

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Sacramento Community Cable  
Foundation  
Coloma Community Center  
4623 T. Street  
Sacramento, CA 95819-4743

Person to Contact: Mr. Downs  
(202) 566-4449

Telephone Number:

Refer Reply to: OP:E:EO:R:3

Date: OCT 23 1986

Employer Identification Number: 68-0062633  
Key District: San Francisco  
Accounting Period Ending: December 31  
Foundation Status Classification: 509(a)(1) and  
170(b)(1)(A)(vi)  
Advance Ruling Period Ends: December 31, 1986

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably be expected to be a publicly supported organization described in section

Accordingly, you will be treated as a publicly supported organization, and not as a private foundation, during an advance ruling period. This advance ruling period begins on the date of your inception and ends on the date shown above.

Within 90 days after your advance ruling period ends, furnish your key District Director information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, you will be classified as a private foundation for future periods. Also, if you are classified as a private foundation, you will be treated as such from the date of your inception for purposes of sections 507(d) and 4940.

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after your advance ruling period ends. If you submit the required information within the 90 days, grantors and donors may continue to rely on the advance determination until we make a final determination of your foundation status. However, if notice that you will no longer be treated as a section 509(a)(1) organization is published in the Internal

Sacramento Community Cable Foundation

Revenue Bulletin, grantors and donors may not rely on this advance determination after the date of such publication. Also, a grantor or donor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 509(a)(1) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(1) organization.

If your sources of support, or your purposes, character, or method of operation change, please let your key district know so that office can consider the effect on your exempt status and foundation status. Also, you should inform your key District Director of all changes in your name or address.

Generally, you are not required to pay social security (FICA) taxes unless you file a certificate electing coverage as provided in the Federal Insurance Contributions Act. However, beginning January 1, 1984, unless specifically excepted, you must pay FICA taxes for each employee who is paid \$100 or more in a calendar year. You are not required to pay tax under the Federal Unemployment Tax Act (FUTA). If you have paid FICA taxes without filing the certificate, you should contact your key District Director.

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other federal excise taxes. If you have questions about excise, employment, or other federal taxes, contact any Internal Revenue Service office.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522.

You are required to file Form 990, Return of Organization Exempt From Income Tax, only if your gross receipts each year are normally more than \$25,000. (For tax years ending before December 31, 1982, organizations whose gross receipts are not normally more than \$10,000 are excused from filing Form 990.) For guidance in determining if your gross receipts are "normally" not more than the \$25,000 limit, see the instructions for the Form 990. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law requires us to charge a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late, unless there is reasonable cause for the delay.

Sacramento Community Cable Foundation

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513.

Please show your employer identification number on all returns you file and in all correspondence with the Internal Revenue Service.

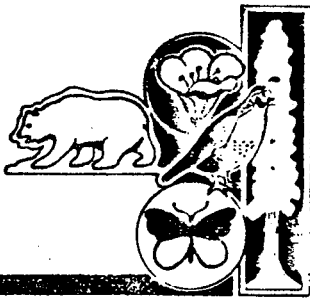
We are informing your key District Director of this ruling. Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key District Director.

Sincerely yours,

*Milton Cerny*

Milton Cerny  
Chief, Exempt Organizations  
Rulings Branch



# State of California

OFFICE OF THE SECRETARY OF STATE

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute  
this certificate and affix the Great  
Seal of the State of California this

DEC 17 1984



*March Fong Eu*

Secretary of State



# State of California

March Hong Tu  
Secretary of State

P.O. Box 2830  
Sacramento, CA 95812  
Phone: (916) 445-2020

## STATEMENT BY DOMESTIC NONPROFIT CORPORATION

THIS STATEMENT MUST BE FILED WITH  
CALIFORNIA SECRETARY OF STATE (SECTIONS 6210, 8210, 9660 CORPORATIONS CODE)

1.

X

Sacramento Community Cable Foundation  
(Corporate Number: 1263892)

DO NOT ALTER PREPRINTED NAME. IF ITEM 1 IS BLANK, PLEASE ENTER CORPORATE NAME

DO NOT WRITE IN THIS SPACE

PLEASE READ INSTRUCTIONS ON BACK OF FORM.

PLEASE TYPE OR USE BLACK INK WHICH WOULD BE SUITABLE FOR MICROFILMING.

FEE FOR FILING THIS STATEMENT — \$2.50.

THE CORPORATION NAMED HEREIN, ORGANIZED UNDER THE LAWS OF THE STATE OF CALIFORNIA, MAKES THE FOLLOWING STATEMENT:

2. STREET ADDRESS OF PRINCIPAL OFFICE (IF NONE, COMPLETE 3-3B) 2726 X Street  (DO NOT USE P.O. BOX NO.)	SUITE OR ROOM	2A.  Sacramento, California  CITY AND STATE	2B.  95818  ZIP CODE
3. MAILING ADDRESS (OPTIONAL) P.O. BOX 2249	SUITE OR ROOM	3A.  Sacramento, California  CITY AND STATE	3B.  95810  ZIP CODE

NAMES OF THE FOLLOWING OFFICERS ARE:

4. Goldie Hall  CHIEF EXECUTIVE OFFICER	4A. 8880 Mackey Road  BUSINESS OR RESIDENCE ADDRESS (DO NOT USE P.O. BOX)	4B. Elk Grove, California  CITY AND STATE	4C. 95624  ZIP CODE
5. Carol Bass  SECRETARY	5A. 1622 McClaren Drive  BUSINESS OR RESIDENCE ADDRESS (DO NOT USE P.O. BOX)	5B. Carmichael, California  CITY AND STATE	5C. 95608  ZIP CODE
6. Joel Contreras  CHIEF FINANCIAL OFFICER	6A. 1281 Los Rios Drive  BUSINESS OR RESIDENCE ADDRESS (DO NOT USE P.O. BOX)	6B. Carmichael, California  CITY AND STATE	6C. 95608  ZIP CODE

7.  
AGENT FOR SERVICE OF PROCESS: Goldie Hall, 2726 X Street, Sacramento, CA 95818

CALIFORNIA BUSINESS OR RESIDENCE ADDRESS IF AN INDIVIDUAL (DO NOT USE P.O. BOX) ONLY ONE AGENT CAN BE NAMED. DO NOT INCLUDE ADDRESS IF AGENT IS A CORPORATION.

