

CC-22a

CITY COUNCIL MEETING

SEPTEMBER 7, 1983

LODI CABLE  
TELEVISION  
COMPLAINTS

Following introduction of the subject by Mayor Olson, a Council discussion followed regarding the complaints being received regarding the Cable Television changing of programming. Council, following this discussion, directed that a future Shirt Sleeve Session (Informal Informational Meeting) be set aside to meet with executive representatives of the Lodi Cable Television Company and its parent company to discuss areas of concern regarding their operation within the City of Lodi.

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§ 8A-30. Sale of television receivers.

§ 8A-31. Free service.

§ 8A-32. Moving of buildings.

§ 8A-33. Unauthorized connections and tampering.

### Sec. 8A-1. Definitions.

For the purposes of this chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section:

*CATV.* A community antenna television system designed as a system of antenna, coaxial cables, wires, wave guides and other conductors, equipment or facilities designed, constructed or used for the purpose of providing television or FM radio service by cable or through its facilities as herein contemplated. CATV shall not mean or include the submission of any special program or event for which a separate and distinct charge is made to the subscriber in the manner commonly known and referred to as "pay television" or "pay TV."

*City.* The City of Lodi, State of California.

*Council.* The city council of the City of Lodi, State of California.

*Franchise.* Any nonexclusive authority granted pursuant to this chapter in terms of franchise or otherwise to construct, operate and maintain a CATV system in the incorporated area of the city.

*Franchise area.* All or any portion or portions of the incorporated area of the city for which a franchise has been granted hereunder.

*Grantee.* The person to whom a franchise under this chapter is granted by the council and any lawful successor or assignee of such a person.

*Gross annual receipts.* Any and all compensation or receipts obtained from and as a result of the operation of a CATV system by a grantee within the franchised area; except, that such term shall not include receipts or compensation for: (1) the installation, reconnection or any other nonrecurring charges; (2) the amount of any refunds, credits or other payments made to subscribers or users; (3) any taxes on services furnished by the grantee imposed directly or indirectly on any subscriber or user by any municipal corporation, political subdivision, state or other governmental unit and collected by the grantee for the governmental unit; and (4) the sale or transfer of tangible property; (5) the sale or transfer of the franchise; (6) the issuance, sale or transfer of corporation stocks, bonds or other securities; and (7) loans or gifts to the grantee.

## LODI CITY CODE

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- § 8A-7. Same—Condition.
- § 8A-8. Same—Renewal.
- § 8A-9. Same—Permitted uses.
- § 8A-10. Same—Duration; terms; forfeitures.
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*Person.* Any person, firm, association, organization, partnership, business trust, joint venture, corporation or company.

*Property of grantee.* Any property constructed, installed, operated or maintained by a grantee under the authority of a nonexclusive franchise issued pursuant to this chapter.

*Street.* The surface of, and the space above and below, any public street, road, highway, freeway, lane, alley, court, sidewalk, parkway, drive, public utility easement or other public place as may be authorized by the council, now or hereafter existing as such within the incorporated area of the city.

*Subscriber.* Any person or entity receiving for any purpose the CATV service of a grantee. (Ord. No. 855, § 1.)

#### **Sec. 8A-2. Franchise—Required.**

No person shall extend, operate or carry on the business of distributing to any persons in this city, any television signals or radio signals by means of a CATV system unless a franchise therefor has first been obtained pursuant to the provisions of this chapter, and unless such franchise is in full force and effect. No person shall construct, install or maintain within any street in the city or within any other public property of the city or within any privately owned area within the city which has not yet become a public street but is designated or delineated as a proposed public street on any tentative subdivision map approved by the city, any equipment or facilities for distributing any television signals or radio signals through a CATV system, unless a franchise authorizing such use of such street or property or area has first been obtained pursuant to the provisions of this chapter, and unless such franchise is in full force and effect. (Ord. No. 855, § 2.)

#### **Sec. 8A-3. Same—Authority to grant.**

A nonexclusive franchise to construct, operate and maintain a CATV system within any franchise area may be granted by the council to any person, whether operating under an existing franchise or not, offering to furnish and provide a system pursuant to the terms and provisions of this chapter. No provision of this chapter shall be construed as to require the granting of a franchise when in the opinion of the council it is in the public interest to restrict the number of grantees to one or more. Neither the granting of any nonexclusive franchise hereunder nor any of the provisions contained herein shall

be construed to prevent the city from granting any identical, or similar, nonexclusive franchise to any person within all or any portion of the city. (Ord. No. 855, § 3.)

**Sec. 8A-4. Same—Application.**

An application for a franchise hereunder shall be in writing and accompanied by a payment to the city of two hundred fifty dollars to reimburse the city for expenses incurred in connection with processing and handling the application. An application shall contain the following information:

(a) The name and address of the applicant. If the applicant is a partnership, the name and address of each partner shall be set forth. If the applicant is a corporation, the application shall state the names and addresses of its directors, main officers, major stockholders and associates, and the names and addresses of parent and subsidiary companies.

(b) A statement and description of the CATV system proposed to be constructed, installed, maintained or operated by the applicant.

(c) The proposed location of the CATV system and its various components.

(d) A description of the manner in which applicant proposes to construct, install, maintain and operate the CATV system and the extent and manner in which existing or future poles or other public utilities will be used for the system.

(e) A description of the public streets, public places and proposed public streets within which applicant proposes or seeks authority to construct, install or maintain any CATV equipment or facilities.

(f) A description of the equipment or facilities proposed to be constructed, installed or maintained therein and the proposed location thereof.

(g) A statement of the estimated costs of the installation of the proposed system described in subsections (b) to (f) above.

(h) A statement that the CATV services shall be available to all areas of the incorporated limits of the city as the limits are established from time to time.

(i) A statement or schedule in a form approved by the city manager of proposed rates and charges to subscribers for installation and services, and a copy of the proposed service agreement between the grantee and its subscribers shall accompany the application.

(j) A statement setting forth all agreements and understandings, whether written, oral or implied existing between the applicant and

any person who is a party in interest with respect to the proposed franchise or the proposed CATV operation. If a franchise is granted to a person posing as a front or as the representative of another person, and such information is not disclosed in the original application, such franchise shall be deemed void and of no force and effect.

(k) A financial statement prepared by a certified public accountant or public accountant satisfactory to the council, or another showing satisfactory to the council, demonstrating applicants financial status and its financial ability to complete the construction and installation of the proposed CATV system.

(l) The council may at any time demand, and applicant shall then provide, such supplementary, additional or other information as the council may deem reasonably necessary to determine whether the requested franchise should be granted and the application may be amended with consent of the council at any time prior to granting of the franchise. (Ord. No. 855, § 4.)

**Sec. 8A-5. Same—Approval.**

Upon consideration of any application, the council may refuse to grant the requested franchise or the council may by resolution grant a franchise for a CATV system to any applicant as may appear from its application to be in the opinion of the council best qualified to render good and efficient CATV service to subscribers in the proposed franchise area. The application submitted, together with any amendments, and this chapter shall constitute and form part of the franchise if granted. (Ord. No. 855, § 5.)

