

RESOLUTION NO. 7-89

A RESOLUTION DISAPPROVING  
THE TRANSFER OF THE NON-EXCLUSIVE CABLE  
TELEVISION FRANCHISE HELD BY WARNER CABLE  
COMMUNICATIONS, INC., EFFECTED BY  
CONSUMMATION OF THE TENDER OFFER OF TIME, INC.,  
FOR WARNER COMMUNICATIONS, INC.  
WITHOUT THE PRIOR CONSENT OF THE  
UNION TOWNSHIP BOARD OF TRUSTEES; DENYING THE  
CONSENT OF THE TOWNSHIP TO SUCH TRANSFER;  
AND DIRECTING THE  
INTERCOMMUNITY CABLE REGULATORY  
COMMISSION TO TAKE APPROPRIATE ACTION

WHEREAS, Warner Cable Communications, Inc. ("Warner Cable") is the holder of a nonexclusive cable television franchise ("Franchise") in Union Township, Butler County; and

WHEREAS, the Franchise was granted pursuant to Resolution No. 2-1979, and provides that the Franchise may not be assigned or transferred, nor may control of the grantee Warner Cable be transferred, without the prior consent of the Township; and

WHEREAS, on or about March 15, 1989, Warner Cable notified the Township of a proposed merger of Time, Inc. ("Time"), and Warner Communications, Inc. ("WCI"), but never filed a petition within the meaning of Section XXIII (C) of the Franchise requesting the Township's consent to the transfer that would have been effected by the proposed merger; and

WHEREAS, on or about May 11, 1989, and pursuant to Section XXIII(C) of the Franchise, the Intercommunity Regulatory Cable Commission ("ICRC"), which is authorized under Resolution No. 2-1979 to administer the Franchise on behalf of the Township, held a hearing on the transfer of the Franchise that would have been effected by the proposed merger of Time and WCI; and

WHEREAS, representatives of the ICRC and Warner Cable subsequently undertook negotiations concerning what terms and conditions might be necessary in order for the Township to grant its consent to the transfer that would have been affected by the proposed merger of Time and WCI, such terms and considerations to include addressing certain outstanding noncompliance issues relating to Warner Cable's performance under the Franchise; and

WHEREAS, Warner Cable refused to consider the Franchise noncompliance issues in the context of the issues raised by the transfer that would have been effected by the proposed merger of Time and WCI; and

WHEREAS, Time subsequently made a tender offer for more than 50 percent of the outstanding shares of WCI and, on or about July 24, 1989, purchased more than 50 percent of the outstanding shares of WCI; and

WHEREAS, the tender offer for WCI shares consummated on or about July 24, 1989 effected a transfer of control of the Grantee Warner Cable within the meaning of Section XXIII of the Franchise; and

WHEREAS, Warner Cable neither gave the Township prior notice of, nor petitioned the Township requesting its consent to, the transfer effected by the consummation of the tender offer, even though Section XXIII of the Franchise requires such notice and petition; and

WHEREAS, Warner Cable is therefore in violation of Section XXIII of the Franchise as a result of the consummation of the tender offer for WCI shares without the prior notification and consent of the Township; and

WHEREAS, the Franchise provides the Township with certain remedies against Warner Cable in the event that a transfer or assignment of the Franchise, or transfer of control of the Grantee, occurs without the prior notification and consent of the Township.

NOW THEREFORE, BE IT RESOLVED by the Council of the Township, all elected members thereto concurring, that:

SECTION I. The Council of the Township hereby disapproves of the transfer of the Franchise effected by the consummation of the tender offer of Time for a majority of the outstanding stock of WCI, such transfer having been effected without the prior consent of the Township as required under the Franchise.

SECTION II. Pursuant to Section XXIII(C) of the Franchise, the Board of Trustees of Union Township, Butler County hereby denies its consent to the transfer of the Franchise effected by the consummation of the tender offer of Time for a majority of the outstanding stock of WCI.

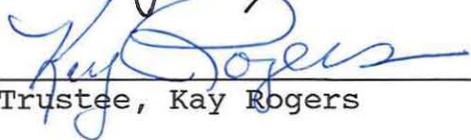
SECTION III. The Board of Township Trustees hereby finds that, as a result of the aforesaid transfer of the Franchise effected without its consent, Warner Cable has violated, and currently is in violation of, the Franchise.

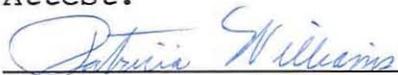
SECTION IV. The Board of Township Trustees hereby authorizes and directs the ICRC to take appropriate advisory action, consistent with the Franchise, in light of Warner Cable's violation of the Franchise.

Passed this <sup>19<sup>th</sup></sup> day of <sup>Sept.</sup>, 1989.

  
\_\_\_\_\_  
Carlos Todd, President

  
\_\_\_\_\_  
Bitsy Shaffner, Vice President

  
\_\_\_\_\_  
Trustee, Kay Rogers

Attest:  
  
\_\_\_\_\_  
Patricia Williams, Clerk