8. I DECLARE THAT I HAVE EXAMINED THIS STATEMENT AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS TRUE, CORRECT AND COMPLETE.

July 3, 1985 Chairwoman of the Board

DATE TITLE

SIGNATURE OF CORPORATE OFFICER OR AGENT

*Goldie Hall*

RECEIPT

Issuing Certificate of Reservation  
For Corporate Name \_\_\_\_\_ \$4.00

Special Handling: \$3.00

Speranza Avram  
700 H St. Rm 2500  
Sacramento CA 95814

No. 345911



No. 345911

I, MARCH FONG EU, Secretary of State of the State of California, do hereby certify  
that the name:

SACRAMENTO COMMUNITY CABLE FOUNDATION

is not one which is likely to mislead the public and is not the same as, and does not resemble, so closely as to tend to deceive the name of a corporation formed under the laws of this State, or the name of a corporation not incorporated under the laws of this State which is authorized to transact intrastate business in this State, or a name which is under reservation, as provided in Section 201 of the Corporations Code of this State, and that this name is hereby reserved for a period of sixty days commencing on the date hereof for the use of the applicant for this certificate.



Issued December 6, 1984

*March Fong Eu*  
Secretary of State

1263892

ARTICLES OF INCORPORATION

OF

SACRAMENTO COMMUNITY CABLE FOUNDATION

ENDORSED  
FILED

IN THE OFFICE OF THE Secretary of State  
of the State of California

DEC 17 1984

MARCH FONG EU, Secretary of State

Gloria J. Carroll

Deputy

One: The name of the corporation is Sacramento Community Cable Foundation.

Two: (a) This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

(b) The specific purposes of this corporation include, but are not limited to:

1. Support, manage, produce, and distribute noncommercial, community-based media programs.
2. Administer grants for the production of noncommercial, community-based media programs to nonprofit community groups and organizations.
3. Ensure effective promotion of noncommercial, community-based media programs and design training programs in the use of community-based production facilities.
4. To encourage, promote, facilitate and further noncommercial, community-based media programming and to conduct business in all aspects related to noncommercial, community-based media programming.

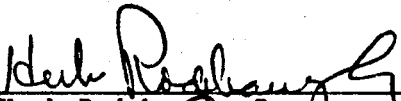
(c) This corporation is organized exclusively for charitable, religious, scientific, literary, or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States internal revenue law. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation, and the corporation shall not carry on any other activities not permitted to be carried on:

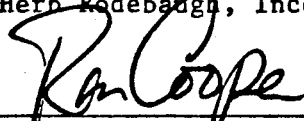
1. By a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States internal revenue law; or
2. By a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States internal revenue law.

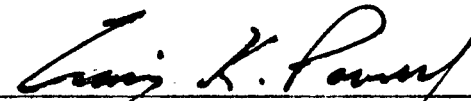
Three: The name and address in California of the corporation's initial agent for service of process is CT Corporation System, 800 ~~S. Figueroa Street~~, Los Angeles, CA. 90017

- Four: (a) No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate in or intervene in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office.
- (b) All property of the corporation is irrevocably dedicated to the purposes set forth in Article Two, above. No part of the net earnings or assets of this corporation shall inure to the benefit of any of its directors, officers, members, or to the benefit of any private persons.
- (c) On the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations, and liabilities of the corporation, the remaining assets of this corporation shall be distributed to such organization (or organizations) organized and operated exclusively for charitable, religious, scientific, literary, or education purposes, which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States internal revenue law).


DATED: December 12, 1984.

  
Herb Rodebaugh, Incorporator

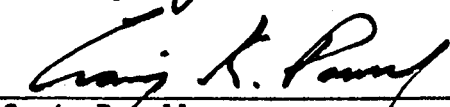
  
Ron Cooper, Incorporator

  
Craig Powell, Incorporator

We declare that we are the persons who executed the above Articles of Incorporation, which execution is our act and deed.

  
Herb Rodebaugh

  
Ron Cooper

  
Craig Powell



**AMENDED AND RESTATED**  
**ARTICLES OF INCORPORATION**  
**OF**

**SACRAMENTO COMMUNITY CABLE FOUNDATION**

JOEL CONTRERAS and LYNN PARR BARTLETT certify that:

1. They are the Chairman of the Board of Directors and the Secretary, respectively, of SACRAMENTO COMMUNITY CABLE FOUNDATION, a California nonprofit public benefit corporation.

2. The articles of incorporation of this corporation are amended and restated to read as follows:

One: The name of the corporation is Sacramento Community Cable Foundation.

Two: (a) This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

(b) The specific purposes of this corporation include, but are not limited to:

1. Support, manage, produce and distribute noncommercial, community-based media programs.
2. Administer grants for the production of noncommercial, community-based media programs to nonprofit community groups and organizations.
3. Ensure effective promotion of noncommercial, community-based media programs and design training programs in the use of community-based production facilities.

4. To encourage, promote, facilitate and further noncommercial, community-based media programming and to conduct business in all aspects related to noncommercial, community-based media programming.

(c) This corporation is organized exclusively for charitable, religious, scientific, literary or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation, and the corporation shall not carry on any other activities not permitted to be carried on:

1. By a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law; or
2. By a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law.

Three: The name and address in California of the corporation's initial agent for service of process is CT Corporation System.

Four: (a) No substantial part of the activities of this Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate in or intervene in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office.

- (b) This corporation is not organized, nor shall it be operated for pecuniary gain or profit, and it does not contemplate the distribution of gains, profits or dividends to members thereof and is organized solely for nonprofit purposes. The property of this corporation is irrevocably dedicated to charitable and educational purposes meeting the requirements for exemption provided by Section 214 of the California Revenue and Taxation Code.
- (c) No part of the net income or assets of this organization shall ever inure to the benefit of any private persons. Upon dissolution or winding up of the corporation its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable and educational purposes meeting the requirements for exemption provided by Section 214 of the California Revenue and Taxation Code, and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. If this corporation holds any assets in trust, or the corporation is formed for charitable purposes, such assets shall be disposed of in such a manner as may be directed by decree of Superior Court of the county in which the corporation has its principal office, upon petition therefore by the Attorney General or by any person concerned in the liquidation, in a proceedings to which the Attorney General is party.