**Sec. 8A-6. Same—Acceptance.**

Within thirty days after the date of a resolution awarding a franchise, or within such extended period of time as the council may authorize, the grantee shall file with the city manager his written acceptance in forms satisfactory to the city attorney, of the franchise, together with the required bond and insurance policies, and his agreement to be bound by and to comply with and to do all things required of him by the provisions of this chapter and the franchise. Such acceptance and agreement shall be acknowledged by the grantee before a notary public and shall be in form and content satisfactory to, and approved by, the city attorney. (Ord. No. 855, § 6.)

**Sec. 8A-7. Same—Condition.**

Any franchise granted pursuant to this chapter shall include, among other things, the following condition:

"The CATV system herein franchised shall be used and operated solely and exclusively for the purpose expressly authorized by Ordinance of the City of Lodi and no other purpose whatsoever."

Inclusion of the foregoing statement in any such franchise shall not be deemed to limit the authority of the city to include any other reasonable condition, limitation or restriction which it may deem necessary to impose in connection with a franchise granted pursuant to the authority conferred by this chapter. (Ord. No. 855, § 7.)

**Sec. 8A-8. Same—Renewal.**

Unless renewed pursuant to the provisions of section 8A-10, any franchise granted under this chapter is renewable upon the same terms and conditions as required herein for obtaining the original franchise; except, those which are by their terms expressly inapplicable or which are waived by the council. (Ord. No. 855, § 8.)

**Sec. 8A-9. Same—Permitted uses.**

(a) Any franchise granted pursuant to the provisions of this chapter shall authorize and permit the grantee to engage in the business of constructing, operating and providing a CATV system in the city and, for that purpose, to erect, install, construct, repair, replace, reconstruct, maintain and retain in, on, over, under, upon, across and along any public street, where the city's interest therein will support the grant, such poles, wires, cable, conductors, ducts, conduit, vaults, manholes, amplifiers, appliances, devices, attachments and other property as may be necessary and appurtenant to the CATV system; and in addition to use, operate and provide similar facilities or properties rented or leased from other persons, firms or corporations, including but not limited to any public utility or other person permitted to do business in the city.

(b) The granting of a franchise pursuant to this chapter shall not be construed as permission or authority to enter on, occupy or otherwise utilize private property without the express consent of the owner or agent in possession thereof. (Ord. No. 855, § 9; Ord. No. 1202, § 1.)

**Sec. 8A-10. Same—Duration; terms; forfeitures.**

No franchise granted by the board shall be for a term longer than twenty years following the date of acceptance of such franchise by the grantee or the renewal thereof except that a franchise may be renewed for successive terms, not to exceed twenty years each, if such renewal or renewals are approved in writing by the council and the grantee prior to the expiration of the term of the franchise. Any neglect, failure or refusal of a grantee to substantially comply with any of the material terms or conditions of this chapter continuing for more than sixty days following written notice thereof from the city shall work a forfeiture thereof in addition to the other penalties and rights provided in this chapter; and the council may thereupon declare the franchise forfeited and may exclude the grantee from further use or acts thereunder, and thereupon the grantee shall be deemed to have immediately and automatically surrendered all rights hereunder. The grantee shall remove its equipment from the streets within the franchise area within sixty days after receipt of notice of the council's declaration that his franchise has been forfeited. Notice for the purpose of this section shall be in writing and deposited in the United States mail, postage prepaid as certified or registered mail, addressed to the grantee at its address last filed with the council. (Ord. No. 855, § 10.)

**Sec. 8A-11. Same—Payment.**

Any grantee granted a franchise under this chapter shall pay to the city, during the life of such franchise, a sum equal to three percent of the monthly gross receipts of the grantee. Such payment shall be in lieu of any occupation tax, license, tax or similar levy, and shall be paid quarterly or as directed by the city. (Ord. No. 855, § 11; Ord. No. 1202 § 1.)

**Sec. 8A-12. Financial statement; inspection.**

The grantee shall file with the council within ninety days after the expiration of any fiscal year or portion thereof during which a franchise is in force, a financial statement prepared by a certified public accountant or public accountant showing in detail gross annual receipts, as defined herein, of the grantee

during the preceding calendar year or portion thereof. It shall be the duty of the grantee to pay to the city within fifteen days after the time for filing such statements the sum prescribed by the franchise, or any unpaid balance thereof, for the calendar year or the portion thereof covered by the statement. The right is reserved to the city of audit and recomputation of any and all amounts paid under this chapter and acceptance until expiration of a period of five years following payment shall not be construed as a release or as an accord and satisfaction of any claim the city may have for further or additional sums payable under this chapter or for the performance of any other obligations thereunder. In any year, commencing with the first full calendar year of service during which the franchise payments amount to less than twelve hundred dollars, the grantee shall pay to the city for such a year a minimum total amount of twelve hundred dollars. In the event of any holding over after expiration or any other termination of a franchise issued hereunder, whether with or without the consent of the city, the grantee shall pay to city a compensation twice the percent of its gross annual receipts during such period as it would be required to pay under its franchise if there were no holding over. (Ord. No. 855, § 12.)

**Sec. 8A-13. Rates generally.**

(a) The grantee shall file with the city council, a true and correct schedule of rates to be charged for installation and connection to its CATV system and a monthly charge for CATV service. Such rates shall not be changed or modified in any manner without first filing the changed or modified rates with the city council thirty days prior to the effective date of such change or modification. (Ord. 1202 § 1.)

**Sec. 8A-14. Franchise limitations.**

(a) Any franchise granted under this chapter shall be non-exclusive.

(b) No privilege or exemption shall be authorized or conferred by any franchise granted under this chapter except those specifically prescribed in this chapter.

(c) Any privilege claimed under a franchise by the grantee in any street, or other public property, shall be subordinate to any prior occupancy thereof for public purposes.

(d) A franchise granted hereunder shall be a privilege to be held in personal trust by the original grantee. It cannot be sold, transferred, leased, assigned or disposed of, in whole or in part, either by forced or involuntary sale, bankruptcy, sale, merger, consolidation or otherwise, without prior consent of the council expressed in writing, and under such conditions as may be therein prescribed. The grantee shall file with the council within thirty days prior to sale, transfer, assignment or lease of the franchise or any part thereof or any rights or privileges granted thereby, written evidence of the proposed transaction certified to by the grantee or its duly authorized officers. Any proposed assignee must show financial responsibility and must agree to comply with all of the provisions of this chapter; and provided further, that no consent or approval shall be required for a transfer in trust, by mortgage, by security agreement, or by other hypothecation as a whole, to secure an indebtedness, or for a transfer required by operation of law.

(e) Any right or power in, or duty impressed upon any officer, employee, department or board of the city shall be subject to transfer by the council or by law to any other officer, employee, department or board of the city.

(f) The grantee shall have no recourse whatsoever against the city for any loss, cost, expense or damage, arising out of any provisions or requirements of this chapter or its enforcement.

(g) Any franchise granted pursuant to this chapter shall be subject to all provisions, rules, regulations and conditions prescribed by

federal, state, county and local law heretofore or hereafter enacted or established during the term of any franchise granted hereunder; except, that nothing herein shall be so interpreted as to cause this chapter, or any franchise granted pursuant to it, to be inapplicable or inoperative as a result of the laws of another governmental agency or agencies.

