

## **CABLE TELEVISION FRANCHISE TRANSFER AGREEMENT**

This Cable Television Franchise Transfer Agreement (the “Transfer Agreement”) is made effective the 12<sup>th</sup> day of August, 1999, by and among FrontierVision Operating Partners, L.P. (“FrontierVision”), Adelphia Communications Corporation (“Adelphia”), the Cities of Auburn, Gardiner, Hallowell, Lewiston, and Waterville, and the Towns of Anson, Baileyville, Baldwin, Bethel, Buxton, Camden, Carrabassett Valley, Coplin, Damariscotta, Glenburn, Greenbush, Harrison, Hiram, Hollis, Jay, Limerick, Limington, Lisbon, Litchfield, Manchester, Mechanic Falls, Mount Vernon, Naples, New Portland, Newcastle, Newry, Norway, Oxford, Paris, Parsonsfield, Poland, Porter, Readfield, Searsport, Sidney, St. George, Smithfield, Standish, Tremont, Vinaihaven, Waldoboro, Waterboro, West Paris, Windham, Windsor, Winslow, Winterport, Winthrop, Wiscasset, and Woodstock (the aforesaid cities and towns hereinafter collectively referred to as the “Franchise Authorities”):

### **WITNESSETH:**

**WHEREAS**, the Franchise Authorities and FrontierVision are parties to certain Cable Television Franchise Agreements (the “Franchise Agreements”); and **WHEREAS**, the sole general partner of FrontierVision is FrontierVision Holdings, L.P., a Delaware limited partnership (“FV Holdings”), and the sole general partner of FV Holdings is FrontierVision Partners, L.P., a Delaware limited partnership (“FVP”); and

**WHEREAS**, the general and limited partners of FVP and Adeiphia have entered into a Purchase Agreement (the “Purchase Agreement”) dated as of February 22, 1999, providing for, among other things, the sale of the partnership interests in FVP to Adeiphia (the “Transfer of Control”) and requiring FrontierVision to obtain any required consents of governmental franchising authorities for the Transfer of Control pursuant to applicable law and the Franchise Agreements; and

**WHEREAS**, the partners of FVP, as Transferor, and Adelphia, as Transferee, submitted to each of the Franchise Authorities an FCC Form 394

Transfer Request (the “Transfer Requests”), dated on or about March 12, 1999, in which it was requested that the Franchise Authorities approve the Transfer of Control; and

**WHEREAS**, Adeiphia has agreed to comply, in all respects, with all of the terms and conditions contained in the Franchise Agreements; and

**WHEREAS**, Adeiphia has represented to the Franchise Authorities that the Transfer of Control will have no adverse financial or operational effect on the

cable systems serving the Franchise Authorities; and

**NOW THEREFORE**, in light of the foregoing and the benefits which Adeiphia has stated will inure to the benefit of the Franchise Authorities and their residents as a result of the transfer, the Franchising Authorities hereby grant approval to the Transfer Request, effective upon the closing of the Transfer of Control and subject to the following provisions:

1. Adeiphia hereby accepts and agrees to comply with all the terms and provisions contained in each of the Franchise Agreements and in any other written agreements in effect between FrontierVision and the Franchise Authorities, such as any prior transfer agreements. In the event any violation of or non-compliance with any of the terms or provisions of any of the Franchise Agreements is discovered, Adeiphia agrees to cure the violation or non-compliance as promptly as is reasonably possible. The approval by the Franchise Authorities of the Transfer of Control and the execution of this Transfer Agreement shall not, by itself, cure any pending or past violations of any of the Franchise Agreements, nor shall such approval and execution constitute a waiver of any rights of the Franchise Authorities to enforce the provisions of the Franchise Agreements.

2. This Transfer Agreement is subject to and conditioned upon the timely closing of the Transfer of Control. Under no circumstances shall the closing of the Transfer of Control occur later than February 22, 2000. In the event that said closing does not occur on or prior to February 22, 2000, or closes on terms that are in any material respect different from the terms disclosed to the Franchise Authorities in writing, then in either such event the approval granted herein by the Franchise Authorities shall be null and void, unless said approval is extended by the Franchise Authorities in writing.

3. Adeiphia agrees that it will provide to the Franchise Authorities a written statement within 10 days of the actual closing of the Transfer of Control confirming that the Transfer of Control has occurred and that Adeiphia has assumed operation and control of the cable systems serving the Franchise Authorities pursuant to the Franchise Agreements and this Transfer Agreement.

