

RESOLUTION NO. 1433

A RESOLUTION AUTHORIZING THE TRANSFER OF THE PARAGON CABLE FRANCHISE TO TCI CABLEVISION OF OHIO, INC.

The Troutdale City Council finds:

1. Certain cable systems operated by KBL Portland Cablesystems, L.P. and KBL Multnomah Cablesystems, L.P. (dba Paragon Cable, and collectively affiliates of Time Warner, Inc.) ("Transferor") are to be transferred to TCI Cablevision of Ohio, Inc. ("Transferee") (an affiliate of Tele-Communications, Inc. ("TCI")) and AT&T Corp. ("AT&T")) under the terms of an Asset Exchange Agreement dated November 25, 1998 between and among affiliates of Time Warner, Inc. (collectively "Time Warner") and affiliates of TCI. The Asset Exchange Agreement would affect the control and ownership of the Time Warner-owned Paragon cable franchises of the City of Portland ("Paragon/Portland franchise") and Multnomah County and the Cities of Fairview, Gresham, Troutdale, and Wood Village ("Paragon/Multnomah franchise").
2. The Mt. Hood Cable Regulatory Commission ("MHCRC") (created by Intergovernmental Agreement dated December 24, 1992) carries out cable regulation and administration on behalf of the City of Portland; and on behalf of Multnomah County and the Cities of Fairview, Gresham, Troutdale, and Wood Village (collectively, the "Jurisdictions"). Among other things, the Commission acts in an advisory capacity to the Jurisdictions in connection with potential or proposed transfers or changes in ownership or control of any cable franchise issued by the Jurisdictions.
3. MHCRC staff was notified on December 22, 1998 of the execution of the Asset Exchange Agreement. The notification was accompanied by an FCC Form 394 "Application for Franchise Authority Consent to Assignment or Transfer of Control of Cable Television Franchise" for the Paragon/Portland and Paragon/Multnomah franchises. The notification and FCC Form 394 filing requested the consent of the Jurisdictions for the proposed transfer of the Paragon/Portland and Paragon/Multnomah franchises in connection with the Asset Exchange Agreement.
4. On January 25, 1999, the MHCRC established a process for consideration of the proposed transfer (MHCRC Res. 99-2). On February 22, 1999, the MHCRC held a public hearing on the proposed transfer. On March 15, 1999, the MHCRC, Time Warner, and TCI agreed to an extension of time (MHCRC Res. 99-3) until May 22, 1999 for completion of action by the Jurisdictions on the transfer request.
5. The Paragon/Portland and Paragon/Multnomah franchises prohibit any transfer without the prior consent of the applicable MHCRC Jurisdiction. Specifically, Sections 17.1 and 17.2 of the Paragon/Portland and Paragon/Multnomah franchises prohibit a franchise transfer or change in control without the prior consent of the Jurisdictions expressed by ordinance or resolution, as applicable. Section 17.1(B)(2) of the Paragon/Portland and Paragon/Multnomah franchises provides that the Jurisdictions may inquire into the

technical, legal, and financial qualifications of the prospective transferee, and may require that the prospective transferee respond timely in writing to the Jurisdictions' request for information. Such requests for information by the Jurisdictions may, without limitation, be addressed to the prospective transferee's ownership structure, experience, management qualifications, legal qualifications, character qualifications, financial capability and cable system financing plan, financial pro formas, operating history, technical capabilities, and technical plans for the cable system. Section 17.1(B)(3) provides that the Jurisdictions may condition any Transfer upon such conditions as are considered appropriate. Such reasonable conditions may include, but are not limited to, a requirement that the prospective transferee reimburse the Jurisdictions' reasonable direct costs in processing the Transfer request, requiring that the transferee assume responsibility for any non-compliance by Grantee, and requiring that a guaranty be furnished by the proposed transferee's parent corporations. No Transfer for which the Jurisdictions' consent by resolution is required may occur until the successor, assignee or lessee has complied or agreed to comply with all of the requirements of the Paragon/Portland and Paragon/Multnomah franchises, as applicable.