(h) Any franchise granted hereunder shall not relieve the grantee of any obligation involved in obtaining pole space from any department or division of the city, other agency of government, utility company, or from others maintaining poles in streets; provided, that the latter shall cooperate with the grantee to the end that only one set of poles shall be required by all.

(i) Any franchise granted under this chapter is in lieu of any and all other rights, privileges, powers, immunities and authorities owned, possessed, controlled or exercisable by the grantee, or any successor to any interest of the grantee, of or pertaining to the construction, operation or maintenance of any CATV system in the incorporated limits of the city, and the acceptance of a franchise hereunder shall operate as between grantee and the city, as an abandonment of any and all of such rights, privileges, powers, immunities and authorities within the city, to the effect that, as between the grantee and the city, any and all construction, operation and maintenance by any grantee of any CATV system in the city shall be, and shall be deemed and construed in all instances and respects to be, under and pursuant to such franchise, and not under or pursuant to any other right, privilege, power, immunity or authority whatsoever. (Ord. No. 855, § 14.)

#### **Sec. 8A-15. Rights reserved by city.**

(a) Nothing in this chapter shall in any way or to any extent impair or affect the right of the city to acquire the grantee's property either by purchase or through exercise of the right of eminent domain, and nothing herein shall be construed to contract away or to modify or abridge the city's right of eminent domain in respect to any grantee.

(b) No franchise granted under this chapter shall be given any value before any court or other public authority in any action or proceeding brought by the city in excess of the amount of the required filing fee and any other sum paid by the grantee to city for a franchise at the time of granting.

(c) There is hereby reserved to city every right and power which is required to be herein reserved or provided by any ordinance or resolution of the city, and the grantee, by its acceptance of any fran-

chise, agrees to be bound thereby and to comply with any action or requirements of the city in its exercise of such rights or power, heretofore or hereafter enacted or established.

(d) The council may do all things which are necessary and convenient in the exercise of its jurisdiction under this chapter.

(e) Neither the granting of any franchise hereunder nor any of the provisions contained herein shall be construed to prevent the city from granting any identical, or similar, franchise to any other person within all or any portion of the city.

(f) There is hereby reserved to city the right to amend any section or part of this chapter so as to require reasonable additional or greater standards of construction, operation, maintenance or otherwise, on the part of the grantee.

(g) Neither the granting of any franchise nor any provision herein shall constitute a bar to the exercise of any governmental right or power of city.

(h) All facilities of any grantee licensed hereunder within the city shall be available for civil defense purposes at such times as the city director of civil defense shall require. (Ord. No. 855, § 15.)

#### **Sec. 8A-16. Settlement of disputes.**

(a) The city manager is hereby authorized and empowered to adjust, settle or compromise any controversy or charge arising from the operations of any grantee under this chapter, either on behalf of the city, the grantee or any subscriber in the best interest of the public.

(b) Either the grantee or any member of the public who may be dissatisfied with the decision of the city manager may appeal the matter to the council for hearing and determination.

(c) The council may accept, reject or modify the decision of the city manager and the council may adjust, settle or compromise any controversy or cancel any charge arising from the operations of any grantee or from any provision of this chapter. (Ord. No. 855, § 16.)

#### **Sec. 8A-17. Procedure following acceptance of franchise.**

(a) Upon acceptance of any franchise, the grantee shall immediately initiate action to obtain all permits, licenses, easements, variances and any other authorizations which are required or necessary in the conduct of its business, including but not limited to any utility joint use attachment agreements, microwave carrier licenses, any authorizations required to import distant signals, and any other permits, licenses and authorizations to be granted by duly constituted regula-

tory agencies having or asserting jurisdiction over the operation of the CATV system, any associated microwave transmission facilities, or any other associated facility, and the grantee shall proceed with due diligence until all such matters are obtained.

Copies of all petitions, applications and communications submitted by the grantee to the federal communications commission or any other federal or state regulatory commission or agency having jurisdiction in respect to any matters affecting CATV operations authorized pursuant to its franchise, shall also be submitted simultaneously to the city by the grantee.

(b) Within ninety days after obtaining all the required or necessary permits, licenses, easements, variances and any other authorizations referred to in subsection (a) of this section, the grantee shall commence construction and installation of the CATV system.

(c) Within six months after the permits are granted for a particular area the grantee shall proceed to render initial service to subscribers, and the completion of construction and installation shall be pursued with reasonable diligence, not to exceed fifteen months from the date of the granting of the permits for the particular area to be served.

(d) Failure to do any of the foregoing within the time specified except as provided in subsection (e) of this section shall be grounds for termination of the franchise.

(e) The council may in its discretion extend the time for grantee, acting in good faith, to do any act required hereunder. The time for commencement of construction and installation, or the rendering of service to subscribers, initially or thereafter, shall be extended or excused, as the case may be, for any period during which the grantee experiences delay or interruptions due to any of the following circumstances if reasonably beyond its control: necessary utility changes or rearrangements, governmental or regulatory restrictions or requirements, labor strikes, lock outs, war (declared or undeclared), national emergency, fire, earthquake, the elements and acts of God. (Ord. No. 855, § 17.)

#### **Sec. 8A-18. Construction and installation requirements.**

(a) Any poles, cable lines, wires, conduits or other properties of the grantee shall be constructed or installed in streets in accordance with good engineering practice at such locations and in such manner as is approved by the director of public works and shall conform to all applicable codes and laws.

(b) The grantee shall not install or erect any facilities or apparatus in or on other public property, places or rights-of-way, or within any privately-owned area within the city which has not yet become a public street but is designated or delineated as a proposed public street on any tentative subdivision map approved by the city; except, those installed or erected upon existing or future public utility facilities, without obtaining the prior written approval of the director of public works and the owner-subdivider.

(c) In those areas and portions of the city where the transmission and distribution facilities of both the public utility providing telephone service and those of the utility providing electric service have been or are to be placed underground, then the grantee, upon written request by the director of public works so to do, shall likewise initially construct, install, operate and maintain its transmission and distribution facilities underground. For the purposes of this subsection, "underground" shall include a partial underground system. Amplifiers in the grantee's transmission and distribution lines may be in appropriate housing as approved by the director of public works. The city shall not in any manner be responsible for any costs incurred by any grantee in placing his property underground. (Ord. No. 855, § 18.)

**Sec. 8A-19. Removal and abandonment of property of grantee.**

(a) In the event that the use of any part of the CATV system is discontinued for any reason for a continuous period of six months, or in the event such system or property has been installed in any street or public place without complying with the requirements of this chapter, or the franchise has been terminated, cancelled or has expired, the grantee shall promptly, upon being given ten days' written notice, remove from the streets or public places all such property and poles of such system other than any which the director of public works may permit to be abandoned in place. In the event of such removal, the grantee shall promptly restore the street or other area from which such property has been removed to a condition satisfactory to the director of public works.

(b) Any property of the grantee remaining in place sixty days after the termination, forfeiture or expiration of the franchise shall be considered permanently abandoned. The director of public works may extend such time.

(c) Any property of the grantee to be abandoned in place shall be abandoned in such a manner as the director of public works shall

prescribe. Subject to the provisions of any utility joint use attachment agreement, upon permanent abandonment of the property of the grantee in place, the property shall become that of the city and the grantee shall submit to the director of public works an instrument in writing, to be approved by the city attorney, transferring to the city the ownership of such property. (Ord. No. 855, § 19.)

