction in the number of distant signal channels is made by the Franchisee pursuant to the provisions of subparagraph (5) of

this paragraph in any given year, the aforesaid test shall be reviewed annually thereafter and such distant signal channels shall be restored as are necessitated by the result of said test in succeeding years.

7. Channels which are eliminated by the Franchisee pursuant to the calculation of subparagraph (5) shall be removed first from Tier III until all such channels from Tier III are exhausted and removed and then from Tier II.
8. Distant signal channels reduced or eliminated pursuant to the provisions of subparagraph (5) shall not constitute a material reduction or elimination of "programming of the nature, extent, volume or quality identified in the Application" as that phrase is utilized in Section 5.50.510 of the Ordinance.

6. Tier I Services. The services described in this Paragraph shall be deemed to constitute "Basic Service" as those terms are used in Section 5.50.012-a of the Ordinance, and such services shall be provided during the term of the franchise within the Imposed and Proposed Service Areas.

(a) Tier I Channels. Thirty-nine (39) channels shall constitute Tier I, and the programming and volumes of hours thereof described by Pages 1 of 20 through 1cccc of 20, Form J, Volume 4 of the Application and Paragraph 5 shall be provided during the term of the franchise, subject only to the provisions of Section 5.50.510 of the Ordinance. The following terms, conditions, restrictions and requirements shall be independently applicable to such channels:

- (1) Channels which may be subject to FAA conflicts or RM 4040 shall not be utilized for any purpose, in the absence of consent by the Commission and the FCC, except for low level data transmission waived by the FCC.
- (2) One channel shall not be utilized by the Franchisee and the Franchisee shall not permit it to be utilized by KVIE or any other person for any purpose or type of programming except as prescribed by Pages 1C and 1D of 20 of the Application and is approved by the Board of Supervisors of the County.
- (3) Nine channels shall be available for programming sponsored by SC3; its designees who have received program funds from SC3; and the Franchisee. Such programming shall be consistent with the nature or theme of each channel as it may change from time to time.

- a. Programming by SC3 or such parties shall receive priority in relation to scheduling and times of presentation over any programming provided or sponsored by the Franchisee or any other person, except local origination and community use programming originally produced by the Franchisee shown for the first time within the Sacramento Community, and programming received directly from satellite services.
  - b. Community Use Programming shown either by the Franchisee, SC3 or such other persons pursuant to programming commitments prescribed pursuant to Paragraphs \_\_\_\_\_ shall not be immediately preceded, interrupted, or immediately succeeded by commercial advertising, and such programming shall be presented in compliance with Section 5.50.012-e of the Ordinance.
- (4) One channel shall, notwithstanding the provisions in Pages 1g and 1h of 20, be utilized exclusively for public access programming as defined by and in the manner prescribed by Section 5.50.336-g of the Ordinance on a first-come, first-serve basis by members of the general public.
  - (5) Two channels shall not, except as otherwise authorized by this Resolution, be utilized by the Franchisee, the Education Consortium, members thereof, or any other person for any purpose or type of programming except as prescribed by Pages 1k, 1l and 1m of 20 of the Application.
  - (6) One channel shall not be utilized by the Franchisee and the Franchisee shall not permit it to be utilized by KVIE or any other person for any purpose or type of programming except as prescribed by Pages 1ww and 1xx of 20 of the Application and approved by the City Council of the Municipality of Sacramento. Not less than ten percent (10%) of the programming presented between the hours of 5:00 p.m. and 11:00 p.m. each day shall be subject to allocation to the operations of the Municipality of Folsom approved by the City Council thereof.
  - (7) One channel shall not, except as otherwise authorized by this Resolution, be utilized by the Franchisee, KVIE, or any other person for any purpose or type of programming except as prescribed by Page 1eee of 20 of the Application.
  - (8) One channel shall not, except as otherwise authorized by this Resolution, be utilized by the Franchisee, the Sacramento Medical Consortium, or any other person for any purpose or type of programming except as prescribed by Pages 1nnn, 1ooo, and 1ppp of the Application.

- (9) Seven channels shall be deemed to be channels upon which Community Use Programming is offered exclusively, shall be operated solely for non-commercial purposes pursuant to the provisions of Section 5.50.344 of the Ordinance and shall be operated in strict compliance with the restrictions on commercialism prescribed by Section 5.50.012-e of the Ordinance. The Franchisee shall comply and shall require each person to whom the above channels are dedicated or otherwise made available for use to comply with these restrictions and prohibitions.
- (10) Tier I programming shall be carried in strict accordance with the nature, extent, volume and quality set forth in Pages 1 of 20 through 1cccc of 20 inclusive of Form J of the Application, subject only to the provisions of Section 5.50.510 of the Ordinance.
- (b) Premium Video Programming. Tier I subscribers shall have the option to subscribe to Home Theater Network Plus as described on Page 7a of 20, and GalaVision as described on Page 7b of 20 as premium pay services. Each of these two services shall be offered on an independently optional basis to Home Subscribers to Tier I services, at separate monthly rates. Subject to the provisions of Section 5.50.510 of the Ordinance, no other premium service shall be substituted for other programming on Tier I.
- (c) FM Audio Services. "TIER I BASIC FM SERVICE", as described on Pages 17b and 18 of 20, shall constitute a premium pay service. Said services shall be offered on an optional basis to Home Subscribers. Non-Subscribers may subscribe to "Tier II Super FM Service".
- (d) Non-Entertainment Services. Teletext, Videotex, Transactional, Electronic Mail, and Telemonitoring-Polling services shall constitute Non-Entertainment premium pay services. Such services shall be offered on an independently optional basis to Home Subscribers to Tier I services, at separate monthly rates in the following alternative options as more specifically described in Paragraphs 19 through 24.
- (1) Inter-Active Plus the Source, or equivalent;
  - (2) Inter-Active/The Source Cable, or equivalent;
  - (3) Dow Jones Cable Information Services I, or equivalent;
  - (4) Dow Jones Cable Information Services II, or equivalent;
  - (5) Reuters IDR, or equivalent.

## Equivalency

7. Basic Service Rates and Charges. The rates and charges prescribed below as derived from Pages 1 of 2, 2a of 2, 2d or 2, and 2e of 2, Form L, Volume 6 of the Application shall constitute the rates and charges for Basic Service, and increases thereof shall be subject to the limitations contained in Sections 5.50.616 through 5.50.624 of the Ordinance.

Except as expressly provided below, the rates and charges prescribed below shall be the only ones charged or collected for Basic Service, and no other or additional charges, whether for equipment rental or otherwise, shall be levied, charged or collected except as permitted by the provisions of Section 5.50.622 of the Ordinance. The Franchisee shall provide all equipment, apparatus and appliances required in order to receive a defined service which is provided directly by the Franchisee and not through a second party vendor, including, but not limited to converters and text decoders, without rental, sales, use, service, subscription or any other charges except as prescribed below.

The following rates and charges shall be uniformly applicable within the Imposed and Proposed Service areas, and shall be uniformly applicable to services to single family residences, duplex units apartments and apartment buildings, condominiums and other multiple family housing under common ownership and management, except as otherwise specifically prescribed.

### (a) Subscription rates

- (1) Tier I Channels. The following rates shall be applicable to subscriptions for those Tier I services described by Paragraph 6-a.
  - a. First Television Outlet -- \$1.50 per month;
  - b. Each Additional Television Outlet -- \$1.50 per month;
- (2) Premium Pay Services. The subscription rate for those services described by Paragraph 6-b shall be as follows:
  - a. Home Theater Network Plus -- \$495 per month per television outlet for service.
  - b. GalaVision -- \$8.95 per month per television outlet for service.

With respect to apartments and apartment buildings, condominiums and other multiple family dwelling units under common ownership and management, the subscription rates for bulk billed Premium Pay Services shall be negotiable, but shall not exceed those prescribed above.

(3) FM Audio Services. The subscription rates for the provision of FM Audio Services as described by Paragraph 6-c shall be as follows:

a. Basic FM Service shall be available to Tier I Home Subscribers at a rate of \$1.00 per month per outlet for service. No installation fee per outlet will be charged if installed at the same time as Tier I service. Non-Subscribers may only subscribe to Deluxe FM Service for a monthly rate of \$3.50 per outlet and installation of \$19.95 per outlet.

(4) Non-Entertainment Services. The subscription rate for those Non-Entertainment Services described by Paragraph 6-d shall be as follows:

a. Interactive/Source Cable - \$495 per month. There shall be no user or other additional charges for Telemonitoring Polling, or for the Teletext service from The Source. Additional charges to be determined in the future based upon use may be levied for the following types of services:

- 1) Access to locally and remotely maintained data bases;
- 2) Transactional Services;
- 3) Electronic Mail Services.

b. Inter-Active plus the Source -- \$3.00 per month. Modems will be made available by the Franchisee for an additional \$6.00 per month. Additional subscription and usage charges will be billed to the subscriber to the extent imposed by service and data base vendors other than Franchisee.

c. Dow Jones Cable Information Service I - \$22.00 per month.

d. Dow Jones Cable Information Service II -- \$50.00 per month.

e. Reuters IDR -- subscription charges to be billed directly by Reuters and may vary.

(b) Installation Charges

## (1) Tier I Channels

- a. First Television Outlet -- \$29.95;
- b. Each Additional Television Outlet -- \$15.00, if installation occurs at the time of installation of the first outlet; and \$29.95 if installation occurs at a time later than installation of the first outlet;
- c. Relocation of Each Television Outlet -- \$9.95;
- d. Reconnection of Each Television Outlet -- for the purpose of resuming service following disconnection -- \$9.95;
- e. There shall be no charge for disconnection or discontinuance of service unless converter is not retrievable.

With respect to apartments and apartment buildings, condominiums, and other multiple family housing under common ownership and management, the installation charge for the First Television Outlet and each Additional Television Outlet shall be negotiable, but in no event shall such charges exceed those specified for single family dwellings above.

- (2) Premium Pay Services -- The installation charges for Home Theater Network Plus and GalaVision shall be \$9.95 for each service per television outlet.

## (3) FM Audio Services

- a. FM - Service with cable service - No installation charge if installed at the time of Basic service.
- b. FM - Service without cable service - \$19.95 for installation of each outlet.

## (4) Non-Entertainment Services

- a. Inter-Active Plus the Source (or its equivalent pursuant to Paragraph 6(d) hereof) -- \$29.95 plus one time data base subscription fee determined by the service vendor.
- b. Inter-Active/The Source Cable (or its equivalent pursuant to Paragraph 6(d) hereof) -- \$29.95.