6. MHCRC staff sent a letter dated February 8, 1999 to TCI and Time Warner representatives requesting additional information. TCI and Time Warner sent a reply letter dated February 18, 1999. MHCRC staff subsequently provided a memorandum, dated February 28, 1999, to TCI and Time Warner representatives. The memorandum summarized concerns identified by MHCRC staff, and suggested conditions addressed to the following issues, among others:
 - (a) Need for adequate guarantor; and financial/structural information on TCI/Ohio;
 - (b) Structure and management of eastside franchises following transfer;
 - (c) Technical information on integration of eastside and westside I-nets and upgrade requirements;
 - (d) Potential franchise violation by TCI Cablevision of Ohio's corporate parents and affiliates with respect to closure of merger of AT&T and TCI;
 - (e) Additional public benefits to account for TCI regional economies of scale;
 - (f) TCI election to continue Time Warner Social Contract, and Social Contract compliance issues;
 - (g) Deployment of high-speed Internet access via cable modem; implications of imposing requirement for nondiscriminatory open access to cable modem platform in the context of pending litigation between AT&T/TCI and the City of Portland and Multnomah County, and efficacy of including certain provisions agreed to by AT&T in other jurisdictions;
 - (h) Local control and customer service issues;

- (i) Franchise compliance issues;
 - (j) Restoration of carriage of C-Span II;
 - (k) Authority for utilization of cable system for telecommunications and compliance and construction issues related to AT&T affiliate TCG; and
 - (l) Other related conditions and concerns.
7. Following meetings between the parties on March 1 and 2, 1999, Time Warner and TCI representatives responded to MHCRC staff's February 28, 1999 memorandum by letter dated March 5, 1999. The parties then met and discussed the issues at further meetings of March 10, 1999 and March 30, 1999. After reaching a tentative agreement on outstanding issues, MHCRC staff and Time Warner and TCI representatives met and reviewed the details of the proposed agreement with members of the MHCRC ownership transfer task force on April 1, 1999. Time Warner and TCI representatives subsequently reviewed and discussed with MHCRC staff the form of this resolution and conditions for approval of the transfer at further meetings on April 12, April 15, April 16 and again on April 19, 1999.
8. The MHCRC held a work session on April 19, 1999 to review the information received, to consider further input from AT&T, TCI, and Time Warner and MHCRC staff, and to make a recommendation to the Jurisdictions.
9. After considering the concerns and conditions identified by staff, and the information and discussion among the parties, the MHCRC has recommended that the Jurisdictions approve the proposed transfer of the Paragon/Portland and Paragon/Multnomah franchises to Transferee with certain conditions, including the following:
- (a) unqualified acceptance by the Transferee of all existing Paragon/Portland and Paragon/Multnomah lawful franchise requirements;
 - (b) provision of a guarantee of franchise performance by TCI West, Inc., with assurances that if TCI West, Inc.'s stockholder's equity falls below \$500 million, then AT&T shall provide a substitute guarantor meeting such test and subject to the Jurisdictions' reasonable approval;
 - (c) management and operations integration and operating structure to the extent projected in the letter and attachments from Paragon (Time Warner) and TCI to MHCRC staff dated March 5, 1999;
 - (d) a supervisory point of contact to manage the communications, reports and franchise commitments with respect to both the eastside and westside cable system upgrades and institutional networks; specifically, such technically qualified supervisor shall:

- (1) have sufficient authority and knowledge to implement agreements and understandings mutually agreed to between Transferee and MHCRC or Jurisdiction representatives; and
 - (2) respond orally or in writing, or meet with MHCRC or Jurisdiction representatives as requested, within three business days of any reasonable request.
 - (3) In addition, Transferee shall:
 - (a) submit to MHCRC or Jurisdiction representatives no later than June 14, 1999 complete information regarding the westside upgrade as outlined in the MHCRC memorandum dated September 3, 1998 (to Paul Klein and Gloria Crayton); such information to be provided in substantially similar format as Paragon Cable's Upgrade Report for the eastside upgrade; and
 - (b) ensure the continuance of monthly meetings and written updates for both the eastside and westside cable system upgrades and institutional networks;
- (e) (1) Transferee shall upgrade and activate, as necessary, Interconnections as defined and required under the Paragon/Portland and Paragon/Multnomah franchises for the purpose of providing Institutional and PEG Access services among and between the major, contiguous cable systems in Multnomah, Washington and Clackamas counties (Oregon), and Clark County (Washington) so that such Interconnections meet the specifications set out in the franchises no later than December 31, 2000. In addition to meeting all applicable franchise requirements, the Transferee shall provide, in the manner set forth in subsection (e)(2) and (e)(3) below, the following with respect to such Interconnections:
- (a) A wideband Interconnect such that multiple video and data signals can be carried bi-directionally;
 - (b) Video performance equal to or greater than the current FCC standards (Part 76) for Cable Television Technical Performance;
 - (c) No intermediate electronics between Interconnected Headends, Hubs, or Master Control centers; and
 - (d) An option to increase data and video channels by adding additional electronics modules.
- (2) Transferee shall provide to the MHCRC a proposal to meet the capabilities outlined in subsection (e)(1)(a)-(d) hereof, including, but not limited to, timelines, technical specifications and costs, together with and on the same schedule as the information to be submitted under subsection (d)(3) above.

- (3) If, following receipt of Transferee's proposal under subsection (e)(2) hereof, the MHCRC determines by formal approval of an order to proceed with implementation of any of the capabilities outlined in subsection (e)(1)(a)-(d) hereof, Transferee may credit the Incremental, direct costs of providing such capabilities beyond Franchise requirements against the funds provided under Sections 9.1(c) of the Paragon/Portland and Paragon/Multnomah franchises;
- (f) If Transferee offers @Home service to subscribers in Transferee's franchise areas within the MHCRC's Jurisdictions, then:
- (1) Except for @Home service offered either on a temporary test or promotional basis, not to exceed 12 months:
 - (a) So long as @Home is considered a 'cable service' under applicable law, Transferee shall be subject to all lawful and applicable consumer protection, privacy, and other requirements;
 - (b) Transferee shall ensure that @Home will maintain currency with standards for interoperability with Internet protocol applications; and
 - (c) Transferee shall ensure that customers of @Home will be able to access other unaffiliated Internet Service Providers or unaffiliated online service provider content without first having to view content provided by @Home or other affiliated service providers if a customer so chooses.
 - (2) Transferee acknowledges that the Jurisdictions acting through the MHCRC may require Transferee to provide nondiscriminatory open access to Transferee's high speed cable modem Internet access platform for providers of Internet and on-line services, whether or not such providers are affiliated with Transferee, within six months of a final, nonappealable ruling imposing or acknowledging the authority of the Jurisdictions, or any of them, to impose such a condition in connection with *AT&T et. al. vs. City of Portland and Multnomah County*, Case No. CV 99-65 PA, U.S. District Court (D. Oregon), filed January 19, 1999;
 - (3) Transferee agrees to comply with all lawful requirements with respect to nondiscriminatory open access to Transferee's high speed cable modem Internet access platform for unaffiliated providers of Internet services. In the event that such access is provided pursuant to an agreement with a local Franchising Authority, on other than a temporary test or promotional basis, not to exceed twelve months, by any cable system owned and operated by Transferee or any affiliate that is owned and operated by Tele-Communications, Inc., serving more than 50,000 subscribers in California, Oregon or Washington, other than the cable system serving the City of Seattle and unincorporated King County, Washington, then such access shall be provided within six months to the same extent on comparable terms and conditions in and to the MHCRC Jurisdictions.