4. Prior to assuming control of the Franchises, Adeiphia shall file with each of the respective Franchise Authorities the following Franchise documents:

a. A certificate of insurance in the amounts and types required by the individual Franchise Agreements. Such insurance shall be obtained from brokers or carriers authorized to transact insurance business in the State of Maine.

b. A performance bond, running to each of the Franchise Authorities, in the amount of One Hundred Thousand Dollars (\$ 100,000) each, or such higher amount as may be required under the terms of any individual Franchise Agreement, to guarantee the faithful performance by Adeiphia of all of its obligations under each Franchise Agreement. Said performance bond shall be

issued by a surety licensed to do business in the State of Maine. The performance bond shall provide that there shall be recoverable by the Franchise Authority, jointly and severally from the principal and surety, within 30 days after written request by the Franchise Authority, any and all penalties due to the Franchise Authority and any and all damages, losses, costs and expenses suffered or incurred by the Franchise Authority resulting from the failure of Adeiphia to comply with one or more provisions of this Franchise Agreement. Such losses, costs and expenses shall include, but not be limited to, reasonable attorneys' fees and other consulting and auditing expenses. The total amount of the bond shall be forfeited in favor of the Franchise Authority in the event: (i) Adeiphia abandons the cable system or any part thereof at any time during the term of the Franchise Agreement; (ii) Adeiphia sells, assigns or transfers control of a Franchise Agreement or its cable system serving a Franchise Authority or there is a change in ownership or control of Adeiphia, and Adeiphia fails to obtain the consent or approval of the Franchise Authority to the extent required by thee. A calculation of the consolidated fixed charge ratio, consistent with applicable debt covenants;

- f. A statement by Adeiphia regarding the status of compliance with applicable financial ratio covenants in public indentures and credit agreements;
- g. A copy of Adeiphia's most recent S.E.C. Form 10-K and 10-Q; and
- h. Adeiphia shall also provide the Franchise Authorities with any financial performance reports provided to Adeiphia's lenders.

In the event that any of the Franchise Authorities has concerns about the financial condition of Adeiphia or Adeiphia's financial capability to provide reliable cable service in the municipality and to comply with its obligations under the Franchise Agreement, the Franchise Authority may retain an independent financial consultant to review and investigate Adeiphia's financial condition. Adeiphia agrees to accommodate any reasonable requests for information necessary for such consultant to perform this investigation. In the event that the independent financial consultant concludes that Adeiphia's financial condition is such that it will not be able to discharge its responsibilities as franchisee of the cable television systems, to operate and maintain the cable systems, to meet obligations as they come due, to fund capital expenditures for replacements, extensions, upgrades and improvements or that Adeiphia is not in compliance with applicable financial ratio covenants in public indentures and credit agreements, then Adeiphia shall reimburse the Franchise Authority for all reasonable expenses of said financial consultant and Adeiphia shall promptly provide the Franchise Authority with a detailed plan to address the financial concerns identified in the consultant's report.

11. Adeiphia agrees that within 90 days of receipt of a written request of any Franchise Authority, Adeiphia shall provided the Franchise Authority with a technical compliance audit of the cable system serving that municipality. This audit requires a careful appraisal by Adeiphia of the extent to which they have met and are currently meeting all of its specific franchise obligations and federal/state regulations. In addition to any technical audit requirements contained in any

individual Franchise Agreement, the requested technical audit shall include, at a minimum:

6

- a. A complete description of the plant's design, age, components and condition and describing its capabilities and its limitations;
- b. System maps showing plant routing and coverage;
- c. A description of Adeiphia's planned or active modernization plans;
- d. A summary of relevant developments in the legal and regulatory arenas that relate to the technical and/or operational aspects of the cable system;
- e. Technical and customer service performance records;
- f. A review and description of the two most recent FCC proof of performance tests and measurement records interpreted in laymen's language demonstrating and describing the cable system's compliance or lack of compliance with the FCC Technical Standards set forth in 76 C.F.R. §76.601 et seq. as the same may be modified in the future, identifying any instances of non-compliance and describing all measures taken or under way to achieve compliance;
- g. A list of any material violations by Adeiphia of the technical rules of the FCC or of federal, or state governments and the Franchising Authority, including but not limited to violations of rules and regulations regarding signal quality and safety during the past 12 months.
- h. A summary of all service interruptions, and any other known technical problems in the operation of the cable system not routine in nature, which service interruptions or technical problems existed during the prior 12 month period, together with a description of the specific cause of the interruptions and technical problems and the steps Adeiphia has taken to address the problem;
- i. A summary of all significant and representative subscriber and user complaints and the action taken by Adelphia in response thereto;
- j. A certification by the person preparing the audit for Adeiphia that they are legally qualified to represent Adelphia and that all information provided in the report is factually correct.