- c. Dow Jones Cable Information Services I (or its equivalent pursuant to Paragraph 6(d) hereof) -- \$29.95.
- d. Dow Jones Cable Information Services II (or its equivalent pursuant to Paragraph 6(d) hereof) -- \$29.95.
- e. Reuters IDR (or its equivalent pursuant to Paragraph 6 (d) hereof) -- to be determined by Reuters or substitute provider.

(c) Miscellaneous Charges

- (1) A one-time deposit charge in an amount not exceeding the cost of a converter may be imposed upon Home Subscribers whose converters have been negligently or intentionally damaged. The deposit may be forfeited as a result of subsequent damage, and a new deposit required as a condition precedent to on-going services.
- (2) RF Modems shall be leased in connection with the provision of the Electronic Mail Services and certain interactive, videotex, teletext, or transactional services, as defined herein, at a rate which does not exceed \$6.00 per month.
- (3) FM-SCA Receivers will be provided at the Franchisee's actual purchase cost plus fifteen percent (15%) to providers or recipients of SCA Narrowcast Service.
- (4) NCI Closed Captioned Decoder for Line 21 Hearing Impaired Service:
  - I- Installation charge -- \$25.00
  - II- Lease Rate -- \$10.00 per month. If Subscriber leases decoder for 28 months on "lease-to-own" plan title shall transfer to Subscriber at 29th month, and rental charge ceases. The number of said monthly payments required to complete the purchase of the decoder may be increased to the extent that the total of all of said monthly payments shall not exceed Franchisee's actual purchase cost, exclusive of any overhead, handling or interest costs.
- (5) Tier Upgrade Charges. Subscribers that choose subsequent to subscribing to Tier I to upgrade to Tier II or Tier III will be charged a one-time \$14.95 installation fee if a service call is required. No charge will be made if the subscriber returns the Tier I converter(s) to the Franchisee's offices and installs the replacement converter provided by the Franchisee, and does not require service installation call.

(d) Other Charges

- (1) All of the above installation charges are based upon a presumed aerial or underground drop of 150 feet or less. For aerial or underground drops longer than 150 feet, in addition to the above installation charge, the Franchisee may levy a fee which does not exceed the actual cost of installation of the drop plus a ten percent (10%) administrative charge for drop length in excess of 150 feet. Underground drops requested by the Subscriber, where undergrounding is not required will be provided at actual cost.
- (2) There shall be no charge for response to calls for on-going cable service, maintenance or repair. For service calls where "trouble" is found to be unrelated to a cable service (e.g., faulty tuning) the Franchisee may charge for the cost of the call. All charges relating to such services shall be limited to and based upon the time spent at the site where service is rendered, and the cost of materials and supplies.

(e) Discounts and Billing Practices

(1) Discounts

- (a) Severely handicapped individuals, and senior citizens age 70 or over who are heads of households and on fixed income and/or governmental assistance payments shall receive a twenty-five percent (25%) discount on all subscription rates, installation charges, equipment rental rates and other charges specified above.
- (b) Home Subscribers who subscribe to three or more of any combination of Premium Pay Per Channel Entertainment Services described above, shall receive a discount from their monthly subscription charges in the amount of \$1.50.

- (2) Billing Practices. The Franchisee shall, during the term of the franchise, comply with those billing practices identified in Pages 2ak, 2al (excluding that material under the title "Billing Practices"), 2an, 2ao, and 2ap of 2, Form L, Volume 6 of the Application. Service disconnection for delinquency in the payment of rates and charges shall not occur earlier than thirty (30) days following the due date for payment and not until after transmittal of Notice No. 3 of Page 2ao.
- (3) A clear disclosure shall be prominently displayed in all service contract informing prospective subscribers of the costs of the

lower tiers of service and that they do not have to purchase all tiers of service in combination in order to obtain the lower cost tiers.

- (4) Any installation fees or other one-time charges may be reduced or waived by the Franchisee from time to time, at the Franchisee's sole discretion.

8. Tier II Services. The services described in this Paragraph shall be offered in conjunction with subscription to Tier II Services, and such services shall be provided during the term of the franchise within the Imposed and Proposed Service Areas.

(a) Tier Channels. Forty channels shall constitute Tier II, and the programming and volumes of hours thereof described by Pages 2a of 20 through 2w of 20 and 2dd of 20 through 2eee of 20, Form J, Volume 4 of the Application and Paragraph 5 shall be provided during the term of the franchise, subject only to the provisions of Section 5.50.510 of the Ordinance. The following terms, conditions, restrictions and requirements and other sections of this Resolution shall be independently applicable to such channels.

- (1) Channels which may be subject to FAA conflicts or RM 4040 shall not be utilized for any purpose, except for low level data transmission, in the absence of consent by the Commission and the FCC.
- (2) The equivalent of two operable video channels which shall not, except as otherwise authorized by this Resolution, be utilized by the Franchisee, the Educational Consortium, members thereof, or any other person for any purpose or type of programming except as prescribed by Pages 1k, 1l and 1m of 20.
- (3) The equivalent of one operable video channel shall be dedicated during the term of the franchise to the Commission. During the term of the Franchise, neither the Franchisee, the Commission, nor any other person shall utilize that channel for any purpose or types of programming except as prescribed by Pages 2f and 2g of 20.
- (4) Notwithstanding the provisions of Pages 1g and 1h of 20, when released pursuant to the provisions of Section 5.50.816 of the Ordinance, the equivalent of two operable video channels provided for public access programming as defined by and in the manner prescribed by Section 5.50.336-g of the Ordinance on a first-come, first-serve basis by members of the general public; provided that the SC3 may allocate one or both of said channels or time thereon

to planned, serialized or thematic Community Use Programming as described in Pages 1g and 1h of 20, if the Board of Directors of the SC3 determines that the demand to utilize public access channels on a first-come, first-serve basis is such that the provisions of Section 5.50.336-g would not be violated thereby.

- (5) The equivalent of one operable video channel shall not, except as otherwise authorized by this Resolution, be utilized by the Franchisee, KVIE, or any other person for any purpose or type of programming except as prescribed by Page 2aaa or 20.
  - (6) The equivalent of eight (8) operable video channels shall be deemed to be channels upon which Community Use Programming is offered exclusively, shall be operated solely for non-commercial purposes pursuant to the provisions of Section 5.50.344 of the Ordinance, and shall be operated in strict compliance with the restrictions on commercialism prescribed by Section 5.50.012-e of the Ordinance. The Franchisee shall comply and shall require each person to whom the above channels are dedicated or otherwise made available for use to comply with these restrictions and prohibitions.
  - (7) Tier II programming shall be carried in strict accordance with the nature, extent, volume and quality set forth in Pages 2 of 20 through \_\_\_\_\_ of 20 inclusive of Form J of the Application subject only to the provisions of Section 5.50.510 of the Ordinance.
- (b) Premium Video Programming. The following Premium Video Programming shall be offered on the channels indicated on an independently operational basis to Home subscribers to Tier II Services, at separate monthly rates which are paid for each outlet through which the service is provided. Changes and substitutions in Premium Video Programming may be made only in accordance with Section 5.50.510 of the Ordinance.
- (1) One channel shall be available for Special Sports Events and Entertainment Specials, offered on a pay-per-view basis, as described on Page 2j of 20 of Form J of the Application;
  - (2) Showtime, offered on a regular monthly subscription rate, as described on Page 7d of 20 of Form J of the Application;
  - (3) Home Box Office, offered at a regular monthly subscription rate, as described on Page 7d of Form J of the Application;
  - (4) The Entertainment Channel, offered at a regular monthly subscription rate, as described on Page 7e of 20 of the Application; and

- (5) The Disney Channel, offered at a regular monthly subscription rate, as described on Page 7f of 20 of the Application.
- (c) FM Audio Services "TIER I BASIC" and "TIER II SUPER FM SERVICE", as described on pages 17d, 18, 19, and 20 of 20, shall be offered on an independently optional basis to Home Subscribers to Tier II Services as a premium service at a regular monthly subscription rate per outlet. Non-Subscribers may subscribe only to "Tier II Super FM Service" at a \$3.50 monthly charge per outlet and for an installation fee of \$19.95 per outlet.
- (d) Tier I Services For Tier II Subscribers
- (1) Those services described by Paragraph 6-a shall be provided to Home Subscribers to Tier II Services and shall be included in the regular monthly subscription rate for Tier II Services without separate or additional charges.
  - (2) Those services described by Paragraph 6-b, 6-c, and 6-d shall be offered to Home Subscribers to Tier II Services at separate monthly charges which do not exceed those prescribed by Paragraph 7-a-(2), 7-a-(3), and 7-a-(4).

9. Tier III Services. The services described in this Paragraph shall be offered to Home Subscribers to Tier III Services, and such services shall be provided during the term of the franchise within the Imposed and Proposed Service Areas.

- (a) Tier Channels. Thirty-six channels shall constitute Tier III, and the programming and the volumes of hours thereon described by Pages 3a through 311 of 20, Form J, Volume 4 of the Application and Paragraph 5 shall be provided to Home Subscribers at a monthly subscription rate during the term of the franchise, subject only to the provisions of Section 5.50.510 of the Ordinance. The following terms, conditions, restrictions and requirements shall be independently applicable to such channels.
- (1) Channels which may be subject to FAA conflicts or RM 4040 shall not be utilized for any purpose, except for low level transmission, in the absence of consent by the Commission and the FCC.
- (b) Premium Video Programming. The equivalent of six operable video channels shall contain the following Premium Video Programming which is offered to Home Subscribers to Tier III Services on an independently optional basis at separate monthly rates for each outlet through which the service is provided. Changes and substitutions in Premium Video

Programming may be made only in accordance with Section 5.50.510 of the Ordinance.

- (1) Dow Jones Cable Information Service, is offered at a regular monthly subscription rate, as described on Page 7h of 20 of the Application;
- (2) The Movie Channel, offered at a regular monthly subscription rate, as described on Page 7i of 20 of the Application;
- (3) Cinemax, offered at a regular monthly subscription rate, as described on Page 7j of 20 of the Application;
- (4) PBS CABLE, offered when available at a regular monthly subscription rate to be determined by the Franchisee, as described on Page 7k of 20 of the Application;
- (5) Bravo, offered at a regular monthly subscription rate, as described on Page 7l of 20 of the Application; and
- (6) Fuji Telecasting California, Ltd., offered at a regular monthly subscription rate, as described on Page 7m of 20 of the Application.

(c) Tier I and II Services

- (1) Those services described by Paragraphs 6-a and 8-a shall be provided to Home Subscribers to Tier III Services without separate or additional charges.
- (2) Those services described by Paragraphs 6-b, 6-c, and 6-d shall be offered to Home Subscribers to Tier III Services at separate monthly charges which do not exceed those prescribed by Paragraphs 7-a(2), 7-a(3) and 7-a(4).
- (3) Those services described by Paragraphs 8-b and 8-c shall be offered to Home Subscribers to Tier III Services at separate monthly rates.