**Sec. 8A-20. Changes required by public improvements.**

The grantee shall, at its expense, protect, support, temporarily disconnect, relocate in the same street or other public place, or remove from the street or other public place, any property of the grantee when required by the director of public works by reason of traffic conditions, public safety, street vacation, freeway and street construction, change or establishment of street grade, installation of sewers, drains, water pipes, power lines, signal lines and tracks or any other type of structures or improvements by public agencies; provided, however, that the grantee shall in all such cases have the privilege and be subject to the obligations to abandon any property of the grantee in place, as provided in this chapter. (Ord. No. 855, § 20.)

**Sec. 8A-21. Failure to perform street work.**

Upon failure of the grantee to commence, pursue or complete any work required by law or by the provisions of this chapter or by its franchise to be done in any street or other public place, within the time prescribed, and to the satisfaction of the director of public works, the director of public works may, at his option, cause such work to be done and the grantee shall pay to the city the cost thereof in the itemized amounts reported by the director of public works to the grantee within thirty days after receipt of such itemized report. (Ord. No. 855, § 21.)

**Sec. 8A-22. Surety bond required.**

The grantee shall, concurrently with the filing of an acceptance of award under any franchise granted under this chapter, file with the city clerk and shall at all times thereafter maintain in full force and effect for the term of a franchise or any renewal thereof, at the grantee's sole expense, a corporate surety bond in a company and in a form approved by the city attorney, in the amount of twenty-five thousand dollars renewable annually, and conditioned upon the faithful performance of the grantee, and upon the further condition that

in the event the grantee shall fail to comply with any one or more of the provisions of this chapter, or of any franchise issued to the grantee hereunder, there shall be recoverable jointly and severally from the principal and surety of such bond any damages or loss suffered by the city as a result thereof, including the full amount of any compensation, indemnification or cost of removal or abandonment of any property of the grantee as prescribed hereby which may be in default, plus a reasonable allowance for attorney's fees and costs, up to the full amount of the bond; such condition to be a continuing obligation for the duration of such franchise and any renewal thereof and thereafter until the grantee has liquidated all of its obligations with the city that may have arisen from the acceptance of such franchise or renewal by the grantee or from its exercise of any privilege therein granted. The bond shall provide that thirty days prior written notice of intention not to renew, cancellation or material change, be given to the city manager. Neither the provisions of this section, nor any bond accepted by the city pursuant hereto, nor any damages recovered by the city thereunder, shall be construed to excuse faithful performance by the grantee or limit the liability of the grantee under any franchise issued hereunder or for damages, either to the full amount of the bond or otherwise. The council may at any time waive or reduce the amount of the bond provided for by this section. (Ord. No. 855, § 22.)

**Sec. 8A-23. Liability insurance required.**

(a) The grantee shall indemnify the city, its officers and its employees against all claims, demands, actions, suits and proceedings by others, against all liability to others, and against any loss, cost and expense resulting therefrom, including reasonable attorneys' fees, arising out of the exercise and enjoyment of its franchise irrespective of the amount of the comprehensive liability insurance policy required hereunder.

(b) The grantee shall at all times during the existence of any franchise issued hereunder, maintain in full force and effect, at its own cost and expense, a general comprehensive liability insurance policy, in protection of the city, its officers, boards, commissions, agents and employees, in a company approved by the city attorney and in a form satisfactory to the city attorney, protecting the city and all persons against liability for loss or damage for personal injury, death and property damage, occasioned by the operations of the grantee under such a franchise, and for property damage in the

amount of one hundred thousand dollars for personal injury or death of any one person and three hundred thousand dollars for the personal injury or death of two or more persons in any one occurrence and one hundred thousand dollars for damage to property resulting from any one occurrence. A copy of such policy or policies, or certificates of insurance showing the existence of such insurance coverage, shall be filed by the grantee with the council.

(c) The policies mentioned in the foregoing subsection shall name the city, its officers, boards, commissions, agents and employees, as additional insureds, shall contain a contractual liability endorsement approved by the city attorney and shall contain a provision that a written notice of any cancellation or reduction in coverage of such policies shall be delivered to the city manager thirty days in advance of the effective date thereof. (Ord. No. 855, § 23.)

#### **Sec. 8A-24. Inspection of property and records.**

(a) At all reasonable times, the grantee shall permit any duly authorized representative of the city to examine all property of the grantee, together with any appurtenant property of the grantee situated within or without the city, and to examine and transcribe any and all maps and other records kept or maintained by the grantee or under its control which deal with the operations, affairs, transactions or property of the grantee in relation to its franchise. If any maps or records are not kept in the city, and upon reasonable request the same are not made available in the city, and if the council shall determine that an examination thereof is necessary or appropriate, then all travel and maintenance expense necessarily incurred in making such examination shall be paid by the grantee.

(b) The grantee shall prepare and furnish to the director of public works and the city manager at the times and in the form prescribed by either of such officers, such reports with respect to its operations, affairs, transactions or property, as may be reasonable, necessary or appropriate to the performance of any of the rights, functions or duties of the city or any of its officers in connection with the franchise.

(c) The grantee shall at all times make and keep in the city full and complete plans and records showing the exact location of all CATV system equipment installed or in use in streets and other public places in the city.

(d) When any portion of the CATV system is to be installed on public utility poles and facilities, certified copies of the agreements

for such joint use of poles and facilities shall be filed with the director of public works. (Ord. No. 855, § 24.)

**Sec. 8A-25. Operational standards.**

(a) The CATV system shall be installed and maintained in accordance with the highest and best accepted standards of the industry to the end that subscribers shall receive the best possible service. In determining the satisfactory extent of such standards the following factors shall be given consideration:

(1) The system shall be capable of producing a picture, whether in black or white or in color, that is undistorted, free from ghost images, and accompanied with proper sound on typical standard production TV sets in good repair, and as good as the state of the art allows.

(2) That the system be installed using all band equipment capable of passing the entire VHF and FM spectrum, and that it have the further capability of converting UHF for distribution to subscribers on the VHF band.

(3) That the system, as installed, be capable of passing standard color TV signals without the introduction of material degradation of color fidelity and intelligence.

(4) That the system and all equipment be designed and rated for twenty-four hour per day continuous operation.

(5) All programs of broadcasting stations carried by the grantee shall be carried in entirety as received without additions or deletions, except as expressly required or authorized by law.

(6) That the system provide a nominal signal level of 2,000 micro volts over a 75 Ohms load at the input terminals of each TV receiver.

(7) That the hum modulation of the picture signal is less than five percent.

(8) That the signal-to-noise ratio be not less than 40 decibels.

(9) That the system use components having VSWR of 1.4 or less.

(b) The council may from time to time establish and revise technical standards to be applicable to CATV, consistent with the accepted standards of the industry, but such establishment or revision shall be done only after a public hearing on such standards and all grantees shall be given written notice of such hearing and any proposed standards at least thirty days prior to such hearing. (Ord. No. 855, § 25.)

**Sec. 8A-26. Filing with city.**

All matters herein provided to be filed with the city, unless provided otherwise herein shall be filed with the city manager. (Ord. No. 855, § 26.)

