

INTRODUCTION

This report has been provided by Moss & Barnett, a Professional Association, for the express purpose of evaluating FCC Form 394 ("Form 394") - Application for Franchise Authority Consent to Assignment or Transfer of Control of Cable Television Franchise ("Application").

Moss & Barnett has been retained by a number of jurisdictions including the City (hereinafter collectively referred to as "City" or "Cities") to review the Application.

Pursuant to each jurisdiction's Franchise, this proposed transfer is prohibited without the written consent of the City. Federal law provides the City with a period of 120 days to examine the legal, technical and financial qualifications of the proposed transferee. The Cities have directed that this report shall focus solely on the financial qualifications of Charter Communications, Inc. as more fully described herein. In addition to local franchise requirements, the following provisions of Federal law and State law govern the actions of the City in acting on the request for approval of the proposed transfer.

FEDERAL LAW

The Cable Communications Policy Act of 1984, as amended by the Cable Consumer Protection and Competition Act of 1992 and the Telecommunications Act of 1996 ("Cable Act"), provides at Section 617 (47 U.S.C. § 537):

Sales of Cable Systems. A franchising authority shall, if the franchise requires franchising authority approval of a sale or transfer, have 120 days to act upon any request for approval of such sale or transfer that contains or is accompanied by such information as is required in accordance with Commission regulations and by the franchising authority. If the franchising authority fails to render a final decision on the request within 120 days, such request shall be deemed granted unless the requesting party and the franchising authority agree to an extension of time.

Further, the Federal Communications Commission ("FCC") has promulgated regulations governing the sale of cable systems. Section 76.502 of the FCC's regulations (47 C.F.R. § 76.502) provides:

Time Limits Applicable to Franchise Authority Consideration of Transfer Applications.

(a) A franchise authority shall have 120 days from the date of submission of a completed FCC Form 394, together with all exhibits, and any additional information required by the terms of the franchise agreement or applicable state or local law to act upon an application to sell, assign, or otherwise transfer controlling ownership of a cable system.

(b) *A franchise authority that questions the accuracy of the information provided under paragraph (a) must notify the cable operator within 30 days of the filing of such information, or such information shall be deemed accepted, unless the cable operator has failed to provide any additional information reasonably requested by the franchise authority within 10 days of such request.*

(c) *If the franchise authority fails to act upon such transfer request within 120 days, such request shall be deemed granted unless the franchise authority and the requesting party otherwise agree to an extension of time.*

STATE LAW

Minnesota Statutes Section 238.083 provides:

Sale or Transfer of Franchise.

Subd. 1. Fundamental corporate change defined. *For purposes of this section, "fundamental corporate change" means the sale or transfer of a majority of a corporation's assets; merger, including a parent and its subsidiary corporation; consolidation; or creation of a subsidiary corporation.*

Subd. 2. Written approval of franchising authority. *A sale or transfer of a franchise, including a sale or transfer by means of a fundamental corporate change, requires the written approval of the franchising authority. The parties to the sale or transfer of a franchise shall make a written request to the franchising authority for its approval of the sale or transfer.*

Subd. 3. Repealed, 2004 c 261 art 7 s 29

Subd. 4. Approval or denial of transfer request. *The franchising authority shall approve or deny in writing the sale or transfer request. The approval must not be unreasonably withheld.*

Subd. 5. Repealed, 2004 c 261 art 7 s 29

Subd. 6. Transfer of stock; controlling interest defined. *Sale or transfer of stock in a corporation so as to create a new controlling interest in a cable communication system is subject to the requirements of this section.*

The term "controlling interest" as used herein is not limited to majority stock ownership, but includes actual working control in whatever manner exercised.

FINANCIAL QUALIFICATIONS

I. SCOPE OF REVIEW

Charter Communications, Inc., a Delaware corporation (“Charter”), is the ultimate parent company of the current holder of the cable television franchises (hereinafter referred to as the “Franchise Agreement”) granted by the Cities (collectively referred to herein as the “City”). Under the Franchise Agreement, Charter, through its subsidiaries, operates cable television systems (the “System”) that provide cable services and other communication services in the City. Charter has requested the City’s approval of the proposed pro forma transfer of control of Charter to CCH I, LLC, a Delaware limited liability company (“New Charter”), as part of the acquisition by New Charter of the cable systems owned and operated by Bright House Networks, LLC (“BHN”) and Time Warner Cable Inc. (“TWC”).

