

ORDINANCE NO. 99-1

AN ORDINANCE APPROVING AN ASSIGNMENT OF THE CABLE TELEVISION FRANCHISE FROM MIDCONTINENT CABLE SYSTEMS CO. OF NORTH DAKOTA TO MIDCONTINENT COMMUNICATIONS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HEBRON, MORTON COUNTY, NORTH DAKOTA, AS FOLLOWS:

WHEREAS, Midcontinent Cable Systems Co. of North Dakota ("Franchisee") owns, operates, and maintains a cable television system ("System") in the City of Hebron ("Franchising Authority") pursuant to a cable television franchise (the "Franchise") and Franchisee is the current authorized holder of the Franchise (see Hebron City Ordinance No. 88-1); and

WHEREAS, Franchisee and Midcontinent Communications ("Transferee") are parties to an Asset Contribution Agreement, pursuant to which the System and the Franchise ultimately will be transferred to Transferee ("Transaction"); and

WHEREAS, pursuant to the proposed Transaction, Franchisee and various affiliated entities (the "TCI Parties" or "MCC Parties") which own and operate cable television systems will first take certain internal restructuring steps, including contribution of certain cable system assets (including franchises), to TCI Midcontinent, LLC ("TCI LLC") or Midcontinent Communications Investor, LLC ("MCI LLC"). As part of the Transaction, TCI LLC or MCI LLC will then contribute assets relating to such Systems and related obligations to Transferee which will hold the Franchise and will own and operate the System; and

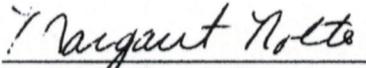
WHEREAS, Franchisee and Transferee have requested consent by the Franchise Authority to the Transaction in accordance with the requirements of the Franchise and have filed a complete FCC Form 394 with the Franchise Authority; and

WHEREAS, the Franchise authority has investigated the qualifications of Transferee and finds it to be a suitable Transferee;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF HEBRON AS FOLLOWS:

that accrue on and after the Closing Date; provided that Transferee will be responsible for any obligations and liabilities under the Franchise that accrue on and after the Closing Date.

Section 7: This Ordinance will have the force of a continuing agreement with Transferee, and Franchise Authority will not amend or otherwise alter this Ordinance without the consent of Transferee.


MARGARET NOLTE, Mayor

ATTEST:


STACEY G. REBEL, City Auditor

Introduction and First Reading: November 1, 1999

Second Reading and Final Passage: December 6, 1999

Publication Hearing: Not Required

Publication Date: Not Required

- Section 1: The Franchise Authority consents to the Transaction, and any intermediate assignment of the Franchise to an affiliate of Franchisee as necessary to effect the Transaction, in accordance with the terms of the Franchise.
- Section 2: The transfer and assignment of the Franchise to Midcontinent Communications and the assumption by Midcontinent Communications of the obligations of Franchisee under the Franchise which accrue from and after the Closing Date shall be contingent upon and take effect only on the Closing Date.
- Section 3: The Franchise Authority confirms that (a) the Franchise was properly granted or transferred to Franchisee, (b) the Franchise is currently in full force and effect subject to options in the Franchise, if any, to extend such term, (c) the Franchise supersedes all other agreements between the Franchise Authority and the Franchisee, (d) the Franchise represents the entire understanding of the Franchise Authority and the Franchisee and Franchisee has no obligations to the Franchise Authority other than those specifically stated in the Franchise, and (e) Franchisee is materially in compliance with the provisions of the Franchise and to the knowledge of the Franchise Authority, no fact or circumstance exists which constitutes or which, with the passage of time or the giving of notice or both, would constitute a material default or breach under the Franchise or would allow the Franchise Authority to cancel or terminate the rights under the Franchise.
- Section 4: Midcontinent Communications may transfer and assign the Franchise or control related thereto to any entity, directly or indirectly, owned or controlled by, controlling or under common control by Transferee, upon notice to the Franchising Authority of any such transfer, the Franchising Authority hereby consents to and approves the assignment, mortgage, pledge or other encumbrance, if any, of the Franchise, System, or assets relating thereto, or the interests in the permitted holder thereof, as collateral for a loan.
- Section 5: This Ordinance shall be deemed effective as of the date of its passage.
- Section 6: This Franchise Authority releases Franchisee, effective upon the Closing Date, from all obligations and liabilities under the Franchise