- (4) For purposes of this subsection (f), “@Home” shall include either the @Home service or other comparable high-speed Internet access services via cable modem;
- (g) Local management and physical facilities.
- (1) Transferee shall maintain a level of local management and direct customer service and repair personnel within the franchise areas consistent with the level provided by Transferor;
 - (2) Transferee shall maintain physical offices and facilities in the franchise area(s) (including staffed physical locations with customer service representatives available to accept payment of bills and respond to service, billing, or repair questions during standard business hours);
 - (3) Transferee shall designate a supervisory point of contact for Jurisdiction or MHCRC-referred complaints or inquiries. Such supervisor must have sufficient authority and knowledge to respond to MHCRC or Jurisdiction information requests, as well as the authority to implement agreements and understandings reached in connection with individual complaints and referrals. Such supervisor shall respond orally or in writing, or meet with Jurisdiction or MHCRC personnel as reasonably requested within one business day of any MHCRC or Jurisdictional referral.
- (h) As required by the Franchises, Transferee shall reimburse all direct, out-of-pocket costs itemized by the MHCRC and the Jurisdictions incurred in analyzing and acting upon the transfer request;
- (i) PEG Access Capital Costs amounts paid by Transferee to or on behalf of the Jurisdictions under the Paragon/Portland and Paragon/Multnomah franchises shall be subject to audit or review by the Transferee within one (1) year of the funds being expended either by an outside recipient or by the MHCRC or Jurisdictions, whichever is later. If Transferee fails to conduct an audit or review within this time period, Transferee shall be deemed to have waived any objection to the expenditure of such funds;
- (j) Transferee responsible for any non-compliance by franchisee. Transferee shall acknowledge and agree that the Jurisdictions do not waive and expressly reserve all legal rights and authority in regard to any and all non-compliance under the Paragon/Portland and Paragon/Multnomah franchises that may now exist or may later be discovered to have existed during the term of the franchise(s), even if prior to the transfer authorized by this ordinance; and,
- (k) Automatic denial in the event of material change in terms. Transferee shall acknowledge that, in the event the transaction which is the subject of this Resolution is not finally consummated or does not reach final closure for any reason, or in the event such closure is reached on terms which are substantially and materially different from

the terms set forth in the Asset Exchange Agreement dated November 25, 1998, FCC Form 394, and subsequent information provided by the Transferee and relied upon by the MHCRC, Transferee's request for transfer of the Paragon/Multnomah franchise shall be deemed denied. In that event, Transferee may resubmit its transfer request.

10. Transferee's application for the transfer of the Paragon/Multnomah franchise should be approved under the conditions set forth herein. If Transferee, Transferee's guarantor TCI West, Inc., and, with respect to any obligations set forth in Section 9(b) above, Transferee's ultimate parent AT&T do not accept these conditions, the application should be denied.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE:

Section 1:

1. Approval of Transfer Application.

Subject to the conditions set out in the acceptance form attached as Exhibit A to this resolution, Troutdale approves Transferee's request to transfer the Paragon/Multnomah franchise (KBL Multnomah Cablesystems, L.P.).

2. Written acceptance.

(a) On or before 5:00 p.m. on May 21, 1999, after passage of this resolution by the governing bodies of each of the Jurisdictions, Transferee and Transferee's guarantor TCI West, Inc. and, with respect to any obligations set forth in the findings under Section 9(b) above, Transferee's ultimate parent AT& T Corp., shall file a written, executed acceptance of the terms of this resolution. The acceptance shall be in the form attached hereto as Exhibit A. Transferee shall file such written acceptance with the City of Portland Office of Cable Communications and Franchise Management, as staff for the MHCRC and with the City of Troutdale.

(b) The executed acceptance shall be unqualified and shall be construed to be an acceptance of all the terms, conditions and restrictions contained therein.

(c) The failure, refusal or neglect by Transferee and Transferee's guarantor TCI West, Inc. and, with respect to any obligations set forth in the findings under Section 9(b) above, Transferee's ultimate parent AT&T Corp., to file such written acceptance by such time shall constitute an abandonment and rejection of the rights and privileges conferred hereby.

3. Denial of transfer application.

If for any reason Transferee, Transferee's guarantor TCI West, Inc. and, with respect to any obligations set forth in the findings under Section 9(b) above, Transferee's ultimate parent AT&T Corp. fail, refuse or neglect to file the written acceptance as set forth in

Subsection 2 above, or in the event the transaction which is the subject of the written acceptance as set forth in Subsection 2 above is not finally consummated or does not reach final closure for any reason, or in the event such closure is reached on terms substantially and materially different from the terms set forth in the Asset Exchange Agreement dated November 25, 1998, FCC Form 394 and subsequent information provided by the Transferee and relied upon by the MHCRC, Transferee's request for transfer of the Paragon/Multnomah franchise shall be deemed denied. In that event, Transferee may resubmit its transfer request.

