

**RESOLUTION NO. 2006-05**

**RESOLUTION OF THE MAYOR AND THE CITY COUNCIL OF THE  
CITY OF DONNELLY, IDAHO  
APPROVING THE TRANSFER OF THE CABLE TELEVISION FRANCHISE**

**WHEREAS**, Falcon Video Communications, L.P. ("Falcon") owns, operates and maintains a cable television system (the "System") in the City of Donnelly, ID (the "Franchise Authority"), pursuant to a cable franchise (the "Franchise"), and Falcon is the duly authorized holder of the Franchise;

**WHEREAS**, Falcon and Cable One, Inc. ("Cable One") are parties to an Asset Purchase Agreement dated as of October 23, 2006 (the "Purchase Agreement"), that provides for the transfer of the System and the Franchise from Falcon to Cable One (the "Transfer") at the closing of the transaction contemplated by the Purchase Agreement (the "Closing"); and

**WHEREAS**, Falcon and Cable One have requested consent by the Franchise Authority to the Transfer in accordance with the requirements of the Franchise; and

**WHEREAS**, the Franchise Authority has investigated the qualifications of Cable One and finds it to be a suitable transferee.

**NOW, THEREFORE, BE IT RESOLVED BY THE FRANCHISE AUTHORITY AS FOLLOWS:**

**SECTION 1.** The Franchise Authority hereby consents to and approves, subject to applicable law, the assignment by Falcon of its right, title and interest in the Franchise to Cable One, and the assumption by Cable One of the obligations of Falcon under the Franchise which arise from events or circumstances occurring from and after the Closing.

**SECTION 2.** The Franchise Authority confirms that: (a) the Franchise is currently in full force and effect; (b) Falcon is materially in compliance with the provisions of the Franchise; and (c) there exists no fact or circumstance known to the Franchise Authority which constitutes or which, with the passage of time or the giving of notice or both, would constitute a material default or breach under the Franchise or would allow the Franchise Authority to cancel or terminate the rights thereunder, except upon the expiration of the full term of the Franchise.

**SECTION 3.** This Resolution shall be deemed effective for purposes of the Transfer upon the Closing.

**SECTION 4.** The Franchise Authority releases Falcon, effective upon the Closing, from all obligations and liabilities under the Franchise that accrue after the Closing; provided that Cable One shall be responsible for any obligations and liabilities under the Franchise that accrue after the Closing.

**SECTION 5.** This Resolution shall have the force of a continuing agreement with Falcon and Cable One, and Franchise Authority shall not amend or otherwise alter this Resolution prior to the Closing without the consent of Falcon and Cable One.

**PASSED, ADOPTED AND APPROVED** this 20th day of December, 2006.

By: \_\_\_\_\_

*Kipton C. Hanes*

Kipton C. Hanes

Council President

ATTEST:

Clerk

*Judy Linman*

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I, the undersigned, being the duly appointed, qualified and acting Clerk of the City of Donnelly, Idaho, hereby certify that the foregoing Resolution No. 2006-05 is a true, correct and accurate copy as duly and lawfully passed and adopted by the governing body of the City on the 20th day of December, 2006.

By: \_\_\_\_\_

Clerk

*Judy Linman*