**Sec. 8A-27. Location of office; telephone connection.**

The grantee shall maintain an office within the city and a telephone connection which subscribers may call without incurring special message or toll charges so that CATV maintenance service shall be easily available to subscribers. (Ord. No. 855, § 27.)

**Sec. 8A-28. Service to subscribers.**

Subject to section 8A-13, no person or entity in the existing service area of the grantee shall be arbitrarily refused service; provided, however, that the grantee shall not be required to provide service to any subscriber who does not pay the applicable connection fee or monthly service charge or any other charges as provided by this chapter or any resolution granting the franchise. (Ord. No. 855, § 28.)

**Sec. 8A-29. Signed contract required.**

Before the grantee shall provide antenna service to any subscriber, the grantee shall obtain a signed contract from the subscriber containing a provision substantially as follows:

"Subscriber understands that in providing antenna service (Grantee) is making use of public rights of way within the City of Lodi and that the continued use of these public rights of way is in no way guaranteed. In the event the continued use of such rights of way is denied to (Grantee) for any reason, (Grantee) will make every reasonable effort to provide service over alternate routes. Subscriber agrees he will make no claim nor undertake any action against the City of Lodi, its officers, its employees, or (Grantee) if the service to be provided by (Grantee) hereunder is interrupted or discontinued because the continued use of such rights of way is denied to (Grantee) for any reason."

The form of the grantee's contract with its subscribers shall be subject to approval of the council with respect to the installation of this provision. (Ord. No. 855, § 29.)

**Sec. 8A-30. Sale of television receivers.**

The grantee or any of its employees during their course of employment shall not engage in the business of selling or leasing television or other receivers which make any use of signals transmitted by its system, nor shall the grantee or any of its employees during the course of their employment engage in the repair of such receivers or the sale of parts for the same. This restriction shall not apply to a converter that increases the capacity of the system that may be sold or leased by the grantee to a subscriber. (Ord. No. 855, § 30.)

**Sec. 8A-31. Free service.**

The grantee shall provide free of charge a service drop for CATV service for all public and nonprofit private schools, city police and fire stations, city recreation centers, church recreation rooms, and any additional municipal buildings designated by the city council; provided, that such locations are passed by transmission cable maintained for the service of paying subscribers. If the service drop exceeds one hundred fifty feet, the grantee may charge for the excess footage on the basis of time and materials. (Ord. No. 855, § 31.)

**Sec. 8A-32. Moving of buildings.**

The grantee shall, on the request of any person holding a building moving permit issued by the city, temporarily raise or lower its wires to permit the moving of buildings. The expense of such temporary removal or raising or lowering of wires shall be paid by the grantee. The grantee shall be given not less than forty-eight hours' advance notice to arrange for such temporary wire changes. (Ord. No. 855, § 32.)

**Sec. 8A-33. Unauthorized connections and tampering.**

(a) It shall be unlawful for any person, firm or corporation to make any unauthorized connection, whether physically, acoustically, inductively, electronically or otherwise, with any part of a franchised CATV system within the city for the purpose of taking or receiving television signals, radio signals, pictures, programs, sound or electronic impulses of any kind for the purpose of enabling himself or others to receive any such television signal, radio signal, picture, program, sound or electronic impulses.

(b) It shall be unlawful for any person, without the consent of the grantee, to wilfully tamper with, remove, obstruct or injure any

cables, wires, devices or equipment used for the distribution of television signals, radio signals, pictures, programs, sound or electronic impulses of any kind. (Ord. No. 855, § 33.)

## CHAPTER 8B.

### Community Housing Project Conversions

- § 8B-1. Purpose.
- § 8B-2. Definitions.
- § 8B-3. Conditional use permits required.
- § 8B-4. Application for conditional use permit for conversion.
- § 8B-5. Acceptance of reports.
- § 8B-6. Physical standards for condominium conversions.
- § 8B-7. Specific physical standards.
- § 8B-8. Declaration of covenants, conditions and restrictions on project elements.
- § 8B-9. Conditions for approval.
- § 8B-10. Notice to new tenants.
- § 8B-11. Documents furnished by applicant to prospective purchaser.
- § 8B-12. Fees.
- § 8B-13. Consideration.
- § 8B-14. Conditional use permit findings.
- § 8B-15. Report to city council.
- § 8B-16. Appeal.

#### Sec. 8B-1: Purpose.

The purpose of this chapter is to:

- (1) Establish criteria for conversion of the existing multi-family rental housing to condominiums, community apartments or stock cooperatives;
- (2) To reduce the impact of such conversions on residents in rental housing who may be required to relocate during the conversion of apartments to condominiums, by providing for procedures for notifications for such relocation;
- (3) To assure that the purchasers of converted housing have been properly informed as to the physical conditions of the structure which is offered for purchase;

RESOLUTION NO. 3158

RESOLUTION GRANTING COMMUNITY ANTENNA  
TELEVISION (CATV) FRANCHISE

After notice duly given, public hearing held, evidence received and good cause appearing therefrom, the following resolution is adopted:

RESOLVED that a non-exclusive Community Antenna Television (CATV) franchise is hereby awarded to Multi-View Systems, Inc., Lodi, California, subject to the following terms and conditions:

(1) This franchise is granted subject to all of the terms and conditions of the provisions of Ordinance No. 855 of the City of Lodi, as well as representations, statements and conditions set forth in the franchise application filed herein by Multi-View Systems, Inc. and the Grantee shall be bound by all of the terms of said ordinance, this resolution and franchise application.

(2) The term of this franchise shall be for a period of 20 years commencing February 21, 1968 and terminating at midnight on February 20, 1988.

(3) This franchise shall not become effective until Section 6 of said Ordinance No. 855 relating to written acceptance, bonds, insurance policies, etc., has been complied with by the Grantee. In the event that there is non-compliance with said Section 6 this resolution shall be of no force or effect.

(4) In accordance with Section 7 of Ordinance No. 855 this franchise is granted subject to the following condition: The CATV system herein franchised shall be used and operated solely and exclusively for the purpose expressly authorized by Ordinance of the City of Lodi and no other purpose whatsoever.

(5) This franchise is granted with the understanding that Section 10 of Ordinance No. 855 is hereby expanded to express the condition that in the event of a 60-day notice of forfeiture of franchise being given, that any transmission lines, conduits, poles and/or attachments that are not removed within 60 days after the expiration of the initial 60-day notice shall be deemed abandoned and become the property of the City of Lodi to be disposed of in the discretion of the City Council.

(6) Grantee shall pay to the City during the life of this franchise an annual franchise fee of 5% of its annual gross receipts for each of the first three years of said franchise operation and 6% thereafter or \$1,200 per year whichever is greater. Said franchise payments shall be paid to the City quarterly.

(7) Grantee agrees that the following rates shall be charged to subscribers for the services to be rendered by it:

Monthly service charge		
without auxiliary tuner -- Aerial		\$4.50
Each extra outlet		.75
Underground		5.50
Each extra outlet		.75
Charge for auxiliary tuner (if applicable)		1.00
Installation charge		15.50

Note: Installation charge is waived in those cases where subscriber agrees to accept CATV service at the time it is first offered to him.

