

**SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

**CURRENT REPORT  
Pursuant To Section 13 or 15(d) of  
The Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): April 20, 2005

**Comcast Corporation**

(Exact Name of Registrant  
as Specified in Charter)

**Pennsylvania**

(State or Other Jurisdiction of Incorporation)

**000-50093**

(Commission File Number)

**27-0000798**

(IRS Employer Identification No.)

**1500 Market Street  
Philadelphia, PA**

(Address of Principal Executive Offices)

**19102**

(Zip Code)

Registrant's telephone number, including area code: (215) 665-1700

**Not Applicable**

(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01 Entry into a Material Definitive Agreement**

On April 21, 2005, Comcast Corporation, a Pennsylvania corporation ("Comcast"), announced that it had entered into an asset purchase agreement, dated as of April 20, 2005 (the "Comcast Adelphia Purchase Agreement") with Adelphia Communications Corporation, a Delaware corporation ("Adelphia"), pursuant to which Comcast will, on the terms and subject to the conditions thereof, purchase certain assets and assume certain liabilities from Adelphia and certain of its affiliates and related parties (the "Comcast Adelphia Acquisition"). Concurrently, Time Warner Inc., a Delaware corporation ("Time Warner"), announced that Time Warner NY Cable LLC, a Delaware limited liability company ("TW NY") and a subsidiary of Time Warner and of Time Warner Cable Inc., a Delaware corporation ("TWC"), entered into an asset purchase agreement, dated as of April 20, 2005 (the "TW Adelphia Purchase Agreement" and, together with the Comcast Adelphia Purchase Agreement, the "Adelphia Purchase Agreements"), with Adelphia, pursuant to which TW NY will, on the terms and subject to the conditions thereof, purchase certain assets and assume certain liabilities from Adelphia and certain of its affiliates and related parties (the "TW Adelphia Acquisition" and, together with the Comcast Adelphia Acquisition, the "Adelphia Acquisitions"). The Adelphia Acquisitions include substantially all of the cable systems currently managed by Adelphia. The aggregate consideration payable by Comcast in connection with the Comcast Adelphia Acquisition is \$3.5 billion in cash (the "Purchase Price"). The aggregate consideration payable by TW NY in connection with the TW Adelphia Acquisition consists of approximately \$9.2 billion in cash and shares of TWC's Class A Common Stock, par value \$0.01 per share ("TWC Class A Common Stock"), which are expected to represent 16% of the common stock of TWC as of the closing (the "Adelphia Closing") of the transactions contemplated by the TW Adelphia Purchase Agreement and assuming the redemption of Comcast's interest in TWC, as described below. Following the Adelphia Closing, the shares of TWC Class A Common Stock will be publicly traded.

Comcast and certain of its affiliates, on the one hand, and TWC and certain of its affiliates, on the other hand, also entered into two redemption agreements, each dated as of April 20, 2005 (the "TWC Redemption Agreement" and the "TWE Redemption Agreement," respectively), pursuant to which, among other things, Comcast's interests in TWC and Time Warner Entertainment Company, L.P., a Delaware limited partnership and a subsidiary of Time Warner and of TWC

(“TWE”), respectively, will be redeemed (the “TWC Redemption” and the “TWE Redemption,” respectively, and, collectively, the “Redemptions”), on the terms and subject to the conditions thereof. Currently, trusts established for the benefit of Comcast own 17.9% of the common stock of TWC and a 4.7% residual equity interest in TWE, which collectively represents a 21% effective interest in TWC’s business.

In addition, Comcast and TWC and certain of their respective affiliates entered into an exchange agreement, dated as of April 20, 2005 (the “Exchange Agreement”), pursuant to which, among other things, Comcast and TWC or such affiliates will exchange certain cable systems, some of which are to be acquired in the Adelphia Acquisitions (the “Exchange” and, together with the Adelphia Acquisitions and the Redemptions, the “Transactions”).

The Transactions and certain related transactions are described in greater detail below.

### **The Comcast Adelphia Purchase Agreement**

Adelphia’s operations primarily consist of providing analog and digital video services, high-speed Internet access and other advanced services over broadband networks. In June 2002, Adelphia and substantially all of its domestic subsidiaries filed voluntary petitions for reorganization under chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”) and are currently subject to chapter 11 proceedings in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”).

The Comcast Adelphia Acquisition will be effected pursuant to a plan under chapter 11 of the Bankruptcy Code satisfying the requirements of the Adelphia Purchase Agreements (the “Plan”). The Comcast Adelphia Acquisition includes (i) Adelphia’s controlling interests in two joint ventures that own cable systems serving approximately 1,092,000 subscribers (approximately 784,000 subscribers after pro rating for minority interests) (as of December 31, 2004) and (ii) cable systems serving approximately 138,000 subscribers (as of December 31, 2004). Comcast currently owns the minority interests in the two Adelphia-controlled joint ventures: the Century-TCI joint venture, which owns cable systems in the Los Angeles, California area and the Parnassos joint venture, which owns cable systems in Ohio, Pennsylvania and Western New York.

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The Purchase Price is subject to customary adjustments to reflect changes in Adelphia’s net liabilities and subscribers as well as any shortfall in Adelphia’s capital expenditure spending relative to its budget during the interim period between the execution of the Comcast Adelphia Purchase Agreement and the Adelphia Closing (the “Interim Period”). At the Adelphia Closing, 4% of the Purchase Price will be deposited into escrow to secure Adelphia’s obligations in respect of any post-closing adjustments to the Purchase Price and its indemnification obligations for, among other things, breaches of its representations, warranties and covenants pursuant to the Comcast Adelphia Purchase Agreement.

Adelphia and Comcast have made customary representations, warranties and covenants in the Comcast Adelphia Purchase Agreement, including, among others, covenants that (i) require the parties to commence appropriate proceedings before the Bankruptcy Court to obtain approval of the Plan and to use commercially reasonable efforts to obtain the regulatory and other approvals required in connection with the Comcast Adelphia Acquisition and (ii) subject to certain customary exceptions, prohibit Adelphia from soliciting, encouraging or responding to proposals relating to alternative business combination transactions (including pursuing an alternate plan under chapter 11 of the Bankruptcy Code). The Comcast Adelphia Purchase Agreement contains certain termination rights for both Comcast and Adelphia, and further provides that, upon termination of the Comcast Adelphia Purchase Agreement under specified circumstances, Adelphia may be required to pay Comcast a termination fee of approximately \$87.5 million.

The Adelphia Closing is subject to the satisfaction or waiver of conditions customary to transactions of this type, including, among others, (i) receipt of applicable regulatory approvals, including the consent of certain local franchising authorities to the change in ownership of the cable systems operated by Adelphia, (ii) expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (iii) approval of the Plan by the stakeholders of Adelphia, (iv) satisfactory settlement by Adelphia of the claims and causes of actions brought by the Securities and Exchange Commission and the investigations by the Department of Justice, (v) entry by the Bankruptcy Court of a final order confirming the Plan and (vi) the number of basic subscribers served by Adelphia’s cable systems as of a specified date prior to the Adelphia Closing not being below an agreed upon threshold. The Adelphia Closing is expected to occur toward the end of 2005 or in the first quarter of 2006.

The Adelphia Acquisitions are not subject to the consummation of the Redemptions and the Exchange; accordingly, it is possible that the Adelphia Acquisitions will occur but that any or all of the Redemptions and the Exchange will not occur.

The TW Adelphia Purchase Agreement has similar terms to the Comcast Adelphia Purchase Agreement, with certain additional provisions relating to the issuance TWC Class A Common Stock and customary representations and covenants regarding TWC’s business. The consummation of each of the Adelphia Acquisitions is conditioned on the contemporaneous consummation of the other.