At the request of the City, Moss & Barnett, PA has reviewed selected financial information that was provided by Charter and New Charter or publicly available to assess the financial qualifications of New Charter, as a new publicly traded entity, following completion of the proposed transfer of control and the acquisition of the TWC and BHN cable systems.

The financial information that was provided or available through other public sources and to which our review has been limited, consists solely of the following financial information (hereinafter referred to collectively as the “Financial Statements”):

1. FCC Form 394 “Application for Franchise Authority Consent to Assignment or Transfer of Control of Cable Television Franchise” dated July 1, 2015, provided by Charter Communications, Inc. (the “Application”), along with such other exhibits as provided therewith;
2. Form 10-K for Charter Communications, Inc. filed with the Securities and Exchange Commission on February 24, 2015, for the fiscal year ended December 31, 2014;
3. Form 8-K for Charter Communications, Inc. filed with the Securities and Exchange Commission on March 31, 2015 that includes the Contribution Agreement dated March 31, 2015 by which Charter would acquire the BHN cable systems;
4. Form 8-K for Charter Communications, Inc. filed with the Securities and Exchange Commission on May 23, 2015 that includes the Agreement and Plan of Mergers under which Charter will acquire the TWC cable systems;
5. Form 10-Q for Time Warner Cable Inc. filed with the Securities and Exchange Commission on July 30, 2015 for the fiscal quarter and six-month period ended June 30, 2015;
6. Form 10-Q for Charter Communications, Inc. filed with the Securities and Exchange Commission on August 4, 2015 for the fiscal quarter and six-month period ended June 30, 2015;
7. The audited financial statements of Charter Communications, Inc. and subsidiaries as of December 31, 2014 and 2013, including Consolidated Balance Sheets as of December 31, 2014 and 2013, Consolidated Statements of Operations, Cash Flows and Change

in Shareholders' Equity for the years ended December 31, 2014, 2013 and 2012, and the Independent Auditors' Report of KPMG LLP dated February 23, 2015;

8. The Agreement and Plan of Mergers dated May 23, 2015 by and among Time Warner Cable Inc.; Charter Communications, Inc.; CCH I, LLC; Nina Corporation I, Inc.; Nina Company II, LLC; and Nina Company III, LLC and related transaction documents (the "Agreement and Plan of Mergers");

9. The Contribution Agreement dated March 31, 2015, as amended on May 23, 2015, by and among Advance/Newhouse Partnership; A/NPC Holdings LLC; CCH I, LLC; and Charter Communications Holdings, LLC (a subsidiary of Charter Communications, Inc.)(the "Contribution Agreement");

10. The Investment Agreement dated May 23, 2015 by and among Charter Communications, Inc., CCH I, LLC, and Liberty Broadband Corporation; and

11. Such other information as is publicly available.

Our procedure is limited to providing a summary of our analysis of the Financial Statements in order to facilitate the City's assessment of the financial capabilities of New Charter to control and operate the System in the City. We have not requested any additional financial information from Charter other than what is available publicly due to Federal securities regulations that restrict financial information disclosures by public companies.

II. OVERVIEW OF TRANSACTION

On March 31, 2015, Charter entered into a Contribution Agreement to acquire the BHN membership interests and cable business.¹ On May 23, 2015, this Contribution Agreement was amended to integrate the BHN transaction into Charter's acquisition of the TWC cable business.² Under the BHN transaction, the Charter acquisition price includes approximately \$2 billion in cash, \$2.5 billion of preferred Charter ownership that includes a 6% coupon return for its owners and upon completion of the transactions, approximately 34.3 million shares of New Charter common stock with an estimated value of approximately \$6 billion.³

On May 23, 2015, Charter entered into the Agreement and Plan of Mergers pursuant to which Charter agreed to acquire the cable assets of TWC through a series of merger transactions.⁴ Upon completion of the mergers, New Charter will become a new publicly traded entity and wholly own the TWC and Charter cable business systems.⁵ As a result of the merger, the TWC shareholders will receive cash in an amount between \$100 and \$115 per TWC common share and New Charter common stock, except for the TWC stock owned by Liberty Broadband

¹ Form 8-K for Charter Communications, Inc. filed with the Securities and Exchange Commission on March 31, 2015 ("March Form 8-K") at p. 1.