3. The foregoing amendment and restatement of articles of incorporation has been duly approved by the board of directors.

4. The foregoing amendment and restatement of articles of incorporation has been duly approved by the required vote of the members in accordance with Section 5812 of the Corporations Code. The number of members voting in favor of

the amendment equaled or exceeded the vote required. The percentage vote required was a majority.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Dated: August 15, 1988.

SACRAMENTO COMMUNITY CABLE  
FOUNDATION, a California nonprofit  
public benefit corporation

By Joel Contreras  
Joel Contreras, Chairman  
of the Board of Directors

By Lynn Parr Bartlett  
Lynn Parr Bartlett, Secretary



ROBERT E. SMITH  
EXECUTIVE DIRECTOR

August 18, 1988

Randy Van Dalsen, Executive Director  
Sacramento Community Cable Foundation  
Coloma Community Center  
4623 T Street  
Sacramento, CA 95819

Dear Randy:

SUBJECT: EXECUTED AGREEMENT

Enclosed please find one fully-executed, original Grant Agreement. This agreement was approved by the Cable Commission on July 7, 1988 by Resolution 88-041. Please keep this for your files and future reference.

I look forward to our continued association.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Bob', is written over the typed name of Robert E. Smith.

ROBERT E. SMITH, Executive Director  
Sacramento Metropolitan Cable  
Television Commission

ADJ

Enclosure

88-590

## GRANT AGREEMENT

July 

AGREEMENT made this 7th day of ~~June~~, 1988 ("Agreement") between SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION (hereinafter, together with its permitted successors and assigns, referred to as "Grantor") and SACRAMENTO COMMUNITY CABLE FOUNDATION (hereinafter referred to as "Grantee").

WHEREAS, Grantor desires to provide monetary grants and use of cable channels provided pursuant to Section 611 of the Cable Communications Policy Act of 1984 to Grantee; and,

WHEREAS, in consideration of those grants, Grantor is desirous of receiving from Grantee programming and services providing the maximum possible benefit to cable television subscribers and the community;

NOW, THEREFORE, Grantor and Grantee do hereby covenant and agree as follows:

1. Definitions. As used in this Agreement the following terms shall be ascribed the following meanings:

a) "Channel" -- means a portion of the spectrum space, as defined in Appendix A, on cable television subscriber systems authorized to operate in Sacramento County, capable of delivering video, audio, data, or voice transmission.

b) "Commercial Purposes" -- means utilization of resources granted under this Agreement or programming produced with funds, staff, equipment, or facilities granted under this Agreement that yields a return of revenue that exceeds the cost of the resources or programming to the Grantee. Subject to the preceding sentence, the sale by a Grantee or User of a program produced with the use

## GRANT AGREEMENT

of resources granted under this Agreement, whether through syndication or otherwise, shall constitute a "commercial purpose." The use of facilities, staffing or other resources to produce for cablecasting of telethons or other similar programming by which contributions from subscribers for charitable or other purposes are solicited also constitute "commercial purposes". "Commercial purposes" as used herein shall not include fund-raising programming by Grantee where the proceeds from such fund-raising are limited to the direct support of Grantee's cablecasting activities on the channels whose use is authorized by this Agreement.

c) "Franchise Ordinance" -- means Chapter 5.50 of the Sacramento County Code.

d) "Funded Equipment" -- means all equipment, appliances, apparatus, and other personal property purchased by Grantee with funds provided in accordance with this Agreement.

e) "Funded Facilities" -- means all facilities and capital improvements purchased or rented by Grantee with funds provided in accordance with this Agreement.

f) "Funded Staff" -- means persons engaged in activities in furtherance of this Agreement whose salaries and benefits are, in whole or in part, paid for by Grantee with funds provided in accordance with this Agreement.

g) "License" -- means Chapter 5.75 of the Sacramento County Code relating to Cable Television Licenses, at the time of the execution of this Agreement and as amended from time to time.

h) "Market Value" -- means the price in terms of money which a property will bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each

## GRANT AGREEMENT

acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus.

i) "Non-Funded Equipment" -- means all equipment, appliances, apparatus, and other personal property of Grantee not funded by Grantor.

j) "Non-Funded Facilities" -- means all facilities and capital improvements purchased or rented by Grantee not funded by Grantor.

k) "Replacement Cost" -- means the term as defined in Section 5.50.246(c) of the Franchise Ordinance and as clarified in Section VII.19 of the Resolution.

l) "Annual Budget and Programming Plan" -- means the Annual Budget and Programming Plan required under Section 19 of this Agreement.

m) "User" -- means any person or entity other than Grantee using resources granted under this Agreement.

2. Term of Agreement. The term of this Agreement is five (5) years. However, it is the intention of the parties that their mutual contractual relationship shall continue through 2003. Notwithstanding this intention, this Agreement shall terminate at the expiration of the aforesaid five (5) year term unless otherwise agreed by the parties.

3. Termination for Fiscal Reasons. Notwithstanding any other provision hereof Grantor may, in its sole discretion, decline to approve any Annual Budget and Programming Plan or modify or reduce such Annual Budget and Programming Plan, prior to its approval, by reason of Grantor's own fiscal needs, including without limitation the cost of cable television regulation and the settlement of litigation.



## GRANT AGREEMENT

4. Allocation of Resources; Commercial Purposes. Grantor shall provide resources in accordance with Appendix A of this Agreement. Grantee shall not, and Grantee shall take reasonable efforts to assure that all users shall not, use any resources or benefits granted under this Agreement for Commercial Purposes. Pursuant to Appendix A, Grantee may use resources received pursuant to this Agreement to reimburse funds expended by Grantee during the year covered by the Annual Budget and Programming Plan for the purposes thereof and in accordance therewith, even though the sources of those funds may also serve Commercial Purposes.

5. Programming Requirements. Programs and Services cablecast on the channels whose use is authorized by Appendix A of this Agreement shall, at a minimum, consist of those hours of programming contained in the Annual Budget and Programming Plan. If Grantee is unable to comply with the terms of the Annual Budget and Programming Plan, Grantee shall, when it first has reason to believe that it will be unable to comply, notify Grantor. Failures resulting from circumstances beyond the reasonable control of Grantee shall be excused to the extent such failure was a result of said cause, and appropriate amendments to the Plan shall be made. A material failure to comply with the Annual Budget and Programming Plan that is not excused under the previous sentence may, in Grantor's discretion, constitute grounds for termination of this Agreement.