7

Adelphia shall provide all items listed in this paragraph 1 l(a)-(j) in or with the technical audit, except that Adeiphia may elect to provide access to the information listed in items 1 l(a)-(c) to the Franchise Authority or its representative at a local Adelphia office. In the event the Franchise Authority has concerns about the technical status of the cable system serving that municipality, the Franchise Authority may retain an independent technical consulting firm to

audit the cable system serving that municipality. Adelphia agrees to accommodate any reasonable requests for information and access to the cable plant necessary for such consultant to perform this investigation. In the event that the independent technical consultant finds that the cable plant serving the municipality fails to comply with the requirements of federal, State or local law, ordinances or regulations or applicable codes or the requirements of the applicable Franchise Agreement, Adeiphia agrees to take immediate steps to remedy the noncompliance as promptly as is reasonably possible, using due diligence, and to reimburse the Franchise Authority for the reasonable expenses of said technical audit.

12. Franchise fees assessed pursuant to the Franchise Agreements shall be prorated as of the closing date of the Transfer of Control. Within 60 days of the closing date, FrontierVision will pay to each of the Franchise Authorities all unpaid franchise fees accrued through and including the closing date, along with a detailed written itemization of the basis for the payment. Adeiphia shall pay all franchise fees accruing after the closing date in accordance with the terms of the Franchise Agreements. Notwithstanding any contrary provisions in the Franchise Agreements, where a Franchise Agreement permits a Franchise Authority to collect a franchise fee and the fee is stated as a fixed percentage of some portion of the cable operator's revenues, the Franchise Authority may increase or decrease the franchise fee percentage provided in the Franchise Agreement, within a cap of 5% of Gross Annual Revenues, by providing Adelphia with 90 days written notice of the change, unless a shorter period of notice is provided in a Franchise Agreement. Notwithstanding any contrary language in the Franchise Agreement, unless the definition of Gross Annual Revenues (or the equivalent term) in a particular Franchise Agreement includes more revenues, franchise fees shall be collected as a percentage of Adeiphia's Gross Annual Revenues, which are defined as:

8

“Any and all payments made to or compensation received by Adeiphia, its affiliates, subsidiaries, parents and any person or entity in which Adelphia or any such affiliate, subsidiary or parent has a financial interest, directly or indirectly (collectively called “affiliated entities”), from subscribers, advertisers or other users of the system in connection with the operation and/or use of the cable system within the municipality, including but not limited to revenues from subscribers or users in payment for programs or signals received and/or transmitted, pay and subscription TV, fees paid for pay and/or pay-per-view services, optional programs and special contracts, charges for installation, connection, disconnection, reinstatement, downgrade, upgrade and any other similar fees, fees paid for channels designated for commercial use, advertising and carrier service revenue, all home-shopping service(s) revenues, rentals of Local Origination facilities, rentals of converter boxes, remote control units and other equipment, revenues from channel leasing, revenues received and fees paid for telecommunications

services, including but not limited to, networking, modem and data services and internet access services, and any other moneys that constitute income attributable to the operation of the cable system in the municipality. In the event that an Affiliate is responsible for advertising, advertising revenues shall be deemed to be the prorata portion of advertising revenues paid to the cable system by an Affiliate for said Affiliate's use of the cable system for the carriage of advertising. Gross Annual Revenues shall not include security deposits paid to Adephia by subscribers."

13. Adelphia shall maintain business offices, customer service operations and repair facilities in Maine which provide customer service and repair and installation services that are at least equivalent to those facilities and services as currently deployed and provided by FrontierVision and that meet any specific requirements of the particular Franchise Agreement.

14. Adephia shall provide one outlet of basic service and the analog cable programming service tier, or its digital equivalent in the event such

9

analog tier is no longer offered, to each public school, library and municipal building located within three hundred (300) feet of Adelphia's distribution plant. Should the distance be greater than 300 feet, the institution may pay Adephia all direct incremental costs incurred to accomplish the installation in excess of 300 feet. There shall be no charge for the basic subscriber service, the cable programming service tier, or its equivalent, or installation thereof. Adephia will provide converters for one outlet to each such free drop site if needed to receive the basic tier or the analog cable programming service tier or its digital equivalent as specified above. If additional outlets of cable service are requested for a specific municipal or school building, the Franchise Authority shall be responsible for any direct, incremental costs of installing the additional wiring and outlets, and Adelphia shall provide the basic and cable programming service to such additional outlets at no charge. Any additional converters shall be made available at Adelphia's standard lease rates. If the terms of a Franchise Authority's Franchise Agreement provide for a greater level of cable service to municipal, library or school buildings, the terms of the Franchise Agreement shall control.

