

ORDINANCE NO. 3508

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, PROVIDING CONDITIONAL APPROVAL OF CONSENT TO CHANGE OF CONTROL OF THE CABLE FRANCHISE FROM AT&T CORPORATION TO AT&T COMCAST CORPORATION; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, TCI Cablevision of Dallas, Inc. ("Franchisee"), is currently a franchisee for cable services in the City of Mesquite ("City") pursuant to Ordinance No. 3416 ("Franchise"); and

WHEREAS Franchisee is an indirect subsidiary of AT&T Corporation ("AT&T") and AT&T has proposed a change of control of Franchisee from AT&T to AT&T Comcast Corporation ("AT&T Comcast"); and

WHEREAS, Franchisee, AT&T and AT&T Comcast have requested the City's consent to the change in control in accordance with Section 26 of the Franchise and have filed a Federal Communications Commission (FCC) Form 394 with the City requesting such consent; and

WHEREAS, the City has retained the services of C2 Consulting Services to review the FCC Form 394 with respect to the legal, financial and technical capacity of AT&T Comcast to control Franchisee, and Franchisee's related ability to continue to adhere to the requirements and conditions of the Franchise; and

WHEREAS, the City is willing to consent to the proposed change of control as detailed in the FCC Form 394 pursuant to the conditions set forth below.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. That all matters stated in the preamble are found to be true and correct and are incorporated herein as if copied in their entirety.

SECTION 2. That AT&T Comcast Corporation ("AT&T Comcast") agrees that TCI Cablevision of Dallas, Inc. ("Franchisee"), will abide by the lawful and applicable terms of Ordinance No. 3416 ("Franchise") and its amendments and all other ordinances of the City of Mesquite ("City").

SECTION 3. That Franchisee agrees that it will provide service pursuant to the lawful and applicable requirements of the Franchise and its amendments after the closing.

SECTION 4. That subject to Franchisee's compliance with the provisions contained herein, the City accepts the change of control of the Franchisee to AT&T Comcast. Such acceptance does not preclude further investigation by the City of any potential franchise violations including those occurring prior to the change of control. Franchisee agrees that with

respect to any violation or noncompliance issues that are not extinguished prior to change of control, the City will have all rights to continue investigation of such matters following the close of the merger under the terms set forth in the franchise agreements.

SECTION 5. That any actions which have the effect of circumventing payment of any lawfully required ordinance fees and/or evasion of payment of the ordinance fees by non-collection or nonreporting of gross receipts, bartering or any other means which evade the actual collection of revenues for businesses authorized by Franchisee are prohibited. Pursuant to the Texas Constitution, the City is prohibited from granting anything of value without compensation. The City has the right to audit all records relating to the calculation of the franchise fee.

SECTION 6. That by granting this change of control, the City does not waive and specifically retains any right to regulate and receive compensation as allowed by law for all Cable Services offered over the Cable System. Upon request and if the City is lawfully allowed to make such a request, Franchisee shall inform the City of any uses of the Cable System by persons who are not Cable Operators.

SECTION 7. That the City, through its duly designated officers, agents or representatives shall have access to all books of accounts and records of Franchisee which are reasonably related to the enforcement of this Franchise. Franchisee shall keep complete and accurate books of accounts and records of its business and operations under and in connection with this Franchise. All such books of accounts and records reasonably related to the enforcement of this Franchise shall be made available for inspection by the City at an office of the Franchisee located within the Dallas metropolitan area during normal business hours upon reasonable advance notice. In the alternative and at Franchisee's discretion, Franchisee may make books available in other locations but must pay the travel costs for a City representative to visit this site if such review is requested by the City. Franchisee shall maintain the books and records for Franchise compliance purposes for a period of three (3) years.

SECTION 8. That within thirty (30) days from the effective date of this ordinance, Franchisee shall hereby accept this ordinance and agrees to be bound by all of its terms, conditions and provisions subject to applicable law by signing below. If Franchisee does not provide such agreement, this consent shall be null and voidable at the City's discretion.

SECTION 9. That should any word, sentence, clause, paragraph or provision of this ordinance be held to be invalid or unconstitutional, the validity of the remaining provisions of this ordinance shall not be affected and shall remain in full force and effect.

SECTION 10. That this ordinance shall take effect immediately from and after being duly passed and approved on its third and final reading.

DULY PASSED AND APPROVED on first reading by the City Council of the City of Mesquite, Texas, on the 17th day of June, 2002.

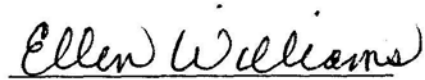
DULY PASSED AND APPROVED on second reading by the City Council of the City of Mesquite, Texas, on the 1st day of July, 2002.

DULY PASSED AND APPROVED on third and final reading by the City Council of the City of Mesquite, Texas, on the 15th day of July, 2002.



Mike Anderson
Mayor

ATTEST:



Ellen Williams
City Secretary

APPROVED:



B. J. Smith
City Attorney

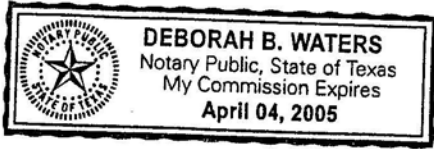
TCI CABLEVISION OF DALLAS, INC.

By: Paula J. Trustdorf
Its: Senior Vice President

CORPORATE ACKNOWLEDGEMENT

State of Texas §
 §
County of Dallas §

This instrument was acknowledged before me on this 25th day of July, 2002, by Paula J. Trustdorf (name of officer), Senior Vice President (title of officer) of TCI CABLEVISION OF DALLAS, INC., a Texas corporation, on behalf of said corporation.



Deborah B. Waters
Notary Public in and for the State of Texas

My commission expires: 4-4-05