² Form 8-K for Charter Communications, Inc. filed with the Securities and Exchange Commission on May 23, 2015 ("May Form 8-K") at p. 1.

³ Form 10-Q for Charter Communications, Inc. filed with the Securities and Exchange Commission on August 4, 2015 for the fiscal quarter and six-month period ended June 30, 2015 ("Form 10-Q") at p. 5.

⁴ May Form 8-K at p. 1.

⁵ Form 10-Q at p. 4.

Corporation and Liberty Interactive Corporation whose TWC shares will be converted fully into New Charter stock.⁶ The aggregate enterprise value of TWC is projected to be approximately \$79 billion.⁷

As part of the above merger and acquisition transactions, Charter, the ultimately parent company of the holder of the System serving the City, will use its subsidiary, CCH I, LLC, as defined herein as New Charter to facilitate the transactions.⁸ Upon consummation of the transactions, Charter will merge with and into New Charter creating a pro forma change of control of the System serving the City for which Charter is seeking the City's approval.⁹

In order to complete the transactions, Charter will need a significant amount of cash. Charter estimates, at a minimum, that approximately \$30 billion of cash will be needed to complete the transactions as set forth above.¹⁰ Charter's sources of cash include (i) \$4.3 billion from Liberty Broadband Corporation through the issuance of New Charter stock, (ii) \$15.5 billion of senior secured notes, (iii) \$3.8 billion of senior secured bank loans, (iv) \$5.2 billion for incremental senior secured term loan facilities and unsecured notes, (v) \$1.7 billion from a revolving loan facility and (vi) commitments for an additional \$4.3 billion bridge loan facility, if necessary.¹¹ New Charter's \$15.5 billion senior secured notes mature starting in 2020 and ending in 2055 and bear interest between 3.579% and 6.834%.¹² In total the credit facilities, if fully extended, would provide almost \$35 billion of cash. In addition, as part of the transactions, New Charter will be assuming approximately \$23 billion of TWC debt, which is in addition to Charter's \$13.9 billion of long-term debt as of June 30, 2015.¹³

This transaction is subject to many conditions including federal regulatory approval, performance covenants, legal and tax opinions, and other requirements of the parties that are common for a transaction of this type and size.¹⁴ Both TWC and Charter are subject to termination fees of \$1 billion to \$2 billion upon the termination of the Agreement and Plan of Mergers under certain circumstances.¹⁵

As a result of the transactions described above, Charter's current shareholders, who include Liberty Broadband Corporation and Berkshire Hathaway, Inc., which own 25.74% and 5.53% of the Charter's Class A Common stock, respectively, will continue to own a majority of

⁶ Id.

⁷ Id.

⁸ FCC Form 394 "Application for Franchise Authority Consent to Assignment or Transfer of Control of Cable Television Franchise" dated July 1, 2015, provided by Charter Communications, Inc. (the "Application") at Exhibit 1.

⁹ Id.

¹⁰ Form 10-Q at p. 25.

¹¹ Form 10-Q at p. 5.

¹² Charter Communications, Inc. Press Release – July 23, 2015.

¹³ Form 10-Q at p. 1 and Form 10-Q for Time Warner Cable Inc. filed with the Securities and Exchange Commission on July 30, 2015 for the fiscal quarter and six-month period ended June 30, 2015 at p. 22.

¹⁴ Agreement and Plan of Mergers dated May 23, 2015 by and among Time Warner Cable Inc.; Charter Communications, Inc.; CCH I, LLC; Nina Corporation I, Inc.; Nina Company II, LLC; and Nina Company III, LLC at pp. 94 -97.