15. Within one (1) year after Adelphia or any parent, affiliate, or subsidiary of Adephia, makes an on-line service for personal computers commercially available on a cable system serving subscribers in the municipality, Adephia will, upon request by the municipality, local school board, or any individual school, public and private, provide schools, municipal buildings and public libraries within the municipality that are located within three (300) feet of Adephia's distribution plant with one (1) free connection to such on-line service for one (1) computer. At a minimum, such on-line service will provide access to the Internet. Upon request, each connected school, municipal building and/or public library will receive one (1) free cable modem and free, unlimited access to Adelphia's on-line service for

one computer. A municipality may connect additional computers within a municipal, school or library building to said on-line service, provided that the municipality shall be responsible for any direct incremental costs of making such additional connections, such as costs of wiring and any onsite equipment, and further provided that Adeiphia shall not charge the municipality for the on-line service provided through the single connection to such additional computers and shall not restrict the

10

bandwidth utilized by such additional connections except to the extent of any system-wide bandwidth limitations. If the terms of a Franchise Authority's Franchise Agreement provide for a greater level of internet access service at a lower cost to municipal, library or school buildings, the terms of the Franchise Agreement shall control.

16. Adelphia shall reimburse the Franchise Authorities for all reasonable expenses (including legal, technical and financial consulting expenses) incurred by the Franchise Authorities in reviewing and acting upon a request by Adelphia for approval of any future sale, transfer or change of control of the Franchises or the cable systems serving the Franchise Authorities or a change of control of Adeiphia. Adelphia agrees that reimbursement provided under this section does not constitute a franchise fee within the meaning of the Cable Act. In the event Adeiphia applies to a Franchise Authority for approval of or consent to a sale, transfer or change of control of a Franchise Agreement or of a cable system serving a Franchise Authority or a transfer of control of Adeiphia, Adeiphia shall include with the application complete responses to the informational requests attached hereto as Exhibit B. The applicable deadline for the Franchise Authority to act upon the request for approval of or consent to the transaction shall not begin to run until Adelphia or the proposed transferee provides the Franchise Authority with such complete responses.

17. Adeiphia agrees that for at least a three year period from the closing of the Transfer of Control, unless federal law on rate regulation of the basic cable tier changes materially, Adeiphia will utilize the benchmark methodology for establishing its maximum permitted rates for basic cable service. Adelphia further agrees that, in the event that a cost of service study is used to justify the rates for basic cable service at any time in the future, Adeiphia will not seek recovery in basic cable rates or include in its determination of the cost of service, any excess of its purchase price under the Purchase Agreement over the net book value at the time of acquisition of the assets acquired in the Transfer or Control, and that Adeiphia will maintain records that will enable verification that no recovery of any such excess purchase price is being sought in any future basic tier cost of service showing either in rate base or through amortization or through any other accounting method.

11

18. No later than April 1 of each year, Adeiphia shall submit an annual report to each Franchise Authority for the prior calendar year, which report shall include at a minimum:

- a. Total number of subscribers in the municipality, including a breakdown of subscribers taking basic cable service, cable programming service and premium services as of December 31 of the prior calendar year.
- b. The increase or decrease in the number of subscribers over the prior calendar year for the municipality.
- c. Total miles of cable plant in the municipality.
- d. A specific description of the age and architecture of the cable plant serving the municipality.
- e. A specific description of any line extensions in the municipality in the prior calendar year, including street names, distances, and start/end points, as well as a description of any projected line extensions planned for the coming year (which projections shall not be binding on Adeiphia), along with a current coverage map.
- f. Total homes passed in the municipality and density measured in miles of plant divided by homes passed as of December 31 of the prior year.
- g. A brief general description of any new federal or State regulatory changes which Adeiphia believes will have a significant effect on the cable system, and the actual effect on the system in the municipality.
- h. Any price changes in the prior year or projected for the coming year (which projections shall not be binding on Adeiphia).
- i. Any other information required under the terms of the individual Franchise Agreement.
- j.** If a Franchise Authority requests, Adeiphia shall include in the Annual Report the following additional items:
  - k. A description of any technological upgrades or enhancements in cable service over the past year and any projected for the coming year

12

(which projections shall not be binding on Adelphia).

1. The maximum number of amplifiers in cascade on Adeiphia's cable system in the municipality as of December 31 of the prior year.
- m. A listing of any system outages in the municipality over the prior year in excess of one hour, including the affected locations, the date, time, duration, cause of the outage, and steps taken to address the outage.
- n. A summary of customer complaint records for the prior year, including an identification of any significant customer service issues raised in the municipality in the prior year and any resolution or

changes in service resulting.

o. Any new programming or changes in programming in the prior year and projected for the coming year (which projections shall not be binding on Adeiphia), including, where known, specific programming offerings.

p. Any new or different services offered or made available in the municipality in prior year and projected for the coming year (which projections shall not be binding on Adeiphia).

q. The Adeiphia's general outlook for the cable system for the coming year. After delivery of the Annual Report, Adeiphia shall, at the request of the Franchise Authority, attend a meeting with the Franchise Authority to review and discuss any issues or questions raised in the Franchise Authority's review of the Annual Report.