Section 2:

This Resolution shall be in full force and effect from and after the date is adopted.

YEAS:	<u>7</u>
NAYS:	<u>0</u>
ABSTAINED:	<u>0</u>


Paul Thalhofer, Mayor

Dated: 5-12-99


Debbie Stickney, Deputy City Recorder

Adopted: 5/11/99
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**EXHIBIT A
ACCEPTANCE FORM**

Mt. Hood Cable Regulatory Commission
1211 SW Fifth Avenue
Room 1160
Portland, OR 97204

AND

City of Troutdale
104 SE Kibling Street
Troutdale OR 97060

This is to advise the City of Troutdale that Transferee and Transferee's guarantor TCI West, Inc. and, with respect to the obligations of Section (b) hereof, Transferee's ultimate parent AT& T Corp. ("AT&T"), hereby unqualifiedly accept the provisions applicable to them of Resolution No. 1433, passed by the Troutdale City Council on May 11, 1999, regarding the transfer of the Paragon/Multnomah franchise (KBL Multnomah Cablesystems, L.P.) ("Paragon/Multnomah") cable franchise, and agree, as applicable, to abide by the following terms and conditions:

- (a) Compliance with franchises. In all respects and without exception, Transferee shall comply with each and every provision of the Paragon/Multnomah franchise, including all lawful applicable ordinances, resolutions, orders, contracts, agreements, commitments, side letters, and regulatory actions taken pursuant thereto or in connection with the Resolution is Resolution, as applicable.
- (b) Guarantee. Transferee shall provide a guarantee of franchise performance by TCI West, Inc. in a form satisfactory to the Jurisdictions, with assurances that if the stockholders' equity of TCI West, Inc. falls below \$500 million, then TCI West, Inc. shall notify the Jurisdictions in writing within 150 days of the end of the year in which the stockholders' equity has fallen below \$500 million. AT&T, as the ultimate parent corporation of TCI West, Inc., shall simultaneously identify and provide a substitute guarantor, meeting such test, which substitute shall be subject to the reasonable approval of the Jurisdictions. As used herein, "stockholders' equity" means the assets minus liabilities of TCI West, Inc., measured in accordance with Generally Accepted Accounting Principles, as reported in the annual financial statements for TCI West, Inc., which statements shall be audited by TCI West Inc.'s independent accountants and a copy of which shall be provided to the Jurisdictions within 120 days of the end of each year.
- (c) Management and operations integration. Transferee shall provide management and operations integration and operating structure to the extent projected in the letter and attachments from Paragon and TCI to MHCRC staff dated March 5, 1999;
- (d) Supervisory point of contact and I-net information. Transferee shall provide supervisory point of contact to manage the communications, reports and franchise commitments with respect to both the eastside and westside cable system upgrades and institutional networks. Specifically, such technically qualified supervisor shall:

- 1) have sufficient authority and knowledge to implement agreements and understandings mutually agreed to between Transferee and MHCRC or Jurisdiction representatives; and,
- 2) respond orally or in writing, or meet with MHCRC or Jurisdiction representatives as requested within three business days of any reasonable request.
- 3) In addition, Transferee shall:
 - a) submit to MHCRC or Jurisdiction representatives no later than June 14, 1999 complete information regarding the westside upgrade as outlined in the MHCRC memorandum dated September 3, 1998 (to Paul Klein and Gloria Crayton); such information to be provided in substantially similar format as Paragon Cable's Upgrade Report for the eastside upgrade; and,
 - b) ensure the continuance of monthly meetings and written updates for both the eastside and westside cable system upgrades and institutional networks.

(e) Interconnection requirements.