6. Programming Restrictions. Grantee will not, and Grantee shall require that Users agree in writing that they shall not, use channels, funds, staff, equipment, or facilities to produce or distribute:

## GRANT AGREEMENT

- 1) any material designed to promote the sale of commercial products or services, including advertising by and on behalf of candidates for public office;
- 2) a lottery as defined by FCC regulation or any advertisement of or information concerning a lottery;
- 3) any obscene material; or
- 4) libelous or slanderous material.

Grantee's programming and the programming of Users produced in accordance with this Agreement and distributed on channels whose use is authorized by Grantor shall comply with all applicable rules and regulations of Federal, State, and local governments and all other regulatory agencies, including the FCC.

a) Grantee and Users are permitted to give aural and visual underwriting credit to a person or organization that has paid for, in whole or in part, the production, distribution or promotion of a cablecast program, so long as the underwriting credit does not violate FCC rules or regulations and the terms and conditions of this Agreement and so long as total underwriting credits do not exceed thirty (30) seconds in length during a single break for credits.

b) Underwriters may be given a credit at the open and close of every program and must be given a credit at the end of the program. If the program is longer than one (1) hour and fifteen (15) minutes, underwriters may be credited at the open of the program, at the sixty-minute interval (or at a natural break as close to the hour as possible), and at the close. If the program is longer than two (2) hours and fifteen (15) minutes, underwriters may receive a credit at the open of the program, at each sixty minute interval

## GRANT AGREEMENT

(or at a natural break as close to the hour as possible), and at the close, a fifth (5th) credit may be given in programs exceeding three (3) hours and fifteen (15) minutes in length, and so on.

c) Notwithstanding the foregoing, Grantee and Community Users may conduct fund-raising activities such as telethons, auctions and membership drives on the channels whose use is authorized by this Agreement, without charges for such channel use, if the activity meets the following criteria:

i) All funds generated from such activity shall be used in support of Grantee's or such Community User's cablecasting activities on the channel whose use is authorized by this Agreement. Grantee shall take reasonable efforts to assure that funds generated from such activity by Community users shall be used in support of such Community User's cablecasting activities. Funds received by Grantee shall be incorporated into its Annual Budget and Programming Plan. The purpose of the fund-raising activity must be clearly stated during the cablecast at least once every half hour. Notwithstanding any other provision hereof, Grantee shall take all reasonable efforts to assure that all funds derived by Community Users in connection with their use of facilities and/or equipment of Grantee for the production and cablecasting of programming upon the channel shall be devoted exclusively in support of such Community User's noncommercial cablecasting activities. As used in the foregoing sentence, "all reasonable efforts" shall include without limitation written contracts between Grantee and such Community Users (1) requiring said

## GRANT AGREEMENT

Community Users to account to Grantee for all funds received by said Community user in connection with the aforesaid production and/or cablecasting activities, including without limitation maintenance of suitable wage and hour records and receipts to substantiate third party purchases of necessary supplies and services, and (2) providing for periodic audit of said records by Grantee and/or Grantor. The foregoing provisions shall be construed to ensure that all activities of Community Users involving facilities and/or equipment of Grantee shall be strictly noncommercial and nonprofit in nature.

ii) All use for fund-raising purposes of the channels whose use is authorized by Grantor shall be in accordance with the schedule proposed for that purpose in the Annual Budget and Programming Plan.

iii) Neither Grantee nor any User may use the channels whose use is authorized by Grantor to raise funds for any other organization or any purpose other than those stated in clause (i) of this Subsection (c). This shall not prevent public service announcements, including announcements of fund-raising events or activities.

iv) During an auction or similar activity, credit announcements may identify particular products or services, but shall not include promotion of such products or services beyond that necessary for the specific auction purposes. Visual exposure may be given, including the underwriter's name and trademark, and product or service, or a representation thereof.

## GRANT AGREEMENT

7. Programming Liability. Notwithstanding the requirements imposed on Grantee by this Agreement, Grantee shall be fully responsible for all programs cablecast on channels granted herein. Grantee agrees to indemnify and hold harmless Grantor, the County of Sacramento, and the municipalities of Sacramento, Folsom, and Galt from any and all claims or other injury (including reasonable cost of defending claims or litigation) arising from or in connection with claims of loss or damage to person or property arising out of the failure to comply with any applicable laws, rules, regulations, or other requirements of local, state, or federal authorities, for claims of libel, slander, invasion of privacy, or infringement of common law or statutory copyright, for breach of contract or other injury or damage in law or equity which claims result from Grantee's use of channels, funds, equipment, facilities, or staff provided under this Agreement.

8. Copyright Clearance.

a) Before cablecasting video transmissions, Grantee shall make, and shall require all users to agree in writing that they shall make, all appropriate arrangements to obtain all rights to all material cablecast and clearances from broadcast stations, networks, sponsors, music licensing organizations' representatives, and without limitation from the foregoing, any and all other persons as may be necessary to transmit its or their program material over Grantee's authorized channel. Grantee shall maintain for the applicable statute of limitations for Grantor's inspection, upon reasonable notice by Grantor and for the term of the applicable statute of limitations, copies of all such clearances and releases.

## GRANT AGREEMENT

b) Before cablecasting transmissions for audio use only, Grantee shall, and shall require all Users to agree in writing that they shall, obtain all required rights to all material cablecast and shall obtain all required clearances from broadcast stations, networks, sponsors, music licensing organizations' representatives, and without limitation from the foregoing, all other persons as may be necessary to transmit its or their program material over Grantor's cable television system. Grantee shall maintain for Grantor's inspection, upon reasonable notice by Grantor, copies of all such clearances and releases that are received by Grantee. In the event that procedures are developed for obtaining clearances for the cablecasting of audio transmissions which are similar to the procedures for obtaining clearance for cablecasting video transmissions, then, at such time, any Grantee or User cablecasting audio transmissions shall observe the requirements of the preceding Subsection a), to the extent applicable.

9. Copyright and Ownership. Grantee shall own the copyright of all programs and materials and shall own all programs and materials produced by Grantee with funds, equipment, or staff provided under this Agreement.

