

ASSUMPTION AGREEMENT
OF TIME WARNER NY CABLE LLC

THIS ASSUMPTION AGREEMENT, (hereafter "Assumption Agreement"), is made and entered into this ____ day of _____, 2006, by and between the City of Philadelphia (the "City" or "Franchising Authority"), acting through its Department of Public Property, and Time Warner NY Cable LLC, a Delaware limited liability company ("TWNYY" or the "Transferee") and wholly-owned subsidiary of Time Warner Cable Inc., a Delaware corporation ("TW Cable").

WHEREAS, Time Warner Cable Inc., a Delaware corporation and subsidiary of Time Warner Inc. ("TW Cable"), is the cable television franchisee in Area II of the City of Philadelphia ("Area II Franchise"), pursuant to a transfer of the Area II Franchise from Urban Cable Works of Philadelphia, L.P. ("Urban Cable"), to which the City consented by ordinance (Bill No. 050858, approved November 21, 2005); and

WHEREAS, TW Cable currently operates the Area II Franchise pursuant to an assignment to and an assumption by TW Cable of a Franchise Renewal Agreement (the "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 which Franchise Agreement was assigned to Urban Cable in 1999 with the City's consent by ordinance (Bill No. 990842, approved November 16, 1999) and further assigned to TW Cable in 2005 with the City's consent by ordinance (Bill No. 050858, approved November 21, 2005); and

WHEREAS, Urban Cable as a condition to the City's consent to the 1999 transfer of the Area II Franchise also entered into an Assumption Agreement with the City dated December 21, 1999 (the "1999 Assumption Agreement"), as well as a Supporting

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to Time Warner NY Cable LLC Draft5-9-06

Agreement with the City dated December 21, 1999 (the “Supporting Agreement”) which was Exhibit A to the 1999 Assumption Agreement; and

WHEREAS, TW Cable as a condition to the City’s consent to the 2005 transfer of the Area II Franchise also entered into an Assumption Agreement with the City dated December 2, 2005 (the “2005 Assumption Agreement”); and

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

WHEREAS, TW Cable and TWNY entered into an Agreement of Contribution, Bill of Sale and Assignment and Instrument of Assumption dated as of April 20, 2005 (the “Contribution Agreement”), whereby TW Cable agreed to transfer to TWNY, and TWNY agreed to accept, all rights to operate the cable television system in Area II and all rights pursuant to the Franchise Agreement, and TWNY agreed to assume all liabilities and obligations of TW Cable related to the Franchise Agreement, pursuant to the terms of such Contribution Agreement, including the condition that consent of the City as franchise authority be obtained (such transfer of assets, rights, liabilities and obligations is hereinafter referred to as the “TWNY Assignment”); and

WHEREAS, it is intended that TWNY will become the franchisee for Area II effective upon the TWNY Assignment, and that TWNY will assume and be bound by all provisions, terms, and conditions of the Franchise Agreement and all amendments thereto, including but not limited to the 1999 Assumption Agreement, the 2005 Assumption Agreement, and the Supporting Agreement; and

WHEREAS, TWNY commits that it will assume and be bound by all of the provisions, terms and conditions of the Franchise Agreement and any amendments thereto, including but

not limited to , the 1999 Assumption Agreement, the 2005 Assumption Agreement, and the Supporting Agreement; and

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

WHEREAS, the TWNY Assignment is an event requiring the consent of the City by ordinance pursuant to Article II, Section 10 of the Franchise Agreement; and

WHEREAS, the City has adopted on _____, 2006 an Ordinance (Bill No. _____) providing the consent of the City Council to the transfer of the Area II Franchise from TW Cable to TWNY, conditioned upon the execution of an Assumption Agreement by TWNY.

NOW, THEREFORE, in consideration of the foregoing recitals and the promises, covenants and conditions contained herein, the parties, intending to be legally bound hereby, agree as follows:

1. The City hereby consents to assignment from TW Cable to TWNY of all interests of TW Cable in the Area II Franchise and pursuant to the Franchise Agreement as amended, conditioned upon the terms and conditions of Section 2 below.