19. Adeiphia shall give each Franchise Authority 45 days prior written notice and each subscriber 30 days prior individual written notice of any change, including additions and deletions, or change in channel position, in the programming carried on the cable television system, as well as any retiering of such programming, and any other changes in the services offered by Adeiphia as well as any changes in Adeiphia's rates. In the event a Franchise Authority elects to poll subscribers on programming issues or preferences, Adeiphia agrees to include the poll as an insert in the monthly subscriber billing, at no cost to the Franchise Authority,

13

provided the polling insert meets Adeiphia's reasonable requirements for such inserts. Adeiphia will forward all returned polling results to the Franchise Authority within 10 days of receipt. Adeiphia agrees to meet with each Franchise Authority, at the request of the Franchise Authority, to review the results of subscriber polling conducted by the Franchise Authority, to discuss programming issues and options, and to consider the advice and recommendations of the Franchise Authority. Upon notifying the Franchise Authority of a proposed change in programming, Adeiphia will, at the request of the Franchise Authority, with at least seven days notice, attend a public hearing on the proposed programming change to hear comments and concerns of the Franchise Authority and subscribers.

20. Notwithstanding any contrary provisions in the Franchise Agreements, within two (2) years of closing of the Transfer of Control, Adeiphia shall extend its cable plant serving the Franchise Authorities to provide service to all roads in each municipality with a density of at least the Minimum Density unless the applicable Franchise Agreement provides for an obligation to extend service to a lower density area, in which case the Franchise Agreement shall control. For purposes of this section, the Minimum Density shall be whichever of the two following density standards is first triggered for a given road segment: a) 12 homes per mile ("HPM"), with each home at which existing satellite service can be documented by Adeiphia counting as  $\frac{1}{4}$  of a home, or b) 15 HPM. Adeiphia agrees to perform a rideout of all unserved areas of each municipality at least annually to determine

current densities and to provide the Franchise Authorities with the results of such rideout in its Annual Report. If during the term of a Franchise Agreement density on any unserved road or road segment increases to reach or exceed the Minimum Density standard, Adelphia shall extend service to such road or road segment within 120 days. In extending service to areas that meet the Minimum Density, Adelphia shall extend its plant for the maximum distance over any individual road that service can be extended and still meet, on average, the Minimum Density over the length of the extension. Where new residential or commercial developments are built in a municipality to which cable service is to be extended, Adelphia agrees to use diligence to assure that cable service is installed in coordination with other utility facilities. If such other utility facilities are placed underground, cable service will be installed underground.

14

21. Adelphia agrees that within 90 days of receipt of a written request from a Franchise Authority, Adelphia will provide the Franchise Authority at no cost with at least one channel, located on the basic service tier, for the Franchise Authority to utilize to provide Public, Educational and Governmental (“PEG”) Access programming to subscribers in the municipality. In the event a Franchise Authority’s Franchise Agreement provides for Adelphia to provide more than one PEG channel, the terms of such Franchise Agreement shall control.

22. Adelphia agrees that, in the case of any municipality where a rebuild of the cable system is not currently planned or is not required under the terms of the applicable Franchise Agreement, Adelphia will rebuild the cable system serving such municipality to a level at least equivalent to a 750 Mhz, two-way plant within three (3) years of the closing of the Transfer of Control if the municipality enters into a mutually agreeable extension of its Franchise Agreement through at least 10 years from the date of closing of the Transfer of Control.

23. FrontierVision and Adelphia agree to reimburse the Franchise Authorities, within 30 days of receipt of an invoice, for the sum of actual fees and expenses, including consulting and legal expenses, incurred by the Franchise Authorities in their review and action on the Transfer Requests. No reimbursement made pursuant to this paragraph shall be considered a franchise fee.

24. Adelphia agrees to the requirements set forth in Exhibit B attached hereto to address identified deficiencies or problems in specific municipalities.

25. In the event of any conflict between the terms of this Transfer Agreement and any Franchise Authority’s ordinances or Franchise Agreement, the provision providing the greatest benefit and/or protection to the Franchise Authority and its subscribers shall control.

26. If any section, subsection, sentence, clause, phrase, or any other portion of this Transfer Agreement, or any Exhibits hereto, 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

15

the remaining portions hereof, which other portions shall continue in full force and effect.

27. On the basis of FrontierVision's and Adelphia's agreement to the preceding factors, the Franchise Authorities find that the proposed Transfer of Control of FrontierVision to Adelphia should serve the interests of cable television subscribers in the municipalities.

16

**IN WITNESS WHEREOF**, this Cable Television Franchise Transfer Agreement is hereby issued by the undersigned Maine municipalities, and all provisions herein are agreed to by the municipalities, Adelphia and FrontierVision.