If the Comcast Adelphia Purchase Agreement is terminated prior to the Adelphia Closing as a result of actions by, or failure to obtain governmental authorizations from, the Federal Communications Commission or any government entity with jurisdiction over the enforcement of U.S. antitrust law, TW NY has agreed that it will also acquire the cable operations of Adelphia that would have been acquired by Comcast pursuant to the Comcast Adelphia Purchase Agreement. In such event, TW NY would be required to pay the \$3.5 billion purchase price to have been paid by Comcast, less Comcast’s allocable share of the liabilities (between \$550 and \$600 million) of the Century-TCI and Parnassos joint ventures that are being assumed by Adelphia. This purchase price may be satisfied at TW NY’s election in any combination of shares of TWC Class A Common stock and cash. In such event, the Exchange would not take place and Comcast would retain its minority interests in the Century-TCI and Parnassos joint ventures, which would be managed by TWC. Pursuant to a letter agreement dated April 20, 2005 (the “Expanded Transaction Agreement”), among Comcast, TW NY and Adelphia, the parties have agreed that in such an event, the subsidiaries of Comcast that are parties to the Century-TCI and Parnassos joint ventures will contribute to the joint ventures an amount of cash equal to their allocable share of the liabilities of the joint ventures being assumed by Adelphia, and Adelphia or its subsidiaries will receive a distribution equal to the amount of that contribution.

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### **The TWC Redemption Agreement**

Also on April 20, 2005, Comcast and certain of its affiliates and related parties, including TWE Holdings II Trust, a Delaware statutory trust that holds Comcast’s shares in TWC (“Comcast Trust II”) entered into the TWC Redemption Agreement with Time Warner, TWC and Cable Holdco II, Inc., a Delaware corporation and a newly formed subsidiary of TWC (“Cable Holdco II”). Pursuant to the TWC Redemption Agreement, TWC will redeem all of the shares of TWC Class A Common Stock held by Comcast Trust II in exchange for 100% of the common stock of Cable Holdco II. At the time of the exchange, Cable

Holdco II will own certain cable systems currently owned directly or indirectly by TWC serving approximately 550,000 basic subscribers (as of December 31, 2004), plus approximately \$1.9 billion in cash.

The closing of the transactions contemplated by the TWC Redemption is subject to the satisfaction of the conditions to the TW Adelphia Acquisition. If the conditions to the TW Adelphia Acquisition are not satisfied, the parties to the TWC Redemption Agreement are under no obligation to effect the TWC Redemption. In addition, the closing of the transactions contemplated by the TWC Redemption Agreement is subject to the satisfaction or waiver of conditions customary to transactions of this type, including receipt of required regulatory approvals.

### **The TWE Redemption Agreement**

Also on April 20, 2005, Comcast and certain of its affiliates and related parties, including TWE Holdings I Trust, a statutory trust that holds Comcast's interest in TWE ("Comcast Trust I"), entered into the TWE Redemption Agreement with Time Warner, TWC, TWE and Cable Holdco III LLC, a Delaware limited liability company and a newly formed subsidiary of TWE ("Cable Holdco III"). Pursuant to the TWE Redemption Agreement, TWE will redeem all of the TWE limited partnership interests held by Comcast Trust I in exchange for 100% of the limited liability company interests of Cable Holdco III. At the time of such exchange, Cable Holdco III will own certain cable systems currently owned directly or indirectly by TWE serving approximately 159,000 basic subscribers (as of December 31, 2004), plus approximately \$133 million in cash.

The closing of the transactions contemplated by the TWE Redemption Agreement is subject to the satisfaction or waiver of conditions customary to transactions of this type, including receipt of applicable regulatory approvals and the satisfaction or waiver of other customary conditions. If the conditions to the TW Adelphia Acquisition are not satisfied, the parties to the TWE Redemption Agreement are under no obligation to effect the TWE Redemption, except as described below.

### **The Exchange Agreement**

Also on April 20, 2005, Comcast and certain of its affiliates (collectively, the "Comcast Group") entered into the Exchange Agreement with TWC and certain of its affiliates (collectively, the "TW Group"). Pursuant to the Exchange Agreement, the TW Group will transfer all outstanding limited liability company interests of certain newly formed limited liability companies that are to be indirect subsidiaries of TWC (collectively, the "TW Newcos") to the Comcast Group in exchange for all limited liability company interests of certain newly formed limited liability companies or trusts that are to be indirect subsidiaries of Comcast (collectively, the "Comcast Newcos"). At the time of the Exchange, the TW Newcos will own cable systems, all but one of which are systems to be acquired by TW NY in the TW Adelphia Acquisition, serving approximately 2,031,000 basic subscribers (as of December 31, 2004), and the Comcast Newcos will own cable television systems, including certain systems to be obtained by Comcast in the Comcast Adelphia Acquisition, serving approximately 2,203,000 basic subscribers (as of December 31, 2004). The cable systems to be transferred to Comcast include systems located in West Palm Beach, Florida, and suburbs of the District of Columbia. The cable systems to be transferred to TWC include systems that are owned by the Century-TCI joint venture in the Los Angeles, California area and the Parnassos joint venture in Ohio and Western New York, as well as cable systems currently owned by Comcast located in the following areas: Dallas, Texas; Los Angeles, California; and Cleveland, Ohio.

The closing of the transactions contemplated by the Exchange Agreement is subject to consummation of the TW Adelphia Acquisition and the Comcast Adelphia Acquisition. In addition, the closing of the transactions contemplated by the Exchange Agreement is subject to the satisfaction or waiver of conditions customary to transactions of this type, including receipt of applicable regulatory approvals.

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### **TKCCP Agreement**

Also on April 20, 2005, Comcast and TWC entered into an agreement (the "TKCCP Agreement") pursuant to which the parties agreed that if the Adelphia Acquisitions and the Exchange occur and if Comcast receives certain cable systems located in Southwest Texas (the "SW Texas Systems") upon dissolution of Texas and Kansas City Cable Partners, L.P. pursuant to the Limited Partnership Agreement of Texas and Kansas City Cable Partners, L.P., dated as of June 23, 1998, as amended, Comcast will have a period of six months commencing on the first anniversary of the date Comcast receives such cable systems in such dissolution to cause TWC to transfer to Comcast certain cable systems serving approximately 400,000 basic subscribers (as of December 31, 2004), and in exchange therefor, Comcast will transfer to TWC the SW Texas Systems, serving approximately 480,000 basic subscribers (as of December 31, 2004). Such numbers of subscribers were determined by TWC in accordance with its subscriber counting policies. To the extent the value of the systems being transferred by either party is different from the value being received, an appropriate cash adjustment will be made to equalize value. If Comcast exercises its option to cause such exchange, the closing of the exchange will be subject to customary terms and conditions.

### **Amendments to Existing Arrangements**

#### *Registration Rights Agreement*

In conjunction with the restructuring of TWE completed in 2003 (the "TWE Restructuring"), TWC granted Comcast Trust II registration rights relating to the shares of TWC Class A Common Stock acquired by it in the TWE Restructuring. In December 2003, Comcast Trust II requested that TWC register its shares of TWC Class A Common Stock for sale in a public offering. Pursuant to the TWC Redemption Agreement, Comcast Trust II has agreed not to exercise or pursue registration rights with respect to the TWC Class A Common Stock owned by it until the earlier of (i) the date upon which the TWC Redemption Agreement is terminated in accordance with its terms and (ii) the date upon which TWC's offering of securities to the public for cash for its own account in one or more transactions registered under the Securities Act of 1933, as amended (other than as consideration in an acquisition transaction or as compensation to employees), exceeds \$2.1 billion. Among other things, the parties have agreed that Comcast Trust II will have full priority in respect of any request by it to register its shares of TWC Class A Common Stock for a period to begin on November 1, 2006 and ending on November 18, 2007. TWC has also agreed to use all commercially reasonable efforts to file a shelf registration statement on June 1, 2006 registering the resale of all shares of TWC Class A Common Stock held by Comcast Trust II.