10. Distribution Rights.

a) Grantee shall require that, except with Grantor's permission, all programs produced with funds, equipment, facilities, or staff granted under this Agreement shall be distributed on the channels whose use is authorized by this Agreement. This subparagraph shall not be interpreted to restrict other distribution (beyond that distribution on channels authorized by this Agreement), so long as such other distribution is

## GRANT AGREEMENT

consistent with Paragraph 4 of this Agreement.

b) Additional payments required to obtain cable television distribution rights for programs acquired primarily for broadcast use may be made by Grantee from funds granted under this Agreement.

c) At the beginning and end of each day that video programming is cablecast on the channel(s) whose use is authorized by this Agreement, Grantee shall display a credit stating "Partial funds for the operation of this channel are provided by the Sacramento Metropolitan Cable Television Commission."

### 11. Ownership of Equipment.

a) All non-funded and funded equipment, facilities, and capital improvements shall remain the property of Grantee and shall be identified as such utilizing appropriate markings in a prominent and conspicuous place upon said equipment.

b) Upon the termination, revocation, or cancellation of this Agreement, Grantee shall immediately, at Grantee's option, either deliver to Grantor all funded equipment, exclusive of fixtures, then in Grantee's possession or reimburse Grantor for the then Market Value of all funded equipment then owned by Grantee or in Grantee's possession. Thereupon, Grantor shall apply all of such funded equipment and/or the proceeds thereof to the furtherance of Community Use and/or Public Access Programming as these terms are defined in the Franchise Ordinance.

c) Upon the dissolution of Grantee, Grantee shall, subject to the approval of Grantor dispose of all assets of Grantee representing funded equipment, funded facilities, and/or the proceeds of either, as provided in Grantee's Articles of Incorporation, or to such organization or organizations organized

## GRANT AGREEMENT

and operated exclusively for charitable or educational purposes as shall at the time qualify as an exempt organization or organizations under section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law), as Grantor shall determine to the extent allowable by law.

12. Maintenance of Equipment. Grantee shall be responsible within a reasonable time for all maintenance and repair of funded equipment and facilities. Preventive maintenance work shall take place in conformity with the manufacturer's recommended schedule and procedures. Grantee shall keep logs of maintenance work for Grantor's inspection. Grantee shall adopt policies regarding use of funded equipment to ensure that only qualified persons use said equipment.

13. Insurance for Equipment. Grantee shall maintain insurance upon all funded equipment and facilities, exclusive of fixtures, to a value of, at a minimum, the lesser of fair market value or replacement cost of the equipment and facilities. Said insurance shall include, at a minimum, insurance against loss or damage beyond user control, theft, or damage due to a natural catastrophe. Said policy shall be maintained by the Grantee throughout the life of this Agreement. Grant funds may be used for purchase of such insurance. Such insurance and the obligations of Grantee hereunder shall also be subject to Section 29 of this Agreement.

14. Replacement and Substitution of Equipment.

a) Grantee shall be responsible for the replacement of all funded equipment damaged, lost, or stolen through the neglect, oversight, or willful abuse of Grantee or persons using the



## GRANT AGREEMENT

equipment under authority of Grantee, reasonable wear and tear excepted.

b) Grantor shall not be responsible for the replacement of equipment and facilities, but Grantee may at its option use grant funds or insurance proceeds for such equipment.

### 15. Funded Equipment: Limitations.

a) The expenditure of funds provided by Grantor under an approved Annual Budget and Programming Plan for the purchase of equipment, facilities, or capital improvements shall be subject to prior approval by Grantor.

b) Any such expenditure that is specifically included in an approved Annual Budget and Programming Plan shall not require further approval under this section and shall be made in accordance with the Plan.

c) Grantee shall not sell or transfer funded equipment or facilities without the prior written approval of Grantor.

16. Use of Equipment. Use of funded equipment and facilities shall be subject to the following restrictions:

a) Grantee shall use said equipment and facilities primarily for the purposes outlined in the Annual Budget and Programming Plan.

b) Grantee shall submit security provisions for the location that will hold said equipment and facilities if said location is not shared with Grantor.

17. Funded Staff. Grantee may use funds provided under this Agreement for staffing purposes related to the performance of Grantee's obligations under its Annual Budget and Programming Plan.

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18. Expenditure of Operating Funds. Grantee shall spend operating funds received from Grantor solely for the purposes listed in its Annual Budget and Programming Plan. Funds not expended in the year covered by the Annual Budget and Programming Plan may be carried over into succeeding years. Upon termination of this Agreement all funds of any kind received from Grantor not expended shall be returned to Grantor. Any changes in the allocation of funds resulting in cumulative increases in expenditure categories of the Budget (without giving consideration to decreases in other expenditure categories) exceeding \$10,000 must be approved in advance by Grantor in writing. Grantee shall provide for such fiscal control and funding accounting procedures as are necessary to assure proper disbursement and accounting for operating funds received from Grantor.

19. Annual Budget and Programming Plan. Prior to the first day of January of each year this Agreement is in effect (except the year 2003), Grantor shall supply Grantee with estimates of the amount of funding that will be available to Grantee during the following fiscal year. Prior to the first day of March of the year in which Grantor's estimate is supplied, Grantee shall submit for Grantor's approval a Budget and Programming Plan outlining programs and activities planned for the following fiscal year with funds and channels received from Grantor. Such a plan shall contain the following information:

a) Planned categorical expenditure of operating grants and funds other than operating grants to be used for cablecast purposes, including information regarding personnel costs, grant programs and equipment purchases;

## GRANT AGREEMENT

b) Number of video program hours and hours of alpha-numeric programming; and,

c) The Statement of Programming goals required by Section 24(d) of this Agreement, along with a narrative description of how Grantee plans to achieve the goals.

In each calendar year Grantee may submit amendments to its Annual Budget and Programming Plan. Such amendments shall contain:

- i) the same type of information required of Grantee in an Annual Budget and Programming Plan;
- ii) an explanation of the need for such amendments; and,
- iii) a report describing the extent to which the budget, plans, goals and policies outlined in the original Annual Budget and Programming Plan for the year have been met thus far.

Grantor's consideration of such amendments shall be based upon the same factors applied by Grantor in the consideration of an Annual Budget and Programming Plan. Approval or disapproval of a proposed amendment shall be issued within sixty (60) days after receipt of such amendment. An amendment shall be deemed approved if not rejected within sixty (60) days of receipt.