**ADELPHIA**

**COMMUNICATIONS**

**CORPORATION**

Dated: July, 1999 \_\_\_\_\_

By: Randall D. Fisher

Its: Vice President & General Counsel

**FRONTIERVISION OPERATING**

**PARTNERS, L.P.**

Dated: July, 1999 \_\_\_\_\_

By: William J. Mahon, Jr.

Its: Senior Vice President

17

**CITY OF GARDINER**

**Dated:** August 1, \_\_\_\_\_

By: Glenna Nowell

Its City Manager

Thereunto Duly Authorized

smith\pjs\Adelphia\fran trans agmt .7-29-99

19

10:59 6253359591

07/29/99 13:45 FAX 12077742018 CENTURY GLENDOR

.R!EJN SHUR

3e. bIi11 7'ehr -Iu1-29-99 f14 fra,, 413 442 8Z99\*

p.ge 2/ 2

**IN WITNESS WHEREOF**, this Cable Television Franchise Transfer Agreement is hereby *issued* by the undersigned Maine municipalities, and all provisions herein are agreed to by the municipalities, Adelphia and FrontierVision.

ADLPmA

COMMUNICATIONS  
CORPORATION

Dated: July 1999 JAJ&19I4J4.

By: Randall D. Fisher

Its: Vice President & General Counsel

**FRONTIERVISION OPERATING  
PARTNERS, L.P**

Dated: uiYØ? 1999 \_\_\_\_\_

,3Y Senior Vice Presjjt

16

**EXHIBIT A TO TRANSFER AGREEMENT  
INFORMATION TO BE PROVIDED WITH ANY FUTURE REQUESTS FOR  
APPROVALS OF SALES, TRANSFERS, CHANGES IN CONTROL**

1. Provide a schedule of all debt of Buyer/Transferee, including any debt anticipated to be incurred in the acquisition of the Seller/Transferor systems and all other current planned acquisitions and any capital improvements or upgrades to those systems, including the form or type of debt, identity of borrower, name and address of lender or lender's representatives, date of issuance, principal amount, interest rate, current principal balance, term, amount and date of any balloon payments, and anticipated debt service payments over the next ten years.
2. Provide a copy of any documents reflecting agreements between Buyer/Transferee and any of its major lenders that affect cash flow, debt servicing, rebuild or other capital investment decisions, operations of the Buyer/Transferee cable systems, or other covenants affecting Buyer/Transferee's operations.
3. Describe in detail Buyer/Transferee's plans for future ownership of its systems in Maine, including any current plans Buyer/Transferee has to liquidate, sell, or change the ownership of any of the Maine systems over the next 5 year period, including any expected dates and types of anticipated sales or liquidations.
4. Does Buyer/Transferee or Seller/Transferor have any current negotiations underway with any other cable operators involving the possible sale, swap, transfer, change in control or change in management of any cable systems in Maine? If so, please describe the possible transactions and the systems that would be affected.
5. Identify any circumstances in the past ten years when Buyer/Transferee was unable to pay any of its debts when due including the date, creditor, matter at issue, amount and current status.
6. Describe in detail exactly what debts of any of the Seller/Transferor entities Buyer/Transferee will be assuming as part of this transaction.
7. Identify for the past 5 years Buyer/Transferee's operating income, EBITDA, Ratio of EBITDA to Revenue, and Ratio of Debt to EBITDA. Provide Buyer/Transferee's current projections of these figures for the next five years assuming Buyer/Transferee closes on all publicly announced planned acquisitions.
8. Describe in detail the extent to which the debt structure of Buyer/Transferee could effect its ability to (1) fund capital expenditures, (2) compete

effectively, (3) comply with the obligations of the franchise agreements with Municipalities in Maine, and (4) operate under adverse economic conditions.

9. Identify in detail any other cable system acquisitions, in addition to the Seller/Transferor systems, planned by Buyer/Transferee, including the name of the existing operator, location of cable systems to be acquired, number of subscribers to be acquired, purchase price, expected closing date, and amount of debt to be incurred in connection with the acquisition.

10. Provide evidence of Buyer/Transferee's authority to conduct business in Maine, including a copy of all filings made to obtain such authority.

11. Describe in detail the ownership and management structure of the Seller/Transferor Maine cable systems upon completion of the transaction with Buyer/Transferee. Identify whether Seller/Transferor or some other entity affiliated with Seller/Transferor will continue to own and operate the Maine systems? Provide an ownership flowchart that identifies the legal entities that will be in the chain of ownership of these systems upon completion of the transaction, including the nature of each entity and who will own each such entity.

12. Identify all cable systems currently owned, managed or operated by Buyer/Transferee, including the locations and numbers of subscribers for each, and a list of the name and address of all municipal franchise authorities with a contact person with each franchise authority.