¹⁵ Id. at p. 100.

the outstanding equity interests of New Charter.¹⁶ BHN owners and the TWC shareholders will own a minority interest in New Charter after the transactions.¹⁷

The transactions are expected to close in late 2015.¹⁸

III. OVERVIEW OF CHARTER AND NEW CHARTER

At the current time, Charter Communications, Inc. provides full service communications and cable services, along with other video programming, Internet services, and voice services to residential and commercial customers in certain markets in the United States and is the 7th largest cable provider in the United States.¹⁹ Charter currently has over 4.2 million residential cable subscribers and operates in 28 states with over 23,500 employees.²⁰

New Charter was formed on June 9, 2003 as a Delaware limited liability company.²¹ After the transactions, New Charter will assume all of Charter's existing business and acquire the TWC and BHN communication businesses.²² After the transactions, it is projected that New Charter will be the 3rd largest cable provider in the United States.²³ New Charter's cable system will include approximately 17.3 million video customers located in 41 states in the United States.²⁴

Cable providers and telecommunication companies operate in a competitive environment and the financial performance of cable television operators, like New Charter, are subject to many factors, including, but not limited to, the general business conditions, programing costs, incumbent operators, digital broadcast satellite service, technology advancements, burdensome service contracts, and customer preferences, as well as competition from multiple sources, which provide and distribute programming, information, news, entertainment and other telecommunication services.²⁵ New Charter has no operating history as a stand-alone company. New Charter, as a result of the transaction, will be a highly leveraged company, which may reduce its ability to withstand prolonged adverse business conditions and there is no assurance that New Charter will be able to obtain financing in the future to cover its cash flow and debt financing needs.²⁶ The cable business is inherently capital intensive, requiring capital for the construction and maintenance of its communications systems. Each of these factors could have a significant financial impact on New Charter and its ability to continue to operate the System.

¹⁶ Application at Exhibit 3.

¹⁷ Id. at July 1, 2015 Cover Letter from Adam E. Falk, Senior Vice President, State Government Affairs, Charter Communications, Inc.

¹⁸ Press Release of Time Warner Cable Inc. dated May 26, 2015.

¹⁹ Application at Exhibit 9.

²⁰ Id.

²¹ Application at p. 3.

²² Form 10-Q at p. 4-5.

²³ Application at Exhibit 1.

²⁴ Id.

²⁵ Form 10-K for Charter Communications, Inc. filed with the Securities and Exchange Commission on February 24, 2015, for the fiscal year ended December 31, 2014 at pp. 19-25

²⁶ Form 10-Q at pp. 5, 8-9.

V. FINDINGS

As part of our review, we have analyzed the Financial Statements, including the historical financial statements of Charter. New Charter did not provide us with projected statements of cash flow and income or a balance sheet for the combined Charter/TWC/BHN operations. The historical audited financial statements do not include transaction costs and ongoing additional costs and synergies of the new New Charter operation, including the new debt and the assets and operations of TWC and BHN.

Since New Charter combined and projected financial statements are not available, we are reporting our Findings hereunder based upon Charter's historical information with some comments regarding certain known financial aspects of New Charter.

1. **Analysis of Financial Statements.** Federal law and FCC regulations provide franchising authorities, such as the City, with limited guidance concerning the evaluation of the financial qualifications of an applicant for a cable franchise. In evaluating the financial capabilities of a cable operator, we believe it is appropriate to consider the performance of an applicant based on the applicant's historical performance plus its projected or budgeted financial information along with its financial capabilities (financing). We believe a general review of the historical Charter financial information may provide some insight into the general financial operations of New Charter with respect to the Application, but we note that there are many unanswered questions regarding New Charter's operations going forward.

New Charter's operations will include both cable television video services and non-cable television services. According to Charter's financial statements, Charter's video service compromised approximately fifty percent (50%) of its revenue in 2014 and 2013.²⁷ The Charter financial information discussed below includes all of the Charter operations, including the non-cable television video services, but excludes TWC and BHN financial information. We have analyzed historical financial statements as of June 30, 2015 and December 31, 2014 and 2013 in providing the information in this Section. As described below, these financial statements do not reflect the post-merger fair value of New Charter's assets and liabilities, but rather, the assets and liabilities are presented based on Charter's historical information.