#### *Partnership Interest Sale Agreement*

As part of the TWE Restructuring, Comcast, Comcast Trust I, Time Warner and TWC entered into a Partnership Interest Sale Agreement, dated as of March 31, 2003 (the "Partnership Interest Sale Agreement"), that provided, among other things, that under certain circumstances Comcast Trust I could cause Time Warner or TWC to acquire Comcast Trust I's interest in TWE for consideration consisting of either cash or stock of Time Warner or TWC. Pursuant to the TWE Redemption Agreement, Comcast Trust I has agreed not to exercise its rights to cause either Time Warner or TWC to purchase its interest in TWE under the Partnership Interest Sale Agreement until the earlier of such time as the TWE Redemption Agreement is terminated, the date TWC delivers a termination notice

and December 31, 2006. Under certain circumstances, Comcast is entitled to deliver a termination notice to Time Warner and TWE, whereupon Time Warner and TWE can elect either to (i) proceed with the TWE Redemption and waive the condition that the conditions to the TW Adelphia Acquisition have been satisfied or (ii) permit the TWE Redemption Agreement to be terminated. In addition, Time Warner and TWC have agreed that if Comcast exercises its rights to cause Time Warner or TWC to purchase its interest in TWE, the consideration will not include TWC stock.

#### *Amendment to the Tolling and Optional Redemption Agreement*

Also on April 20, 2005, Comcast and certain of its affiliates, including Comcast Trust II, and TWC and Cable Holdco, Inc., a Delaware corporation and a subsidiary of TWC ("Cable Holdco"), entered into an Amendment No. 2, dated as of April 20, 2005 ("Amendment No. 2"), to the Tolling and Optional Redemption Agreement, dated as of September 24, 2004, (as amended by Amendment No. 1, dated as of February 17, 2005, and by Amendment No. 2, the "Optional Redemption Agreement"). Pursuant to the Optional Redemption Agreement, the parties agreed that if

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the TWC Redemption Agreement terminates, TWC will redeem 23.8% of the TWC Class A Common Stock held by Comcast Trust II in exchange for 100% of the common stock of Cable Holdco. At the time of the exchange, Cable Holdco will own certain cable systems currently owned directly or indirectly by TWC or TWE, serving approximately 143,000 basic subscribers (as of December 31, 2004), plus approximately \$422 million in cash.

The closing of the transactions contemplated by the Optional Redemption Agreement is subject to, and can only occur, following the termination of the TWC Redemption Agreement. In addition, the closing of the transactions contemplated by the Optional Redemption Agreement is subject to satisfactory due diligence by Comcast of certain of the cable systems it is to receive and the satisfaction or waiver of conditions customary to transactions of this type, including receipt of applicable regulatory approvals. The parties to the Optional Redemption Agreement have agreed pursuant to a letter agreement dated April 20, 2005 that, if at the time the conditions to the closing of the Optional Redemption Agreement have been satisfied the closing under the TWE Redemption Agreement has not occurred and the TWE Redemption Agreement has not been terminated, then certain of the cable systems subject to the Optional Redemption Agreement will be substituted with alternative cable systems (serving approximately the same number of basic subscribers as of December 31, 2004).

#### **Cautionary Statements**

The foregoing descriptions do not purport to be complete and are qualified in their entirety by reference to the Comcast Adelphia Purchase Agreement, the TWC Redemption Agreement, the TWE Redemption Agreement, the Exchange Agreement, the Optional Redemption Agreement, the Expanded Transaction Agreement and the TKCCP Agreement (the "Agreements"), copies of which are filed herewith as Exhibits 2.1, 2.2, 2.3, 2.4, 2.5, 2.6 and 2.7, respectively.

The Agreements have been included to provide investors with information regarding their terms. Except for their status as the contractual documents that establish and govern the legal relations among the parties thereto with respect to the transactions described above, the Agreements are not intended to be a source of factual, business or operational information about the parties.

The representations, warranties and covenants made by the parties in each of the Agreements are qualified including by information in disclosure schedules that the parties exchanged in connection with the execution of such Agreements. Representations and warranties may be used as a tool to allocate risks between the parties, including where the parties do not have complete knowledge of all facts. Investors are not third party beneficiaries under the Agreements and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of Comcast, Time Warner or Adelphia or any of their respective affiliates.

#### **Caution Concerning Forward-Looking Statements**

This document includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current expectations and beliefs of the management of Comcast and are subject to uncertainty and changes in circumstances.

Actual results may vary materially from those expressed or implied by the statements herein due to the bankruptcy court approval process, regulatory review and approval process and changes in economic, business, competitive, technological and/or other regulatory factors, as well as other factors affecting the operation of the business of Comcast. More detailed information about these factors may be found in the filings by Comcast with the Securities and Exchange Commission, including its most recent annual report on Form 10-K. Comcast is under no obligation to, and expressly disclaims any such obligation to, update or alter the forward-looking statements, whether as a result of new information, future events or otherwise.

#### **Item 8.01 Other Events**

On April 21, 2005, Time Warner and Comcast issued a joint press release announcing the Transactions. The press release is attached as Exhibit 99.1 and is incorporated herein by reference.

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#### **Item 9.01 Financial Statements and Exhibits**

<b>Exhibit No.</b>	<b>Description</b>
Exhibit 2.1	Asset Purchase Agreement, dated as of April 20, 2005, between Adelphia Communications Corporation and Comcast Corporation.
Exhibit 2.2	Redemption Agreement, dated as of April 20, 2005, by and among Comcast Cable Communications Holdings, Inc., MOC Holdco II, Inc., TWE Holdings II Trust, Cable Holdco II Inc., Time Warner Cable Inc. and, for certain limited purposes, Comcast Corporation, Time Warner Inc. and TWE Holdings I Trust.
Exhibit 2.3	Redemption Agreement, dated as of April 20, 2005, by and among Comcast Cable Communications Holdings, Inc., MOC Holdco I, LLC, TWE Holdings I Trust, Cable Holdco III LLC, Time Warner Entertainment Company, L.P. and, for certain limited

purposes, Comcast Corporation, Time Warner Inc. and Time Warner Cable Inc.

**Exhibit 2.4**

Exchange Agreement, dated as of April 20, 2005, by and among Comcast Corporation, Comcast Cable Communications Holdings, Inc., Comcast of Georgia, Inc., TCI Holdings, Inc., Time Warner Cable Inc., Time Warner NY Cable LLC and Urban Cable Works of Philadelphia, L.P.

**Exhibit 2.5**

Composite copy of Tolling and Optional Redemption Agreement, dated as of September 24, 2004, as amended by Amendment No. 1, dated as of February 17, 2005, and by Amendment No. 2, dated as of April 20, 2005, by and among Comcast Cable Communications Holdings, Inc., MOC Holdco II, Inc., TWE Holdings II Trust, Cable Holdco Inc., Time Warner Cable Inc. and, for certain limited purposes, Comcast Corporation, Time Warner Inc. and TWE Holdings I Trust.

**Exhibit 2.6**

Letter Agreement, dated April 20, 2005, among Adelphia Communications Corporation, Comcast Corporation and Time Warner NY Cable LLC.

**Exhibit 2.7**

Letter Agreement, dated April 20, 2005, between Time Warner Cable Inc. and Comcast Corporation.

**Exhibit 99.1**

Press Release, dated April 21, 2005, issued by Time Warner Inc. and Comcast Corporation.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**COMCAST CORPORATION**

Date: April 26, 2005

By: /s/ Arthur R. Block  
Name: Arthur R. Block  
Title: Senior Vice President, General Counsel  
and Secretary

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**EXHIBIT INDEX**

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## ASSET PURCHASE AGREEMENT

between

ADELPHIA COMMUNICATIONS CORPORATION

and

COMCAST CORPORATION

Dated as of April 20, 2005

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ASSET PURCHASE AGREEMENT, dated as of April 20, 2005, between Adelphia Communications Corporation, a Delaware corporation (“Seller”), and Comcast Corporation, a Pennsylvania corporation (“Buyer”). Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in Article I.

