

CHAPTER 6 - CABLE COMMUNICATION SYSTEMS

Sec. 6-83. Letter of credit.

(a) Within thirty (30) days after the award or renewal of a License, a Licensee shall deposit with the City an irrevocable letter of credit in an amount not to exceed TEN THOUSAND DOLLARS (\$10,000) issued by a federally insured commercial lending institution. The form and substance of said letter of credit shall be used to assure the faithful performance by a Licensee of all provisions of this and resulting License; and compliance with all orders, permits and directions of any agency, commission, board, department, division or office of the City having jurisdiction over its acts or defaults under a License and the payment by the Licensee of any penalties, liquidated damages, claims, liens and taxes due to the City which arise by reason of the construction, operation or maintenance of the Cable System, including cost of removal or abandonment of any property of the Licensee.

(b) The letter of credit may be drawn upon by the City by presentation of a draft at sight on the lending institution, accompanied by a written certificate signed by the City Manager certifying that the Licensee has been found, pursuant to Subsection 6-86(c) or Section 6-87, to have failed to comply with, its License or License agreement, stating the nature of noncompliance, and stating the amount being drawn. Examples of the nature of the noncompliance for drawing upon the letter of credit include, but are not limited to, the following:

- (1) failure of the Licensee to pay to the City any License Fees or taxes after ten (10) days written notice of delinquency.
- (2) failure of the Licensee to pay to the City, after ten (10) days written notice, after all judicial remedies have been exhausted, any amounts due and owing the City by reason of the indemnity provisions of Section 6-82;
- (3) failure of the Licensee to pay to the City any liquidated damages due and owing to the City pursuant to the License.

(c) The letter of credit shall be structured in such a manner so that if the City at any time draws upon the letter of credit, upon notice to the Licensee by the issuing lending institution, Licensee shall increase immediately the amount of available credit to the extent necessary to replenish that portion of the available credit exhausted by the honoring of the City's draft. The lending institution shall notify the City of the replenishment by Licensee. The intent of this Subsection is to make available to the City at all times a letter of credit in the amount of ten thousand dollars (\$10,000).

(d) The rights reserved to the City with respect to the letter of credit are in addition to all other rights of the City, whether reserved by a License or authorized by law, and no action proceeding against a letter of credit shall affect any other right the City may have.

(Ord. No. 95-13, 3/7/95, Enacted)