

City of Philadelphia



(Bill No. 050858)

AN ORDINANCE

Consenting to the transfer of control of the Area II cable television franchise from Urban Cable Works of Pennsylvania, LLC to Time Warner Cable Inc., and to the transfer and assignment of the Area II cable television franchise from Urban Cable Works of Philadelphia, L.P. to Time Warner Cable Inc., both under certain terms and conditions.

WHEREAS, Urban Cable Works of Philadelphia, L.P., a Delaware limited partnership (“Urban Cable”), is the cable television franchisee in Area II of the City of Philadelphia, pursuant to a transfer of the Area II franchise from Wade Communications Partnership, d/b/a Wade Cablevision, to which the City consented by ordinance (Bill No. 990842, approved December 16, 1999); and

WHEREAS, Urban Cable is a Delaware limited partnership formed on or about June 3, 1999 by Wade Communications Partnership, a Pennsylvania general partnership and a subsidiary of Time Warner Inc. which holds both a two per cent general partnership interest and a 38 per cent limited partnership interest in Urban Cable; Urban Cable Works General, LLC, a Delaware limited liability company which holds a three per cent general partnership interest in Urban Cable and is ultimately controlled by Inner City Broadcasting Corporation (“Inner City”), a privately held New York corporation); and Urban Cable Works of Pennsylvania, LLC, a Delaware limited liability company which holds a 57 per cent limited partnership interest in Urban Cable and also is ultimately controlled by Inner City; and

WHEREAS, Urban Cable currently operates the Area II Franchise pursuant to an assignment to and assumption by Urban Cable of a Franchise Renewal Agreement (the

City of Philadelphia

BILL NO. 050858 continued

Certified Copy

"Area II Franchise Agreement") which was executed on December 21, 1999 by the City as Franchisor and Wade Communications Partnership, d/b/a Wade Cablevision, as Franchisee, as approved by Bill No. 990843 approved December 16, 1999; and

WHEREAS, Urban Cable as a condition to the City of Philadelphia consent to the transfer of the Area II franchise to Urban Cable from Wade Communications Partnership also entered into an Assumption Agreement with the City of Philadelphia dated December 21, 1999 (the "Assumption Agreement"), as well as a Supporting Agreement with the City of Philadelphia dated December 21, 1999 (the "Supporting Agreement") which was Exhibit A to the Assumption Agreement; and

WHEREAS, Time Warner Cable, a division of Time Warner Entertainment Company, L.P., a Delaware limited partnership and a subsidiary of Time Warner Inc., currently manages the Area II franchise for Urban Cable pursuant to a Management Agreement dated as of June 3, 1999 between Urban Cable and Time Warner Cable; and

WHEREAS, under the terms of the Area II Franchise Agreement, the Area II franchise terminates as of August 12, 2015; and

WHEREAS, Time Warner Cable Inc., a Delaware company and a majority owned subsidiary of Time Warner Inc. ("TW Cable"), entered into a Purchase Agreement dated as of June 30, 2004 with Urban Cable Works General, LLC and Urban Cable Works of Pennsylvania, LLC, as general and limited partners, respectively, of Urban Cable (the "Purchase Agreement"), a redacted form of which is attached as Exhibit A, whereby Urban Cable Works General, LLC and Urban Cable Works of Pennsylvania, LLC will sell and transfer their partnership interests in Urban Cable to TW Cable, pursuant to the

City of Philadelphia

BILL NO. 050858 continued

Certified Copy

terms of such Purchase Agreement, including the condition that consent of the City of Philadelphia as franchise authority be obtained (such sale and transfer of partnership interests is hereinafter referred to as the “Change of Control”); and

