

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

In the Matter of: RESOLUTION APPROVING)	
TRANSFER AND CONSENT TO CHANGE IN CONTROL)	
OF CABLE COMPANY; AND AMENDMENTS TO CABLE)	RESOLUTION
COMMUNICATIONS SERVICE FRANCHISE AGREEMENT)	
WITH CABLESYSTEMS MULTNOMAH EAST)	#89-25

The Board of County Commissioners finds:

a. Multnomah County and the Cities of Gresham, Troutdale, Fairview and Wood Village (Jurisdictions) entered a 15-year Cable Communications Service Franchise Agreement (Agreement) with Cablesystems Multnomah East (Cable Company) in May 1983.

b. The Jurisdictions entered an Intergovernmental Agreement which created the Multnomah Cable Regulatory Commission (Commission) to monitor, regulate and supervise the construction and operation of the joint cable communications system.

c. The Cable Company has proposed a change in control of the Cable Company through a sale of all of the stock of its parent corporation, RCA Cablesystems Holding Co. to KBL Cable Incorporated and its parent KBLCOM Incorporated.

d. Sections 3.6 and 3.7 of the Agreement provide that no transfer or change in control of the Cable Company is permitted without the prior written consent of the Jurisdictions.

e. The Cable Company has also proposed a cash settlement of some of its obligations under the Agreement, and amendments to certain sections of the Agreement in order to implement such settlement and facilitate the change in control of the Cable Company.

f. The cash settlement will provide community access and local origination programming services to all subscribers in the Cable Company's service area.

g. The Commission has reviewed and considered these Cable Company proposals, held public hearings and solicited public comment on the proposals, and adopted Commissions Resolution No. 89-1 recommending that the Jurisdictions consent to the transfer and change in control of Cable Company, approve the cash settlement of some Agreement obligations, and approve certain amendments to the Agreement.

THE BOARD OF COUNTY COMMISSIONERS RESOLVES:

1. The County approves the Settlement Agreement between the Jurisdictions and the Cable Company attached as Exhibit A to this Resolution. The settlement payment of \$4,550,000 shall be allocated by the Commission as follows:

(a) \$773,500 to local origination operating support under Section 6.12 C) of the Agreement;

(b) \$2,957,500 to community access operating support under Section 9.3 of the Agreement; and

(c) \$819,000 to the program in community television under Section 9.4 of the Agreement.

2. The County approves the Consent and Guaranty Agreement between the Jurisdictions and KBL Cable Incorporated (KBLC), KBLCOM Incorporated (KBLCOM) and Houston Industries Incorporated (HI) attached as Exhibit B to this Resolution.

3. The County approves and consents to the acquisition by KBLC of the common and preferred stock of RCA Cablesystems Holding Co. and the resulting change in control of the Cable Company.

4. The County Chair is authorized to sign and execute this Resolution, the Settlement Agreement, the Consent and Guaranty Agreement, and all other documents necessary to effectuate and implement such agreements. The Settlement Agreement and the Consent and Guaranty Agreement shall be effective upon receipt by the Commission of the following:

a. the settlement payment,

b. executed copies of the Settlement Agreement, the Consent and Guaranty Agreement and all implementing documents from the Cable Company, KBLC, KBLCOM, and HI,

c. documentation of KBLC's final financing arrangements, including documents reflecting any credit support provided by HI,

d. KBLCOM's audited fiscal year 1987 financial statements,

e. reimbursement for Commission transfer expenses in accordance with the June 15, 1988 agreement between the Commission and Cable Company and Rogers Communications, Inc.,

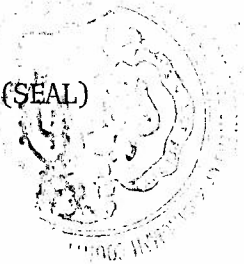
f. executed copy of Letter of Agreement from Cable Company, KBLC and KBLCOM regarding conditions of transfer approval, attached as Exhibit C.

5. The approvals, consent and authorizations of this Resolution shall expire if the settlement payment, and executed copies of the Settlement Agreement, the Consent and Guaranty Agreement and all other documents are not received by the Commission by August 31, 1989.

ADOPTED this 23rd day of February, 1989.


MULTNOMAH COUNTY, OREGON

(SEAL)




Gladys McCoy, County Chair

APPROVED:

By 
Laurence Kressel, County Counsel