10. FM Audio Services. The FM Audio Services in the manner prescribed by Paragraphs 6-c and 8-c shall be offered to Home Subscribers and Non-Subscribers separately from any other Home Entertainment or Non-Entertainment Services.

11. Rates and Charges--Tiers II, III and Other Services.

- (a) Procedure For Increase. No increase in the rates and charges referred to for Tiers II, III, or associated services set forth herein shall become effective until the expiration of thirty (30) calendar days following the date on which notice showing the types of rates or charges to be increased and the amount of increase has been published or mailed to all existing Home Subscribers who would be affected thereby and filed with the Clerk of the Board of Directors of the Commission.
- (b) Conditions Precedent to Increase. During the term of the franchise, no increase in the types of rates and charges referred to in this Paragraph shall become effective if, on the effective date of the increase, the Franchisee is in material breach of any of the terms, conditions, or requirements of the Franchise Documents.
- (1) In the event there has been no declaration of breach by the Commission prior to the date on which the notice of intended increase is filed with the Clerk, the increase shall not be invalid unless written notice by the Commission declaring the breach is mailed to the Franchisee not later than thirty (30) calendar days following the date on which the Franchisee filed written notice of the intended increase with the Clerk.
  - (2) In the event rates or charges are increased by the Franchisee in violation of the provisions of this Subparagraph, upon a final determination of breach the Franchisee shall refund the amount of the increase plus interest equivalent to that of the prime interest rate during the period the increase was invalidly in effect to all Home Subscribers from whom it has been collected, and shall pay to the Commission the amount of any increase plus such interest which is not refunded to Home Subscribers as a result of intervening terminations of service or for other reasons.

12. Captioned Programming. The following services on the Subscriber Network shall be provided within the Imposed and Proposed Service Areas for the benefit of the hearing impaired without, except as otherwise provided, additional or other cost or charges to Home Subscribers;

- (a) Open Captioning. The Franchisee shall provide and shall require that other persons provide open captioning or open signing of twenty-five percent (25%) of:
- (1) Locally produced Local Origination Programming provided by the Franchisee; and
  - (2) Community Use Programming pursuant to Section 5.50.338 of the Ordinance cablecast in fulfillment of the Community Use Programming Commitments prescribed by Paragraph 7.c.4.

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- (b) Closed Captioning Equipment. During the term of the franchise, the Franchisee shall make available to Home Subscribers for the benefit of all the hearing impaired a telecaption decoder appropriate for and permitting reception and decoding of all closed captioned programming broadcast on national networks.

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## c. Non-Entertainment Services

(1) Home Subscribers

13. Emergency Alert System. N Emergency Alert System shall be provided on the Subscriber and Institutional Networks within the Imposed and Proposed Service Areas to each Home Subscriber and Institutional User who purchases a Home Entertainment or Home Non-Entertainment Service, with the exception of FM service and security service purchased without cable television services, without request by a the Subscriber or User, and without subscription, installation or any other charge whatsoever.

- (a) Functional Capabilities. The Emergency Alert System shall override all channel audio, video, and FM services and shall include an optional sonalert subsystem provided at the subscriber's request which operates and alerts subscribers, whether the television or other equipment is turned on or off.

The System shall also include, for the hearing impaired, a visual alarm which operates and alerts whether the television set or other equipment is turned on or off; and a built-in light shall be supplied as a part of the alarm at the consumer's request.

- (b) Activation Capabilities. The County's Headquarters for Civil Defense, Disaster and Emergency Services shall be connected, without charge, to the cable television system, shall be equipped with an Emergency Console, and shall be provided with the capability of immediately activating the Emergency Alert System without intervening contact with Franchisee personnel whatever, if in the sole discretion of the County's Emergency Services Coordinator, such activation is necessary. The Emergency Services Plan, which shall be developed jointly by the County Emergency Services Coordinator, the Franchisee shall be subject to the requirements of the Commission, in its sole discretion and the determination of the Commission shall be final and non-appealable.

14. Security Service System. During the term of the franchise, the Franchisee shall install, establish, operate and maintain pursuant to the requirements of this Paragraph within the Imposed and Proposed Service areas the following Security Service System for Home Subscribers.

(a) Functional Capabilities

- (1) Central Data System. The Security Service System shall include a Central Data System which performs at least the following functions:

- a. The receipt by polling or otherwise of alarm conditions at the site of security within not less than sixty (60) seconds following triggering of the signal;
  - b. Instantaneous communication to a System operator of the source of the alarm, including the Subscriber's name and address, and the specific type of alarm which has been triggered (i.e., fire, panic button, intrusion breach, etc.), so that the operator may take immediate action;
  - c. Immediate identification and reporting, in the same manner as for alarms, of failure or malfunction of the on-site terminal by which security status is communicated.
- (2) On-site Terminal Capability. The terminal(s) placed at the site of the Security Service shall be capable of performing at least the following functions:
- a. The capacity to monitor the following on-site alarm inputs and communicate the alarms to the Central Data System on the Subscriber Network: fire, medical emergency, intrusion, assault (panic), either singly or in any combination, supervisor fault (trouble), tamper, and battery low (internally generated);
  - (b) The capacity to arm door and window devices as well as pressure sensitive devices placed under windows;
  - (c) The capacity to allow the Subscriber or User to depart the premises without triggering the alarm, and re-enter the premises without activating the system alarm.
  - (d) Capacity for activation of the terminal in a manner which denies knowledge to an intruder of when the System has been activated;
  - (e) An automatic telephone dialer by which alarm signals may be alternatively transmitted by telephone automatically in the event of a cable system malfunction; and
  - (f) A reserve battery supply to provide an alternative energy source in the event of power outage.

(b) Operation--Installation--Maintenance

- (1) Service-repair personnel shall be maintained by the Franchisee or joint venturer on an "on-call" basis, and service personnel shall

make on-site repair calls 24 hours per day, 7 days per week, including holidays, in response to service installation malfunctions.

- (2) Monitoring of the Security System shall be provided by a security staff of the Franchisee, joint venturer or contractor, and monitoring shall be provided by such personnel 24 hours per day, 7 days per week, including holidays.
  - (3) Monitoring procedures shall be followed as are prescribed from time to time by the Commission for the purpose of reducing or avoiding false or missed alarms, and improving or promoting public peace or safety.
  - (4) The following monitoring procedure shall be followed in those instances in which public services would be required;
    - a. When an alarm is identified by the monitoring personnel, an attempt shall be made to contact the Subscriber by telephone prior to reporting of the alarm to appropriate authorities;
    - b. The alarm shall be reported to appropriate authorities only if the Subscriber cannot be contacted, or, if contacted, the caller verifies an emergency;
    - c. Each Subscriber shall be provided with a secret password. If the alarm received is an intrusion or panic button alert, the appropriate emergency authority shall be contacted, if when contacted by the monitoring staff, the Subscriber fails to communicate the password, regardless of whether there is assurance that no emergency exists.
- (c) Service Capacity. At all times during the term of the franchise after the twenty-third (23) month, the capacity of the Security Service System shall meet or exceed response time standards set forth herein by Paragraph 14.a.1.a and the service shall be available within a reasonable period not to exceed thirty (30) days following receipt of order, to all Subscribers requesting security monitoring service.

15. Home Security Services. During the term of the franchise, the Franchisee shall provide to Home Subscribers within the Imposed and Proposed Service areas the following security services which shall be made independently available at separate rates and charges. Except as expressly provided below, the services shall be offered and made available to Subscribers whether or not the Subscriber subscribes to a Home Entertainment or other Non-Entertainment Service. The Security Services shall be deemed to be a "vested" Non-Entertainment Service under the provisions of Sections 5.50.504 and 5.50.506 of the Ordinance, and

shall be provided during the term of the Franchise subject to an on-going regulatory authority of the Commission reserved under Section 5.50.508 of the Ordinance.

- (a) Panic Button -- Consisting of an alarm button which when activated creates an alarm signal at a designated location. This service may, at the discretion of the Franchisee, be:
- (1) Offered only for Home Subscription to persons who otherwise subscribe to an FM, Tier I or other Home Entertainment Service or Non-Entertainment Interactive Service; and
  - (2) Only to qualified persons who are 70 years of age or older, disabled or legally handicapped, or who meet other special needs criteria established and uniformly applied by the Franchisee.
- (b) Basic Security Package. The Basic Security Package shall include 2 smoke detectors, 2 magnetic door switches, the panic button, and a control panel with battery standby power.
- (c) Full Security Package. The Full Security Package shall consist of at least, the Basic Security Package described above, plus interior traps, window and door switches for all windows and doors, a siren, pressure-sensitive devices below all windows, and laser or infrared exterior motion detectors.

#### 16. Rates and Charges for Security Services

- (a) Subscription Rates. The following rates and charges for Security Services shall be uniformly applicable within the Imposed and Proposed Service Areas, and shall be uniformly applicable to services to single family residences, duplex units, apartments and apartment buildings, condominiums and other multiple family housing under common ownership and management. The rates and charges prescribed below shall be the only ones charged or collected for Security Services, and no other charges, whether for equipment rental or otherwise, shall be levied, charged or collected. The Franchisee shall provide all equipment apparatus, and appliances required in order to receive a defined service.
- (1) For Panic Button Service -- as described by Paragraph 15-a, there shall be a Ninety-Nine Dollar (\$99.00) installation charge and the monthly subscription rate shall be \$1.95. The installation charge may be waived upon conditions to be determined or modified by the Franchisee upon consent of the Commission.
  - (2) For the Basic Service Package -- as described by Paragraph 15-b:

- a. If the Subscriber does not subscribe to or purchase any other cable service, the installation fee shall be \$495.00 and the monthly subscription rate shall be \$11.95.
  - b. If the Subscriber subscribes to or purchases Tier II or other Home Entertainment Services, the installation charge shall be \$450.00, and \$7.95 per month.
- (3) For the Full Security Package -- as described by Paragraph 15-c, the installation charge shall be dependent upon total configuration of the system installed. The monthly subscription rate shall be \$19.95 if the Subscriber does not subscribe to or purchase another cable service, or \$14.95 per month if the Subscriber subscribes to or purchases Tier I, or other Home Entertainment service.
- (b) Procedure For Increase. No increase in the rates and charges referred to in this Paragraph become effective until the expiration of thirty (30) calendar days following the date of public notice showing the types of rates or charges to be increased, and the amount of increase, and the date on which such rates or charges were last increased is mailed to all existing Home Subscribers who would be affected thereby, and filed with the Clerk of the Board of Directors of the Commission.
- (c) Conditions Precedent to Increase. No increase in the rates and charges referred to in this Paragraph shall become effective if, on the effective date of the increase, the Franchisee is in material breach of any of the terms, conditions or requirements of Paragraph 13 or this Paragraph of the Resolution.
- (1) In the event there has been no declaration of breach by the Commission prior to the date on which the notice of intended increase is filed with the Clerk, the increase shall not be invalid unless written notice by the Commission declaring the breach is mailed to the Franchisee not later than thirty (30) calendar days following the date on which the Franchisee filed written notice of the intended increase with the Clerk.
  - (2) In the event rates or charges are increased by the Franchisee in violation of the provisions of this subparagraph, upon a final determination of the breach the Franchisee shall refund the amount of the increase, plus interest at the prime interest rate to all Home Subscribers from whom it has been collected, and shall pay to the Commission the amount of any increase plus interest which is not refunded to Home Subscribers as a result of intervening terminations of service or for other reasons.

