

RESOLUTION NO. 93-82

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CLARITA APPROVING THE TRANSFER OF THE CABLE TELEVISION SYSTEM FRANCHISE FROM THE AMERICAN TELEVISION AND COMMUNICATIONS CORPORATION TO TIME WARNER ENTERTAINMENT, COMPANY, L.P.

WHEREAS, on September 11, 1987, the Board of Supervisors of the County of Los Angeles, pursuant to Section 16.58.010 of the Los Angeles County Code, adopted Ordinance No. 87-0134 granting to American Television and Communications Corporation ("ATC"), a cable television franchise to construct, operate and maintain a cable television system (the "Franchise"); and

WHEREAS, ATC is a wholly-owned subsidiary of Time Warner, Inc. ("Time Warner");

WHEREAS, under the terms of the Agreement of Limited Partnership dated October 29, 1991, Time Warner is restructuring its cable television, cable television programming, and film entertainment businesses through the creation of Time Warner Entertainment Company, L.P. ("TWE");

WHEREAS, TWE will be comprised of cable television operations of ATC and Warner Cable Communications Inc. ("Warner Cable"), the programming businesses of Home Box Office, Inc. and the film entertainment business of Warner Bros. and Lorimar Telepictures.

WHEREAS, the general partners of TWE, all subsidiaries of Time Warner, will be ATC, Warner Communications Inc., Warner Cable Communications Inc., Home Box Office, Inc. and Warner Bros., Inc.

WHEREAS, the limited partners of TWE will be a wholly owned subsidiary of Toshiba Corporation ("Toshiba") and a wholly owned subsidiary of C. Itoh & Co., Ltd. ("C. Itoh");

WHEREAS, ATC has requested the consent of the City to transfer the Franchise from ATC to TWE;

WHEREAS, on December 15, 1987, the City of Santa Clarita was incorporated. The jurisdiction of the City includes that portion of the service area of the Franchise depicted in Exhibit A, attached hereto;

WHEREAS, in support of its Transfer Application, ATC has submitted to the City the following documents which are on file with the City Clerk, and are collectively referred to as the "Transfer Documents":

- (1) Letter from John E. Fogarty, Associate General Counsel to Scott F. Field, dated April 9, 1992, with nine (9) Exhibits;

WHEREAS, ATC has fulfilled all obligations set forth in City ordinances as a prerequisite to the transfer of the Franchise; and

WHEREAS, the City has considered the proposed transfer and has found no reasonable cause to deny consent to the transfer.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA CLARITA, CALIFORNIA, DOES RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Pursuant to the Los Angeles County Code, the Council finds that, based upon the representations contained in the Transfer Documents, TWE will continue to have the financial responsibility to comply with the Franchise.

SECTION 2. The transfer of the franchise to TWE is hereby approved subject to the following conditions of approval:

A. The following documents constitute the "Franchise Documents" which, individually and collectively, represent the obligations imposed upon TWE, and are collectively referred to as the "Franchise";

- (1) Section 16.58.010, et. seq. of the Los Angeles County Code as amended through October 1, 1987;
- (2) Los Angeles County Ordinance No. 87-0134;
- (3) City of Santa Clarita Ordinance No. 88-28; and
- (4) This Resolution.

B. TWE accepts and guarantees performance of all obligations contained in the Franchise.

C. The consent herein granted shall be effective upon the closing of the proposed transaction and the City shall be notified by letter directed to the City Clerk promptly upon such closing.

D. By letter dated April 22, 1992, King Videocable Company ("King"), on behalf of King and ATC delivered to the City a proposal on providing public, educational and governmental ("PEG") programming, channel capacity and equipment as required pursuant to the terms of Section 3.D of Ordinance No. 87-0134 and the terms of King's franchise. To date, the City has conducted several public hearings on the proposal, but has neither accepted nor rejected it. The City may choose to modify it to better serve the community's needs and interests for PEG programming, as well as for local origination programming. TWE agrees, upon receiving direction from the City, to negotiate in good faith with King, and to submit a revised access proposal. As directed by the City, the revised proposal may alter the mix of PEG and local origination programming, channel capacity, facilities equipment, provided that TWE will not be required to materially increase its financial commitments from its existing proposal. Further, the City will not require a PEG/local origination proposal that imposes conditions on TWE contradictory to those the County of Los Angeles imposes on TWE pursuant to TWE's franchise serving the unincorporated area adjacent to the City.

