

## **RESOLUTION NO. 1762**

### **A RESOLUTION AUTHORIZING ACCEPTANCE OF COMCAST CORPORATION AS SUBSTITUTE GUARANTOR OF CABLE FRANCHISE PERFORMANCE**

#### **The Troutdale City Council finds as follows:**

1. The Council approved the transfer of the former Paragon franchises in east Portland and east Multnomah County to Comcast in 2002. Under the terms of the transfer, TCI West succeeded TWI Cable, Inc. (a Time Warner entity) as guarantor of the east Portland and Multnomah franchises.
2. 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.
3. The Mt. Hood Cable Regulatory Commission ("MHCRC" or "Commission") was created by Intergovernmental Agreement (dated December 24, 1992) ("IGA") 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 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 franchisee of the Jurisdictions.
4. 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.
5. 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.
6. 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.

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

Section 1.


A. Based on the proposal of Comcast dated December 2, 2004 and the recommendation of the MHCRC contained in MHCRC Res. No. 2005-01 (Attachment A), the Council accepts Comcast Corporation as successor to TCI West, Inc. as franchise guarantor pursuant to Section 25.3 of the cable franchise issued by the City effective May 23, 1998.

B. The Council 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

Section 2.

This Resolution shall take effect immediately upon adoption.

**YEAS: 5  
NAYS: 0  
ABSTAINED: 0**

  
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Paul Thalhofer, Mayor  
6/15/05  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Sarah Greif, Office Support Specialist

**Adopted: June 14, 2005**

**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

EXHIBIT A TO MHCRC RES 2005-01

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