13. Identify any past (within the past 10 years) or pending legal or administrative suits, actions, proceedings, claims or disputes with or against Buyer/Transferee, including disputes with private or governmental parties such as the FCC or any franchise authorities, and identify the nature of the dispute or claim, the parties involved, the court, forum or agency involved, the system or franchise involved, the status of the matter, any relevant docket number, the amount in dispute, and the name and address of a contact person with any affected agency or franchise authority.

14. Describe in detail any rebuilds or upgrades of the Seller/Transferor's Maine cable systems that are currently underway, including (a) the specific time schedule for the rebuild or upgrade, (b) the specific systems to be affected by the rebuild or upgrade, (c) a detailed description of the nature of the rebuild or upgrade, and (d) a detailed description of the architecture of the rebuilt or upgraded system, and (e) whether the nature or time of completion of the rebuild or upgrade will change as a result of the Buyer/Transferee acquisition.

15. Describe in detail Buyer/Transferee's plans for any rebuilds or upgrades of the Maine cable systems after the closing on the Seller/Transferor acquisition which are not described in question 1, above including (a) the specific time schedule for the rebuild or upgrade (b) the anticipated cost of the rebuild or

upgrade, (c) a detailed description of the nature of the rebuild or upgrade, and (d) a detailed description of the architecture of the rebuilt system.

16. Provide a copy of the anticipated complete rate schedules to be offered to subscribers in the Maine cable systems as well as programming offerings after acquisition of the systems, and after any rebuilds or upgrades are completed, including any new programming services, anticipated retiering or new tiers.

17. Provide a copy of any Buyer/Transferee customer service standards, repair or

maintenance policies, complaint resolution policies, or other similar customer policies or protocols that will be in use in the Maine systems after acquisition by Buyer/Transferee.

18. Provide a detailed description of any local origination services Buyer/Transferee will offer in the Maine systems after acquisition.

19. Identify any community relations contact persons and provide that person's address, phone number, resume and job description.

20. Describe in detail any and all planned management changes, operational changes, technical changes, changes to customer service functions (including changes in the telephone, MIS and billing systems), and changes in engineering and technical support, for the Maine cable system.

21. Describe in detail Buyer/Transferee's plans or expectations with regard to any consolidation, relocation, or construction of any headend facilities to serve the Maine cable systems.

22. Describe in detail Buyer/Transferee's current plans with respect to the construction or relocation of any customer service centers that will serve customers in the Maine cable systems, including the specific location, size of the facility, staffing level, functions to be performed, days and hours of operation, and other franchises to be served out of the same facilities.

23. Describe in detail Buyer/Transferee's plans to offer internet access service, telephone service or any other telecommunications services to customers in the Maine cable systems, including the nature of services to be provided, the time schedule for making the services available, and the anticipated charge to customers for these services.

24. Please provide a copy of the latest annual report to shareholders of Seller/Transferor.

25. Please provide a copy of the latest SEC Form 10-K of Seller/Transferor.

26. Please provide a copy of the latest SEC Form 10-Q of Seller/Transferor.

27. Please provide a copy Of the latest SEC Form 8-Q Of Seller/Transferor.

39. Please provide a complete description of the operational structure and control of Seller/Transferor subsequent to the acquisition by Buyer/Transferee. The response should include the following:

a. Will Seller/Transferor be a separate subsidiary of Buyer/Transferee, will Seller/Transferor be a division of Buyer/Transferee, will Seller/Transferor be completely integrated into Buyer/Transferee, or will there be some other operational structure?

b. Will separate books be kept for Seller/Transferor?

c. Will assets, liabilities, revenues, and expenses of Seller/Transferor be separately identifiable? If so, provide a description of the accounting system that will allow this identification.

40. Please provide a complete description of the funding of the purchase of Seller/Transferor by Buyer/Transferee. The response should include the following:

a. Provide the accounting entries which will be made to recognize the transfer of funds to Buyer/Transferee.

b. An explanation of how the funds will be transferred from Buyer/Transferee for the purpose of acquiring Seller/Transferor.

c. Will the funds be equity to Buyer/Transferee? If not, provide a complete description of the terms of the loan to Buyer/Transferee, including all existing and proposed term loan covenants relating to leverage, liquidity, profitability and cash flow levels, and the nature

of the debt that Buyer/Transferee will incur in conjunction with the acquisition.

41. Please provide a complete explanation of how Buyer/Transferee will account for the acquisition of Seller/Transferor. The response should include the following:

- a. How will any excess of the purchase price over the net equity be accounted for?
- b. Will any excess of the purchase price over the net equity be treated as goodwill? If not, provide an explanation of how the excess purchase price would be treated.
- c. Will any excess purchase price over book value be allocated to Seller/Transferor assets? If so, please provide a complete description of how this allocation will be made.