2. **Specific Financial Statement Data and Analysis.**

(a) **Assets.** Charter had (i) current assets of \$456 million, \$371 million, and \$322 million; (ii) working capital of a negative \$1,180 million, a negative \$1,264 million, and a negative \$1,145 million; and (iii) total assets of \$17,319 million, \$24,550 million, and \$17,295 million as of June 30, 2015 and December 31, 2014 and 2013, respectively.²⁸ Working capital, which is the excess of current assets over current liabilities, is a short-term analytical tool used to assess the ability of a particular entity to meet its current financial obligations in the ordinary course of business. The trend shows that Charter, as a stand-alone company, has significant negative working capital from December 31, 2013 to June 30, 2015, and suggests that Charter's cash flow may be

²⁷ Form 10-K at p. 46.

²⁸ Form 10-K at p. F-3 and Form 10-Q at p. 1.

unable to meet its current obligations.²⁹ Charter's current ratio (current assets divided by current liabilities) as of June 30, 2015, of 0.28:1 is well below a generally recognized standard of 1:1 for a sustainable business operation.³⁰ Charter's inflated total assets as of December 31, 2014 reflect restricted cash relating to a potential transaction with Comcast Corporation that has since been terminated.³¹

(b) **Liabilities and Net Equity.** Charter had (i) current liabilities of \$1,636 million, \$1,635 million and \$1,467 million; and (ii) deferred taxes of \$1,745 million, \$1,674 million and \$1,431 million; and (iii) long term debt of \$13,896 million, \$21,023 million and \$14,181 million as of June 30, 2015 and December 31, 2014 and 2013, respectively.³² Charter's long term debt as of December 31, 2014 reflects the credit facilities relating to a potential transaction with Comcast Corporation that has since been terminated.³³ New Charter's long-term debt after the transaction is estimated to be at or over \$65 billion which will have a significant impact on New Charter's balance sheet.³⁴ The specific interest rates of the new indebtedness vary and some of Charter's existing debt is subject to interest rates in excess of 8% per annum.³⁵ If New Charter's annual interest rate averages six percent (6%), New Charter's annual interest expense would be approximately \$4 billion (and this does not include the required principal payments under the debt facilities). This additional debt will require New Charter to generate additional cash flow, including through its operations, to fund its debt service. New Charter's initial debt leverage will likely be greater than 5.0 times its earnings before interest, taxes, depreciation and amortization, which is significantly higher than competitors Comcast and DirecTV, but in line with smaller operators including Cablevision, Suddenlink, and Mediacom.³⁶ In order to close these transactions, New Charter will be required to obtain certain levels of financing which, if not received, would terminate the above described transactions.

(c) **Income and Expense.** Charter reported (i) revenue of \$4,792 million and \$9,108 million; (ii) operating expenses of \$4,274 million and \$8,137 million; and (iii) operating income of \$518 million and \$971 million for the six-month period ending June 30, 2015 and the year ending December 31, 2014, respectively.³⁷ Charter posted overall net losses for both periods.³⁸ We note that Charter has a long history of reporting net losses and has remained an operating entity solely as a result of equity funding and financing.³⁹ There is no guaranty that the transactions will allow New Charter to fund its operations or make capital improvements on a going forward basis. The ability to generate cash is important for Charter due to its highly leveraged operations. As a result of the merger transactions, New Charter will likely incur significant non-recurring

²⁹ Id.

³⁰ Id.

³¹ Form 10-K at p. F-3.

³² Form 10-K at p. F-3 and Form 10-Q at p. 1.

³³ Form 10-K at p. F-3.

³⁴ Form 10-Q at p. 5 and Form 10-Q at p. 1.

³⁵ Form 10-K at p. F-17.

³⁶ Form 10-K at F-3, F-4.

³⁷ Form 10-K at p. F-4 and Form 10-Q at p. 2.

³⁸ Id.

³⁹ Form 10-K at p. 27.

expenses which may negatively affect New Charter's short-term income statement performance. In addition, as a result of the transaction, New Charter may be required to incur significant capital expenditures for the assimilation of its new business and customers along with additional programming costs to maintain its current programming in the future. We have not been provided with the estimated cost of the integration of TWC and BHN into New Charter or the benefit of the synergies of the acquisitions.