17. Inter-Active Services System. During the term of the franchise, the Franchisee shall offer and provide Inter-Active Services as described by and pursuant to the terms, conditions and requirements contained in this Paragraph and Paragraphs 18 through 23 to Home Subscribers within the Imposed and Proposed Service Areas. The Services shall be offered and made available to Subscribers if the Subscriber subscribes to or purchases at least the Tier I level of Entertainment Service. The Inter-Active Services, as described in this Paragraph and in Paragraphs 18 through 23, shall be deemed to be "vested" Non-Entertainment Services under the provisions of Section 5.50.504 and 5.50.506 of the Ordinance, shall be provided during the term of the franchise subject to the on-going regulatory authority of the Commission reserved under Section 5.50.508 of the ordinance, and shall be offered, made available and operated pursuant to the terms, conditions, and requirements established by this Paragraph and paragraph 18 through 23.

During the term of the franchise, the Franchisee shall install, establish, operate and maintain pursuant to the requirements of this paragraph within the Imposed and Proposed Service Areas the following Inter-Active Service System for Home Subscribers.

(a) Equipment Capabilities. The Inter-Active Service System shall provide Home Subscribers with a variety of two-way information and other services as described by Paragraph 18 through 23. The functional capabilities of the System shall include data bases, subscriber opinion response capacity, transactional services either through equipment provided by the Franchisee or through the Franchisee's equipment through "gateways" or interfaces to a third party or joint venture Service Provider's equipment. Functionally the system shall utilize the cable television distribution system, interactive service computer facility(ies), and home interactive terminal service units.

(1) Computer Control Facilities. The Franchisee shall install and maintain interactive services computer control facilities such that the system will, at all times, provide sufficient computer capacity to serve Home Inter-Active Service Subscribers within response times for local data access not to exceed twenty (20) seconds at the five percent (5%) simultaneous usage level.

"Simultaneous usage" shall be defined for these purposes as the requisite percentage of Subscribers to Inter-Active Services operating simultaneously within that phase of system operation defined as "Response Time" in subparagraph (4) below.

(2) Home Terminal Unit. The Home terminal Unit (HTU) shall be the installed device through which the Subscriber requests and received interactive services through appropriate interface to the

system. The Home Terminals shall have the capacity to provide at least teletext, transactional, opinion response and videotext services. The Home Terminal Unit may be integral with the Cable converter or may be a separate unit.

- (3) Network Architecture Capacity and Protocols. The Franchisee shall utilize a network architecture with the appropriate capacity and utilizing the necessary protocols to be capable of supporting simultaneous usage be at least five percent (5%) of Home Interactive Subscribers with response time not to exceed twenty (20) seconds. The Franchisee shall submit detailed specifications of the interactive system to the Commission for its approval prior to implementation and activation of the system. Such approval shall not be unreasonably withheld.
- (4) Response Time. Response time for the purposes of measurement and evaluation of the interactive system, shall be defined to be that time in the use of a locally maintained random access data base under the control of the Franchisee beginning at the time that the Subscriber's message enters the upstream cable system network path and terminates upon receipt of the requested information or message(s) by the appropriate Subscriber Home Terminal Unit.
- (b) Functional Capabilities. The request for service entered from the Home Terminal by the Subscriber or User shall be evaluated by the headend computer system. The headend computer system then responds to the Home Terminal Unit with the appropriate service or set of instructions. The maximum system response time as defined in (a) (4) above shall be not greater than twenty (20) seconds.
- (c) System Capacity. During the term of the franchise the capacity of the Inter-Active Service System shall meet or exceed the following standards:

The Inter-Active Service System shall be designed and installed with the ultimate capacity to provide the full range of Inter-Active Services described by Paragraphs 18 through 23 to each and every household within the Imposed and Proposed Service Areas. Such capacity shall exist not later than fifty-one (51) months following the date on which the Certificate of Acceptance of the franchise is filed, unless the Franchisee shall demonstrate, by clear and convincing evidence at a public hearing called for that purpose by the Commission upon request of the Franchisee, that such capacity is unwarranted in view of demonstrated demand for such services if offered at prices and charges reasonably reflective of the costs of delivery of such services.

18. Inter-Active Service Options. The Franchisee shall make available as independent offerings, the following alternative service options, initially at the rates referenced herein.

- (a) Inter-Active/SourceCable (or equivalent). This option shall: (i) be provided at the rates and charges prescribed by Paragraph 7-a-(4) (a) 7-b-(4) (a); (ii) include provision of the necessary appliances for access to the following services:
- (1) All Teletext Services--described by Paragraph 19;
  - (2) Those Videotext Services--described by Paragraph 19-e;
  - (3) All Pay-Per-View and Polling Services--described by Paragraph 21;
  - (4) Those Electronic Mail Services--Described by Paragraph 22-a and 22-c; and
  - (5) All Transactional Services--described by Paragraph 23.
- (b) Inter-Active/Plus The Source (or equivalent). This option shall: (i) be provided at those rates and charges prescribed by Paragraph 7-1-(4)-(b), 7-b-(4)-(b) and 7-c-(1)-(b); (ii) include provision of the appliances necessary for access to interactive services provided by the Franchisee, plus an RF Modem at a \$6.00 monthly rental charge; and (iii) shall include the following services:
- (1) All Teletext Services--described by paragraph 19;
  - (2) Those Videotex Services--described by Paragraph 20-1 and 20-3;
  - (3) All Pay-Per-View and Polling Services--described by Paragraph 21;
  - (4) All Electronic Mail Services--described by Paragraph 22; and
  - (5) All Transactional Services--described by Paragraph 23.

The feature which distinguishes this option from that described by subparagraph (a) is that the Videotex and other more sophisticated Electronic Mail Services offered by this option through The Source require the Home Subscriber to provide his or her own microcomputer (including alpha-numeric keyboard).

- (c) Dow Jones Cable Information Services I and II (or equivalent). This option shall: (i) be provided at the rates and charges prescribed by Paragraph 7-a-(4)-(c), 7-b-(4)-(c) and 7-c-(1)-(b); (ii) shall include provision by Dow Jones and Company, Inc., of terminal equipment and by

the Franchisee of an RF Modem at additional monthly cost; and (iii) shall consist of those services described by Paragraph 20-b and c.

- (d) Reuters IDR (or equivalent). This option shall: (i) include provision by Reuters, Ltd of terminal equipment and by the Franchisee of an RF Modem at a rate prescribed by Paragraph 8-c-(1)-b; and (ii) shall consist of those services described by Paragraph 20-d.
- (e) Substitutions for Equivalents. The equivalency of any substitutions for the foregoing Non-Entertainment Services shall be determined in accordance with the standards and procedures set forth in Section 5.50.510 of the Ordinance.

19. Teletext Services. The following Teletext Services shall be offered during the term of the franchise.

- (a) SourceCable -- by Source Telecomputing Corporation, or similar service, offering a national data base of Teletext information in subject areas provided by the vendor.
- (b) Local Data Bases -- Not less than five (5) Local Data Bases shall be provided by the Franchisee without monthly subscription charges. User charges may be made at the election of the Franchisee. The following three data bases or alternatives as approved by the Board of Directors of the commission shall be included in the five data bases:
  - (1) A Restaurant Guide--which, as to at least all restaurants listed in the Yellow Pages of the Pacific Telephone Directory for the City of Sacramento, categorized according to price range and type (i.e., "fast food", "steak houses", Italian, French and other specialty offerings, etc.) lists of: (i) restaurant names; (ii) locations; to the extent that such information is readily available to the Franchisee;
  - (2) An Airline/Travel Guide--which contains all schedules for all routes originating, terminating or stopping in Sacramento:
    - a. Airlines operating to and from the Sacramento Metropolitan Airport and their telephone numbers;
    - b. Passenger trains which load or unload passengers within Sacramento, Yolo or Placer Counties;
    - c. Common Carrier Limousine and Stage Services transporting passengers to, from or within the Municipality of Sacramento; and

- d. Taxicab Companies--licensed to do business within the County or Municipalities of Sacramento, Folsom, or Galt; to the extent that such information is readily available to the Franchisee.
- (3) A Night School and College Guide--which lists all day and evening adult education and college course offerings, categorized by institution, containing the type of information illustrated by the graphics designated Screens 2 through 5 under "The INDAX Electronic College Class Schedule" following Page 15a of 35, Form I, Volume 3 of the Application, offered by the following institutions:
- a. Each school district situated in the County which offers instruction in Adult Education;
  - b. Each community college in the County, and Sierra College in Rocklin, California.

20. Videotex Services. The following Videotex Services shall be offered during the term of the franchise:

- (a) Data base and text services from, or similar to those provided by the Source, Dow Jones and Reuters IDR.
- (b) Community Data Base. At page 7i of 20, Form J, Volume 4 of the Application, the Franchisee has represented that it "will work...to create local...data bases...(including) a diverse cross-section of information designed specifically for the local area residents". In schedules entitled "Institutional Network Grants" immediately following 23a of 35, Form I, Volume 3 of the Application, the Franchisee has proposed a \$560,000 grant to the City-County Library System for: (i) an interactive card catalog software development; (ii) free data base access; and (iii) development of local Videotex data bases.

Therefore, the Franchisee shall establish and offer without Subscriber charges, during the term of the franchise, at least one community data base, designed for Videotex retrieval by Subscribers to the "Inter-Active Plus The Source" option described in Paragraph 18-a.

Within twelve (12) months following the filing of the Certificate of Acceptance, the Franchisee shall execute a contract with the City and the County upon the recommendation of the Library Department which shall provide for the development of the aforementioned software and data bases by the Library Department.

Said contract shall specify the scope, nature and expenditure schedule of a grant to the Library Department by the Franchisee in an amount of not less than Five Hundred Sixty Thousand Dollars (\$560,000.00) and shall provide for the expenditure of all such sums within fifty one (51) months after the filing of the Certificate of Acceptance.

