

Bank of America.



Government Banking
NC1-002-03-10
101 S. Tryon Street
Charlotte, NC 28255

August 10, 2007

Maia M. Setzer
Director of Administration & Finance
413 N. Main Street
Mooresville, NC 28115

Re: Town of Mooresville Interim Credit Facility

Dear Ms. Setzer:

Bank of America, N.A. ("Bank of America" or the "Bank") is pleased to offer to the Town of Mooresville, North Carolina (the "Borrower") the committed credit facility (the "Credit Facility") and the Summary of Terms and Conditions which are set forth in the attached document.


This letter and the accompanying Summary of Terms and Conditions form the only agreement that has been entered into between us with respect to the Credit Facility and there are no separate oral agreements or verbal commitments between the parties. This letter may be modified or amended only by the written agreement of both the Borrower and Bank of America. This letter is not assignable by the Borrower without our prior written consent and is intended to be solely for the benefit of the parties hereto.


This offer will expire at 5:00 p.m. on August 17, 2007 unless you execute the enclosed copy of this letter and return it (which may be by facsimile transmission) to us prior to that time, whereupon this letter (each copy of which may be signed in one or more counterparts) shall become a binding agreement. Thereafter, this commitment will expire at 5:00pm on March 14, 2008 unless definitive documentation for the Credit Facility is executed and delivered prior to such date.

We appreciate the opportunity to present you with this commitment and look forward to working with you to complete the transaction.

Very truly yours,


BANK OF AMERICA, N.A.


R. Brooks Scurry, III
Vice President
704-386-5452
704-386-6668 (fax)


C. Ryan Borst
Vice President
704-387-2240
704-386-6668 (fax)

Accepted and Agreed to this
13th day of August, 2007.

Town of Mooresville, North Carolina

By: 

Title: Mayor

Enclosure

SUMMARY OF TERMS AND CONDITIONS

Town of Mooresville, North Carolina
(Attached to commitment letter dated August 10, 2007)

- BORROWER:** Town of Mooresville, North Carolina
- CREDIT FACILITY:** Installment Financing Agreement (G.S. 160A-20) in an amount up to \$50,000,000
- PURPOSE:** Bridge financing to facilitate the purchase by Borrower of assets comprised of communications infrastructure including real property (the "Purchases") from Adelpia Communications Corporation ("ACC"). We acknowledge that the Purchases may be financed solely with proceeds from the Credit Facility and may not involve any equity contribution.
- FUNDING:** Proceeds from the Credit Facility shall be deposited into an account at Bank of America at closing or deposited into an account at a financial institution directed by the Borrower and any participating Escrow Agent.
- INTEREST RATE:** Options:
- 1) A floating rate of interest equal to 60.515% of 1-month LIBOR plus 0.70% (the "Tax-Exempt Quote")
 - 2) A floating rate of interest equal to 1-month LIBOR + 0.50% (the "Taxable Quote")
- The Tax-Exempt Quote is set to approximate a particular percentage yield to Bank of America based in part upon Federal and State tax laws and regulations currently in effect and reflects the Bank's understanding that interest on the Credit Facility will be exempt from Federal and State income taxes but will be "non-bank qualified" under Section 265(b) of the Internal Revenue Code of 1986. The Bank's policy is to include language in the loan documents that will assure such yield. Interest is calculated on an actual/360 accrual basis.
- MATURITY DATE:** Up to six months from the date of closing.
- On or prior to the maturity date, the Credit Facility will be repaid by the proceeds of the Certificates of Participation (or other permanent financing vehicle) in anticipation of which this Credit Facility is issued.
- REPAYMENT TERMS:** Principal plus accrued interest due in full at maturity.
- SECURITY:** A first priority perfected security interest in rolling stock, set top boxes and cable modems, the "head end" and fiber and coaxial cable, all of which shall be acceptable to Bank of America and its counsel.
- A first deed of trust on 420 South Academy Street, Mooresville, NC, and 435 South Broad Street, Mooresville, NC, with improvements and fixtures located thereon to secure the

financing. Such lien on the real property shall be subject to such terms and conditions as the Bank of America may reasonably impose including, but not limited to, an instrument survey, title insurance (with all required endorsements) or a title opinion letter, environmental due diligence, flood hazard certification and if appropriate, flood insurance, and hazard insurance with Bank as loss payee, all of which shall be acceptable to Bank of America and its counsel. The Bank will use its reasonable efforts to promptly review and, if acceptable, approve all of the foregoing documentation relating to the real property and collateral, subject to the Borrower and third parties exercising reasonable efforts to provide Bank of America will all such information. Please note that an appraisal is not required.