WHEREAS, TW Cable following the Change of Control intends to enter into an Agreement and Plan of Merger with Urban Cable (the “Merger Agreement”), a form of which is attached as Exhibit B, whereby Urban Cable will be merged with and into TW Cable, which will be the surviving entity, in accordance with the terms of the Merger Agreement and Delaware law, and all property rights and franchises of Urban Cable will vest in TW Cable and all debts, liabilities and duties of Urban Cable will become the debts, liabilities and duties of TW Cable (the merger and the transfer of assets and assumption of liabilities is hereinafter referred to as the “Merger”); and

WHEREAS, it is intended that TW Cable will become the franchisee for Area II effective upon the Change of Control and the Merger, that it will assume and be bound by all provisions, terms, and conditions of the Area II Franchise Agreement including any amendments thereto, the Assumption Agreement, and the Supporting Agreement; and

WHEREAS, TW Cable commits that it will assume and be bound by all of the provisions, terms and conditions of the Area II Franchise Agreement, the Assumption Agreement, and the Supporting Agreement; and

WHEREAS, Urban Cable and Urban Cable Works of Pennsylvania, LLC seek the consent of the City for the transfer of control of the Area II franchise and the transfer of the Area II franchise and all interests therein to TW Cable; and

City of Philadelphia

BILL NO. 050858 continued

Certified Copy

WHEREAS, Article II, Section 10 of the Area II Franchise Agreement requires that the franchisee obtain the consent of the City by ordinance prior to the transfer of control of the franchise or transfer of the franchise or any interest therein; and

WHEREAS, The Change of Control and the Merger are events requiring the consent of the City by ordinance pursuant to Article II, Section 10 of the Area II Franchise Agreement; and

WHEREAS, Article II, Sections 10.c and 10.d of the Area II Franchise Agreement require Urban Cable to demonstrate the character and financial qualifications of the proposed new franchisee TW Cable, and Urban Cable and TW Cable have submitted documents so demonstrating, now, therefore,

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. City Council hereby consents, pursuant to Article II, Section 10 of the Area II Franchise Renewal Agreement (approved by Bill No. 990843, approved December 16, 1999) to the transfer of control of the Area II Franchisee Urban Cable Works of Philadelphia, L.P. (“Urban Cable”) from Urban Cable Works of Pennsylvania, LLC to Time Warner Cable Inc. (“TW Cable”), pursuant to the Purchase Agreement dated as of June 30, 2004 among TW Cable, Urban Cable Works General, LLC and Urban Cable Works of Pennsylvania, LLC, a redacted copy of which is attached hereto as Exhibit “A,” and also to the assignment and transfer of the Area II Franchise from Urban Cable to TW Cable, pursuant to an Agreement and Plan of Merger, a form of which is attached hereto as Exhibit “B,” by which two transactions TW Cable will first purchase the partnership interests in Urban Cable which Time Warner Inc. does not currently

City of Philadelphia

BILL NO. 050858 continued

Certified Copy

control, and then will merge Urban Cable into TW Cable, and transfer to TW Cable the interests and obligations pursuant to the Area II Franchise Agreement and all amendments thereto, the Assumption Agreement and the Supporting Agreement, provided TW Cable executes an agreement substantially in the form attached hereto as Exhibit "C," with such additions, deletions and changes as the City Solicitor deems appropriate, to accomplish the undertaking by TW Cable that it will assume and be bound by all of the provisions, terms and conditions of the Area II Franchise Agreement and all amendments thereto, the Assumption Agreement and the Supporting Agreement, and all applicable federal, state and local laws and regulations; and will be primarily liable under the Area II Franchise Agreement and all amendments thereto, the Assumption Agreement and the Supporting Agreement, and all such laws and regulations.

SECTION 2. The Chief Clerk of City Council shall keep all Exhibits to this ordinance on file and make them available to the public for inspection and copying during regular office hours.

Consent to Transfer of Area II Cable Franchise
To Time Warner Cable Inc.

City of Philadelphia

BILL NO. 050858 continued

Certified Copy

CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on November 17, 2005. The Bill was Signed by the Mayor on November 21, 2005.



Patricia Rafferty
Chief Clerk of the City Council