Should the Franchisee fail, neglect or refuse to execute such a contract with the Library Department within twelve (12) months after the filing of the Certificate of Acceptance, the Franchisee shall immediately thereafter pay the aforementioned sum of Five Hundred Sixty Thousand Dollars (\$560,000.00) over to the Commission to be held in trust by the Commission and applied for the purposes of the development of the above mentioned software and data bases.

The precise nature, scope and subject matter of the Data Base as well as its planning, development and operation shall be determined by the Library Department and the Franchisee by means of the aforementioned contract.

21. Pay-Per-View and Polling Services. During the term of the franchise, the Franchisee shall provide the following services:

- (a) Pay-Per-View--Home Entertainment Services offered on Tiers II and III of the Subscriber Network shall be made available without subscription charges, and at user charges which are limited to the service of providing the particular program, which the Subscriber selects and elects to receive.
- (b) Polling Services--By which a Home Subscriber selects from among alternative choices and transmits that selection from the Home Terminal Unit via the Cable Television System shall be made available without subscription or user charges to the Subscriber other than those required for subscription to Interactive Plus The Source or Interactive/SourceCable. In any instance in which the Franchisee shall cablecast the results of any such polling upon the system, it shall prominently display the number of persons polled and the raw, absolute number of persons recorded as answering each inquiry.

22. Electronic Mail Services. During the term of the franchise, the Franchisee shall provide the following services without subscription charges, but subject to such user charges as the Franchisee may prescribe. Messages shall be stored for not less than twenty-four (24) hours following transmittal unless erased earlier by the Recipient or sender.

- (a) Pre-Formatted Mail Service--Suitable for utilization by Subscribers to the "Inter-Active/SourceCable" Option prescribed by Paragraph 18-a with a numeric keypad. Pre-Formatting shall include three varieties of message alternatives.
- (b) Regular Mail Services--In form, length and content determined by the transmitter shall be made available for utilization by Subscribers to the "Inter-Active/Plus The Source" option prescribed in Paragraph 18-b.
- (c) Services For Hearing Impaired--Home Terminal Units provided pursuant to subscription to either of the options described by Paragraph 18-a or 18-b shall be:
  - (1) Compatible with and the Electronic Mail Service shall be accessible by TTY and TDD devices utilized by the hearing impaired so that Subscribers who are hearing impaired may transmit and receive Electronic Mail Services;
  - (2) The Franchisee shall maintain TTY and TDD capability to receive service requests for connection and repair from the hearing impaired at its main office and in each of six customer service centers for walk-in purposes;
  - (3) TTY/TDD capability shall be maintained in each of the Franchisee's access studios.

23. Transaction Services. The Franchisee shall provide during the term of the franchise the following Transactional Services unless the Franchisee shall demonstrate by clear and convincing evidence at a public hearing called for that purpose by the Commission upon request of the Franchisee, that such services are unwarranted in view of demonstrated demand for such services if offered at prices and charges reasonably reflective of the costs of delivery by such services:

- (a) A Tele-Banking Service--through at least one bank for savings and loan association under which the Home Subscriber is offered the following types of services;
  - (1) Bill Paying Services, such as illustrated by the graphics designated Screens 2 through 9 under "The INDAX Electronic Banker" immediately following Page 15a of 35, Form I, Volume 3 of the Application, under which:
    - a. A cumulative checking account balance is currently, accurately and continuously maintained for display on the Subscriber's television screen;

- b. The Home Subscriber may direct that all personal bills be transmitted to the bank or savings and loan association providing the service;
  - c. The Home Subscriber may, at any time, cause display on his or her television screen of bills to be paid, elect to pay some or all of them;
  - d. Cause payment according to selection communicated from the Home Terminal Unit via the Cable Television System, and payment will be made by the bank or savings and loan association without further action by the Subscriber.
- (2) Fund Transfer Services, such as illustrated by the graphics designated Screens 10 and 11 under "The INDAX Electronic Banker" immediately following Page 15a or 35, Form I, Volume 3 of the Application, under which:
- a. A cumulative balance is currently, accurately and continuously maintained for display on the Subscriber's television screen of balances of all checking, savings and other accounts of the Subscriber maintained by the Bank or savings and loan association; and
  - b. The Subscriber may cause transfer of funds from one account to another through transmittal from the Home Terminal Unit via the Cable Television System, and the transfer will be made without further action by the Subscriber.
- (b) A Tele-Shopping Service--through a service provider such as illustrated by the graphics designated Screens 2 through 10, under "The INDAX Electronic Shopper" following Page 15a of 35, Form I, Volume 3 of the Application:
- (1) The Franchisee or Service Provider shall provide to each Subscriber, without charge, an illustrated catalogue of merchandise offered by each commercial outlet whose goods are marketed through the Tele-Shopping Service.
  - (2) The Subscriber selects an item of merchandise from the catalogue and causes current identifying information concerning the item to be displayed on his or her television screen; and
  - (3) The Subscriber orders the item and provides for payment by transmitting a signal from the Home Terminal Unit via the Cable Television System, and the item is delivered to the Subscriber's home without further action on his or her part.

The procedure for delivery of Tele-Shopping Services prescribed by this subparagraph shall not be deemed to perpetually require the provision of merchandise catalogues and precise means of ordering or shopping required herein if either: (i) technology allows and the Franchisee provides a television screen display of pictured merchandise in such a fashion as to permit the Subscriber to identify and select merchandise to be purchased by simply viewing the television screen, or; (ii) the Board of Directors of the Commission approved of a substitute procedure pursuant to written request by the Franchisee and the service provider.

### INSTITUTIONAL SERVICES

24. Introduction. Commencing at page 21 of 35, Form I, Volume 3 of the Application, the Franchisee has proposed establishment, offering and marketing of a vast array of Institutional Services within the Proposed and Imposed Service Areas. The Institutional Services System and Services proposed by the Franchisee is more extensive than those proposed by certain of the other applicants. The System and Services are expected to open new and improved service delivery opportunities and cost reducing communication potentials to business, industry and government within the Sacramento Community, facilitate improvement of the economic climate by providing an inducement to the attraction of business and industrial development with attendant expanded employment opportunities and accompanying construction and other growth, and the Franchisee's Institutional System and Services proposal constituted a material inducement for selection of the Franchisee and award of the franchise.

However, the proposed Institutional Service offerings are predicated primarily upon market survey predictions; there is little experience on a nationwide basis demonstrating the types of Institutional Services which can be effectively marketed in a manner which makes the Services competitively attractive to potential purchasers and economically viable offerings for the Franchisee. Advancing technology will undoubtedly open new Institutional Service potentials, and competition from other service providers may require alteration of marketing and offering plans.

Therefore, whereas Home Entertainment Services and Non-Entertainment Services for Home Subscribers are mandated at minimum levels, types and volumes of services, a similar mandate is not being made applicable to Institutional Services. Rather, the Franchisee's proposed grants and service offerings to public agencies will be embodied in separate contractual instruments, and maximum regulatory jurisdiction over the Institutional Service Program will be reserved to the Commission.

25. Vesting. The Institutional Services described at Pages 23 through 23v of 35, Form I, Volume 3 of the Application shall constitute Non-Entertainment

Services which are not "vested" within the meaning of Sections 5.50.504 and 5.50.506 of the Ordinance, and the provision of such services during the term of the franchise shall be subject to the on-going regulation of the Commission reserved under Section 5.50.508 of the Ordinance and this Resolution.

26. Marketing Strategies. Not later than thirty-seven (37) months following the filing of the Certificate of Acceptance, the Franchisee shall have:

- (a) Staffing. Employed the staff necessary to fulfill the commitments contained in the Application and sufficient to fulfill the following requirements within the times prescribed;
- (b) Research Foundation. Incorporated the United-Tribune Research Foundation for the purposes provided and with a Review Board constituted as described by Pages 23aab and 23acc of 35, Form I, Volume 6. The Articles of Incorporation and By-Laws for the Foundation shall be subject to the advance approval of the Board of Directors of the Commission, shall be prepared by the Franchisee, and shall be presented by the Franchisee for approval by the Board of Directors of the Commission not later than twelve (12) months following filing of the Certificate of Acceptance;
- (c) Supplementary Market Research. Completed and received the Supplementary Market Research to be prepared by ELRA at a cost of \$60,000;
- (d) Packaged Services. Have developed groupings of Institutional Services for marketing to small and medium size organizations, as illustrated by Pages 23aaj and 23aak of 35, Form I, Volume 3 and Page 2ah of 2, Form L, Volume 6;
- (e) User Contacts. Made specific and written Institutional Service proposals to each public agency and private company identified in, and with respect to each service or use suggested in, Pages 23 through 23v and 23at through 23aaa of 35, Form I, Volume 3 of the Application. The proposal shall include:
  - (1) A specific and detailed description of each Institutional Service required to be offered;
  - (2) The date or dates when each such service will be available for delivery;
  - (3) A detailed statement of the rates and charges applicable to each service required to be offered (a preliminary service rate structure is presented as Attachment A); and

- (4) An itemization of any and all equipment and appliances which would be required to be obtained by the offeree in order to utilize the services offered, together with an estimate of the cost thereof.
- (f) Demonstration Projects. Received from the United-Tribune Research Foundation a description of one or more of the types of demonstration projects described at Pages 23aac through 23aag of 35, Form I, Volume 3 and Pages 2aa through 2ae of 2, Form L. Volume 6. The description shall include:
- (1) A statement of the purposes, marketing objectives and services potential of the project;
  - (2) A detailed identification of the nature and extent of the project;
  - (3) An itemized budget for the project; and
  - (4) The dates of commencement and completion of the project.

## 27. Reports to the Commission

- (a) Initial Report. Not later than thirty-seven (37) months following filing of the Certificate of Acceptance, the Franchisee shall file with the Clerk of the Commission a report which contains copies of the supplementary market research report, descriptions of the packaged services for marketing, and copies of the demonstration project descriptions required by subparagraphs c, d, e, and f of Paragraph 26.
- (b) Subsequent Reports. During the balance of the term of the franchise, the Franchisee shall file supplementary reports with the Clerk of the Commission, no more frequently than annually, and not less frequently than the commencement of the 48th, 72nd, 96th, 120th, 144th and 168th months following filing of the Certificate of Acceptance. The reports shall contain:
  - (1) A description of the nature, extent and volume of all Institutional Services provided;
  - (2) A detailed description of all demonstration projects completed since the last report and planned in the future by the United-Tribune Research Foundation;
  - (3) A categorized list of the types of services purchased and numbers of purchasers for each type of service; provided that the report shall not contain the names and addresses of purchasers of Institutional Services nor other information which would allow the

names and/or addresses of purchasers of Institutional Services to be readily obtained.

- (4) Such other and further information as the Commission may require; provided that the report shall not require any information which would adversely impact any business advantage held by the Franchisee, unless the Commission shall declare the report exempt from public disclosure under the California Public Records Act (California Business and Professions Code, Section 6050, et seq.).