20. Resources not Provided by Grantor. Any anticipated use by Grantee of resources not provided by Grantor shall be stated in the Annual Budget and Programming Plan. Grantee may, in its discretion, withhold the source of such resources. Funds anticipated to be derived from fund-raising activities shall be stated separately. Upon request by Grantor, Grantee shall disclose the source of all resources to Grantor for purpose of audit.

21. Approval Standards. No resources shall be provided to

## GRANT AGREEMENT

Grantee under this Agreement without approval by Grantor of the Annual Budget and Programming Plan. Grantor's approval shall be based upon the sole discretion of Grantor.

22. Approval Process. Grantor shall approve or disapprove Grantee's Annual Budget and Programming Plan by the fifteenth (15th) day of April of the year in which it is submitted. Pending any delay in approval, Grantee may, at its option, continue operations in accordance with its last approved plan or its submitted plan, provided that Grantee does so at its own risk and cost and Grantor shall incur no liability whatever to Grantee or other person or entity by reason of such continued operation.

23. Disapproval. If Grantor intends to disapprove an Annual Budget and Programming Plan by reason of its content, it shall issue a preliminary notice of disapproval on or before the fifteenth day of April, if the Annual Budget and Programming Plan shall have been submitted on or before the first day of March. The preliminary notice shall identify with reasonable specificity the reasons for the disapproval of Grantor. Thereafter, on or before the fifteenth day of May, Grantee may submit a revised Annual Budget and Programming Plan in an attempt to cure the defects of the initial Annual Budget and Programming Plan. If, notwithstanding the revised Annual Budget and Programming Plan and in the exercise of its sole and complete legislative discretion, Grantor desires to disapprove Grantee's Annual Budget and Programming Plan, it may do so by giving a Statement of Disapproval to Grantee on or before the fifteenth day of June, if the Grantee shall have submitted the revised Annual Budget and Programming Plan on or before the fifteenth day of May. The Statement of

## GRANT AGREEMENT

Disapproval shall constitute a termination of this contract by the legislative discretion of Grantor. The Statement of Disapproval shall not be required to contain a statement of reasons for the final disapproval by Grantor. Grantor shall not disapprove the Annual Budget and Programming Plan for any reason that would constitute a violation of state or federal law or regulation, or would constitute exercise of editorial judgment of any kind.

24. Reports and Records Required of Grantee. Grantee shall maintain and submit copies upon request to Grantor of the following reports and records pertaining to the use of funds, channels, staff, and equipment provided under this Agreement:

a) Program Information. Grantee will maintain computer reports or program logs for each channel on the subscriber network provided under this Agreement. Such computer reports or program logs shall be retained for two years and must contain, at a minimum, the title of program, the length of program, and the time cablecast. Upon request, Grantee shall provide Grantor with summary reports of the above described information, reproduced on paper, in a form that can be understood without resort to interpretive aids.

b) Financial Records. Grantee shall maintain for three years financial records and accounts of all funds received under this Agreement. Such records shall be maintained in accordance with generally accepted accounting principles, consistently applied, and shall be subject to audit by Grantor.

c) Equipment Utilization Records. Grantee shall maintain and provide copies to Grantor upon request of records pertaining to the use of funded equipment. Such records should contain at minimum the following:

## GRANT AGREEMENT

- Type and name of equipment purchased or granted;
- Date purchased;
- Cost of purchase;
- Maintenance history;
- Emergency repairs of equipment;
- Date of replacement and/or disposition.

Grantee shall maintain such Equipment Utilization Records during the useful life of such equipment and for one year thereafter. Notwithstanding the foregoing, Grantee need not maintain maintenance, repair, and replacement information as to funded equipment the purchase price of which is less than One Thousand Dollars (\$1,000).

d) Statement of Programming Goals. As part of the Annual Budget and Programming Plan, Grantee shall submit to Grantor a Statement of Programming Goals, which shall contain a description of the programming service to be carried on the channel granted under this Agreement.

e) Annual Year End Financial Report and Evaluation. Prior to the first day of March of each year during the term of this Agreement, Grantee shall submit to Grantor an Annual Year-End Report containing at a minimum, the following elements pertaining to the use of channels, funds, staff, facilities, and equipment provided under this Agreement:

- Financial reports for the year;
- Total hours of video programming cablecast;
- Total hours of alpha-numeric programs; and,
- A statement describing the extent to which the services outlined in the Statement of Programming Goals have been met.

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### 25. Nondiscrimination in Employment or Service.

a) Grantee shall not discriminate against any person, employee, applicant for employment or subcontractor working on projects supported in whole or in part by using funds, staff, or equipment provided by Grantor on the basis of race, color, creed, national origin, sex, sexual preference, age, religious belief, political belief, economic status, or physical ability.

b) Grantee shall not discriminate in the delivery of services on the basis of race, color, creed, national origin, sex, sexual preference, age, religious belief, political belief, economic status, or physical ability.

c) This Section shall not create a right of review by the Grantor of the content of programming or program services produced under this Agreement, nor shall it create a right in any person to have any program distributed over the channel whose use is authorized by Grantor.

26. Indemnification. Grantee shall indemnify, defend, and hold harmless Grantor, the County of Sacramento, the Municipalities of Sacramento, Folsom, Galt, their officers, agents, and employees from and against any and all claims, losses, liabilities, or damage including payment of reasonable attorneys' fees arising out of or resulting from the performance of this Agreement, caused in whole or part by any act or omission of Grantee.

### 27. Status of Grantee.

a) It is understood and agreed that Grantee is an independent contractor and that no relationship of principal-agent or employer-employee exists as between Grantor and the Grantee.

## GRANT AGREEMENT

b) If in the performance of this Agreement any third persons are employed by Grantee, such persons shall be entirely and exclusively under the direction, supervision, and control of Grantee. All terms of employment, including hours, wages, working conditions, discipline, hiring and discharging or any other terms of employment or requirements of law, shall be determined by Grantee, and Grantor shall have no right or authority over such persons or the terms of such employment.