- 1) Transferee shall upgrade and activate, as necessary, Interconnections as defined and required under the Paragon/Multnomah franchise for the purpose of providing Institutional and PEG Access services among and between the major, contiguous cable systems in Multnomah, Washington and Clackamas counties (Oregon), and Clark County (Washington) so that such Interconnections meet the specifications set out in the franchise no later than December 31, 2000. In addition to meeting all applicable franchise requirements, the Transferee shall provide, in the manner set forth in subsections (e)(2) and (3) below, the following with respect to such Interconnections:
 - a) A wideband Interconnect such that multiple video and data signals can be carried bi-directionally;
 - b) Video performance equal to or greater than the current FCC standards (Part 76) for Cable Television Technical Performance;
 - c) No intermediate electronics between Interconnected Headends, Hubs, or Master Control centers; and,
 - d) An option to increase data and video channels by adding additional electronics modules.
- 2) Transferee shall provide to the MHCRC a proposal to meet the capabilities outlined in subsection (e)(1)(a)-(d) above, including, but not limited to,

timelines, technical specifications and costs, together with and on the same schedule as the information to be submitted under subsection (d)(3) hereof.

- 3) If, following receipt of Transferee's proposal under subsection (e)(2) above, the MHCRC determines by formal approval of an order to proceed with implementation of any of the capabilities outlined in subsection (e)(1)(a)-(d) hereof, Transferee may credit the Incremental, direct costs of providing such capabilities beyond Franchise requirements against the funds provided under Sections 9.1(c) of the Paragon/Multnomah franchise.
- (f) If Transferee offers @Home service to subscribers in Transferee's franchise areas within the MHCRC's Jurisdictions, then:
- 1) Except for @Home service offered either on a temporary test or promotional basis, not to exceed 12 months:
 - a) So long as @Home is considered a "cable service" under applicable law, Transferee shall be subject to all lawful and applicable consumer protection, privacy, and other requirements;
 - b) Transferee shall ensure that @Home will maintain currency with standards for interoperability with Internet protocol applications; and
 - c) Transferee shall ensure that customers of @Home will be able to access other unaffiliated Internet Service Providers or unaffiliated online service provider content without first having to view content provided by @Home or other affiliated service providers if a customer so chooses.
 - 2) Transferee acknowledges that the Jurisdictions acting through the MHCRC may require Transferee to provide nondiscriminatory open access to Transferee's high speed cable modem Internet access platform for providers of Internet and on-line services, whether or not such providers are affiliated with Transferee, within six months of a final, nonappealable ruling imposing or acknowledging the authority of the Jurisdictions, or any of them, to impose such a condition in connection with *AT&T et. al. vs. City of Portland and Multnomah County*, Case No. CV 99-65 PA, U.S. District Court (D. Oregon), filed January 19, 1999; and,
 - 3) Transferee agrees to comply with all lawful requirements with respect to nondiscriminatory open access to Transferee's high speed cable modem Internet access platform for unaffiliated providers of Internet services. In the event that such access is provided pursuant to an agreement with a local Franchising Authority, on other than a temporary test or promotional basis, not to exceed twelve months, by any cable system owned and operated by Transferee or any affiliate that is owned and operated by Tele-Communications, Inc., serving more than 50,000 subscribers in California, Oregon or Washington, other than the

cable system serving the City of Seattle and unincorporated King County, Washington, then such access shall be provided within six months to the same extent on comparable terms and conditions in and to the MHCRC Jurisdictions.

- 4) For purposes of this subsection (f)(1), “@Home” shall include either the @Home service or other comparable high-speed Internet access services via cable modem.

(g) Local management and physical facilities.

- 1) Transferee shall maintain a level of local management and direct customer service and repair personnel within the franchise areas consistent with the level provided by Transferor;
- 2) Transferee shall maintain physical offices and facilities in the franchise area(s) (including staffed physical locations with customer service representatives available to accept payment of bills and respond to service, billing, or repair questions during standard business hours);
- 3) Transferee shall designate a supervisory point of contact for Troutdale or MHCRC-referred complaints or inquiries. Such supervisor must have sufficient authority and knowledge to respond to MHCRC or Troutdale information requests, as well as the authority to implement agreements and understandings reached in connection with individual complaints and referrals. Such supervisor shall respond orally or in writing, or meet with Troutdale or MHCRC personnel as reasonably requested within one business day of any MHCRC or Troutdale referral.

