

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO.05-113

Authorizing Acceptance of Comcast Corporation as Substitute Guarantor of Cable Franchise Performance

The Multnomah County Board of Commissioners Finds:

- a. The Mt. Hood Cable Regulatory Commission (MHCRC) was created by Intergovernmental Agreement (dated December 24, 1992) to carry out cable regulation and administration on behalf of Multnomah County and the cities of Gresham, Fairview, Portland, Troutdale, and Wood Village ("the Jurisdictions"). Among other things, the MHCRC acts in an advisory capacity to the Jurisdictions in connection with potential or proposed transfers or changes in ownership or control of any cable franchisee of the Jurisdictions.
- b. Multnomah County entered into a cable services franchise agreement with TCI Cablevision of Oregon, Inc., effective July 1, 1997, authorizing the cable company to construct, operate and maintain a cable system in the areas of unincorporated Multnomah County located west of the Willamette River (West Multnomah franchise agreement). The County approved an ownership transfer of the West Multnomah franchise agreement to AT&T Comcast Corporation (Comcast or Franchisee) by Resolution 02-089 on June 13, 2002. TCI West is the guarantor of the West Multnomah franchise agreement.
- c. On February 18, 1998, by Resolution 98-18, Multnomah County approved a cable services franchise agreement with KBL Multnomah Cablesystems, LP., effective May 23, 1998, authorizing the cable company to construct, operate and maintain a cable system in the areas of unincorporated Multnomah County located east of the Willamette River (East Multnomah franchise agreement). The County approved an ownership transfer of the East Multnomah franchise agreement to Comcast by Resolution 02-089 on June 13, 2002. Under the terms of the transfer, TCI West succeeded TWI Cable, Inc. (a Time Warner entity) as guarantor of the East Multnomah franchise agreement.
- d. Due to changes in corporate structure and financing, TCI West, Inc. is no longer an appropriate entity to carry forward the obligation to serve as franchise guarantor for the MHCRC cable franchises.
- e. Under the terms of the 2002 Comcast transfer and applicable franchise provisions, in the event the stockholders' equity of TCI West falls below \$500 million, as demonstrated by audited financial statements, Comcast is required to identify and provide a substitute guarantor with the same or greater level of stockholders' equity as TCI West. The substitute guarantor is subject to approval by the Jurisdictions.

- f. In a letter dated December 2, 2004, to the MHCRC, Comcast proposed that Comcast Corporation, the ultimate parent corporation of the local franchisees, serve as substitute guarantor for TCI West, Inc.
- g. The MHCRC reviewed the proposal to substitute Comcast Corporation for TCI West, Inc. and recommended that the proposal be accepted by the MHCRC and its Jurisdictions, pursuant to MHCRC Resolution No. 2005-01, passed by the MHCRC January 24, 2005.
- h. The Board has determined that the substitution is acceptable inasmuch as the stockholders' equity of Comcast Corporation, as of its most recent annual audited financial statements, exceeds the stockholders' equity that TCI West, Inc. was required to maintain under the respective franchise agreements

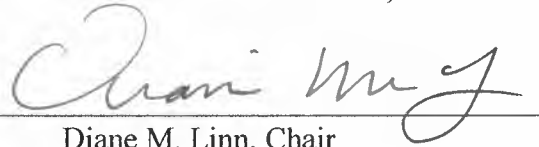
The Multnomah County Board of Commissioners Resolves:

- 1. Based on the proposal of Comcast dated December 2, 2004 and the recommendation of the MHCRC contained in MHCRC Res. No. 2005-01, attached as Exhibit A, the Board accepts Comcast Corporation as successor to TCI West, Inc. as franchise guarantor pursuant to Section 25.3 of the East and West Multnomah cable franchise agreements.

ADOPTED this 23rd day of June 2005.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

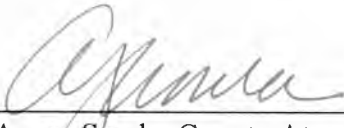
By 
Agnes Sowle, County Attorney

Exhibit A

**Before the
Mt. Hood Cable Regulatory Commission
1120 SW Fifth Avenue #1305
Portland, OR 97204**

Recommend MHCRC Jurisdictions accept)	
Comcast Corporation as substitute guarantor)	Res. No. 2005-01
of franchisee performance)	Adopted by the Commission:
in MHCRC-administered)	January 24, 2005
cable franchises)	

Section 1. Findings.