W I T N E S S E T H:

WHEREAS, Seller and certain of its Affiliates are debtors and debtors in possession (the “Debtors”) under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§101 *et seq.* (the “Bankruptcy Code”), having each commenced voluntary cases (jointly administered as No. 02-41729 (REG)) (the “Reorganization Case”) on or after June 10, 2002 (the “Petition Date”) in the Bankruptcy Court;

WHEREAS, Seller and its Affiliates are engaged in the business of operating Systems providing customers with analog and digital video services, high-speed Internet access and other services, including telephony services, in the geographical areas listed on Schedule A of the Seller Disclosure Schedule and on Schedule A of the Seller Disclosure Schedule (as defined in the Friendco Purchase Agreement) to the Friendco Purchase Agreement and are engaged in the other businesses and have such other holdings as are set forth on Schedule B of the Seller Disclosure Schedule (together, the “Business”);

WHEREAS, Seller desires to sell and assign and to cause certain of its Affiliates to sell and assign to Buyer and Buyer desires to purchase and assume from Seller and such Affiliates, directly or indirectly by the purchase of the JV Interests, certain Assets and Liabilities of the Business, as more particularly set forth herein, including the Systems servicing the geographical areas listed in Part 1 of Schedule A of the Seller Disclosure Schedule (the “Group 1 Systems”) and Part 2 of Schedule A of the Seller Disclosure Schedule (the “Group 2 Systems” and together with the Group 1 Systems, the “Acquired Systems”);

WHEREAS, simultaneously with the execution hereof, Seller and Time Warner NY Cable LLC, a Delaware limited liability company (“Friendco”), are entering into an Asset Purchase Agreement (together with the schedules and exhibits thereto, all as amended from time to time with the approval of Buyer and disregarding the effectiveness of any waiver by Friendco not approved by Buyer and any waiver by Seller not approved by Buyer to the extent it adversely affects Buyer, the “Friendco Purchase Agreement”) pursuant to which Seller has agreed to sell and assign, and to cause certain of its Affiliates to sell and assign, to Friendco and Friendco has agreed to purchase and assume from Seller and such Affiliates on the terms set forth therein, certain Assets and Liabilities of the Business, as more particularly set forth therein (the “Friendco Business”);

WHEREAS, simultaneously with the execution hereof, Buyer, Time Warner Cable Inc., a Delaware corporation (“Friendco Parent”), and certain of their Affiliates are entering into the Exchange Agreement, pursuant to which Buyer and/or certain of its

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Affiliates will convey to Friendco Parent and/or certain of its Affiliates and Friendco Parent and/or certain of its Affiliates will assume from Buyer and/or certain of its Affiliates the Business Related to the Group 1 Systems and the Group 1 Shared Assets and Liabilities (the “Group 1 Business”), together with additional Systems owned and managed by Buyer and/or certain of Buyer’s Subsidiaries, in exchange for a portion of the Friendco Business, together with additional Systems owned and managed by Friendco Parent or its Affiliates, all as more specifically set forth in the Exchange Agreement (the “Exchange”);

WHEREAS, upon consummation of the Transaction and the Exchange, the portion of the Business retained by Buyer will be (a) that portion of the Business Related to the Group 2 Systems and (b) the Group 2 Shared Assets and Liabilities (collectively, the “Group 2 Business” and together with the Group 1 Business, the “Acquired Business”); provided, however, that the Acquired Business shall exclude the Assets and Liabilities identified in Schedule C of the Seller Disclosure Schedule;

WHEREAS, prior to or at the Closing, Seller, Buyer and an escrow agent to be mutually selected by Buyer and Seller (the “Escrow Agent”) will enter into an escrow agreement in form and substance reasonably acceptable to Buyer and Seller (the “Escrow Agreement”);

WHEREAS, in connection with the Transaction, Seller and/or its Affiliates, on the one hand, and Buyer and/or certain of its Controlled Affiliates, on the other hand, shall enter into the other Ancillary Agreements; and

WHEREAS, the Debtors have agreed to file the Plan with the Bankruptcy Court to implement the Transaction upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants and undertakings contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

## ARTICLE I

### DEFINITIONS AND TERMS

Section 1.1 Certain Definitions. As used in this Agreement, the following terms have the meanings set forth below:

“Accounts Receivable” means, with respect to each Specified Business, all Subscriber, trade and other accounts and notes receivable, and other miscellaneous receivables of such Specified Business arising out of the sale or other disposition of goods or services of such Specified Business.

“Acquire” means to directly or indirectly acquire, receive in exchange or redemption, subscribe for, purchase (by merger, consolidation, combination,

recapitalization or other reorganization) or otherwise obtain an interest in, by operation of Law or otherwise.

“Acquired Business” has the meaning set forth in the Recitals.

“Acquired Systems” has the meaning set forth in the Recitals.

“Acquisition” has the meaning set forth in Section 5.8.

“Acquisition Proposal” has the meaning set forth in Section 5.8.

“Additional Discharge” means, with respect to any Person, except as otherwise provided in the Plan and the Confirmation Order (or, to the extent approved by Buyer (such approval not to be unreasonably withheld), such other plan that includes such Person as a debtor and the confirmation order of the Bankruptcy Court approving such plan and effecting the Additional Discharge), the discharge and/or equivalent effect granted pursuant to such confirmation order and sections 363, 1123 and 1141 of the Bankruptcy Code, and in each case prior to or at the Closing, (i) of such Person, as a debtor in possession, from all Liabilities, (ii) of interests of, and rights, interests and Claims of the holders of Claims against and interests in, such Person and (iii) of Encumbrances on, or interests of other Persons (other than Seller and its Affiliates) in, the Transferred Assets that are related to such Person; it being understood that an Additional Discharge may occur pursuant to the Plan.

“Additional Financial Statements” has the meaning set forth in Section 5.9(b).

“Additional Reorganization Case” has the meaning set forth in Section 5.11(h).

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made. For purposes of this definition, the term “control” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise. For purposes of this Agreement, (i) none of Seller or any of its Affiliates shall be deemed to be an Affiliate of any of Buyer, Friendco Parent, TWX, Friendco or any of their respective Affiliates, (ii) none of Buyer or any of its Affiliates shall be deemed to be an Affiliate of any of Seller, Friendco Parent, TWX, Friendco or any of their respective Affiliates, (iii) none of Friendco Parent, TWX, Friendco or any of their Affiliates shall be deemed to be an Affiliate of any of Seller, Buyer or any of their respective Affiliates, (iv) each Transferred Joint Venture Entity shall be deemed to be an Affiliate of Seller (and not be deemed to be an Affiliate of Buyer) until Closing is completed and an Affiliate of Buyer (and not an Affiliate of Seller) after Closing is completed, (v) each Managed Cable Entity shall be deemed to be an Affiliate of Seller and (vi) no member of the family of John Rigas shall be deemed to control Seller or any of its Affiliates.

“Aggregate Buyer Discharge Amount” means the sum of the Buyer Discharge Amounts for the three Transferred Joint Venture Parents.

“Aggregate Value of the Purchase Shares” means \$4,960,000,000.

“Agreement” means this Asset Purchase Agreement.

“Alternate Plan” has the meaning set forth in Section 5.8(b).

“Ancillary Agreements” means the Escrow Agreement, each MCE Management Agreement, and the instruments and other agreements required to be delivered pursuant to Sections 2.11 and 2.12, including any Bill of Sale.

“Applicable Employees” has the meaning set forth in Section 5.5(e).

“Applicable Monthly Rate” has the meaning set forth in the definition of “Permitted Promotion”.

“Asset Transferring Subsidiary” means those Subsidiaries of Seller (other than any Transferred Joint Venture Entity or Palm Beach Joint Venture) that have any right, title or other interest in, to or under the Transferred Assets.

“Assets” means any asset, property or right, wherever located (including in the possession of vendors or other third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person, and all right, title, interest and claims therein.

“Assigned Contracts” has the meaning set forth in Section 5.11(b).