## 28. Demonstration Projects

- (a) Grant Obligations. The Franchisee shall, not later than seventy-two (72) months following filing of the certificate of Acceptance:
  - (1) Contribute and expend not less than One Million Dollars (\$1,000,000.00) to a fund under the control of the United Tribune Research Foundation to pay the cost of Demonstration Projects of the types described by Pages 23aac through 23aag of 35, Form I, Volume 3 and Pages 2aa through 2ae of 2, Form L, Volume 6, which are selected by the Research Foundation.
  - (2) Plan, sponsor and operate each Demonstration Project selected by the Foundation within the times prescribed by the Foundation, to the extent of the unexpended balance of the demonstration fund described above
- (b) Other Projects. During the term of the franchise, the Franchisee shall also plan, sponsor and operate any other Demonstration Projects which are selected by the Research Foundation and are underwritten by funding from other sources, including contributions by the Commission, to the extent these do not interfere with or otherwise adversely impact the on-going business of the Franchisee.
- (c) Costs and Expenses. Any and all income derived by the Franchisee from rates and charges associated with Subscriber or User purchase of Demonstration Project Services shall be applied exclusively to defray the costs of planning, sponsoring and operating the Demonstration Project. Any such rates and charges shall be subject to the advance approval by the Board of Review of the United Tribune Research Foundation. The demonstration fund shall be reduced only by (and treated as having been expended only as a result of) the charging of net, actual and direct costs and administrative overhead incurred by the Franchisee in planning, sponsoring and operating the Project. Any Demonstration Projects planned, sponsored and operated by the Franchisee as a result of grants from other sources, shall similarly be charged by the Franchisee at

net, actual and direct costs and administrative overhead, after the application of any revenue from rates and charges derived from the Project to reduce expenses.

- (d) Contract. Upon formation of the United Tribune Foundation, the Franchisee shall enter into a contract with the Foundation, which shall be subject to advance approval by the Board of Directors of the Commission, and which shall provide that:
- (1) The Foundation shall select within the times prescribed by the contract and in a manner which enables the Franchisee to comply with the provisions of subparagraph (a) the Demonstration Projects which the Franchisee is required to fund, and to comply with all other requirements of this Resolution; and
  - (2) The Foundation shall comply with such other requirements as the Board of Directors of the Commission may reasonably prescribe; and
  - (3) The Franchisee shall indemnify and hold harmless the Foundation and its officers, agents and employees from and against any liability for personal injury or property damage arising out of or resulting from any action, operation or activity by the Foundation or its officers, agents or employees.

29. Public Agency Grants. (To be completed)

Attachment A  
Preliminary Institutional Rate Structure

Data Service Rates <sup>1/</sup>

Dedicated Services  
Point-to-Point

Monthly Access Charge

Per Hub Charge

1.2 kb/s	\$ 48.48	\$ 24.24
2.4 kb/s	60.60	30.30
4.8 kb/s	72.72	36.36
9.6 kb/s	84.84	42.42
19.2 kb/s	242.40	121.20
56.0 kb/s	303.00	151.50
1.544 mb/s	1515.00	757.50

Multiple Access

Monthly Charge

1.2 kb/s	\$ 72.72
2.4 kb/s	90.90
4.8 kb/s	109.08
9.6 kb/s	127.26
19.2 kb/s	242.40
56.0 kb/s	303.00
64.0 kb/s	351.48
112.0 kb/s	606.00
224.0 kb/s	909.00
448.0 kb/s	1212.00
1.544 mb/s	1893.75

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<sup>1/</sup> Rates are for each termination point/outlet.

## Attachment A (Continued)

<u>Audio Services:</u>	<u>Monthly Charges</u> <sup>1/</sup>
Point-to-Point (or multipoint) per termination	\$ 18.18
 <u>Video Services:</u>	
Dedicated Channel Capacity (System wide)	
6 MHz (one-way)	50,000.00
12 MHz (two-way)	90,000.00
 Occasional Users	
6 MHz (one-way)	70.00/hour
12 MHz (two-way)	140.00/hour

Discounts

Discounts, other than those specified for Local Government users, may be offered for multiple terminations, certain service promotions, and other specific circumstances as may be negotiated with the user.

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<sup>1/</sup> Local Governmental Users will be awarded a 50% discount on the above Institutional Rates.

## RESOLUTION NO.

Adopted by The Sacramento Metropolitan  
Cable Television Commission

RESOLUTION OFFERING FRANCHISE  
FOR CABLE TELEVISION SYSTEM

WHEREAS, the County of Sacramento ("County"), the City of Sacramento ("City"), the City of Folsom ("Folsom"), and the City of Galt ("Galt") (hereinafter collectively "the County and municipalities") desire to award a franchise for the maintenance, dismantling, testing, repair and use of a cable television and communications system ("system") in, upon, along, across, above, over, under, or any manner connected with the streets, public ways, or public places within the boundaries of the County and municipalities as now or in the future may exist; and

WHEREAS, the County and municipalities desire the widest possible range of cable communication services for the residents; and

WHEREAS, an ordinance relating to cable television franchises was enacted in substantially identical form and content by the Board of Supervisors of the County of Sacramento as Ordinance No. SCC on ("the Ordinance"), by the City Council of the City of Sacramento as Ordinance No. on , by the City Council of the City of Folsom as Ordinance No. on , and by the City Council of the City of Galt as Ordinance No. on ; and

WHEREAS, pursuant to Section 5.50.202 of the Ordinance the request for proposals for the initial franchise was approved by the County in Resolution No. on , by the City No. on , by Folsom by Resolution on ; and

WHEREAS, in response to said request for proposals, four applications were received from potential franchisees on March 15, 1982; and

WHEREAS, County and City gave careful and thorough review to each of the proposals submitted; and

WHEREAS, pursuant to Ordinance Section 5.50.210, the governing body of the County and the governing body of the City, acting as a combined issuing authority, selected UNITED-TRIBUNE CABLE OF SACRAMENTO, a joint venture ("UTC"), as the tentative selectee; and

WHEREAS, said tentative selection was based entirely upon the contents of the submissions of the four applicants; and

WHEREAS, subsequent to said tentative selection, pursuant to Section 5.50.106, this Commission has come into existence pursuant to Subchapter 2 of the Ordinance and pursuant to the provisions of Title I, Division 7, Chapter 5 of the Government Code as a joint powers agency of the County and municipalities; and

WHEREAS, this Commission is now properly constituted for the conduct of its business; and

WHEREAS, subsequent to the initial selection, extensive negotiations have ensued by and between County, City, this Commission, and UTC regarding the terms and conditions of this Resolution; and

WHEREAS, innumerable changes have been made in drafts of this Resolution at the request of UTC: and

WHEREAS, pursuant to Section 5.50.214 of the Ordinance, the governing bodies of the City and County have approved resolutions identical to this Resolution by means of Resolution No. \_\_\_\_\_ on \_\_\_\_\_, by the City and Resolution No. \_\_\_\_\_ on \_\_\_\_\_, by the County.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION does hereby resolve as follows:

\_\_\_\_\_. GENERAL PROVISIONS

1. Offer of Franchise. The Commission hereby offers to UNITED-TRIBUNE CABLE OF SACRAMENTO, a joint venture ("UTC"), a non-exclusive franchise to erect, install, construct, reconstruct, operate, maintain, dismantle, test, repair, and use a cable television and communication system in, upon, along, across, above, over, under, or in any manner connected with the streets, public ways, or public places within the boundaries of the County and municipalities as now or in the future may exist, in strict accordance with the terms of the Franchise Documents, the laws of the United States of America, the State of California, the County of Sacramento, the City of Sacramento, the City of Folsom, and the City of Galt, now existing or hereafter adopted, amended, supplemented, or interpreted by a court of competent jurisdiction.
2. Interpretation of Resolution Terms. Unless the context clearly indicates that a different meaning is intended or unless this Resolution expressly

sets forth a different meaning, all terms, phrases, words, and their derivations in this Resolution shall have the meaning given in the Ordinance.

3. Commission as Sole Obligor. This Commission is intended to be the sole obligor as franchisor under this Resolution. Neither the County, the City, Folsom, or Galt shall be obligated to perform any of the obligations of the franchisor hereunder.
4. Existence of Commission. If, for any reason, the Commission should cease to exist prior to the expiration of the franchise or any extension thereof, the obligations of the Commission as franchisor hereunder shall devolve upon the parties to the joint powers agreement establishing the Commission jointly and not severally.
5. Franchise Documents as Contract. Pursuant to Section 5.50.018 of the Ordinance, upon acceptance in accordance with the provisions hereof by Franchisee, this Resolution and the attendant franchise documents shall be deemed a contract between Franchisee and this Commission.
6. County and City as Intended Third Party Beneficiaries. While the County and municipalities are not parties to this contract, this contract is made expressly for the benefit of the citizens of the County and municipalities. The City and the County are intended third party beneficiaries and shall be entitled to enforce any of the provisions hereof without the concurrence or participation of any other party or entity.
7. Franchisee Not Intended Third Party Beneficiary of Joint Power Agreement. Neither the Franchisee nor any of the named owners of the Franchisee or affiliated entities thereof shall be deemed to be an intended third party beneficiary of the agreement of formation of the Commission pursuant to Section 5.50.112 of the Ordinance. Neither the Franchisee nor any of the name have any right to enforce the provisions of said agreement of formation against any of the parties thereto.
8. Identification of Franchisee. The Franchisee pursuant hereto shall be United-Tribune Cable of Sacramento, a joint venture ("UTC") created and established pursuant to that certain joint venture agreement dated January 11, 1982 by and between Tribune Company Cable of California, Inc., a Delaware Corporation (TC3) and United Cable Television of Sacramento, Inc., a California Corporation (UCTS), and set forth as Attachment A-1 top Form A of the Application. Said joint venture agreement shall be construed in

Accordance with the laws of the State of California. The Commission, City and County are hereby expressly designated as intended third party beneficiaries of said joint venture agreement and shall have the right to enforce any provision thereof against any party thereto without the participation or concurrence of any other party or entity.

9. Reformation of Joint Venture Agreement. Notwithstanding the provisions of Section 16.1(b) of the joint venture agreement, the venture, the venturers, and the named owners of the Franchisee expressly agree that the venture may not be terminated prior to the expiration of the franchise term without the prior written approval of the Commission.

Notwithstanding the provisions of Section 20(a) of said joint venture agreement, the sale by a venturer of all or a part of its ownership interest in the venture shall not operate to relieve said venturer or any named owner of the Franchisee or affiliated entities of their obligations hereunder to any degree whatsoever.