E. Beginning 90 days from the date this Resolution is adopted, TWE shall comply with the Subscriber Service Standards attached hereto as *Exhibit B*, and those that the Federal Communications Commission ("FCC") has adopted pursuant to 47 CFR 76.309, whichever are more stringent. By adopting this Resolution the City has adopted the FCC customer service standards and provided TWE with the requisite notice.

F. TWE will not seek a modification of any franchise commitment regarding facilities and equipment on the basis of "commercial impracticability" under Section 545 of Title 47 of the United States Code solely as a result of the transfer approved herein. Further, TWE agrees that, notwithstanding Section 521 et. seq. of Title 47 of the United States Code, it will assume responsibility for all acts or omissions of its predecessor, ATC.

G. TWE shall operate and maintain the cable system to comply with all applicable provisions of Part 76, Subpart K (Technical Specifications) of the FCC's rules and Regulations, as amended.

Should the FCC allow local regulation of the technical specifications of cable systems, the standards set forth in part 76, Subpart K (Technical Specifications) of the FCC's Rules and Regulations, as in effect immediately prior to the date of any such action by the FCC allowing for such local regulation, shall become the technical specifications applicable to TWE's cable system for the remainder of its franchise term.

Notwithstanding the above, should the FCC permit, the City may establish more stringent technical specifications pursuant to a City Council finding at a noticed public hearing that more stringent technical specifications are technically and commercially feasible. TWE may seek review of such a City Council finding before an arbitration panel consisting of experts and professionals in the cable television engineering and management field. The arbitration panel shall be selected as follows: TWE and the City may select a single arbitrator jointly, by agreement within thirty days of TWE's written request to the City for such review. If no single arbitrator is agreed upon within that time, then TWE and the City shall each select one arbitrator, and the third arbitrator shall be chosen by the arbitrators selected by TWE and the City. The arbitration panel shall conduct its review in accordance with Title 9 of the Code of Civil Procedure (CCP § 1280, et. seq.). In the event the arbitrator panel confirms the City Council's finding, TWE may seek review of that finding pursuant to Title 9 of the Code of Civil Procedure (CCP § 1280, et. seq.).

H. Failure of TWE to comply with any material provision of this Resolution shall be grounds for the City to invoke any of the City's remedies under the Franchise, including but not limited to, Franchise termination.

I. TWE shall, promptly after the closing of the Franchise transfer, file in the office of the City Clerk a written acceptance of this Resolution executed by TWE in the form of Exhibit C, attached hereto. By executing and filing the Acceptance, TWE guarantees performance of all obligations hereunder, and accepts responsibility for all prior acts or omissions of ATC. The Acceptance shall be notarized so as to indicate

that the persons executing the Acceptance have the authority to bind TWE.

SECTION 3. By consenting to and agreeing to accept the Franchise transfer, neither the City nor TWE waives any rights either may have under federal, state or local law.

SECTION 4. By delivering a copy of this Resolution to TWE, the City hereby gives notice that pursuant to Revenue and Taxation Code §107.6, the Franchise may create a possessory interest which, if created, may be subject to property taxation and that TWE may be subject to payment of property taxes levied on such interest.

SECTION 5. The City Manager and the City Attorney, or their designees, are hereby authorized and empowered to execute any documents necessary, in their discretion, to implement the approvals contained herein.

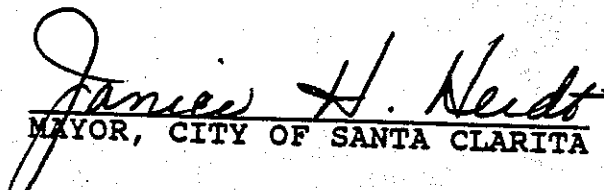
PASSED, APPROVED AND ADOPTED this 8th day of June, 1993.

AYES: Boyer, Darcy, Klajic, Pederson, Heidt

NOES: None

ABSENT: None

ABSTAIN: None


MAYOR, CITY OF SANTA CLARITA

ATTEST:


CITY CLERK

I, Donna M. Grindey, City Clerk, DO HEREBY CERTIFY that the above and foregoing resolution was duly adopted by the City Council of the City of Santa Clarita at a regular meeting thereof, held on the 8th day of June, 1993.