- (h) Cost reimbursement. As required by the Franchise, Transferee shall reimburse all direct, out-of-pocket costs itemized by the MHCRC and the Jurisdictions incurred in analyzing and acting upon the transfer request;


- (i) PEG Access Capital Costs review and waiver. PEG Access Capital Costs amounts paid by Transferee to or on behalf of the Jurisdictions under the Paragon/Multnomah franchise shall be subject to audit or review by the Transferee within one (1) year of the funds being expended either by an outside recipient or by the MHCRC or Jurisdictions, whichever is later. If Transferee fails to conduct an audit or review within this time period, Transferee shall be deemed to have waived any objection to the expenditure of such funds

- (j) Transferee responsible for any non-compliance by franchisee. Transferee specifically acknowledges and expressly accepts that the Jurisdictions do not waive and expressly reserve all legal rights and authority in regard to any and all non-compliance under the Paragon/Multnomah franchise that may now exist or may later be discovered to


have existed during the term of the franchise, even if prior to the transfer authorized by the resolution that is the subject of this Acceptance.

- (k) Automatic denial in the event of material change in terms. In the event the transaction which is the subject of this Acceptance is not finally consummated or does not reach final closure for any reason, or in the event such closure is reached on terms which are substantially and materially different from the terms set forth in the Asset Exchange Agreement dated November 25, 1998, FCC Form 394, and subsequent information provided by Transferee and relied upon by the MHCRC, Transferee's request for transfer of the Paragon/Multnomah franchise shall be deemed denied. In that event, Transferee may resubmit its transfer request.

TCI CABLEVISION OF OHIO, INC.

BY: 
NAME: Stephen M. Brett
TITLE: Vice President
DATE: 5/21/99

TCI WEST, INC.

BY: 
NAME: Stephen M. Brett
TITLE: Vice President
DATE: 5/21/99

AT&T CORP.

BY:
NAME:
TITLE:
DATE:

TO BE NOTARIZED FOR EACH SIGNATOR, SEPARATELY

State of Colorado

County of Arapahoe

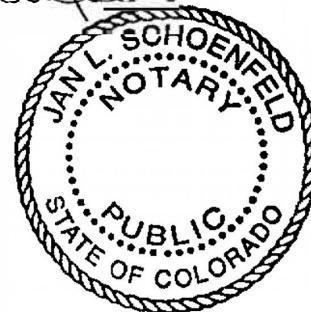
This Acceptance was acknowledged before me on the day 21st of May, 1999, by Stephen M. Brett a duly authorized officer of TCI Cablevision of Ohio, Inc. and TCI West, Inc.

Notary Public for: State of Colorado

My Commission Expires:

Jan L. Schoenfeld

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have existed during the term of the franchise, even if prior to the transfer authorized by the resolution that is the subject of this Acceptance.

- (k) Automatic denial in the event of material change in terms. In the event the transaction which is the subject of this Acceptance is not finally consummated or does not reach final closure for any reason, or in the event such closure is reached on terms which are substantially and materially different from the terms set forth in the Asset Exchange Agreement dated November 25, 1998, FCC Form 394, and subsequent information provided by Transferee and relied upon by the MHCRC, Transferee's request for transfer of the Paragon/Multnomah franchise shall be deemed denied. In that event, Transferee may resubmit its transfer request.

TCI CABLEVISION OF OHIO, INC.

BY:
NAME:
TITLE:
DATE

TCI WEST, INC.

BY:
NAME:
TITLE:
DATE

AT&T CORP.

BY: *Maria Arias-Chapleau*
NAME: Maria Arias-Chapleau
TITLE: Chief Regulatory Counsel
DATE: May 20, 1999

TO BE NOTARIZED FOR EACH SIGNATOR, SEPARATELY

State of Colorado
County of Denver

This Acceptance was acknowledged before me on the day 20th of May, 1999, by *_____ as a duly authorized officer of AT&T Corp.

Notary Public for:
My Commission Expires: 5/3/02

*Maria Arias-Chapleau
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Cassandra J. Reisher
Notary Public

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