

## **RESOLUTION NO. 10-19015**

### **RESOLUTION APPROVING THE CHANGE OF CONTROL OF THE FRANCHISEE UNDER THE CABLE TELEVISION FRANCHISE**

**WHEREAS**, Bresnan Communications, LLC ("Franchisee") owns, operates and maintains a cable television system (the "System") in the City of Billings, Montana pursuant to a cable television franchise ("Franchise") granted by the governing body of the City of Billings (the "Franchise Authority"), and Franchisee is the current duly authorized holder of the Franchise; and

**WHEREAS**, pursuant to an Agreement and Plan of Merger ("Agreement"), BBHI Holdings, LLC ("Acquirer"), a newly-created, wholly-owned indirect subsidiary of CSC Holdings, LLC, will acquire control of Bresnan Broadband Holdings, LLC (which owns 100% of the ownership interests in Franchisee), and, as a result, the indirect control of Franchisee will change (the "Change of Control");

**WHEREAS**, Franchisee and Acquirer have requested the consent of the Franchise Authority to the Change of Control in accordance with the requirements of the Franchise, have filed an FCC Form 394 with the Franchise Authority, and have provided the Franchise Authority with an application for transfer to facilitate a decision by the Franchise Authority (the "Application");

**WHEREAS**, the Franchise Authority has reviewed the Application, examined the legal, financial and technical qualifications of Acquirer, followed all required procedures in order to consider and act upon the Application, considered the comments of all interested parties; and

**WHEREAS**, the companies and the City have negotiated a Transfer Agreement accompanying this Resolution.

### **NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

**SECTION 1)** The Franchise Authority hereby accepts the Application and consents to the Change of Control, all in accordance with the terms of the Franchise and applicable law.

**SECTION 2.** This Consent is conditioned upon the acceptance and execution by the Companies of the attached Transfer Agreement.

**SECTION 3.** This Resolution shall be deemed effective as of the date of its passage. This Resolution shall have the force of a continuing agreement with Franchisee and Acquirer, and Franchise Authority shall not amend or otherwise alter this Resolution without the consent of Franchisee and Acquirer.

**PASSED, ADOPTED AND APPROVED** this 25th day of October 2010.



**CITY OF BILLINGS, MONTANA**

By: Thomas W. Hanel  
Thomas W. Hanel, Mayor

ATTEST:

By: Cari Martin  
Cari Martin, City Clerk

## **TRANSFER AGREEMENT**

**WHEREAS**, Bresnan Communications, LLC ("Franchisee") currently holds a non-exclusive franchise that authorizes the use and occupation by Franchisee of the public rights-of-way for the provision of cable services pursuant to the City Ordinances Nos. 08-5471 and 08-5472 (the "Franchise"); and

**WHEREAS**, the Franchise requires the prior approval of the City for a change in control of the Franchisee; and

**WHEREAS**, pursuant to an Agreement and Plan of Merger Among Bresnan Holdings LLC ("Bresnan Holdings, LLC"), Providence Equity Bresnan Cable LLC, BBHI Holdings LLC, BBHI Acquisition LLC and, CSC Holdings, LLC (collectively, the "Companies") dated as of June 13, 2010 (the "Merger Agreement"), control of the Franchisee will change (the "Change of Control") once the Merger Agreement is consummated (the "Transaction"). The result will be that CSC will indirectly control the Franchisee and all the assets currently held by Franchisee, including the cable system serving the City; and

**WHEREAS**, the Companies filed an application on FCC Form 394 on July 2, 2010 requesting the City's approval of the Change of Control (the "Application"); and

**WHEREAS**, the Companies have represented to the City that Franchisee will continue to be, post-closing, financially, legally and technically qualified to maintain and operate the System and the Transaction will result in no material reduction in the terms and conditions of cable service.

### **NOW, THEREFORE, THE PARTIES DO HEREBY AGREE:**

**SECTION 1.** The foregoing recitals are true and correct and are incorporated herein by reference. The City will accept the Application and consent to the Change of Control by passing a resolution in the form of Attachment A (the "Resolution").

**SECTION 2.** Upon passage of the Resolution, Franchisee agrees to the following:

**2.1 Compliance with Applicable Law.** Franchisee will abide by all terms and conditions of the Franchise and all ordinances and resolutions lawfully in effect, including but not limited to insurance, indemnities, bonds and/or other securities and customer service obligations of the Franchise and applicable law. Franchisee reaffirms that it unconditionally accepts and agrees to abide by the terms and conditions of the Franchise and all ordinances and resolutions affecting the system now lawfully in effect, and affirms that it will retain responsibility for satisfying all obligations under the Franchise and applicable law. Franchisee affirms that it remains liable for any and all previously accrued but unfulfilled obligations to the City due under the Franchise Agreement and applicable law, whether known or unknown.

**2.2 Access to Books and Records.** Franchisee will retain records required by the Franchise and shall, on thirty (30) days written notice and at Franchisee's business office, provide the City an opportunity to review those books and records as are reasonably necessary to ensure compliance with the Franchise or other applicable law. The Companies shall ensure that all records pertaining to the Franchise, including financial records, shall continue to be available to the City after consummation of the Transaction in the same way and to the same extent such information was available prior to consummation of the Transaction.

**2.3 Insurance.** From and after the effective date of the transfer, Franchisee will have in place the insurance, indemnities, bonds, and other securities required under the Franchise and applicable law. To the extent there are any changes to the same contemporaneous with the consummation of the Transaction, revised certificates, complying with the requirements of the Franchise, must be provided within thirty (30) days of consummation of the Transaction. Failure to provide proper certificates shall be grounds for liquidated damages or revocation of the Franchise.