(8) Grantee shall not make any change in said rate without the prior consent of the City Council of the City of Lodi.

(9) This franchise may not be assigned without compliance with the provisions of Section 14 (d) of Ordinance No. 855.

(10) In the granting of this franchise the City Council of the City of Lodi does hereby express its intent that Section 15 (f) of Ordinance No. 855, which reads as follows:

"There is hereby reserved to City the right to amend any section or part of this Ordinance so as to require reasonable additional or greater standards of construction, operation, maintenance, or otherwise, on the part of the Grantee"

imposes the duty, burden and obligation upon the Grantee of this franchise to at all times keep abreast of the rapid technological advances in the CATV industry and that the Grantee shall maintain and replace its equipment so that at all times during the life of this franchise its equipment shall produce the best picture, sound and service under the circumstances that is technologically possible. In the event of the Grantee's willful failure to comply with the intent expressed herein, such willful failure may constitute a breach of the aforesaid quoted Section 15 (f).

(11) Notwithstanding other terms and conditions herein set forth and set forth in Ordinance No. 855 and the franchise application, this franchise is granted upon the expressed condition that in accordance with the provisions of Section 17 of Ordinance No. 855 the City Council reserves unto itself the right to exercise its discretion as to whether the Grantee is proceeding with due diligence to obtain the necessary permits and render service to all of the participating subscribers in the City of Lodi. In the event the City Council determines after notice and hearing to the Grantee that the Grantee is not proceeding with due diligence, the City Council may, in the exercise of its discretion, terminate and cancel the franchise herein granted.

Dated: February 21, 1968

I hereby certify that Resolution No. 3158 was passed and adopted by the City Council of the City of Lodi in regular meeting thereof held February 21, 1968, by the following vote:

Ayes: Councilmen Brown, Culbertson, Hunnell, Walton and Kirsten

Noes: None                      Absent: None

Bessie L. Bennett  
City Clerk

APPLICATION FOR CATV FRANCHISE

TO THE HONORABLE CITY COUNCIL OF THE CITY OF LODI: ,

The application and bid of MULTI-VIEW SYSTEMS, INC., (hereinafter referred to as Applicant) for a franchise to establish, operate and maintain a continuous community antenna television system and service within the corporate limits of the City of Lodi, under and pursuant to the terms and provisions of Ordinance No. 855 of said City of Lodi, respectfully shows:

(a) That the name of Applicant is "MULTI-VIEW SYSTEMS, INC.", and its address is 121 West Pine Street, Lodi, California.

That Applicant is a corporation having been duly incorporated under the General Corporation Law of the State of California on February 8, 1968.

That the names and addresses of Applicant's officers and directors are as follows:

<u>Name</u>	<u>Title</u>	<u>Address</u>
Gordon Rock	President and Director	Lodi, California
Thomas C. Parker	Vice President and Director	Lodi, California
Reuben P. Rott	Secretary and Treasurer and Director	Lodi, California
Robert A. Ferguson	Director	Berkeley, California
B. J. Koenig	Director	Oakland, California

That Applicant was formed for the sole purpose of acquiring the franchise for which this application is made and filed, and after acquiring such franchise, to establish, operate and maintain a continuous community television antenna system and service within the City of Lodi; that Applicant will

not sell and issue any shares of its capital stock until the above mentioned franchise is first granted to it; that in anticipation of Applicant acquiring the aforesaid franchise, however, valid and binding pre-incorporation subscriptions were made, and have since its incorporation been accepted by Applicant, for 20,000 shares of Applicant's capital stock at the total selling price of \$120,000.00, in cash; that a copy of the agreement by which the aforesaid shares are subscribed is hereto attached, marked Exhibit "A" and made a part hereof; that the aforesaid subscriptions are subject only to the condition that Applicant have granted to it the CATV franchise for which this application is made and filed; that Applicant proposes to also issue and sell to SMALL BUSINESS ENTERPRISES COMPANY, a wholly owned subsidiary corporation of Bank of America National Trust and Savings Association of San Francisco, California, 30,000 shares of its capital stock pursuant to stock warrant or option to purchase said shares from Applicant in support of, and as part consideration for, a subordinated debenture loan in the sum of \$250,000.00, which said SMALL BUSINESS ENTERPRISES COMPANY has agreed to make to Applicant; that hereto attached, marked Exhibit "B" and made a part hereof, is copy of letter addressed to Applicant by said SMALL BUSINESS ENTERPRISES COMPANY on February 9, 1968, agreeing, and making commitment to Applicant, to make the above mentioned loan provided that the franchise for which this application is made and filed is granted to Applicant; that all other conditions subject to which the aforesaid loan is committed to Applicant have already been met and complied with, or are such that Applicant can and will comply with the same upon and after obtaining the aforesaid franchise; that the remaining shares of Applicant's

capital stock will be issued as follows: So many thereof as are authorized by the Commissioner of Corporations of the State of California for issuance to REUBEN P. ROTT and STEWART C. ADAMS, JR., Attorneys at Law, of Lodi, California, for legal services relative to this application, the above mentioned loan from SMALL BUSINESS ENTERPRISES COMPANY, option for land to be acquired by Applicant, the formation and incorporation of Applicant and for obtaining permit from said Commissioner of Corporations to issue and sell Applicant's shares of stock; and so many thereof as are authorized by said Commissioner of Corporations for issuance to GORDON ROCK and THOMAS C. PARKER, the President and Vice President, respectively, of Applicant, for monies expended and personal services rendered in connection with the following: Initiating and effecting the adoption of a CATV ordinance by the City Council of the City of Lodi; various surveys, studies, compilation of data and the preparation of maps respecting Applicant's proposed CATV business; the acquisition of option for land for a CATV tower and office site; arrangements for the acquisition of all machinery, tools and equipment and other properties as well as pole line and underground cable easements and rights, required for Applicant's proposed CATV business; arrangements for raising the capital required by Applicant and for financing the costs of properties and property rights to be acquired by Applicant, and in connection with the promotion and organization of Applicant; that as soon as practicable so to do after the above mentioned franchise is granted to it, Applicant will make and file appropriate application to and with the Commissioner of Corporations of the State of California for permit authorizing it to sell and issue the shares of its capital stock to the persons and the

corporation, for the consideration, and in the manner herein-  
above stated.

That accordingly, the names and addresses of the pro-  
jected shareholders of Applicant are as follows:

Edward A. Rock	Lodi, California
Robert A. Ferguson	Berkeley, California
Donald A. Ferguson	Berkeley, California
Jay Murray Botkins	Lodi, California
Donald L. Crews	Pittsburg, California
Frederick J. Klemeyer	Lodi, California
Reuben P. Rott	Lodi, California
Stewart C. Adams, Jr.	Lodi, California
Mase Mattingly	Los Angeles, California
Gordon Rock	Lodi, California
Thomas C. Parker	Lodi, California
Small Business Enterprises Company	San Francisco, California

That Applicant does not now, and will not in the future,  
have any associates, and that it is not the parent or subsidi-  
ary of any other corporation.

