

RESOLUTION NO. 358

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE,
WASHINGTON, CONSENTING TO THE TRANSFER OF CONTROL OF THE CITY'S
CABLE TELEVISION SYSTEM FRANCHISEE TO AT&T COMCAST CORPORATION**

WHEREAS, on September 16, 1996, the City of University Place, Washington (the "City") granted to TCI Communications, Inc. ("Franchisee") a franchise to own and operate a cable television system in the City, as set forth in Ordinance No. 116 (the "Ordinance"), thereby continuing services for the City as set forth in the franchise agreement originally granted by Pierce County to Cable TV Puget Sound, Inc., on September 23, 1983; and

WHEREAS, Franchisee has been known as Cable TV Puget Sound, Inc.; TCI Communications, Inc.; TCI of Washington; Cablevision; and currently as AT&T Broadband and Internet Service; and

WHEREAS, Franchisee is a subsidiary of, and controlled by AT&T Corp., a New York corporation ("AT&T"); and

WHEREAS, Section 22 of the Franchise requires the City's consent to any transfer of ownership or control thereof; and

WHEREAS, AT&T and Comcast Corporation ("Comcast"), together with AT&T Broadband Corp. and certain of their respective affiliates have entered into an Agreement and Plan of Merger, and AT&T and AT&T Broadband Corp. have entered into a Separation and Distribution Agreement, both dated December 19, 2001 (the "Merger Agreement") to create a new company to be known as AT&T Comcast Corporation ("AT&T Comcast"); and

WHEREAS, this merger will effect a change of control of Franchisee pursuant to the Franchise; and

WHEREAS, pursuant to Section 22 of the Franchise, and 47 U.S.C. Sec. 537, as amended, AT&T and Comcast have requested that the City approve of the change of control of the Franchisee from AT&T to AT&T Comcast; and

WHEREAS, the City has investigated both the status of the Franchise, the Franchisee's compliance therewith, and the technical, legal and financial ability of AT&T Comcast to control the Franchisee's compliance with the Franchise; and

WHEREAS, through the Rainier Communications Commission ("RCC"), the City has negotiated this form of resolution to approve the change of control in a manner consistent with the approvals being granted by most RCC jurisdictions; and

WHEREAS, based upon the City's investigation, and representations made to the City by AT&T and Comcast, upon which the City is relying, the City is prepared to approve the transfer of control of the Franchisee from AT&T to AT&T Comcast, pursuant to the conditions described herein.

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE,
WASHINGTON, AS FOLLOWS:**

1. The City hereby consents to and approves the change of control of the Franchise from AT&T to AT&T Comcast.

2. The City confirms that the Franchise is currently in full force and effect and expires on August 31, 2002.

3. This Resolution approving the change of control is based in part upon the following representations and acknowledgments made by Franchisee, AT&T and AT&T Comcast to the City, all of which are considered material and have been relied upon by the City:

- (a) That the Merger Agreement, and all of the attachments to that document, provided to the City with FCC Form 394 (except for those materials which have been redacted pursuant to law, and are identified by title or topic in the Merger Agreement and its attachments) constitutes the entire agreement regarding the merger between AT&T, AT&T Broadband and Comcast;
- (b) That all customer service standards adopted by the City remain in full force and effect, and Franchisee will maintain staffing levels necessary to meet those standards, and all federal regulations regarding technical standards of cable systems;
- (c) That all educational channels made available to the City pursuant to the Memorandum of Understanding between the Rainier Communications Commission and TCI Cablevision of Washington, Inc., TCI of Tacoma, Inc., Cable TV Puget Sound, Inc., and Tele-Vue Systems, Inc. dated October 14, 1998, will remain available, and all related commitments will be honored during the term of the Franchise and any subsequent renewal;
- (d) That Franchisee remains obligated to comply with all terms, conditions and obligations of the existing franchise agreement and any other existing contractual agreement between the Franchisee and the City.
- (e) That AT&T Comcast will take no actions that will negatively impact Franchisee's ability to comply with its obligations under the Franchise;
- (f) That beginning with the thirty-sixth month prior to the expiration of the cable television franchise agreement in Pierce County, Washington, the Franchisee and all subsidiary entities of AT&T Comcast holding cable television franchises in any RCC jurisdiction, will commence good faith negotiations toward a County-wide franchise agreement covering all RCC jurisdictions who wish to participate, to take effect at the time of a franchise renewal agreement with Pierce County.
- (g) That no future intra-corporate transfers, mergers, or other changes of ownership or control, affecting Franchisee, will change the obligations or liability of Franchisee to the City with respect to any of the terms, conditions and obligations of the Franchise, unless prior approval, if required by the terms of the Franchise, is granted by the City in writing;
- (h) That Franchisee will comply with all applicable laws regarding rates for cable services within the Franchise area and all applicable laws covering issues of cross subsidization;
- (i) That in the event of any failure to comply with these representations and/or acknowledgments, or any material misrepresentations concerning the same, the City may enforce any damages or penalty provisions pursuant to the Franchise and exercise any other remedy available to it by law.

- (j) Franchisee has agreed to resolve the outstanding utility tax issue with the City, pursuant to the June 17, 2002, letter to the City from Deborah M. Luppold, Vice President of Franchising and Local Government Relations for AT&T Broadband.

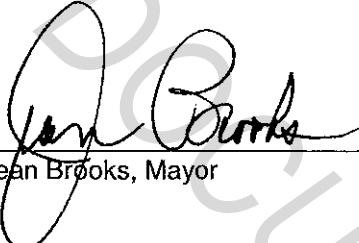
4. By passage of this Resolution, the City makes no representations concerning whether any violations or non-compliance issues exist with respect to the Franchise. Nothing in this Resolution shall be construed by the Franchisee, AT&T, or AT&T Comcast as precluding the City from addressing any prior acts of noncompliance by Franchisee, pursuant to the terms of the Franchise.

5. This Resolution shall take effect upon the closing of the Merger Agreement.

6. Nothing in this Resolution, or the transfer of control being approved herein, shall modify or limit in any way to commitments and obligations to RCC jurisdictions set forth in the October 28, 1998 letter from Richard E. Thayer, AT&T Chief Commercial Counsel to Bill Oltman, RCC Director.

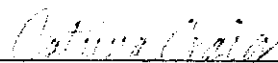
7. This Resolution is conditioned upon approval of the transaction between AT&T, Comcast and AT&T Comcast, by their respective shareholders, and all required federal government agencies, in substantially the same form as the transaction described in the Merger Agreement, and related documents delivered to the City with AT&T's and Comcast's Form 394 filing, and in documents delivered in response to the City's requests for supplemental information. Should the transaction as approved by the shareholders and federal government agencies differ in any material respect from that represented in the documents described herein, this Resolution shall be voidable, at the sole option of the City. Within thirty (30) days following the closing of the Merger Agreement, Franchisee shall file with the City a written representation that the above conditions have been met, and that it unconditionally agrees with and shall be bound by all terms contained in this Resolution. Failure to file this representation and unconditional agreement shall render this Resolution null and void.

ADOPTED by the City Council of the City of University Place, Washington, on this 24th day of June, 2002.



Jean Brooks, Mayor

ATTEST:



Catrina Craig, City Clerk