“Assignment and Assumption Agreement” means, with respect to each of the Group 1 Remainder Business and the Group 2 Business, an agreement in form and substance reasonably acceptable to Seller and Buyer, providing for the effective assignment of any Assigned Contracts or other Transferred Assets Related to the Group 1 Remainder Business or to the Group 2 Business, as applicable, and the assumption of the Assumed Liabilities Related to the Group 1 Remainder Business or to the Group 2 Business, as applicable, other than, in each case, the Transferred Real Property Leases.

“Assumed Cure Costs” means the amounts designated as Assumed Cure Costs pursuant to Section 5.11(d) and the Cure Costs related to the Franchises for each of the localities listed on Schedule A of the Seller Disclosure Schedule.

“Assumed Liabilities” means, with respect to each Specified Business and each Joint Venture Business, only the following Liabilities of Seller or any of its Affiliates that are Debtors (or which become subject to an MCE Discharge or an Additional Discharge) that are Related to such Specified Business or Joint Venture Business, in each case to the extent allocated to such Specified Business or Joint Venture Business as required by Section 2.5: (i) Liabilities attributable to actions, omissions, circumstances or conditions

to the extent occurring following the Closing to the extent so allocated to such Specified Business or Joint Venture Business or any of the Transferred Assets allocated to such Specified Business or Joint Venture Business pursuant to the Designated Allocation, including under the Assigned Contracts and Authorizations, (ii) Liabilities of such Specified Business or Joint Venture Business arising in the Ordinary Course of Business since the Petition Date but only to the extent of the amount reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount for such Specified Business or Joint Venture Business, (iii) the following Liabilities: (A) Liabilities to provide severance pay and benefits pursuant to Section 5.5(d), (B) Liabilities for all expenses and benefits with respect to claims incurred by Transferred Employees or their covered dependents on or after the Closing Date pursuant to Section 5.5(f) and (C) Liabilities to provide accrued but unused vacation and with respect to sale bonuses due under the Adelphia Communications Corporation Sale Bonus Program (the “Sale Bonus Program”) to Transferred Employees pursuant to Section 5.5(k) but only to the extent of the amount reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount for such Specified Business or Joint Venture Business, (iv) the Assumed Cure Costs, (v) the Liabilities Related to such Specified Business or Joint Venture Business described in the proviso to the second sentence of Section 5.11(d), (vi) all Liabilities of such Specified Business or Joint Venture Business set forth on Schedule 1.1(a) of the Seller Disclosure Schedule, (vii) Assumed Taxes, (viii) Liabilities in respect of Environmental Self-Audit Deficiencies or Environmental Transfer Act Liabilities, in each case (with respect to this clause (viii)), to the extent and only to the extent such Liabilities consist solely of monetary obligations (but only to the extent of the amount reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount for such Specified Business or Joint Venture Business) or non-monetary obligations agreed to by Buyer pursuant to Section 5.14 and (ix) Liabilities of such Specified Business or Joint Venture Business under purchase orders outstanding as of the Closing but only to the extent of the amount reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount for such Specified Business or Joint Venture Business.

“Assumed Taxes” means (i) any Taxes of any Transferred Joint Venture Entity for the taxable periods, or portions thereof, beginning after the Closing and (ii) any Taxes imposed with respect to the Group 1 Business (other than any Taxes of a Transferred Joint Venture Entity), the Group 2 Business or any Transferred Assets Related thereto or any income or gain derived with respect thereto for the taxable periods, or portions thereof, beginning after the Closing.

“Audited Financial Statements” has the meaning set forth in Section 3.7(a).

“Authorization” means any Governmental Authorization or Non-Governmental Authorization.

“Background Check” has the meaning set forth in Section 5.5(a).

“Bankruptcy Code” has the meaning set forth in the Recitals.

“Bankruptcy Court” means the United States Bankruptcy Court for the Southern District of New York or, with respect to a Managed Cable Entity or Non-Debtor Subsidiary, the United States Bankruptcy Court in which any chapter 11 case that includes such Managed Cable Entity or Non-Debtor Subsidiary is pending.

“Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code applicable to the Reorganization Case, and any Local Rules of the

**“Base Net Liabilities Amount”** means, with respect to each Specified Business, \$0.00.

**“Base Subscriber Number”** means, with respect to each Specified Business, the number of Basic Subscribers of such Specified Business (which, for the avoidance of doubt, is shown in such Schedule with respect to the Group 1 Specified Business on the line labeled “Group 1 – Total” under the heading “Proportionate Basic Subscribers”) corresponding to the month prior to the month in which the Closing occurs, as set forth on Schedule 1.1(b) of the Seller Disclosure Schedule; provided, however, that, except for purposes of calculating the Initial Disputed MCE System Adjustment Amount pursuant to Section 2.9(a), in the event any Disputed MCE Systems exist as of the Closing, then the Base Subscriber Number for the Group 2 Business shall be reduced by the aggregate of the MCE Base Subscriber Numbers for all such Disputed MCE Systems.

**“Basic Subscriber”** means a “Basic Video Customer” as determined pursuant to the Seller Subscriber Accounting Policy.

**“Benefit Plans”** has the meaning set forth in Section 3.10(a).

**“Bill of Sale”** means, with respect to each Specified Business, an agreement in form and substance reasonably acceptable to Seller and Buyer, transferring the tangible personal property included in the Transferred Assets Related to such Specified Business.

**“Board”** has the meaning set forth in Section 5.8.

**“Books and Records”** means, with respect to each Specified Business, all books, ledgers, files, reports, records, manuals, maps and engineering data, tests, drawings, blueprints, schematics, lists, plans and processes and all files of correspondence and records concerning Subscribers and prospective Subscribers of any Cable System of such Specified Business or concerning signal or program carriage and all correspondence with Government Entities, including all reports filed by or on behalf of Seller or any of its Affiliates with the FCC and statements of account filed by or on behalf of Seller or any of its Affiliates with the United States Copyright Office, all Tax Returns of Seller or any of its Affiliates (including workpapers) and tax software to the extent directly related thereto and other materials (in any form or medium) of, or maintained for, such Specified Business, but excluding any such items to the extent (i) they are included in or primarily related to any Excluded Assets or Excluded Liabilities (ii) with respect to any such items related to Employees, any Law prohibits their transfer or (iii) they are income or

franchise Tax Returns (or related workpapers or other materials) of Seller or its Affiliates that are not related to the Transferred Joint Venture Entities; provided, however, that, Books and Records shall include copies of any items excluded pursuant to the foregoing clause (i); provided, further that, except as provided in Section 9.3, Books and Records shall exclude any of the foregoing with respect to the Transferred Joint Venture Entities or the portions of the Business conducted by the Transferred Joint Venture Entities, in each case that are not reasonably necessary in connection with (i) the normal day-to-day operations of the Acquired Business following the Closing (which shall include, without limitation, any executory Contract and any Franchise or Authorization in effect) or (ii) the compliance following the Closing by Buyer and its Affiliates (including, for the avoidance of doubt, following the Closing, the Transferred Joint Venture Entities) with their respective financial, regulatory and Tax reporting obligations (such excluded Books and Records, the **“Excluded Books and Records”**); provided, that nothing in this Agreement shall limit the right of Buyer to gain access to Excluded Books and Records through subpoena, discovery in litigation or other legal process.

**“Budget”** has the meaning set forth in Section 5.2(s).

**“Budgeted Capital Expenditure Amount”** means, with respect to any Specified Business or Joint Venture Business, the aggregate amount of capital expenditures budgeted to be made in respect thereof, respectively, subsequent to December 31, 2004 and up to and including the end of the month immediately preceding the Closing Date or, if the Closing occurs on a month-end, up to and including such month, as set forth in the Budget.

**“Business”** has the meaning set forth in the Recitals.

**“Business Day”** means any day other than a Saturday, a Sunday or a day on which banks in New York City are authorized or obligated by Law or executive order to close.