PREPAYMENT:

The Credit Facility may be prepaid at any time at par.

**REPRESENTATIONS
AND WARRANTIES
AND COVENANTS:**

Usual and customary for transactions of this type, to include, without limitation: (i) due organization, valid existence and good standing; (ii) due authorization/enforceability; (iii) project implementation is an authorized public function of the Borrower; (iv) no default; (v) the information and certifications provided to the Bank by the Borrower in connection with this Credit Facility are true and complete in all material respects and do not contain material misstatements or omissions; (vi) no event has occurred and no condition exists that would have a material adverse impact on the financial condition of the Borrower and the financial statements provided to the Bank by the Borrower are true and correct and do not contain misstatements or omissions; (vii) general tax covenants; (viii) binding effect and enforceability of loan documents; (ix) no liens or encumbrances other than as disclosed to Bank of America; (x) compliance with environmental laws; (xi) no material litigation; (xii) no proposed statutory or legislative changes which would adversely affect the Borrowers ability to enter into the Purchases or this Credit Facility; (xiii) bankruptcy and insolvency; (xiv) tax-exempt status (if applicable); (xv) no other filings, approvals, consents or waivers are necessary in order to consummate the Purchases or this Credit Facility; (xvi) covenant to issue permanent debt to repay the Credit Facility within six months.

**CONDITIONS
PRECEDENT TO
CLOSING:**

The closing (and the funding) of the Credit Facility will be subject to satisfaction of the conditions precedent deemed appropriate for transactions of this type including, but not limited to, the following:

- 1) The negotiation, execution and delivery of definitive documentation for the Credit Facility satisfactory to Bank of America and its counsel.

- 2) Satisfactory opinions of counsel to the Borrower satisfactory to Bank relative to the matters set out under Representations and Warranties.
- 3) Satisfactory evidence that Bank of America holds a perfected, first priority lien in all of the collateral for the Credit Facility.
- 4) Approval of the proposed transaction by the North Carolina Local Government Commission.
- 5) Customary bond counsel opinion including, but not limited to, opinions as to the tax-exempt status of the Credit Facility, if applicable.

**NO DEFICIENCY
JUDGEMENT:**

In compliance with North Carolina General Statutes Section 160A-20, the Credit Facility will provide that in any action for default, no deficiency judgment may be rendered against the Borrower for amounts that may be owed when the proceeds of the sale of the Collateral are insufficient to pay in full the remaining obligations under the Credit Facility.

**NON-SUBSTITUTION AND
NON APPROPRIATION:**

Notwithstanding any other provisions herein, it is the intent of the parties hereto to comply with North Carolina General Statutes Section 160A-20, and as such the Installment Financing Agreement will contain a non-appropriation clause and will not contain a non-substitution clause.

EVENTS OF DEFAULT:

Usual and customary in transactions of this type, to include, without limitation: (i) nonpayment of principal, interest, fees or other amounts; (ii) violation of covenants; (iii) inaccuracy of representations and warranties; (iv) the Borrower adopts a budget for any fiscal year during the term of this Agreement which does not include moneys sufficient to pay all Installment Payments and the reasonably estimated Additional Payments coming due under the Installment Financing Agreement for that fiscal year; or amends a previously adopted budget to defer the funds to make such payments; (v) bankruptcy and other insolvency events; (vi) actual or asserted invalidity of any loan documentation or security interests.

GOVERNING LAW:

State of North Carolina

EXPENSES:

Borrower will pay all reasonable costs and expenses associated with the preparation, due diligence, administration and enforcement of all documentation executed in connection with the Credit Facility, including, without limitation, Bank of America's attorneys' fees whether or not the Credit Facility is closed.