CITY CLERK

EXHIBIT B

SUBSCRIBER SERVICE STANDARDS

SECTION 1.- SERVICED STANDARDS: Franchisee shall maintain an office reasonably accessible to subscribers to provide the necessary facilities, equipment and personnel to comply with the following consumer standards under normal conditions of operation:

(a) Knowledgeable, qualified consumer service representatives shall be available to respond to customer telephone inquires, a minimum of 48 hours weekly, during normal business hours, Monday-Friday, plus at least 4 supplemental hours on weekends or after normal business hours. An answering system will be available to record after-hours messages, including weekends and holidays, and customer service representatives will promptly answer phone messages the next business day.

(b) A business and service office located either within the Franchise area, or proximate to, shall be open Monday through Friday during normal business hours, and adequately staffed to accept subscriber payments and respond to service requests and complaints. Additionally, based on customer demand, Franchisee will staff the business and service office after normal business hours Monday through Friday and/or on weekends. If the business and service office is located outside the Franchise area, a payment center shall be located within the Franchise area.

(c) Franchisee shall provide an emergency system maintenance and repair staff, capable of responding to and repairing major system malfunctions on a twenty-four (24) hour basis.

(d) Franchisee shall schedule service and installation appointments within a specified four (4) hour time period in compliance with California Civil Code § 1772.

(e) Telephone answer time by a customer service representative, including wait time, and the time required to transfer the call, shall not exceed 30 seconds on average. This standard shall be met no less than ninety percent of the time measured on an annual basis.

(f) The customer will receive a busy signal less than three percent of the total time that the business and service office is open for business.

(g) Franchisee shall provide written information in each of the following areas at the time of installation, at least once every year and upon request:

- products and services offered
- prices and service options
- installation and service policies
- how to use the cable service

(h) Bills shall be clear, concise and understandable.

(i) Refund checks shall be issued promptly, but no later than the earlier of 45 days or the customer's next billing cycle following the resolution of the request, and the return of the equipment supplied by the cable company if service is terminated.

(j) Customers within the Franchise area will be notified a minimum of 30 days in advance of any rate change or channel deletion, within the control of the Franchisee.

SECTION 2. - REQUESTS FOR CABLE SERVICE AND REPAIRS:

(a) Franchisee shall render efficient service, make repairs promptly, and interrupt service only for good cause and for the shortest time possible. Major scheduled interruptions, insofar as possible, shall be preceded by notice. A written log or an equivalent stored in computer memory and capable of access and reproduction, shall be maintained for three (3) years. The log shall indicate the time and date of all significant service interruptions, requests for cable service or repairs, and responses to requests for cable service or repairs.

(b) Franchisee shall maintain a repair force of technicians capable of responding to subscriber requests for service within the following time frames ninety five percent (95%) of the time on an annual basis and excluding circumstances beyond the Franchisee's control:

(i) System outage: Within four (4) hours, including weekends, or receiving subscriber calls which by number identify a system outage of sound or picture of one (1) or more channels, affecting all the subscribers of the system or a considerable number thereof.

(ii) Isolated outage: Within twenty-four (24) hours, including weekends, receiving requests for service from five (5) or more customers in the same geographical area identifying an isolated outage of sound or picture for one (1) or more channels.

(iii) Inferior reception quality: Within forty-eight (48) hours, including weekends, of receiving a request for service identifying a problem concerning picture or sound quality.

(c) Franchisee shall be deemed to have responded to a request for service under the provisions of this Section when a technician arrives at the service location, if necessary, or otherwise begins work on the problem. In the case of a subscriber not being home when the technician arrives, response shall be deemed to have taken place if the technician leaves written notification of arrival.

(d) Not less than 95% of the time measured, on an annual basis, standard installations will be performed within seven business days after an order has been placed. "Standard" installations are up to 125 feet from the existing distribution system.

EXHIBIT C

ACCEPTANCE OF TRANSFER OF FRANCHISE

TIME WARNER ENTERTAINMENT COMPANY, L.P. hereby accepts, and guarantees, each and every term of Resolution No. _____ of the City of Santa Clarita, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CLARITA APPROVING THE TRANSFER OF THE CABLE TELEVISION SYSTEM FRANCHISE FROM THE AMERICAN TELEVISION AND COMMUNICATIONS CORPORATION TO TIME WARNER ENTERTAINMENT COMPANY, L.P."

Dated: _____, 1992

TIME WARNER ENTERTAINMENT COMPANY, L.P.

By: _____

Name: _____

Title: _____

INTERNATIONAL CONFERENCE ON THE HISTORY OF THE AMERICAN WEST

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