Notwithstanding the provisions of Section 20(b) of said joint venture agreement, neither venturer may sell its interest in the venture or any part thereof to any third party without the prior express written approval of the Commission. Further, any such sale shall not act to relieve the selling venturer of any obligations under this Resolution unless the Commission shall have given its prior written consent to such relief.

10. Related Entities. UCTS is a wholly owned subsidiary of UNITED CABLE TELEVISION CORPORATION, a Delaware Corporation ("United"). TC3 is a wholly owned subsidiary of TRIBUNE CABLE COMMUNICATIONS, INC., a Delaware Corporation ("TC3"). TC2 is a ninety percent (90%) owned subsidiary of TRIBUNE COMPANY, a Delaware Corporation ("Tribune"). The remaining ten percent (10%) of the stock of TC2 is owned by DOUGLAS H. DITTRICK ("Dittrick").
11. Named Owners Specified. UCTS, TC3, TC2, United and Tribune are "named owners" and named owners of the Franchisee" as those phrases are used in Section 5.50.756 of the Ordinance. The provision of Subparagraph (i) of Section 5.50.756 of the Ordinance shall apply to any acquisition or accumulation by any party or association of parties of the requisite percentage of the voting shares of the stock, conversion or warrant rights thereto, or beneficial interest therein, of any named owner of the Franchisee whether such acquisition or accumulation results from a purchase, sale, exchange, or issuance of stock or beneficial interest therein, or conversion or warrant rights thereto; provided that the aforesaid acquisition or accumulation provision shall not apply to acquisition or accumulation by a registered investment company or investment trust.

12. Foreign Corporation Law. The named owners of the Franchisee which are not domestic corporations shall, prior to the submission of a certificate of acceptance hereto and at all times during the term of the franchise, comply with the provisions of Chapter 21 of Division 1 of Title 1 of the General Corporation Law of California (Corporation Code Section 2100, et seq.). Breach of the provisions of this paragraph shall allow the Commission a right of purchase pursuant to Subsection Q of Section 5.50.248 of the Ordinance.
13. Joint and Several Liability of Certain Named Owners. The obligations, commitments and promises of the Franchisee under the franchise documents shall be the direct, joint and several obligations, commitments and promises of UTC, UCTS, TC3, United, and Tribune, and shall not be deemed to be secondary in nature to those of a guarantor or a surety. By the filing of the Certificate of Acceptance hereto, UTC, UCTS, TC3, United and Tribune each expressly agree that in the event of any default or breach by the Franchisee, the Commission, City or County may proceed directly against UTC, UCTS, TC3, United and/or Tribune in any litigation which may be undertaken without first seeking a judgment or satisfaction thereof from UTC.
14. Parties to Whom Franchise Offered. The "party to whom the franchise is offered" as that phrase is utilized in Section 5.50.220 of the Ordinance shall be and include UTC, UCTS, TC3, United and Tribune. The failure of any or all of the foregoing named entities to comply fully with the provisions of the aforementioned section of the Ordinance shall render any certification proffered pursuant thereto a nullity and this Resolution shall be deemed to be repealed and all applications rejected.
15. Involuntary Transfer. The provisions of Article 5-a of the Ordinance shall apply to involuntary transfers as well as voluntary transfers. Franchisee and the named owners of the Franchisee shall notify the Commission in writing of any condition, event or occurrence which constitutes an involuntary transfer under the provisions of this paragraph and the Ordinance or of the entry of any judgment rendered against Franchisee or any of the named owners thereof within twenty-four (24) hours of such occurrence.
16. Award Fee. The award fee established by the Request for Proposals pursuant to Section 5.50.204 of the Ordinance and required to accompany the certificate of acceptance by Section 5.50.220 shall be Two Hundred Fifty Thousand Dollars (\$250,000.00) and shall be submitted in the form of a certified cashier's check made payable to the order of the Commission.

17. Acceptance. This Resolution Offering the franchise shall be accepted by the party to whom the franchise is offered in strict conformity to the provisions of Section 5.50.220 of the Ordinance. The certificate of acceptance shall be in the form set forth as Exhibit \_\_\_\_\_ to this Resolution.
  
18. Approval of Form of Policies of Insurance and Performance Bond. The performance bond and the policy or policies of insurance prescribed by Sections 5.50.700 and 5.50.706 respectively of the Ordinance and required to accompany the certificate of acceptance pursuant to Section 5.50.220 of the Ordinance shall be in a form acceptable to the County's Risk Manager. In the event that the said County Risk Manager should reject either the performance bond and/or the insurance policies by reason of its form, Franchisee shall resubmit said performance bond and/or the insurance policies in acceptable form within ten (10) days from the date of said rejection. Failure of the Franchisee to resubmit such documents in said acceptable form within the period specified shall render the accompanying certificate of acceptance a nullity and this Resolution shall be deemed to be repealed and all applications rejected.

## SECTION IV

### STAFFING

2-3-83

1. Purposes. The Franchise has represented in connection with its Application that, if awarded a franchise, it will operate a business enterprise which is: (i) efficient, provides effective service, and is adaptive to new and changing conditions; (ii) responsive when malfunctions occur, and provides rapid and satisfactory repair and other corrective action in a manner which builds business good will and public confidence; (iii) ambitious in seeking markets for new services and affirmatively develops consumer demand therefore, particularly with respect to emerging Institutional Services; (iv) a promoter of community interest in cable related artistic endeavors and local utilization of the Cable Television System through citizen and organizational participation in Local Origination, public access and Community Use Programming; (v) an active and enthusiastic member of the Sacramento business community and a contributor to programs which improve the community; (vi) vested with delegated authority to operate autonomously in a manner which permits the prompt and creative solution of local problems without the need to await deliberations in the distant corporate headquarters of foreign parent companies; and (vii) willing to maintain a strong and cooperative relationship with local government in a manner which leads to positive and constructive solutions to subscribers' concerns.

These promises cannot be fulfilled unless the Franchisee maintains adequate staffing during the entire term of the franchise which can provide the performance and results delineated in this Resolution. The purpose of this Staffing Section is to describe the functional staffing requirements to be maintained during the term of the franchise and, as to community use, public access and local origination programming, set forth the Application staffing schedule which may be invoked by the Commission in the event that lesser levels of staffing employed by the Franchisee within specific personnel functions, as set forth, are insufficient to meet the specified performance standards set forth herein and achieve the results represented by the Franchisee in his Application.

The provisions of the Application relating to the subject matter of this Section shall constitute legally enforceable obligations of the Franchisee; provided that the express terms, conditions, requirements and provisions of this Section shall prevail over any terms, conditions, requirements and provisions of the Application which are inconsistent or in conflict herewith.

2. Staffing Standard. Notwithstanding the staffing levels set forth in the Application or described by this Section, at all times during the term of the franchise, the Franchisee shall maintain staffing at levels sufficient to fulfill the promises described in Paragraph 1, and to fulfill and satisfy all express terms, conditions, provisions and requirements of the Franchise Documents.
3. Scheduled Staffing. The staffing descriptions set forth on pages 15 and 15a of 29, From G, Volume 2 of the Application and more particularly described in the Personnel Function descriptions set forth below within this Section, shall constitute the Application Staffing Schedule as that term is used herein. Except as otherwise expressly provided in the Personnel Function descriptions, the duties of the positions shall be determined in accordance with the connotations of position titles and cable industry practice with respect to similarly titled positions.
4. General and Administrative Personnel. During the term of the franchise, the Franchisee shall employ general and administrative personnel in such numbers and in such functional categories as are necessary to perform the management, marketing, advertising/sales, business, customer service, accounting and clerical activities and achieve the qualitative and quantitative performance represented by the Franchisee in its Application and/or this Resolution.
5. Plan Personnel. During the term of the franchise, the Franchisee shall employ personnel in such numbers and in such functional categories as is necessary to perform the installation service, repair and maintenance of the system and its components and achieve the qualitative and quantitative performance represented by the Franchisee in its Application and/or this Resolution.
6. Institutional Network Personnel. During the term of the franchise, the Franchisee shall employ Institutional Network Personnel in such numbers and in such functional categories as is necessary to install, operate, develop, repair and market the Institutional Network and achieve the qualitative and quantitative performance represented by the Franchisee in its Application and/or this Resolution.

7. Local Origination Personnel. During the term of the franchise, the Franchisee shall employ personnel in such numbers and in such functional categories as is necessary for the production and cablecasting of Local Origination Programming, as defined by Paragraph \_\_\_ of the Community Programming Section of this Resolution, and to achieve all of the quantitative and qualitative performances represented by the Franchisee in the Application and this Resolution including but not limited to the following:
- (a) Beginning in the first week of the fifth (5th) year following the filing of the Certificate of Acceptance and in each week thereafter, the Franchisee shall produce locally not less than twenty-nine (29) hours per week of original, non-repeated programming which has not previously been shown in the Sacramento area. In addition, Franchisee will purchase 27 hours per week of programs that have not be previously cablecast, and are not network or satellite programming or programming intended for national or regional distribution.
  - (b) Beginning in the first week of the third (3rd) year following the filing of the Certificate of Acceptance and in each week thereafter, the Franchisee shall produce locally at least two (2) public service announcements of not less than sixty (60) seconds length each for local nonprofit agencies. Each of said public service announcements shall not have been previously shown in the Sacramento area.
  - (c) All programming produced by the Franchisee pursuant to this Paragraph shall meet the technical and engineering standards set forth for all system programming in the System Design Section of this Resolution.
  - (d) All programming produced by the Franchisee pursuant to this Paragraph shall meet the criteria for excellence in community programming as established by the National Cable TV Association and:
    - (1) shall cover a wide range of topics of local interest;
    - (2) shall be responsive to the needs of the community;
    - (3) shall be of high artistic and technical quality;
    - (4) shall be of unique and effective nature; and
    - (5) shall be suitable for cable casting to the local audience.

- (e) The Franchisee shall expend such amounts per hour of such programming produced as shall be reasonable in light of the expenditures per hour of local origination programming by other, unrelated cable operators in other comparably sized cable television markets.

If, at any time during the term of the franchise, the Board of Directors of the Commission shall determine, in its sole discretion and after a noticed public hearing in which the Franchisee shall be entitled to present evidence, that the Franchisee has not met one or more of the quantitative and qualitative performances represented by the Franchisee in the Application and this Resolution relating to local origination programming, it may issue an order to the Franchisee that shall require the Franchisee to augment its staff to provide not less than those types of positions and in not less than those numbers specified below. The duties of such personnel shall be as defined by those applicable job descriptions contained on pages 2b through 2e of page 25, Form K, Volume 4 of the Application.