**“Buyer”** has the meaning set forth in the Preamble.

**“Buyer Business”** means the business conducted by Buyer and its Subsidiaries.

**“Buyer Confidentiality Agreement”** means the letter agreement, dated November 9, 2004, between Buyer and Seller.

**“Buyer Discharge Amount”** means, with respect to each Transferred Joint Venture Parent, the applicable Buyer Joint Venture Percentage multiplied by Seller’s good faith determination of the total amount of Liabilities of such Transferred Joint Venture Parent and its Subsidiaries as of Closing, excluding any such Liabilities that are Assumed Liabilities, as set forth in a notice

delivered by Seller to Buyer no fewer than five Business Days prior to Closing; provided, that each Buyer Discharge Amount shall be reasonably satisfactory to Buyer and the Buyer Discharge Amount (i) of Century shall not be less than \$297 million or more than \$325 million, (ii) of Parnassos shall not be less than \$252 million or more than \$275 million and (iii) of Western shall be \$0.00, but subject to Section 5.22.

**“Buyer Disclosure Schedule”** means the Buyer Disclosure Schedule attached hereto as Annex B.

**“Buyer Governmental Authorizations”** means all licenses (including cable television relay service, business radio and other licenses issued by the FCC or any other Government Entity), permits (including construction permits), certificates, waivers, amendments, consents, franchises (including similar authorizations or permits), exemptions, variances, expirations and terminations of any waiting period requirements (including pursuant to the HSR Act), other actions by, and notices, filings, registrations, qualifications, declarations and designations with, and other authorizations and approvals Related to the Buyer Business and issued by or obtained from a Government Entity or Self-Regulatory Organization.

**“Buyer Indemnification Deadline”** has the meaning set forth in Section 7.1.

**“Buyer Indemnified Parties”** has the meaning set forth in Section 7.2(a).

**“Buyer Joint Venture Percentage”** means 25% with respect to Century and 33 % with respect to each of Parnassos and Western.

**“Buyer JV Partner”** means (i) with respect to Century, TCI California Holdings, LLC, a Colorado limited liability company and (ii) with respect to each of Parnassos and Western, TCI Adelphia Holdings, LLC, a Delaware limited liability company.

**“Buyer Managed MCE System”** has the meaning set forth in Section 2.9(c).

**“Buyer Required Approvals”** means all consents, approvals, waivers, authorizations, notices and filings from or with a Government Entity that are listed on Schedule 1.1(c) of the Buyer Disclosure Schedule other than the LFA Approvals.

**“Buyer’s 401(k) Plan”** has the meaning set forth in Section 5.5(j).

**“Buyer’s Statement”** has the meaning set forth in Section 2.8(b).

**“Cable Act”** means Title VI of the Communications Act, 47 U.S.C. §§521 *et seq.*

**“Cable System”** means, with respect to each Specified Business, each System that is Related to such Specified Business.

**“Cap Amount”** means the Group 1 Cap Amount or the Group 2 Cap Amount, as the case may be.

**“Capital Expenditure Adjustment Amount”** means, with respect to each Specified Business, an amount equal to the Target Capital Expenditure Amount minus the Closing Capital Expenditure Amount for such Specified Business. Except to the extent (and only to the extent) the consent of Buyer is obtained as contemplated in the proviso to the definition of “Capital Expenditure Amount,” in no event will the Capital Expenditure Adjustment Amount be a negative number.

**“Capital Expenditure Amount”** means, as to each Specified Business or Joint Venture Business, the sum of all capital expenditures incurred by Seller and its Affiliates in respect of such Specified Business or Joint Venture Business consistent with the Budget and in the Ordinary Course of Business (and excluding any amounts incurred or paid in connection with any casualty or damage), subsequent to December 31, 2004 and up to and including the end of the month immediately preceding the Closing Date or, if the Closing occurs on a month-end, up to and including such month; provided, however, that any capital expenditures incurred or paid for in excess of the aggregate amount set forth in the Budget for such Specified Business shall be included in the determination of Capital Expenditure Amount only to the extent that Buyer shall have consented to such expenditures prior to the incurrence thereof.

**“Capital Lease”** means any lease that is required to be classified and accounted for as a capital lease under GAAP.

**“Century Business”** means the portion of the Group 1 Business conducted by Century and its Subsidiaries.

**“Century”** means Century-TCI California Communications, L.P., a Delaware limited partnership.

CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980.

“Chapter 11 Expenses” means (a) any and all costs incurred and expenses paid or payable by Seller or any of its Affiliates in connection with the Sale Process, the Transaction or the transactions contemplated by the Friendco Purchase Agreement (other than costs that Buyer has expressly agreed to pay pursuant to this Agreement) and (b) the following costs and expenses related to the administration of the Reorganization Case or the reorganization case of any Managed Cable Entity or Non-Debtor Subsidiary: (i) obligations to pay any professionals’ fees and expenses in connection with the Reorganization Case incurred by Seller, its Affiliates, the Committees, and any other compensation or expenses payable in connection with the Reorganization Case (including fees of attorneys, accountants, investment bankers, financial advisors, auditors and consultants), other than fees and expenses Buyer has expressly agreed to pay pursuant to this Agreement, (ii) fees and expenses payable to the US Trustee under section 1930 of title 28, United States Code, (iii) fees and expenses of the members of the Committees, (iv) fees and expenses of the trustees of existing indentures of Seller and (v) fees and expenses related to the DIP Facility.

“Chosen Courts” has the meaning set forth in Section 9.10.

“Claim” means a claim (as defined in section 101(5) of the Bankruptcy Code) against a Debtor.

“Claim Notice” has the meaning set forth in Section 7.4(a).

“Class 1 Representations and Warranties” has the meaning set forth in Section 6.2(a).

“Class 2 Representations and Warranties” has the meaning set forth in Section 6.2(a).

“Closing” means the closing of the Transaction.

“Closing Adjustment Amount” means, with respect to each Specified Business, the sum (expressed as a positive, if positive, or as a negative, if negative) of (i) the Net Liabilities Adjustment Amount for such Specified Business, *minus* (ii) the Subscriber Adjustment Amount for such Specified Business, *minus* (iii) the Capital Expenditure Adjustment Amount for such Specified Business.

“Closing Capital Expenditure Amount” means (i) with respect to the Group 1 Business, the sum of (A) 75% multiplied by the Capital Expenditure Amount of the Century Business, *plus* (B) 66 % multiplied by the Capital Expenditure Amount of the Parnassos Business, *plus* (C) 66 % multiplied by the Capital Expenditure Amount of the Western Business, *plus* (D) the Capital Expenditure Amount of the Group 1 Remainder Business and (ii) with respect to the Group 2 Business, the Capital Expenditure Amount of the Group 2 Business.

“Closing Date” has the meaning set forth in Section 2.10.

“Closing Net Liabilities Amount” means, (i) with respect to the Group 1 Business, the Group 1 Current Assets *minus* the Group 1 Total Liabilities and (ii) with respect to the Group 2 Business, the Group 2 Current Assets *minus* the Group 2 Total Liabilities.

“Closing Subscriber Number” means (i) with respect to the Group 1 Business, the sum of (A) 75% multiplied by the number of Eligible Basic Subscribers of the Century Business as of the Closing, *plus* (B) 66 % multiplied by the number of Eligible Basic Subscribers of the Parnassos Business as of the Closing, *plus* (C) 66 % multiplied by the number of Eligible Basic Subscribers of the Western Business as of the Closing, and (ii) with respect to the Group 2 Business, the number of Eligible Basic Subscribers of the Group 2 Business as of the Closing.

“Code” means the Internal Revenue Code of 1986.

“Collective Bargaining Agreements” means, with respect to each Specified Business, the collective bargaining agreements covering Employees listed on Schedule 1.1(d) of the Seller Disclosure Schedule and identified as Related to such Specified Business.

“Committees” means (i) the committee appointed by the US Trustee to represent the interests of the unsecured creditors of the Debtors, (ii) the committee appointed by the US Trustee to represent the interests of equity holders of the Debtors, (iii) any other committee appointed by the US Trustee in connection with the Reorganization Case and

“Communications Act” means the Communications Act of 1934.