(b) That the following is a statement and description  
of the CATV system proposed to be constructed, installed,  
maintained and operated by Applicant:

The system will utilize signals received off air from  
a 220 foot tower located near the southwest corner of the  
intersection of Kettleman Lane and South Stockton Street. The  
signals received from said tower will be distributed via  
coaxial cable to be attached to existing utility poles in part,  
and laid underground in part, to all areas to be served within

the corporate limits of the City of Lodi. The equipment to be utilized will be JERROLD ELECTRONICS CORPORATION Starline 20 Series, having a 20 channel capacity.

This equipment will provide 10 channel reception for a television receiver having a standard VHF tuner, and 20 channel reception if such set is equipped with an auxiliary 20 channel tuner. Such tuner will be made available to subscribers by Applicant.

A brochure, prepared by JERROLD ELECTRONICS CORPORATION showing how a CATV system works and describing said corporation's system generally, together with a second brochure describing said corporation's Starline 20 channel series, are submitted concurrently with this application, and incorporated herein by reference.

Applicant proposes to construct at the tower site, a combination head-end and operations building. Floor plan and architect's rendering of the exterior of said building are also filed concurrently herewith and incorporated herein by reference.

(c) That the proposed location of Applicant's aforesaid CATV system and its various component parts, are as follows: Existing public utility rights of way as designated and delineated in and under pole line and systems map filed concurrently herewith and by this reference made a part hereof.

(d) That a description of the manner in which Applicant proposes to construct, install, maintain and operate its said CATV system and the extent and manner in which existing or future poles or other public utilities will be used for said system are as follows: Applicant will use existing poles belonging to the City of Lodi and/or Pacific Telephone & Telegraph Company in the manner and to the extent designated

by the above-mentioned map. That Applicant's cable will be attached to existing and future poles, and laid underground pursuant to standard telephone company practices as prescribed by General Order 95; that installations of Applicant's service within subscribers' residences and other buildings will be in accordance with the highest standards and best practices of telephone companies. The entire system of Applicant and the service to be provided thereby will be operated and maintained on a continuous 24-hour basis, utilizing up to date equipment including radio dispatched trucks.

(e) That a description of the public streets, public places and proposed public streets within which Applicant proposes or seeks authority to construct, install or maintain any of its CATV equipment or facilities are as follows: As indicated by and under the above-mentioned map.

(f) That a description of the equipment or facilities proposed to be constructed, installed and maintained by Applicant and the proposed locations thereof are as follows: As indicated by and under the above-mentioned map.

(g) That the estimated cost of the installation of Applicant's proposed system, described under subparagraphs (c) through (f) hereinabove is as follows:

Land -----	\$ 10,650.00
Office Building, Paving, Utilities and Fencing -----	35,000.00
Office Equipment -----	10,000.00
Motor Vehicles -----	12,900.00
CATV Tower -----	14,000.00
Antennas -----	9,000.00
Head-end Equipment -----	<u>18,000.00</u>
Amount forwarded -----	\$ 109,550.00

Amount brought forward -----	\$ 109,550.00
Test Equipment -----	5,000.00
CATV Plant - 72 miles at \$4800 per mile ----	345,600.00
Customer Installations -----	180,000.00
20 Channel Tuners -----	90,000.00
Underground Construction -----	5,500.00
Telephone Pole Re-arrangements -----	<u>30,000.00</u>
Total -----	\$ 765,650.00

(h) That the proposed CATV service of Applicant will be available to all areas within the incorporated limits of the City of Lodi as said limits are established from time to time.

(i) That the following is a statement and schedule of Applicant's proposed rates and charges to subscribers for CATV installation and services:

A. Monthly service charge without auxiliary tuner:

1. Aerial, \$4.50

a. Each extra outlet 75¢.

2. Underground, \$5.50.

a. Each extra outlet 75¢.

B. Charge for auxiliary tuner (20 channel service) \$1.00 per month. Applicant anticipates to make such tuner available to its subscribers within the period of one year from date of franchise. Such tuner shall remain the property of Applicant, and the repair and maintenance thereof will be at the expense of applicant.

C. Installation charge, \$15.50. This charge, however, will be waived in the case of each initial installation where the subscriber agrees to installation upon the first offer of service to him. Based on the experience of CATV operators in other areas comparable to the City of

Lodi, Applicant anticipates that at least 95% of its subscribers will never pay the aforesaid installation charge.

- D. Installation charge for each additional outlet: \$5.00 per outlet. This charge will be waived on the same basis as in "C" above.
- E. Charge for Disconnections: No charge.
- F. Charge for Reconnections: \$5.00 irrespective of number of outlets.
- G. Relocation Charge: \$10.00 per outlet.

That attached hereto, marked Exhibit "C" and made a part hereof, is a copy of the proposed service agreement between Applicant and its subscribers.

That Applicant offers to pay to the City of Lodi franchise tax as follows: For and during the first three years of its operations after receiving the CATV franchise at 5% of gross revenue; for and during the fourth year, and each year thereafter, at 6% of gross revenue.

(j) That there are no agreements, written, oral or implied, between Applicant and others respecting the CATV franchise hereby applied for, or Applicant's proposed CATV system and service; that Applicant is, and will be, the only party having any interest in said franchise and the operation and conduct of its CATV business pursuant to such franchise; that Applicant seeks said franchise for its sole account and not as the agent or representative, front or associate of any other person, firm, partnership, corporation or other entity.

(k) That the following is a statement relative to Applicant's financial status and its financial ability to complete the construction and installation of its proposed CATV system:

Cash Available to Applicant:

From the sale of 20,000 shares of its capital stock -----	\$ 120,000.00
From Small Business Enterprises Company loan	<u>250,000.00</u>
	\$ 370,000.00

Cash Requirements of Applicant through First Year of Operations:

Fixed Assets

Land -----	\$ 10,650.00
Office Building, Paving, Utilities and Fencing -----	35,000.00
Office Equipment -----	10,000.00
Motor Vehicles -----	12,900.00
* CATV Tower -----	14,000.00
* Antennas -----	9,000.00
* Head-end Equipment -----	18,000.00
* Test Equipment -----	5,000.00
* CATV Plant - 72 miles at \$4800 per mile -----	345,600.00
Installations - 4000 at \$30.00	120,000.00
Underground Construction ----	5,500.00
Telephone Pole Arrangements --	<u>30,000.00</u>
	\$ 615,650.00

\* Items to be purchased from Jerrold Electronics Corporation on turn-key basis, the total cost whereof is \$391,600.00, plus \$40,000.00 of installation equipment to be purchased on same basis

	<u>431,600.00</u>	<u>184,050.00</u>
		\$ 185,950.00

Deduct:

Down payment on Jerrold Contract	\$ 107,900.00
Anticipated loss from first year's operations -----	<u>186,610.00</u>
	\$ 294,510.00
Less: Depreciation included in computing above loss	<u>153,910.00</u>
	<u>140,600.00</u>

Cash available for contingencies and for carry-over to second year of operations ----- \$ 45,350.00

That Applicant's agreement with said JERROLD ELECTRONICS CORPORATION provides for the payment of 25% of the contract price down upon the execution of the agreement, and balance of said contract price, in monthly installments, as follows: 10% thereof during the second year, 15% thereof during the third year, 20% thereof during the fourth year, 25% thereof during the fifth year and 30% during the sixth year of the term of said agreement; that attached hereto, marked Exhibit "D" and made a part hereof is copy of letter setting forth the agreement and commitment of said JERROLD ELECTRONICS CORPORATION to and with Applicant.

