

**Resolution Approving Sale of Cable System and Franchise  
Transfer**

**WHEREAS**, the City of Gardiner, Maine, in its capacity as a Franchise Authority (hereinafter the “Franchise Authority”), and FrontierVision Operating Partners, L.P. d/b/a Adelpia Communications (hereinafter “Adelpia”) are parties to a Cable Television Franchise Agreement (the “Franchise Agreement”); and

**WHEREAS**, Adelpia has entered into an Asset Purchase Agreement (the “APA”) with Time Warner NY Cable, LLC (hereinafter “Time Warner”) dated as of April 20, 2005, providing for, among other things, the sale of certain assets of Adelpia to Time Warner, including the cable system serving the Franchise Authority, and the transfer of the Franchise Agreement to Time Warner (the “Sale”); and

**WHEREAS**, Adelpia, as Transferor, and Time Warner, as Transferee, submitted to the Franchise Authority an FCC Form 394 Transfer Request (the “Transfer Request”), dated on or about June 10, 2005, in which it was requested that the Franchise Authority approve the Sale and the transfer of the Franchise Agreement to Time Warner; and

**WHEREAS**, Time Warner has made representations and assurances to the Franchise Authority that it possesses the managerial, legal and financial and technical qualifications necessary to assume all current obligations and responsibilities under the Franchise Agreement.

**NOW THEREFORE**, the City Council of the City of Gardiner in its capacity as the Franchise Authority, hereby approves the Sale and the transfer of the Franchise Agreement from Adelpia to Time Warner, subject to the following conditions:

1. Time Warner must accept and comply with all the terms and provisions contained in the Franchise Agreement and in any other written agreements in effect between Adelpia and the Franchise Authority.
2. The approval by the Franchise Authority of the Sale and the issuance of this Resolution shall not, by itself, cure any pending or past violations of any of the Franchise Agreement or any other agreements between the Franchise Authority and Adelpia, nor shall such approval and issuance constitute a waiver of any rights of the Franchise Authority to enforce the provisions of the Franchise Agreement or any such other agreements.

3. This Resolution is subject to and conditioned upon the timely closing of the Sale. In the event that said closing does not occur on or prior to June 30, 2006, or closes on terms that are in any material respect different from the terms disclosed to the Franchise Authority in writing, then in either such event the approval granted herein by the Franchise Authority shall be null and void, unless said approval is extended by the Franchise Authority in writing.
4. Time Warner must provide the Franchise Authority with a written statement within 10 days of the actual closing of the Sale confirming that the Sale has occurred and that Time Warner has assumed operation and control of the cable system serving the Franchise Authority.
5. Prior to assuming control of the cable system serving the Franchise Authority, Time Warner shall file with the Franchise Authority the following Franchise documents:
  - a. A certificate of insurance in the amounts and types as may be required by the Franchise Agreement. Such insurance shall be obtained from brokers or carriers authorized to transact insurance business in the State of Maine.
  - b. Proof that Time Warner has in place any performance bond required by the terms of the Franchise Agreement, in the amounts and types required by the Franchise Agreement. Said performance bond shall be issued by a surety licensed to do business in the State of Maine.
6. Time Warner must operate and maintain its cable systems serving the Franchise Authority so as to comply with all requirements of federal, State and local law, regulations and ordinances, as well as with all applicable codes and cable industry standards.
7. This Transfer Agreement is expressly conditioned upon the truth and accuracy of the representations made by Adelpia and Time Warner in the foregoing submissions and exhibits submitted therewith at the time such representations were made.
8. Franchise fees assessed pursuant to the Franchise Agreement shall be prorated as of the closing date of the Sale. Within 60 days of the closing date of the Sale, Adelpia will pay to the Franchise Authority all unpaid franchise fees accrued through and including the closing date, along with a detailed written itemization of the basis for the payment. Time Warner shall pay all franchise fees accruing after the closing date in accordance with the terms of the Franchise Agreement.

9. Time Warner shall maintain business offices, customer service operations and repair facilities that provide customer service and repair and installation services that are at least equivalent to those facilities and services as currently deployed and provided by Adelphia and that meet any specific requirements of the Franchise Agreement.
10. Within ninety (90) days of the closing of the sale, Time Warner will meet with the Franchise Authority to discuss its integration and/or service roll out plans for the community.
11. Within three (3) years of closing of the Sale, Time Warner shall extend its cable plant serving the Franchise Authority to provide service to all roads in the Franchise Authority with a density of at least 15 homes per mile. In addition, no later than ten (10) years after the closing of the Sale, provided that a Franchise Agreement remains in effect between Time Warner and the Franchise Authority, Time Warner shall extend its cable plant serving the Franchise Authority to provide service to all roads in the Franchise Authority with a density of at least 8 homes per mile. If the Franchise Agreement provides for an obligation to extend service to a lower density than provided above, the terms of the Franchise Agreement shall control.
12. To the extent any rebuild, upgrade, equipment replacement or other capital project (collectively "upgrade") is required for Time Warner to provide services to the Franchise Authority that are comparable to services provided in Time Warner's cable system serving the greater Portland, Maine area, Time Warner shall complete any such necessary upgrade as soon as commercially reasonable and technically feasible, but in no event later than three (3) years after the closing on the Sale.
13. Time Warner agrees to provide subscribers in the territory of the Franchise Authority as soon as commercially reasonable and legally and technically feasible, but in no event later than two (2) years from the closing of the sale, or in the case of a cable system upgraded pursuant to paragraph 12 of this Resolution within one year of the completion of the upgrade, with the full range of services provided to Time Warner subscribers in the greater Portland, Maine area.
14. If any provision or condition of this Resolution is, for any reason, declared to be invalid, in whole or in part, by any court, agency, commission, legislative body, or any other authority of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent portion and such declaration shall not affect the validity of

the remaining portions of this Resolution, which other portions shall continue in full force and effect.

15. On the basis of Adelphia's and Time Warner's written and oral representations to the Franchise Authority, and subject to compliance with the conditions contained herein, the Franchise Authority find that the proposed Sale to Time Warner of the cable system serving the Franchise Authority and owned by Adelphia should serve the interests of cable television subscribers in the City of Gardiner.

This resolution is adopted this 13th day of October 2005.

Attested: \_\_\_\_\_  
Jeffrey Kobrock, City Manager

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Mayor Brian Rines, PhD

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Rebecca Colwell, At-Large

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Jean Dellert, District 3

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Richard Rambo, District 2

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Dennis Doiron, At-Large

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Lewis Benner, At-Large

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Phil Hart, District 4

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Michael Webster, District 1