2. TWNY hereby agrees to assume and be bound by all of the provisions, terms and conditions of the Franchise Agreement and those certain agreements, understandings, modifications and amendments related thereto, including but not limited to the 1999 Assumption Agreement, the 2005 Assumption Agreement and the Supporting Agreement (collectively, the “Franchise Agreement as Amended”); and the representations and commitments of TW Cable, TWNY and/or Time Warner in the Federal Communications Commission Section 394 submission to the City providing formal notification of the intended transfer of ownership of the Area II Franchise to TWNY, and in the responses of

TW Cable, TWNY and/or Time Warner to the City's February 10, 2006 and April 13, 2006 Requests for Additional Information, transmitted to the City February 21, 2006 and April 24, 2006; and to be bound by all applicable federal, state and local laws and regulations. From and after the Effective Date as defined in the Contribution Agreement, TWNY agrees to be primarily liable and obligated under the Franchise Agreement as Amended, and all such laws and regulations.

3. TWNY shall be in full material compliance with all terms and conditions of the Franchise Agreement as Amended or shall pay to the City liquidated damages as provided in the Franchise Agreement, or, in the case of the terms and conditions of the 1999 Assumption Agreement, the 2005 Assumption Agreement and Supporting Agreement, liquidated damages of two hundred and fifty dollars (\$250.00) per day for each day that such noncompliance continues and for each breach of such terms and conditions, and shall be subject to all other applicable remedies provided by the Franchise Agreement. Any imposition of liquidated damages with respect to the terms and conditions of the 1999 Assumption Agreement, the 2005 Assumption Agreement or Supporting Agreement shall be in accordance with the procedural requirements of the Franchise Agreement with respect to liquidated damages. This Section 3 is hereby incorporated in and made a part of the Franchise Agreement.

4. TWNY shall submit to the City, not later than December 15, 2006, an updated revision of the Fifteen Year Projections attached as Exhibit B to the Supporting Agreement, unless TWNY has further assigned the Area II Franchise by such date. The revised projections shall provide (i) actual figures for years 2000 through 2005 in each reporting category (except as reasonably agreed otherwise by the parties); (ii) projections for years 2006 and 2007 in all reporting categories (except as reasonably agreed otherwise by the parties), including, but not limited to, operating and capital budgetary projections for years 2006 and 2007; and (iii) further detail in the Capital Expenditures and Investment reporting category by identifying, in separate line items, projections for investments and projections for capital expenditures for head end equipment, distribution plant, subscriber equipment and other capital expenditures. TWNY shall submit such revised projections each year so

long as it continues to be the franchisee of the Area II Franchise, providing actual figures in each reporting category (except as reasonably agreed otherwise by the parties), for the preceding five (5) years, and projections in each reporting category for the upcoming year, including, but not limited to, operating and capital budgetary projections for the upcoming year. Such revised projections shall be subject to the confidentiality provisions of Article II, Section 11 of the Franchise Agreement. This Section 4 is hereby incorporated in and made a part of the Franchise Agreement.

5. TWNY shall comply with the terms and conditions set forth for TW Cable in Attachment A to the 2005 Assumption Agreement. In the event TWNY fails to comply with any such terms and conditions, TWNY shall pay to the City liquidated damages of two hundred and fifty dollars (\$250.00) per day for each day that such noncompliance continues and for each breach of such terms and conditions, and shall be subject to all other applicable remedies provided by the Franchise Agreement. Any imposition of liquidated damages pursuant to this Section 5 shall be in accordance with the procedural requirements of the Franchise Agreement with respect to liquidated damages. This Section 5 and the terms and conditions set forth in Attachment A are hereby incorporated in and made a part of the Franchise Agreement.

6. The City confirms that the Franchise Agreement is in full force and effect.

7. The consent granted herein shall become effective as of the Effective Date. TWNY shall provide the City with written notice of the Effective Date within three business days thereof.

8. This Assumption Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement. This Assumption Agreement shall become effective upon, but only upon, its execution by both parties.

9. This Assumption Agreement shall be governed by and construed in strict accordance with the laws of the Commonwealth of Pennsylvania and the applicable laws of the United States of America.

10. This Assumption Agreement may be amended only by an instrument in writing executed by both parties hereto.

11. The provisions of this Assumption Agreement shall be severable. If any provision of the Assumption Agreement or the application thereof for any reason or circumstances shall to any extent be held to be invalid or unenforceable, the remaining provisions of the Assumption Agreement or the application of such provision to persons or entities other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of the Assumption Agreement shall be valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, the City and TWNY have caused this Assumption Agreement to be duly executed by its authorized officers as of the day and year first above written.

THE CITY OF PHILADELPHIA

Approved as to Form
Romulo L. Diaz, Jr.,
City Solicitor

Joan Schlotterbeck
Commissioner,
Department of Public Property

Per: _____
Senior Attorney

TIME WARNER NY CABLE LLC

Seal

By: _____
Office: _____
Attest: _____