**2.4 No Action Inconsistent.** The Companies agree that, from and after the consummation of the Proposed Transaction, they will not take any action inconsistent with the promises contained in the Franchise after the effective date hereof, provided however that nothing herein shall be construed as a guarantee by BBHI Holdings LLC, BBHI Acquisition LLC or CSC Holdings, LLC of Franchisee's obligations set forth in the Franchise. Franchisee shall fully comply with all of the terms and conditions set forth in the Franchise.

**2.5 Settlement of Franchise Fee Underpayment Claim.** Within 30 days of approval of the Resolution, Franchisee will pay the City twenty three thousand, five hundred seventy five dollars (\$23,575) in satisfaction of all claims for franchise fees owed for calendar years 2007-2009 and the first three quarters of 2010; such payment shall not be deemed an admission by Franchisee of liability.

**2.6 PEG Support Payments.** Franchisee agrees to pay a sum equal to \$0.25/month/subscriber for the remaining term of the Franchise, provided however the City adopts a separate resolution authorizing such fee on or after March 1, 2011. Such charge may be passed through to subscribers as a PEG fee at Franchisee's option.

**2.7. Channel 7.** Franchisee will offer the City's PEG channel currently known as "channel 7" on the City's channel line-up in high definition format at no cost to the City, including transport, upon receipt of 90 days notice from the City, but not earlier than June 1, 2011 (provided that all content and programming is submitted to Franchisee in HD format at the PEG playback/control center) and, for so long as Franchisee offers any analog programming on the basic service tier, Franchisee will also continue to offer channel 7 in analog format. Franchisee shall provide written advance notice of any change of location of channel 7 and shall take reasonable measures to ensure that schools, libraries and municipal buildings receiving free cable service under the Franchise can view channel 7 at no additional cost. If the City approves the fee specified in paragraph 2.6, no later than September 1, 2011 Franchisee shall, at no cost to the City provide transport to support

transmissions in multiple formats , including high definition, to and from City to the City's PEG playback/control center, and from the Yellowstone County Courthouse to PEG playback/control center.

**2.8. Connectivity To The 9-1-1 Center.** By March 1st, 2011, Franchisee will provide a written estimate to the City to construct a dedicated fiber optic connection to connect the Billings City Hall and the City's 9-1-1 Emergency Services center located at the corner of 9<sup>th</sup> St. & 23<sup>rd</sup> St., according to reasonable, ordinary and usual user requirements to be provided by the City and at least sufficient to provide backup and redundancy services. The estimate will be at no cost to the City. Upon the City's request, during the term of the Franchise, Franchisee will construct and maintain the fiber optic connection described above and offer broadband Ethernet connectivity between these locations, both at City's cost. Once installed, the equipment and fibers necessary to establish the connection described above shall be the property of the City.

**2.9 Service to the Water Treatment Facility.** By January 1, 2011, Franchisee shall provide the City a written estimate of the cost to the City of extending a dedicated fiber connection to connect Billings City Hall to the City's water treatment facility located at 2251 Belknap Avenue and, thereafter, within ninety days of receipt of the City's request, shall construct the connection as requested (at the City's cost). Once installed, the equipment and necessary to establish the connection described above shall be the property of the City.

**2.10 Rates.** Consummation of the Transaction, as defined herein, will not cause an increase in cable rates, and the Companies are not planning to increase rates based upon the amount paid in connection with the Change of Control of the system serving Billings subscribers or any other system that is being purchased as part of the Transaction. However, nothing in this paragraph shall be construed as a waiver of Franchisee's notice obligations under the Franchise or other applicable or of the City's or the Companies' rights under applicable rate regulation law.

**2.11 No waiver.** Except as specifically provided herein, no party waives any right or claim it may have under applicable law. The City waives none of its rights with respect to Franchisee's compliance with the requirements set forth in the Franchise. At no time will the Companies contend, either directly or indirectly, that the City is barred, by reason of the Transaction or approval of the Change of Control, from considering, or raising claims based on, any defaults of Franchisee or any failure by Franchisee to comply with the terms and conditions of the Franchise or with applicable law.

**2.12 Effective Date/Time for Consideration.** Provided the City adopts a resolution approving change of control substantially in the form attached as exhibit A, this agreement shall be effective upon signature by all the signatories. The parties agree that provided the City adopts a resolution in the form attached hereto, the City's action shall be treated as within any deadline established by federal law.

**2.13 Renewal.** The Companies agree that in any renewal proceeding, Franchisee shall meet the reasonable future cable-related community needs and interests of the City, taking into account the costs of meeting such needs and interests, and that Franchisee shall not claim that any merger-related expenses preclude it from meeting such cable-related needs and interests.

**2.14 Binding acceptance.** After this Agreement has become effective pursuant to Section 2.11, and with respect to the Franchise, after consummation of the Change of Control, this Agreement and the Franchise (for its remaining term) shall bind and benefit the parties hereto and their respective heirs, beneficiaries, administrators, executors, receivers, trustees, lawful transferees, successors and assigns. The promises and obligations shall survive the expiration or termination of this Agreement.

**2.15 Breach.** Any breach of this Transfer Agreement shall be subject to any and all available remedies at law or equity.

**SECTION 3. Miscellaneous.** If any term, condition, or provision of this Agreement shall, to any extent, be held to be invalid, preempted, or unenforceable, the remainder hereof shall be valid in all other respects and continue to be effective. This Agreement may be executed in several counterparts and shall be governed in all respects by the law of the State of Montana.

AGREED TO THIS \_\_\_ DAY OF 2010

BRESNAN COMMUNICATIONS, LLC

CSC HOLDINGS, LLC

BY: \_\_\_\_\_

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

ITS: \_\_\_\_\_

CITY OF BILLINGS, MT

BY: \_\_\_\_\_

ITS: \_\_\_\_\_