VI. SUMMARY

Using the FCC Form 394 to establish an absolute minimum standard of financial qualifications that a proposed applicant must demonstrate in order to be qualified as the successor operator of the System, Charter and New Charter have the burden of demonstrating to the City's satisfaction that New Charter has "sufficient net liquid assets on hand or available from committed resources" to consummate the transaction and operate the System, together with its newly acquired operations, for three (3) months. This minimum standard is not easy to apply to the newly merged highly leveraged company with significant transaction and ongoing service costs. In general, we have also considered the standard practice of lenders that requires borrowers to maintain certain debt covenants on new and outstanding debt, including certain cash flow requirements, financial ratios and adequate security, in order to make and maintain a loan. We note that if a borrower does not meet these lender requirements at inception, the loan would not be initially funded (and the proposed transaction would not be completed).

Based solely on Charter's financial information that we reviewed, Charter's public filings show that New Charter has received funding and sufficient debt and equity commitments to consummate the Agreement and Plan of Mergers. Based on the foregoing and limited strictly to the financial information analyzed in conducting this review, we do not believe that Charter's request for transfer of control of the ownership of the System to New Charter can reasonably be denied based solely on a lack of financial qualifications of New Charter. This assumes that financing to consummate the transactions is obtained by New Charter so that New Charter will have the funds to acquire and operate the System for at least some initial period of time. The failure to obtain the financing would result in the termination of the Agreement and Plan of Mergers and proposed transfer of control. Due to the many uncertainties and lack of information regarding the proposed financing and future operations, there is not enough information that has been made available to review to make any conclusions regarding the financial qualification of New Charter's ability to own and operate the System after the acquisition and initial operating period.

In the event the City elects to proceed with approving the proposed transfer of control, the assessment of New Charter's financial qualifications should not be construed in any way to constitute an opinion as to the financial capability or stability of New Charter to (i) operate under the Franchise Agreement, (ii) operate its other operations, or (iii) successfully consummate the transactions as contemplated in the Agreement and Plan of Mergers. The sufficiency of the procedures used in making an assessment of New Charter's financial qualifications and its capability to operate the System is solely the responsibility of the City. Consequently, we make no representation regarding the sufficiency of the procedures used either for the purpose for which this analysis of financial capabilities and qualifications was requested or for any other purpose.

Lastly, in order to ensure compliance with its obligations to operate the System, we recommend that the City maintain any performance bonds or corporate parent guaranty, if any, required under any City Franchise Agreement. If security funds are not required in the City Franchise Agreement, the City may wish to consider pursuing a corporate parent guaranty from New Charter in a form as set forth in Exhibit A or as otherwise mutually agreeable to New Charter and the City. If the City is interested in pursuing this option please contact Moss & Barnett to discuss the options that may be available to the City under its existing Franchise and applicable law.

RESOLUTION REGARDING THE PROPOSED TRANSACTION

Moss & Barnett has prepared a proposed Resolution approving the Transactions for the City's review and consideration - attached hereto as Exhibit B.

EXHIBIT A
CORPORATE PARENT GUARANTY

THIS AGREEMENT is made this _____ day of _____, 201____ (this “Agreement”), by and among CCH I, LLC, a Delaware limited liability company (the “Guarantor”), the City of _____, _____ (“Franchising Authority”), and _____, a _____ (“Company”).

WITNESSETH

WHEREAS, on _____, 20__ the Franchising Authority adopted Ordinance No. _____ granting a Cable Television Franchise which is now held by _____ (the “Franchise”), pursuant to which the Franchising Authority has granted the rights to own, operate, and maintain a cable television system (“System”); and

WHEREAS, pursuant to the Agreement and Plan of Mergers dated May 23, 2015 by and among Time Warner Cable Inc.; Charter Communications, Inc.; CCH I, LLC; Nina Corporation I, Inc.; Nina Company II, LLC; and Nina Company III, LLC (the “Agreement”), Charter Communications, Inc. will transfer control of the Company to the Guarantor and the Guarantor will acquire control of the Company as an indirect subsidiary of Guarantor as a result of Charter Communications, Inc. merger under the Agreement (“Change of Control”); and

WHEREAS, Company and Charter Communications, Inc. have requested the consent to the Change of Control in accordance with the requirements of Section ____ of the Franchise; and

WHEREAS, pursuant to Resolution No. _____, dated _____, 20____, Franchising Authority conditioned its consent to the Change of Control on the issuance by Guarantor of a corporate parent guaranty guaranteeing certain obligations of Company under the Franchise.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in consideration of the approval of the Change of Control, Guarantor hereby unconditionally and irrevocably agrees to provide all the financial resources necessary for the observance, fulfillment and performance of the obligations of the Company under the Franchise and also to be legally liable for performance of said obligations in case of default by or revocation or termination for default of the Franchise.