“Condemnation Proceeds” means, with respect to any Specified Business, all amounts payable or paid to Seller or any of its Affiliates as proceeds of (i) a condemnation or other taking of any Asset Related to such Specified Business by any Government Entity following December 31, 2004 or (ii) the exercise of any Purchase Right Related to such Specified Business following December 31, 2004.

“Confidential Information” has the meaning set forth in Section 5.1(d).

“Confirmation Hearing” means the hearing held by the Bankruptcy Court to consider confirmation of the Plan.

“Confirmation Order” means an order or judgment of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, satisfying the requirements of Section 5.11.

“Contract” means any agreement, contract, lease or sublease, license or sublicense, purchase order, arrangement, commitment, indenture, note, security, instrument, consensual obligation, promise, covenant or undertaking, including all franchises, rights-of-way, bulk service, commercial service or multiple dwelling unit agreements, access agreements, programming agreements, signal supply agreements, agreements with community groups, commercial leased access agreements, capacity license agreements, partnership, joint venture or other similar agreements or arrangements, and advertising interconnect agreements, or any other agreement, in each case, whether written or oral, and all rights associated therewith.

“Contract Categories Expected to be Assumed” means the following categories of Contracts, in each case to the extent Related to a Specified Business:

- (i) construction and installation Contracts;
- (ii) individual Subscriber service Contracts;
- (iii) bulk service, commercial service or multiple dwelling unit Subscriber Contracts;
- (iv) Contracts (including open purchase orders) relating to Fixtures and Equipment and any other tangible personal property (excluding motor vehicles), in each case only if Related exclusively to a specific Cable System;
- (v) local Cable System leased access agreements required by Law;
- (vi) Rights-of-Way;

(vii) Real Property Leases (excluding leases that would be Excluded Assets pursuant to Section 2.4(h)(i)) and Transferred Real Property Subleases;

(viii) Franchises and Authorizations (other than state certificates of public convenience and necessity and similar state telecommunications Authorizations);

(ix) advertising interconnect and local advertising sale Contracts (other than advertising representation Contracts, except as set forth on Schedule 1.1(k)(ii) of the Seller Disclosure Schedule; and

(x) software licenses and related maintenance agreements, in each case only if Related exclusively to a specific Cable System.

“Controlled Affiliate” means, with respect to any Person, any Affiliate of such Person that is controlled directly or indirectly by such Person.

“Cost Center” means a so-called cost center as used by Seller for internal management and bookkeeping purposes.

“CPA Firm” means KPMG LLP or such other firm of independent certified public accountants as to which Seller and Buyer shall mutually agree.

“Cure Costs” means, with respect to any Contract, the costs and expenses payable under section 365 of the Bankruptcy Code in connection with the assumption and/or assignment of such Contract.

“Current Assets” means, with respect to each Specified Business or Joint Venture Business, the current assets of such Specified Business or Joint Venture Business, as the case may be, included in the Transferred Assets as of the Closing (after giving effect to

the Transaction), as would be reflected on the face of a balance sheet for such Specified Business or Joint Venture Business, as the case may be, (excluding any footnotes thereto) prepared in accordance with GAAP, consistently applied (to the extent GAAP was previously applied) for such Specified Business or Joint Venture Business, as the case may be; provided, however, that, in no event shall Current Assets include (A) inventory, (B) any Assets with respect to Taxes (including duty and tax refunds and prepayments) and net operating losses of Seller or any of its Affiliates, (C) investments in Subsidiaries, (D) Assets held for sale (other than in connection with the Exchange), (E) Condemnation Proceeds, (F) Insurance Claims (except to the extent (and only to the extent) relating to an Assumed Liability), (G) Accounts Receivable related to Programming Agreements, (H) pre-paid insurance premiums and maintenance expenses (to the extent paid under Contracts other than Assigned Contracts) or (I) prepaid expenses except to the extent the Specified Business or Joint Venture Business, as the case may be, will receive the benefit thereof within one year of the Closing; provided, further, that Current Assets to be acquired under purchase orders outstanding as of the Closing will, for purposes hereof, be treated as being owned by the relevant Specified Business or Joint Venture Business as of the Closing regardless of whether they would otherwise be treated as such under GAAP but subject in any event to the remainder of this definition. For purposes of determining Current Assets in respect of any Disputed MCE System, all references above to the

Closing shall be deemed to mean, with respect to any Disputed MCE System, the MCE Closing.

“Debtors” has the meaning set forth in the Recitals.

“Delayed Transfer Asset” has the meaning set forth in Section 2.13(a).

“Derivative 2003 Financial Statements” has the meaning set forth in Section 3.7(a).

“Derivative 2004 Financial Statements” has the meaning set forth in Section 3.7(a).

“Derivative Audited Financial Statements” has the meaning set forth in Section 5.9(b).

“Derivative Unallocated 2004 Financial Statements” has the meaning set forth in Section 3.7(a).

“Designated Allocation” has the meaning set forth in Section 2.3.

“Designated Litigation” means the litigation set forth on Schedule 1.1(e) of the Seller Disclosure Schedule.

“Digital Subscriber” means a “Digital Customer” as determined pursuant to the Seller Subscriber Accounting Policy.

“DIP Facility” means the Third Amended and Restated Credit and Guaranty Agreement, dated as of February 25, 2005, among Seller, the Subsidiaries of Seller identified therein and the financial institutions identified therein, and any related documents, agreements and instruments.

“Discharge” means, except as otherwise provided in the Plan and the Confirmation Order, the discharge or equivalent granted pursuant to the Confirmation Order, and sections 363, 1123 and 1141 of the Bankruptcy Code, (i) of Seller and its Affiliates that are Debtors, as debtors in possession, from all Liabilities, (ii) of interests of, and rights, interest and Claims of the holders of Claims against and interests in, Seller and its Affiliates that are Debtors and (iii) of Encumbrances on, or interests of Persons (other than Seller or its Affiliates) in, the Transferred Assets.

“Disclosure Statement” has the meaning set forth in Section 5.11(a).

“Disclosure Statement Motion” has the meaning set forth in Section 5.11(a).

“Disputed MCE System” has the meaning set forth in Section 2.9(a).

“Disputed MCE System Adjustment Amount” means, with respect to the Disputed MCE Systems sold to Buyer pursuant to Section 2.9(c), the sum of the Net

Liabilities Adjustment Amount in respect of such Disputed MCE Systems as determined pursuant to the last sentence of Section 2.9(c) *plus* the Initial Disputed MCE System Adjustment Amount in respect of such Disputed MCE Systems.

“Eligible Basic Subscriber” means a Basic Subscriber who, as of the Measurement Date, is a paying customer (A) who subscribes to at least the lowest level of video programming offered by an Acquired System, (B) who has been installed, and (C)

either (1) whose rate of service for all services (not including any installation costs) provided to such Basic Subscriber is not subject to any discount or promotion as of the Measurement Date or for any period thereafter other than (x) as to any Cable System, the customary package rates applicable to such Cable System as in effect as of March 31, 2005 as may be subsequently increased by Seller or, with the consent of Buyer not to be unreasonably withheld, reduced by Seller or (y) standard employee rate discounts or (2) who is a Qualified Customer who is subject to no discount or promotion other than a Permitted Promotion or an Historic Promotion. For the avoidance of doubt, the customary reduction in the HSI rate applicable to any HSI-only subscriber who subscribes to video services shall not be considered a discount or promotion for purposes of the definition of "Eligible Basic Subscriber."

**“Empire Sports Network”** means Empire Sports Network, L.P., a Delaware limited partnership, together with its Subsidiaries.

**“Employees”** means all current and former employees who are or were primarily employed in connection with the Acquired Business and all employees of the Business identified on Schedule 5.5(a)(ii) of the Seller Disclosure Schedule. Employees does not include (a) any employees performing services in Puerto Rico or outside of the United States or (b) any individual performing services in connection with the Acquired Business who Seller or its Affiliates has classified as an independent contractor as of immediately prior to the Closing Date.

