

APPROVAL

00R-140

Introduce: 5-8-00

RESOLUTION NO. A-\_\_\_\_\_

1           WHEREAS, the City of Lincoln (“Franchising Authority”) has granted a franchise to a  
2 subsidiary (the “Franchisee”) of Time Warner Inc. (“TWI”) to provide cable television service;  
3 and

4           WHEREAS, TWI and America Online, Inc. (“AOL”) have entered into an Agreement  
5 and Plan of Merger (the “Merger Agreement”) dated as of January 10, 2000; and

6           WHEREAS, the Merger Agreement will result in a stock-for-stock merger (the  
7 “Transaction”) in which TWI and AOL will merge with subsidiaries of a newly formed holding  
8 company; and

9           WHEREAS, as a result of the Transaction both TWI and AOL will become wholly  
10 owned subsidiaries of the new company, AOL Time Warner Inc.; and

11           WHEREAS, the Franchisee has made an application to the Franchising Authority for a  
12 transfer; and

13           WHEREAS, the City has stated its interest in consumers having a choice of multiple  
14 Internet Service Providers (“ISPs”) on the Franchisee’s cable television system.

15           NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lincoln,  
16 Nebraska:

17           1.       The Franchising Authority authorizes and consents to any change in control of the  
18 Franchisee resulting from the Transaction under the conditions set forth herein.

19           2.       The Franchisee shall remain responsible for all obligations under the Franchise  
20 and the Lincoln Municipal Code, including payment of Franchising Authority’s costs consistent  
21 with Sections 5.16.140 and 5.16.250 of the Lincoln Municipal Code. Franchisee shall reimburse

1 the Franchising Authority for all out-of-pocket expenses incurred by the Franchising authority for  
2 its review of the Transaction within 15 days of the demand for those costs.

3 3 The Franchisee shall agree that the Transaction will not result in or be the cause,  
4 directly or indirectly, of any increase in any of the rates charged by the Franchisee.

5 4. The Franchisee shall provide its customers a choice of multiple ISPs on the cable  
6 system within 3 years. The Franchisee shall report periodically, at the request of the City, on its  
7 progress towards accomplishing that goal and affording its customers a choice of ISPs on the  
8 cable television system.

9 5. Approval by the City of the transfer is not an indication that Franchisee is in  
10 compliance with the franchise or the Lincoln Municipal Code. The City may pursue any  
11 unresolved compliance matters that may arise with respect to the franchise renewal process.

12 6. The Franchisee shall, within 15 days from the adoption of this resolution, file an  
13 unqualified written acceptance of all terms and conditions of this resolution with the City Clerk.

Introduced by:

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Approved as to Form & Legality:

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City Attorney

Staff Review Completed:

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Administrative Assistant