This Agreement, unless terminated, substituted, or canceled, as provided herein, shall remain in full force and effect for the duration of the term of the Franchise.

Upon substitution of another Guarantor reasonably satisfactory to the Franchising Authority, this Agreement may be terminated, substituted, or canceled upon thirty (30) days prior written notice from Guarantor to the Franchising Authority and the Company. Such termination shall not affect liability incurred or accrued under this Agreement prior to the effective date of such termination or cancellation.

CCH I, LLC

By: _____

Its: _____

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was subscribed and sworn to before me this _____ day of
_____, 20____, by _____, the
_____ of _____, on behalf of the
_____.

**EXHIBIT B
RESOLUTION**

RESOLUTION NO. _____
APPROVING THE PROPOSED TRANSFER OF
THE CABLE FRANCHISE CURRENTLY HELD BY
CC VIII OPERATING, LLC D/B/A CHARTER COMMUNICATIONS

WHEREAS, CC VIII Operating, LLC (hereinafter referred to as “Grantee”), currently holds a cable television franchise (“Franchise”) granted by the City of _____, Minnesota (“City”).

WHEREAS, Grantee owns, operates and maintains a cable television system in the City (“System”) pursuant to the terms of the Franchise.

WHEREAS, on May 23, 2015, Charter Communications, Inc. (“Charter Communications”), the ultimate parent company of Grantee, directly and indirectly, with its subsidiary CCH I, LLC (“New Charter”), entered into agreements with Advance/Newhouse Partnership and A/NPC Holdings LLC (collectively “A/N”), the ultimate parent company of Bright House Networks, LLC (“BHN”), Time Warner Cable Inc. (“TWC”), and Liberty Broadband Corporation (“Liberty”) (collectively “the Agreements”), the purpose of which are to effectuate the acquisition of BHN and merge with TWC (the “Transactions”); and

WHEREAS, Charter Communications will merge with and into New Charter, and all shares of Charter Communications will be converted into shares of New Charter, and New Charter will assume the Charter Communications name; and

WHEREAS, pursuant to the Agreements, A/N, TWC shareholders, and Liberty will acquire ownership interests in New Charter; and

WHEREAS, on or about July 1, 2015 the City received from Grantee, FCC Form 394 - Application for Franchise Authority Consent to Assignment or Transfer of Control of Cable Television Franchise (“Application”); and

WHEREAS, Federal law, and the terms of the Franchise require that the City take action to consider the Application within one hundred twenty (120) days of the date of receipt, or on or before October 29, 2015; and

WHEREAS, Minnesota state law and the Franchise require the City’s advance written consent prior to the Grantee’s change in ownership; and

WHEREAS, as a result of the proposed Transactions Grantee has requested consent from the City to the proposed change in ownership; and

WHEREAS, the City has reviewed the proposed Transactions, and based on information provided by Grantee and information otherwise publicly available, the City has elected to approve the proposed Transactions subject to certain conditions as set forth herein.

NOW, THEREFORE, the City of _____, Minnesota hereby resolves as follows:

1. All of the above recitals are hereby incorporated by reference as if fully set forth herein.
2. The Franchise is in full force and effect and Grantee is the lawful holder of the Franchise.
3. The City hereby consents and approves the proposed Transactions.
4. Grantee will be the lawful holder of the Franchise after completion of the Transactions.
5. The City's consent to the Transactions shall not serve to waive any rights City may have under applicable law to hold Grantee liable for any and all liabilities, known and unknown, under the Franchise.
6. In the event the proposed Transactions contemplated by the foregoing resolution are not completed, for any reason, the City's consent shall not be effective and shall be null and void.

This Resolution shall take effect and continue and remain in effect from and after the date of its passage, approval, and adoption.

Approved by the City of _____, Minnesota this ____ day of _____, 2015.

ATTEST: CITY OF _____, MINNESOTA

By: _____

By: _____

Its: _____

Its: _____