28. Conflict of Interest. Funding from Grantee in connection with the performance of services under this Agreement to any entity in which any of Grantee's directors, officers, agents or employees have or acquire any direct or indirect interest shall be approved only if the material facts as to such interest are disclosed or known to Grantee's board of directors, and the board of directors in good faith authorizes the funding by the affirmative vote of a majority of the disinterested directors, provided that the disinterested directors constitute at least a majority of the board of directors, and if the funding is fair and reasonable under the terms of this Agreement.

29. Insurance. Grantee shall maintain in force at all times during the performance of this Agreement insurance covering its operations under this Agreement. Grantee shall maintain such insurance, in such amounts, and covering such losses, as a reasonably prudent person performing such activities as Grantee would obtain. Grant funds may be used for purchase of such insurance. Certificates evidencing the maintenance of Grantee's insurance shall be filed with Grantor prior to the release of resources to Grantee.



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Upon written request by Grantor, a duplicate original of each insurance policy required to be purchased or maintained hereunder and all endorsements shall be furnished to Grantor prior to the release of any resources or additional resources, as the case may be, by Grantor to Grantee.

Each such policy shall provide for at least thirty (30) days written notice to Grantor of cancellation or, if the insurer refuses to give such thirty (30) days notice, such shorter period as the insurer agrees to give, but in no event fewer than ten (10) days notice.

At least fifteen (15) days prior to the expiration or termination date of any insurance policy, Grantee shall deliver to Grantor a certificate evidencing the renewal thereof, together with proof of payment of the premium therefor.

30. Assignment. This Agreement is not assignable by Grantee, in whole or in part, without the express written consent of the Grantor.

31. Time. Time is of the essence of this Agreement and for the performance of all covenants and conditions thereof.

32. Cooperation. Each party agrees to execute all documents and do all things necessary and appropriate to carry out the provisions of this Agreement.

33. Waiver. Any waiver of any breach of this Agreement shall not waive any continuing or other breach of the same provision or any other provision of this Agreement.

34. Applicable Law. This Agreement shall be interpreted and enforced under the laws of the State of California.

35. Jurisdiction. Except as required by federal law, the

GRANT AGREEMENT

courts of the State of California shall have exclusive jurisdiction and venue of any legal action under this Agreement.

36. Attorneys' Fees. In any action to interpret or enforce this Agreement, the prevailing party shall recover its reasonable expenses of litigation and attorneys' fees incurred.

37. Grant Funds for Litigation. Notwithstanding any other provision hereof, Grantee shall not expend any funds received from Grantor to pay costs or attorneys fees in any litigation against Grantor, the constituent entities of grantor, and/or the directors, employees, or officers of such entities.

38. Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of the parties.

39. Entire Agreement. This is the entire Agreement between the parties concerning the subject matter of this Agreement. Any amendment of this Agreement shall not be effective unless stated in writing, signed by the parties, and approved by Grantor.

40. Incorporation. Appendix A to this Agreement, attached hereto, is incorporated herein by reference and expressly made a part of this Agreement.

41. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or by registered or certified mail, return receipt requested:

Grantor. If to Grantor, to:

Bob Smith, Executive Director  
Sacramento Metropolitan Cable  
Television Commission  
1010 8th Street  
Sacramento, CA 95814

and

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Law Offices of Brenton A. Bleier  
1001 G Street, Suite 101  
Sacramento, CA 95814

Grantee. If to Grantee, to:

Sacramento Community Cable Foundation  
4623 T Street  
Sacramento, California 95819-4743

Attention: Randy Van Dalsen

Any party may change its address for notice by notice to the other party at any time.

42. Confidentiality. All information, books, records, and reports of Grantee, not otherwise required to be made public or provided to Grantor shall remain confidential, unless such information, books, records, or reports become generally available to the public other than by a breach of this Agreement by Grantor.

43. Restrictions on the Use of Facilities. Grantee shall take reasonable steps to insure that any User who is under the age of eighteen, be accompanied by a responsible adult, and to deny access to use of any of the resources granted pursuant to Appendix A to any User who has established a pattern of past abuse of equipment.

44. Public Access Facilities. Grantee shall designate production area, facilities and equipment, both funded and unfunded, for public access use as originally envisioned by Sections 5.50.336 and 5.50.338 of the Franchise Ordinance. Such designated production area, facilities, and equipment shall include, at a minimum, a production area, a camera and sound system, necessary lighting and support facilities and editing and related production facilities, subject to the reasonable regulations of Grantee ("Public Access Facilities"). Public Access

## GRANT AGREEMENT

Facilities shall be available for use by members of the general public, non-profit organizations and public agencies on a first-come-first-served basis pursuant to Section 5.50.336 of the Franchise Ordinance and Section 5.75.212 of the License Ordinance. The actual hours and days such Public Access Facilities are open and available for such use shall be prescribed by Grantee, which may prescribe different hours or days of use, and may change the prescribed hours or days from time to time during the term of this agreement for the purpose of relating use availability to use demand; provided, however, that no use thereof for the production, cablecasting or broadcasting of public access programming pursuant to Section 5.50.336 of the Franchise Ordinance by members of the general public is delayed more than seventy-two (72) hours after a request for use.

Grantee shall not establish or levy any fees or charges of any kind or nature to members of the general public, non-profit community organizations or the representatives thereof, whose central offices are situated within the County, or the Cities, County or other public agencies situated within the County in connection with the production of public access programming for cablecast for non-commercial purposes.

Grantee shall provide all such Public Access Facilities and channels or time thereon to such parties for such purposes without rental, use, fee or other charges or costs to the users, and at the sole cost of the Grantee.

Public access editing shall be defined as:

- a) The selection of a completed presentation from among several presentations made by a public access user in a

## GRANT AGREEMENT

public access facility and the transfer of the selection to a master tape for purposes of cablecasting; or,

b) Preparing a master tape for cablecast at the time of recording of the public access program by means of recording a complete segment, and, if this segment is not suitable for cablecast, the rewinding and subsequent recording over on the same piece of video tape of the segment.

Public access editing shall not include complex functions such as insert editing, voice-over, the addition of titles in postproduction, or anything beyond the selecting and preparing for cablecast of a public access presentation.

45. Training and Associated Fees. Training programs for Public Access Facilities shall be provided to members of the general public and representatives of non-profit organizations and public agencies by Grantee at its sole cost and expense, and without any admission, tuition, or charge whatsoever. With the prior approval of Grantor, Grantee may establish and levy reasonable user fees and charges in connection with the training for the production and cablecasting of Community Use Programming for non-commercial purposes, provided that all such fee revenue is devoted to the purposes of the Annual Budget and Programming Plan.