- (a) Station Manager -- one full-time position filled Year 1 through the end of the term of the franchise.
- (b) Secretary -- one full-time position filled Year 1 through the end of the term of the franchise.
- (c) Community Relations Administrator -- one full-time position filled Year 1 through the end of the term of the franchise.
- (d) Producer/Directors -- five full-time positions filled Year 3 through the end of the term of the franchise.
- (e) Chief Technician -- one full-time position filled Year 3 through the end of the term of the franchise.
- (f) Assistant Technician -- one full-time position filled Year 3 through the end of the term of the franchise.
- (g) Channel Control Operators -- one full-time position filled Year 3 through the end of the term of the franchise.
- (h) Technical Directors -- two full-time positions filled Year 3 through the end of the term of the franchise.
- (i) Writer/Talent -- three full-time positions filled Year 3 through the end of the term of the franchise.
- (j) Camera Operators -- six full-time positions filled Year 3 through the end of the term of the franchise.

- (k) Audio Operators -- two full-time positions filled Year 3 through the end of the term of the franchise.
- (l) Production Assistants -- two full-time positions filled Year 3 through the end of the term of the franchise.

Each such employee who is hired and retained pursuant to such a staffing order of the Commission shall be adequately and properly qualified for such position and shall receive a salary commensurate with his responsibility, skill, training and experience.

If, within ninety (90) days from the issuance of such a staffing order, the Franchisee shall fail, neglect or refuse to augment its local origination programming staff to at least the types of positions and the number specified hereinabove, said failure, neglect or refusal shall constitute a material breach of the franchise agreement giving rise to all of the Commission's attendant rights under the Ordinance and this Resolution.

8. Community Use Programming Personnel. During the term of the franchise, the Franchisee shall employ personnel utilized exclusively for the production and cablecasting of video Community Use Programming as defined by Paragraph \_\_\_ of the Community Programming Section of this Resolution, in such numbers and in such functional categories as necessary to achieve all of the quantitative and qualitative performances represented by the Franchisee in the Application and this Resolution including but not limited to the following:
- (a) Beginning in the first week of the fifth (5th) year following the filing of the Certificate of Acceptance and in each week thereafter, the Franchisee shall produce locally not less than one hundred twenty-five (125) hours per week of original, non-repeated programming which has not previously been shown in the Sacramento area.
  - (b) The Franchisee shall employ and retain at all times sufficient employees at each center to insure:
    - (1) the safety of users of all facilities;
    - (2) the protection of property and equipment from abuse, damage, destruction and theft;
    - (3) the presence of knowledgeable staff is available at all times equipment is being utilized to insure proper utilization of equipment;
    - (4) the ability of all users to check out and check in equipment as desired in accordance with the Franchisee's procedures;

- (5) not more than forty-eight (48) hour delay in response and availability of any facility or piece of equipment upon a request for use by any person;
  - (6) compliance with recommendations of the National Federation of Local Community Programmers (NFLCP) as to improvements or modifications of service to the general public within ninety (90) days of the receipt of said recommendations.
- (c) The Franchisee shall employ and retain at all times, sufficient training employees to insure that the following training is provided to members of the general public in not less than the number and types of courses specified in Paragraph 36 of the Community Programming Section of this Resolution.

Advance Training - consisting of those workshops described on Pages 8n through 8o of 25, Form K, Volume 5 of the Application.

- (d) The Franchisee shall employ and retain at all times sufficient maintenance and repair employees to insure that:
- (1) all equipment is in good working order at all times;
  - (2) emergency repair of equipment can be accomplished within seven (7) days of malfunction or failure;
  - (3) replacement of equipment which cannot be repaired within seven (7) days shall be accomplished within thirty (30) days of malfunction or failure; and

- (4) any failure to meet the foregoing time limitations on repairs or replacement shall be reported to SC3 on a quarterly basis for review and recommendation to the Commission.
- (e) The Franchisee shall expend such amounts per hour of such programming produced as shall be reasonable in light of the expenditures per hour of community use programming by other, unrelated cable operators in other comparably sized cable television markets.

If, at any time during the term of the franchise, the Board of Directors of the Commission shall determine, in its sole discretion and after a noticed public hearing in which the Franchisee shall be entitled to present evidence, that the Franchisee has not met one or more of the quantitative or qualitative performances represented by the Franchisee in the Application and this Resolution relating to community use programming, it may issue an order to the Franchisee that shall require the Franchisee to augment its staff to provide not less than those types of positions and in not less than those number specified below. The duties of such personnel shall be as defined by those applicable job descriptions contained on pages 19a through 19f or 25, Form K, Volume 5 of the Application.

- (a) Executive Director -- one full-time position filled Year 1 through the end of the term of the franchise.
- (b) Secretary -- one full-time position filled Year 1 through the end of the term of the franchise and an additional not less than one full-time position filled Year 3 through the end of the term of the franchise.
- (c) Community Liaisons -- three full-time positions filled Year 1 through the end of term of the franchise and an additional not less than three full-time positions filled Year 3 through the end of the term of the franchise.
- (d) Chief Technician -- one full-time position filled Year 3 through the end of the term of the franchise.
- (e) Assistant Technicians -- five full-time positions filled Year 3 through the end of the term of the franchise.
- (f) Channel Control Operators -- one full-time position filled Year 3 through the end the term of the franchise.
- (g) Community Use Coordinators -- sixteen full-time positions filled Year 3 through the end of the term of the franchise.

- (h) Development Coordinator -- one full-time position filled Year 3 through the end of the term of the franchise.
- (i) Caption Programmers -- three full-time positions filled Year 3 through the end of the term of the franchise.
- (j) Producer/Director -- three full-time positions filled Year 3 through the end of the term of the franchise.
- (k) Writer/Talent -- three full-time positions filled Year 3 through the end of the term of the franchise.
- (l) Technical Directors -- three full-time positions filled Year 3 through the end of the term of the franchise.
- (m) Van Operators -- five full-time positions filled year 3 through the end of the term of the franchise.
- (n) Camera Operators -- six full-time positions filled Year 3 through the end of the term of the franchise.
- (o) Audio Operators -- three full-time positions filled Year 3 through the end of the term of the franchise.
- (p) Production Assistants -- three full-time positions filled Year 3 through the end of the term of the franchise.
- (q) Automated Programmer -- one full-time position filled Year 3 through the end of the term of the franchise.

Each such employee who is hired and retained pursuant to such a staffing order to the Commission shall be adequately and properly qualified for such position and shall receive a salary commensurate with his responsibility, skill, training and experience.

If, within ninety (90) days from the issuance of such a staffing order, the Franchisee shall fail, neglect or refuse to augment its community use programming staff to at least the types of positions and the numbers specified in the order, the provisions of Section 5.50.818 of the Ordinance may be invoked by the Commission.

this subparagraph shall not require the provision of any single, advanced training course more than once in any twelve (12) month period.

- (c) The Franchisee shall employ and retain at all times sufficient maintenance and repair employees to insure that:
- (1) all equipment is in good working order at all times;
  - (2) emergency repair of equipment can be accomplished within seven (7) days of malfunction or failure;
  - (3) replacement of equipment which cannot be repaired within seven (7) days shall be accomplished within thirty (30) days of malfunction or failure; and
  - (4) any failure to meet the foregoing time limitations on repairs or replacement shall be reported to SC3 on a quarterly basis for review and recommendation to the Commission.
- (d) The Franchisee shall expend such amounts per hour of such programming produced as shall be reasonable in light of the expenditure per hour of public access programming by other, unrelated cable operators in other comparably sized cable television markets.

If, at any time during the term of the franchise, the Board of Directors of the Commission shall determine, in its sole discretion and after a noticed public hearing in which the Franchisee shall be entitled to present evidence, that the Franchisee has not met one or more of the quantitative and qualitative performances represented by the Franchisee in the Application and this Resolution relating to public access programming, it may issue an order to the Franchisee that shall require the Franchisee to augment its staff to provide not less than those types of positions and in not less than those numbers specified below. The duties of such personnel shall be as defined by those applicable job descriptions contained on page 7a of 25, Form K, Volume 5 of the Application.

- (a) Community Use Coordinators -- four full-time positions filled Year 3 through the end of the term of the franchise.
- (b) Assistant Technician -- two full-time positions filled Year 3 through the end of the term of the franchise.

- (c) Channel Control Operator -- one full-time position filled Year 3 through the end of the term of the franchise.
- (d) Training Director -- one full-time position filed not later than twelve (12) calendar months following the filing of the Certificate of Acceptance through the end of the term of the franchise. Notwithstanding any provision to the contrary, the duties of the Training Director shall relate to that training prescribed by Paragraph 17 of the Community Programming Section of this Resolution, and such training shall be provided for the purpose of facilitating both Public Access Programming and Community Use Programming.

Each such employee who is hired and retained pursuant to such a staffing order to the Commission shall be adequately and properly qualified for such position and shall receive a salary commensurate with his responsibility, skill, training and experience.

If, within ninety (90) days from the issuance of such a staffing order, the Franchisee shall fail, neglect or refuse to augment its community use programming staff to at least the types of positions and the numbers specified hereinabove, said failure, neglect or refusal shall constitute a material breach of the franchise agreement giving rise to all of the Commission's attendant rights under the Ordinance and this Resolution.

10. Prevailing Rates. The provisions of this Section of the Resolution shall not be construed to relieve the Franchisee from the obligation to pay prevailing rates to the extent required by Sections 5.50.316 through 5.50.326, the prevailing rate so established shall be applicable and supersede the contrary provisions of this Section.
11. Reporting. Not later than twelve (12) calendar months following the filing of the Certificate of Acceptance, and not less frequently than every three (3) calendar months thereafter during the term of the franchise, the Franchisee shall file with the Clerk of the Board of Directors of the Commission and SC3, a written report which contains the following information: (i) the job title of each position which the Franchisee maintains on the date of filing of the report; (ii) a brief description of the job duties of each such position; (iii) the number of full-time personnel (or if part-time personnel are hired, the number of equivalent full-time positions occupied) on the date of filing of the report; (iv) the precise period of time during the twelve (12) calendar months preceding the filing of the report each full-time position or equivalent full-time position has been occupied by persons employed by the Franchisee; and (v) the evaluation and recommendations prepared by the NFLCP; and (vi) such other and further information as the Board of Directors of the Commission may from time to time require.

The Franchisee's work sites, employment and other records shall be subject to inspection and audit by authorized representatives of the Commission at any time and from time to time for the purpose of verifying compliance by the Franchisee with the terms, conditions and provisions of this Section.

12. Affirmative Action Requirements. ~~(Provisions, if any, relating to affirmative action are attached hereto as Exhibit \_\_\_\_\_)~~

The Affirmative Action and Minority Business Enterprise Program of United-Tribune Cable is attached hereto as Exhibit \_\_\_\_\_. This is a voluntary program proposed solely by United-Tribune. It is included as an exhibit, and is a part of this franchise, with the express consent of United-Tribune.