That the above indicated anticipated loss to be incurred by Applicant by the end of the first year of its operations is based on the assumption that Applicant will have and serve the total of only about 4,000 subscribers by the end of the first year of its operations, the average number of subscribers for the first year, however, being only about 1800; that based on the experience of CATV operations in other California cities comparable to the City of Lodi, the findings and conclusions of SMALL BUSINESS ENTERPRISES COMPANY and of its parent company, BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION (see copy of letter addressed to the City Council of the City of Lodi by George Quist, President of said SMALL BUSINESS ENTERPRISES COMPANY and Vice President of said BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, a copy whereof is hereto attached, marked Exhibit "E", and made a part hereof), which companies heretofore made a thorough and careful study and survey of Applicant's proposed CATV system and service for the City of Lodi, and the results and findings of a survey heretofore made and completed by Applicant's President and Vice President, a copy of which survey is also hereto attached, marked Exhibit "F"

and made a part hereof, the number of subscribers to be served by Applicant will increase each year after the first year of operations, to the extent that commencing with the second year of Applicant's operations, and continuing each year thereafter, Applicant will realize a profit from its operations and be in more than adequate financial position to discharge all its debts and obligations, specifically including its obligations under the aforesaid loan from SMALL BUSINESS ENTERPRISES COMPANY and its agreement with JERROLD ELECTRONICS CORPORATION; that Applicant's President and Vice President have made detailed computations of the probable cash flow to Applicant, beginning with the first year of its operations and projected forward annually thereafter for the period of five years, which computations are available to the inspection and review of your Honorable Body upon request.

(1) That in further support of this application, Applicant respectfully submits the following additional information:

(1) Applicant is in position to commence and undertake, and will commence and undertake, shortly after having granted to it the franchise for which this application is made and filed, construction of its proposed CATV system, and within a reasonable period of time thereafter commence its proposed CATV service within the City of Lodi for the reason that it already has made and completed, in anticipation of obtaining the above-mentioned franchise, the following arrangements:

A. Applicant has already selected an approximate one acre parcel of land, located on South Stockton Street, approximately 650 feet south of Kettleman Lane, as and for a site for its CATV tower and equipment and operations building. Applicant recently obtained a binding option for the purchase of said parcel as evidenced by copy of

said option hereto attached, marked Exhibit "G" and made a part hereof. The aforesaid site was selected only after extensive signal surveys were made at ground level and by helicopter.

B. Applicant's architect has already prepared floor plans and an exterior rendering for the equipment and operations building to be constructed on said parcel of land, which plans and rendering are referred to under subparagraph (b) hereinabove.

C. Applicant's President and Vice President have already undertaken negotiations and completed arrangements for the use of pole lines and the installation of underground CATV cable for and in connection with its proposed CATV system and service as follows: Tentative arrangements with Pacific Telephone & Telegraph Company for the use of required poles throughout the City of Lodi, and final arrangements with said Pacific Telephone & Telegraph Company for the installation of approximately 4000 lineal feet of underground plastic conduit in Sunset South Subdivision for the future installation of Applicant's CATV plant. Said underground plastic conduit has already been installed at the cost and expense of applicant, to obviate the need for future trenching and disrupting landscaping of homeowners' properties within the subdivision. Attached hereto, marked Exhibit "K" is copy of letter agreement between said Pacific Telephone & Telegraph Company and Applicant in said reference.

D. Applicant's President and Vice President have already made and completed Pole and Systems Maps referred to under subparagraph (b) hereinabove locating all pole lines, streets, public places, equipment, etc., of Applicant's proposed system, which map in the normal course of events would require the minimum of 90 days to prepare and complete.

E. As hereinabove indicated, Applicant has already also made and completed arrangements for the acquisition, purchase and financing of all equipment and fixtures required for its proposed CATV system, conditioned only upon Applicant obtaining the franchise for which this application is made and filed.

(2) The equipment proposed to be used by Applicant is the best equipment of its kind available on the market. JERROLD ELECTRONICS CORPORATION is a pioneer in the CATV equipment field and said company is regarded as the leader in its industry.

(3) The rates proposed by Applicant herein are considered to be fair and reasonable and in line with charges of other CATV operators in cities comparable to the City of Lodi. Said rates were adopted for proposal herein only after careful study and consideration by Applicant's President and Vice President in collaboration with other successful CATV operators, and various officials and the technical staffs of SMALL BUSINESS ENTERPRISES COMPANY and BANK OF AMERICA NATIONAL TRUST & SAVINGS ASSOCIATION. Said rates will return a fair profit to Applicant after the first year of its operations, and enable Applicant to timely and adequately discharge all its debts and obligations from time to time, including its obligations under the above-mentioned SMALL BUSINESS ENTERPRISES COMPANY loan and the JERROLD ELECTRONICS CORPORATION contract.

(4) The construction and installation of Applicant's proposed CATV system, and the operation and conduct of its CATV service business thereafter, will be under the direct control and supervision of Gordon Rock and Thomas C. Parker,

the President and Vice President, respectively, of Applicant, both of whom have had considerable experience in the installation and operations of established CATV businesses. Attached hereto, marked Exhibit "I" and "J" are copies of statements setting forth personal data, educational background and business experience of each of said officers, respectively.

Applicant's President and Vice President will be assisted in the performance of the aforesaid work and duties by a capable and experienced staff, whose services have already been arranged for and committed to Applicant, if Applicant is granted the franchise herein applied for. One member of said staff was employed by a successful CATV service corporation as its general manager; another member is presently employed as chief technician by another CATV service corporation; another was heretofore employed as office manager of a CATV service corporation, and two additional members of said staff have had considerable experience in the general CATV installation and service business.

Applicant's other directors, Reuben P. Rott, Robert A. Ferguson and B. J. Koenig, are not experienced in the CATV business and will not be active in Applicant's business except as directors of Applicant. All of said directors, however, have had considerable business experience. Director Rott is Treasurer, Director and Counsel for Farmers & Merchants Bank of Central California, President and Director of Rott Bros., of Stockton, California, a farm implement sales and service business, and director of First Stockton Title Company and of Lodi Memorial Hospital. Director Ferguson is the co-owner and operator of a successful advertising agency and Director Koenig is engaged in business as an accountant.

(5) Applicant hereby offers to furnish and provide, immediately upon request, all such additional and supplemental information and data as your honorable body may desire or reasonably require in connection with Applicant, this application and the data and facts therein set forth.

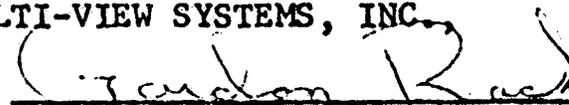
By reason of the foregoing, Applicant respectfully submits that it is well qualified to render efficient and the best possible CATV service to subscribers within the City of Lodi; that such service will be promptly provided after the franchise herein applied for is granted to Applicant, and that such service will be furnished to Applicant's subscribers at fair and reasonable cost.

Your early and favorable consideration of this application and bid will be greatly appreciated.

Respectfully submitted,

MULTI-VIEW SYSTEMS, INC.

By



Its President