46. Supervision. During all hours the telecommunications facilities are open and available for use by members of the general public, non-profit community organizations or public agencies, each such facility shall be directly supervised by Grantee through qualified and responsible persons on-site, for the purpose of insuring safety of users of the facilities, effective and efficient

## GRANT AGREEMENT

utilization of equipment, appliances, hardware and other personal and other property, and protecting such property from abuse, damage, destruction, theft, loss or other harm.

47. User Fees- Community Use Programming. With the prior approval of Grantor, Grantee may establish and levy reasonable user fees and charges in connection with the production and cablecasting of programming for non-commercial purposes, provided that all such fee revenue is devoted to the purposes of the Annual Budget and Programming Plan.

48. Authority of Grantee as to Community Use Programming. Grantee shall have sole discretion to resolve the following types of issues and questions with regard to Community Use Programming.

- a. The time or date on which a particular program will be cablecast;
- b. Whether the content of a particular program is sufficiently related to the subject matter of a particular theme channel to warrant cablecast on that channel as distinguished from another channel;
- c. Whether the production quality of a particular program is sufficient to warrant cablecasting to subscribers;
- d. In the event of a demand to program channels or time thereon allocated to Community Use Programming which exceeds the capacity of the channels (i.e., a demand for programming which exceeds the volume which can be accommodated by twenty-four (24) hours per day, seven (7) days per week cablecasting), the determination of which programs are to be cablecast and which are not;
- e. The permissible length of program;

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- f. The appropriateness of the content of programs;
- g. The monopolization by particular users of production facilities or equipment;
- h. In the event of a demand to utilize production facilities or equipment which exceeds capacity, determination of who will be permitted use and who will not be;
- i. Denial of the use of facilities or equipment on the basis of past abuse, misuse, or inadequate care thereof; and,
- j. Determination of how staffing for Community Use Programming will be allocated to assist particular parties in the production of such programming or assist in the production of particular types of Community Use Programming.

49. Limitations on Grantee Discretion as to Public Access Programming. The discretion of Grantee with respect to Community Use Programming shall be subordinate to, limited by and consistent with the following limitations as to Public Access Programming: the Public Access Facilities and the cablecasting of such programming on channels designated therefor, shall be based upon a first-come-first-served basis pursuant to Section 5.50.336 of the Franchise Ordinance and Section 5.75.212 of the Licensing Ordinance provided that Grantee shall be authorized to regulate such use for the purpose of preventing the monopolization of such facilities, equipment and channels and expanding the breadth of utilization thereof.

50. Duties of Grantee- Community Use Programming. Grantee shall perform the following duties with regard to Community Use Programming:

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- a. Support and manage the production of programs as envisioned by Section 5.50.336 of the Franchise Ordinance and 212 of the Licensing Ordinance;
- b. Administer grants for the production of Community Use Programming to non-profit community groups and organizations whose central offices are situated within the County as envisioned by Section 5.50.338 of the Franchise Ordinance;
- c. Produce Community Programming as envisioned by Section 5.50.338 of the Franchise Ordinance;
- d. Coordinate and work with the Franchisees, Licensees, and others to ensure effective promotion of Community Use Programming and effective use of Community Use Programming facilities;
- e. Design training programs in the use of the Community Use Programming facilities; and,
- f. Resolve conflicts in respect to Community Use and Public Access Programming as provided in this Agreement.

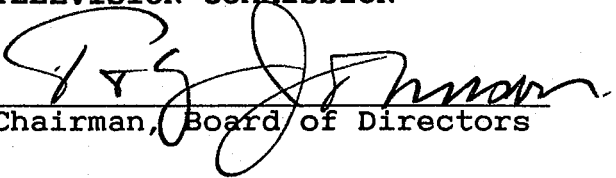
IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives effective this \_\_\_\_ day of June, 1988.



**GRANT AGREEMENT**

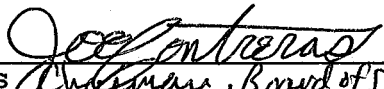
"Grantor":

**SACRAMENTO METROPOLITAN CABLE  
TELEVISION COMMISSION**

  
Chairman, Board of Directors

"Grantee":

**SACRAMENTO COMMUNITY CABLE FOUNDATION**

By:   
Its Chairman, Board of Directors

## Appendix A

### ALLOCATION OF RESOURCES

#### 1. Channel Allocation.

a) Grantor authorizes the distribution by Grantee of video programming and services as outlined in the Annual Budget and Programming Plan over TWO (2) video channels (12 MHz of video band width) and TWO (2) audio channels of that Channel capacity designated as Public Access and Community Use in Sections 5.50.336, 5.50.338 and 5.50.344 in the Franchise Ordinance and Section 5.75.212 of the License Ordinance. The specific Channel designations shall be that which is from time to time designated by the various cable television operators. The use of such channels shall be as specified in the Annual Budget and Programming Plan.

b) Except as limited by this Agreement, Grantee shall have sole discretion over the programming and operation of the channels. Grantee shall have sole discretion to determine the number of hours of channel operation, title of program cablecast, time of program cablecast, and any and all matters of editorial discretion relating to cablecasting programs on the foregoing channels.

2. Direct Support. In each fiscal year in which Grantor has approved an Annual Budget and Programming Plan submitted by Grantee, Grantor shall make quarterly payments to Grantee, on the first day of February, May, August, and November, reflecting the

GRANT AGREEMENT

amount of the approved budget in the Annual Budget and Programming Plan as approved by Grantor. Grantor shall make funds available for support of community use and/or public access grantees in the following proportions:

Sacramento Community Cable Foundation	55.0%
Sacramento Educational Cable Consortium	25.0
KVIE, Inc.	12.5
The County and Cities (Acting Jointly)	5.0
KXPR-FM, a Licensee of California State University at Sacramento	2.5
<hr/>	
Total Grant Funds for Access Grantee Support	100.0%
	=====

3. Supplemental Grants. Nothing contained in the foregoing section 2 shall be construed to restrict the legislative discretion of Grantor to make additional, supplemental grants to any person or entity in support of community use and/or public access programming without regard to the foregoing proportions.