42. Please provide a pro forma balance sheet for Buyer/Transferee after the purchase of Seller/Transferor.

43. Please provide any forecasts of the operating results and financial condition of Buyer/Transferee which have been prepared. The response should show the forecasts for Buyer/Transferee without the acquisition of Seller/Transferor, and on a pro forma basis with the acquisition of Seller/Transferor. The response should also provide a description of all relevant assumptions used in making the forecasts.

44. Please provide any forecasts of the operating results and financial condition of Buyer/Transferee on a pro forma basis reflecting all current proposed mergers,

acquisitions and swaps. The response should also provide a description of all relevant assumptions used in making the forecasts.

45. Please provide any financial analysis prepared by or for Buyer/Transferee that would establish the reasonableness of this acquisition cost per subscriber and/or that revenues will be generated (including any projected cable rate increases) that justify this cost per subscriber.

46. With regard to the presently outstanding debt of Buyer/Transferee, do the indenture covenants presently require Buyer/Transferee to maintain certain financial ratios or contain any provisions which would limit operations or capital spending in any circumstances? If the response is affirmative, please provide the following:

- a. Copies of the covenants.
- b. Whether Buyer/Transferee is presently in compliance with all such covenants.
- c. Calculations showing compliance with the covenants.
- d. Implications if Buyer/Transferee were to not be in compliance.

47. Identify all of Buyer/Transferee's current lenders, the amount of each Buyer/Transferee debt issue outstanding, the type of loan or debt, and the name and telephone number of the principal contact at each lender.

## **EXHIBIT B**

### **COMMITMENTS TO SPECIFIC MUNICIPALITIES**

#### **1. Town of Newcastle.**

**Adeiphia agrees to** complete the extension of the cable plant serving the Town of Newcastle to serve all areas required under the terms of the existing Franchise Agreement within eighteen (18) months of the closing on the Transfer of Control. Adeiphia will complete the internal wiring necessary to activate a return path from Lincoln Academy within 14 days of a request. Adeiphia will provide the Town with 60 hours of video training annually, as required in the Franchise Agreement, such training to be provided at a mutually convenient time within 30 days of a request by the Town.

**2. Town of Parsonsfield.**

Adeiphia agrees to install and provide cable service to the Fred Morrill School within twelve (12) months of the closing on the Transfer of Control. In addition, Adeiphia will provide the Town within thirty (30) days of the closing on the Transfer of Control with a current as-built map of the cable system serving Parsonsfield, which map permits the Town to identify those roads where cable service is provided and is not provided.

**3. Town of Poland.**

Adeiphia or FrontierVision will complete the pending extensions of service on Windsor Place and Saunders Drive within thirty (30) days of the execution of this Transfer Agreement.

**4. Town of Waldoboro**

Adeiphia will provide the Town with up to three (3) PEG access channels as required in the Franchise Agreement between the Town and FrontierVision within sixty (60) days of receipt of a written request from the Town. The Town acknowledges that in all probability, it will be necessary for FrontierVision or Adeiphia to delete one or more services currently being offered on the system, in order to accommodate any such request for additional PEG access channels.

**5. Town of Lisbon.**

The current Franchise Agreement between FrontierVision and the Town of Lisbon is scheduled to expire on October 7, 1999 unless a rebuild of the cable system serving Lisbon is completed on or before that date. The Town of Lisbon, FrontierVision and Adeiphia agree to negotiate in good faith to reach agreement on a successor franchise agreement for Lisbon for the period after October 7, 1999. Such renewal franchise agreement, if reached, will include a commitment by Adeiphia to rebuild the cable system serving Lisbon to a two-way, 750 Mhz fiber to feeder architecture, with a design substantially the same as the system currently being built in the Cities of Lewiston and Auburn, Maine, with such rebuild in Lisbon to begin upon

substantial completion of the rebuild in Lewiston and Auburn and provided that the Town of Lisbon and FrontierVision and Adeiphia have reached agreement on a franchise renewal agreement, with the system rebuild to be substantially completed within 9 months of a franchise renewal agreement having been reached and executed by the Town and Company. Such renewal franchise agreement shall also include mutually agreeable provisions concerning the following:

a) a provision for free cable service to all municipal and school buildings and libraries in Lisbon; b) a provision for a franchise fee; c) a provision for an institutional network or private virtual network to serve municipal buildings and schools in Lisbon; d) a provision for internet access; e) a provision for capital funding for public access facilities and equipment that is at least consistent with industry and local standards for such funding, as measured on a per subscriber basis, as well as technical advice or assistance in operations of public access facilities; and such other franchise-related issues as may be identified by either party in the course of negotiations.