- 1.1 Authority. The Mt. Hood Cable Regulatory Commission ("Commission" or "MHCRC") was created by intergovernmental agreement to carry out cable regulation and administration on behalf of Multnomah County and the cities of Portland, Gresham, Troutdale, Fairview, and Wood Village ("Jurisdictions"). Each of the Jurisdictions is a franchising authority within the meaning of the Cable Television Consumer Protection and Competition Act of 1992 ("1992 Cable Act").
- 1.2 Guaranty. Each franchise administered by the Mt. Hood Cable Regulatory Commission has guaranty provisions. The former TCI franchises in West Portland and West Multnomah County rely on TCI West, Inc. as guarantor. When the former Paragon franchises in east Portland and east Multnomah County were transferred to Comcast in 2002, TCI West succeeded TWI Cable, Inc. (a Time Warner entity) as guarantor of the east franchises.
- 1.3 TCI West transition. Comcast did not provide audited financial statements for TCI West, Inc. for 2003 as is required under applicable franchise provisions. Discussions with Comcast staff and Comcast correspondence indicate that TCI West, Inc. may no longer be an appropriate entity to carry forward the obligation to serve as franchise guarantor for the MHCRC cable franchises.
- 1.4 Substitute Guarantor for TCI West. Under the terms of the 2002 transfer and applicable franchise provisions, in the event the stockholders' equity of TCI West falls below \$500 million, as demonstrated by audited financial statements, Comcast is required to identify and provide a substitute guarantor with the same or greater level of stockholders' equity as TCI West. The substitute guarantor is subject to approval by the Jurisdictions.
- 1.5 Comcast Corporation proposed as substitute Guarantor. In a letter dated December 2, 2004, (Exhibit A) Comcast has proposed that Comcast Corporation, the ultimate parent corporation of the local franchisees, serve as substitute guarantor for TCI West, Inc.
- 1.6 Review by staff and KFA Services. Commission staff and the Commission's financial counsel KFA Services ("KFA") have reviewed the proposal to substitute Comcast

Exhibit A

Corporation for TCI West, Inc. and recommend that the proposal be accepted by the MHCRC and the Jurisdictions.

NOW, THEREFORE IT IS RESOLVED:

Section 2.

- 2.1 Based on the proposal of Comcast dated December 2, 2004, with attached corporate organization chart, as attached hereto as Exhibit A, the Commission has reviewed the proposal that Comcast Corporation succeed TCI West, Inc. as franchise guarantor for all cable franchises administered by the MHCRC and has determined that the substitution is acceptable inasmuch as the stockholders' equity of Comcast Corporation, as of its most recent annual audited financial statements, exceeds the stockholders' equity that TCI West, Inc. was required to maintain under the respective franchise agreements.
- 2.2 The MHCRC recommends that the Jurisdictions consent to the substitution of Comcast Corporation for TCI West, Inc. as franchise guarantor under the terms of the respective franchise agreements.
- 2.3 MHCRC staff is directed to transmit this recommendation for action by each MHCRC Jurisdiction as appropriate.

RESOLVED BY THE COMMISSION on January 24, 2005.

R.C. Goheen, Chair

Reviewed by:

Ben Walters, Legal Counsel

EXHIBIT:

December 2, 2004 letter from Comcast, attaching organization chart

Exhibit A

**EXHIBIT A TO MHCRC RES 2005-01
(page 1)**

December 2, 2004

Mr. David Olson
Director
Office of Cable Communications & Franchise Management
1120 SW Fifth Avenue, Room 1305
Portland, OR 97204

Via E-mail & USPS

Re: Comcast Corporation Substitute Guarantor

Dear David:

This letter is in response to your request for additional information concerning Comcast's desire to use a substitute guarantor for TCI West, Inc. for the West Portland and West Multnomah County franchises. Initially, we suggested using Comcast Holdings Corporation as the guarantor, however, after further review Comcast Corporation appears to be the more appropriate entity to serve in that role. Specifically, you have asked us to provide an organizational chart showing the legal and ownership structure from the local franchisees (Comcast of Oregon II, Inc. and Comcast of Illinois/Ohio/Oregon, LLC) to the parent entity, Comcast Corporation and the percentage ownership of each subsidiary by each parent entity in the ownership chain.

The attached organization chart provides the legal ownership structure for each of the local franchisees. The chart also indicates the percentage of ownership for each of the subsidiaries, up to the parent company, Comcast Corporation.

You also requested information on what cable systems or geographic areas are owned or controlled by Comcast as stated in the most recent SEC10k filing. As indicated in the organizational chart, Comcast Corporation is the parent company for the local franchisees. Comcast Corporation's consolidated cable operations serve 21.5 million subscribers in 35 states.

Please feel free to contact me at 503-605-6352 with any further questions.

Cordially,

Kevin Bell
Senior Director, Government Affairs

Cc: Curt Henninger, Comcast
Debbie Luppold, Comcast

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