**“Encumbrance”** means any lien, pledge, charge, security interest, option, right of first refusal, mortgage, easement, right of way, lease, sublease, license, sublicense, adverse claim, title defect, encroachment, other survey defect, or other encumbrance of any kind, including, with respect to real property, any covenant or restriction relating thereto. For purposes of this Agreement, a Person shall be deemed to own subject to an Encumbrance any Asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capital Lease or other title retention agreement relating to such Asset.

**“Environmental Law”** means any Law (including common law), Governmental Authorization or agreement with any Government Entity or third party relating to (i) the protection of the environment or human health and safety (including air, surface water, ground water, drinking water supply, and surface or subsurface land or structures), (ii) the exposure to, or the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, management, release or disposal of, any Hazardous Substance or (iii) noise, odor or electromagnetic emissions.

**“Environmental Permits”** means all licenses, permits, certificates and other authorizations and approvals issued by or obtained from a Government Entity relating to or required by Environmental Laws.

**“Environmental Self-Audit”** means, subject to Section 5.14(a), the self-audit to be conducted by Seller pursuant to an agreement between the United States Environmental Protection Agency and Seller relating to compliance with Environmental Laws.

**“Environmental Self-Audit Deficiencies”** means any deficiencies identified as a result of the performance of the Environmental Self-Audit, including current or historical violations of, or actual or potential Liabilities under, any Environmental Law.

**“Environmental Transfer Act Liabilities”** means any Liabilities arising out of compliance with the Connecticut Transfer Act or the New Jersey Industrial Site Recovery Act as a result of the completion of the Transaction or the Exchange.

**“Equipment Leases”** means all leases for vehicles included in the Fixtures and Equipment and all Capital Leases of other Fixtures and Equipment.

**“Equity Security”** has the meaning ascribed to such term in Rule 405 promulgated under the Securities Act as in effect on the date hereof and, in any event, shall also include (i) any capital stock of a corporation, any partnership interest, any limited liability company interest and any other equity interest, (ii) any security or right convertible into, exchangeable for, or evidencing the right to subscribe for any such stock, equity interest or security referred to in clause (i), (iii) any stock appreciation right, contingent value right or similar security or right that is derivative of any such stock, equity interest or security referred to in clause (i) or (ii) and (iv) any contract to grant, issue, award, convey or sell any of the foregoing.

**“ERISA”** means the Employee Retirement Income Security Act of 1974.

**“ERISA Affiliate”** has the meaning set forth in Section 3.10(c).

**“Escrow Account”** has the meaning set forth in Section 2.7(c).

**“Escrow Agent”** has the meaning set forth in the Recitals.

**“Escrow Agreement”** has the meaning set forth in the Recitals.

**“Escrow Amount”** has the meaning set forth in Section 2.7(c).

**“Estimated Closing Adjustment Amount”** has the meaning set forth in Section 2.8(a).

“Exchange” has the meaning set forth in the Recitals.

“Exchange Act” means the Securities Exchange Act of 1934.

“Exchange Agreement” means the Exchange Agreement, dated as of the date hereof, by and among Buyer, Friendco Parent, Friendco, Parent Comcast Cable Communications Holdings, Inc., Comcast of Georgia, Inc., TCI Holdings, Inc. and Urban Cable Works of Philadelphia, L.P.

“Excluded Assets” has the meaning set forth in Section 2.4.

“Excluded Books and Records” has the meaning set forth in the definition of “Books and Records.”

“Excluded Liabilities” means, notwithstanding anything to the contrary in this Agreement, all Liabilities of Seller or any of its Affiliates other than the Assumed Liabilities. For the avoidance of doubt, Excluded Liabilities shall include (i) Liabilities to the extent related to the Excluded Assets, including Liabilities under any Contract that is not an Assigned Contract (other than as set forth in clause (v) of the definition of “Assumed Liabilities”), (ii) subject to clause (ii) of the definition of “Assumed Liabilities” (except with respect to litigation that is pending or threatened as of the Closing), Liabilities to the extent arising in connection with the ownership, use, operation or maintenance of the Transferred Assets or the conduct of any Specified Business on or prior to the Closing, including those arising under or related to (A) Environmental Laws (other than as expressly provided in clause (viii) of the definition of “Assumed Liabilities”) or (B) any Claim (other than under clauses (ii) (except with respect to litigation that is pending or threatened as of the Closing), (iii), (iv), (v), (vii), (viii) or (ix) of the definition of “Assumed Liabilities”) including any Claim in respect of Losses to Persons or property, and any Claim relating to any filings made by Seller or any of its Affiliates under the Exchange Act or the Securities Act, (iii) Liabilities under any Indebtedness of Seller or any of its Affiliates, (iv) except for the Assumed Cure Costs, Liabilities for Cure Costs, (v) Liabilities for Chapter 11 Expenses, (vi) Excluded Taxes, (vii) Intercompany Payables, (viii) Liabilities related to the SEC/DOJ Matters, including any SEC/DOJ Settlement, (ix) Liabilities for any Claims filed against Seller or any other Debtor after the bar date established in the Reorganization Case, (x) Liabilities that are subject to the Discharge, any MCE Discharge or any Additional Discharge, (xi) except as provided in clause (iii) of the definition of “Assumed Liabilities,” Liabilities under any Benefit Plan, including under the Adelphia Communications Corporation Key Employee Continuity Program, the Amended and Restated Adelphia Communications Corporation Performance Retention Plan, the Sale Bonus Program and any Stock Award, (xii) Liabilities identified as Excluded Liabilities in Sections 5.2(j), 5.5(a) and 5.5(q), (xiii) Liabilities to Seller, any member of the Rigas family, any Managed Cable Entity or any of their respective Affiliates other than Liabilities under this Agreement or any Ancillary Agreement, (xiv) except pursuant to Section 5.11(d), Liabilities in respect of Rejection Claims, (xv) Liabilities allocated to the Friendco Business pursuant to the proviso to Section 2.5 and (xvi) all Liabilities of Empire Sports Network and all Liabilities arising from or relating to the ownership of the Equity Securities of Empire Sports Network.

“Excluded Taxes” means (i) any Taxes of any Transferred Joint Venture Entity for which there is a Liability other than Assumed Taxes and (ii) with respect to any Taxes imposed with respect to the Group 1 Business (other than any Taxes of a Transferred

Joint Venture Entity), Group 2 Business or any Transferred Assets Related thereto or any income or gain derived with respect thereto, in each case, other than Assumed Taxes. For the avoidance of doubt, Excluded Taxes shall include any income Tax liability payable by Seller or its Subsidiaries in respect of the Transaction.

“Extended Outside Date” has the meaning set forth in Section 8.2.

“FCC” means the Federal Communications Commission.

“Final Adjustment Amount” means, with respect to each Specified Business, the Closing Adjustment Amount as set forth in the Buyer’s Statement for such Specified Business and, in the event of a Seller’s Objection, as adjusted by either the agreement of Buyer and Seller, or by the CPA Firm, acting pursuant to Section 2.8.

“Final MCE Purchase Price” means the Initial MCE Purchase Price in respect of all Disputed MCE Systems the Assets of which are to be transferred to Buyer at the MCE Closing *plus* the Disputed MCE System Adjustment Amount in respect of all such Disputed MCE Systems.

“Final Order” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction with respect to the subject matter, (i) which has not been reversed, stayed, modified, amended, enjoined, set aside, annulled or suspended, (ii) with

respect to which no request for a stay, motion or application for reconsideration or rehearing, notice of appeal or petition for certiorari is filed within the deadline provided by applicable statute or regulation or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought and (iii) as to which the deadlines for filing such request, motion, petition, application, appeal or notice referred to in clause (ii) above have expired; provided, however, that a request for a stay, appeal, motion to reconsider or petition for certiorari referred to in clause (ii) shall be disregarded for purposes of such clause if such appeal, motion to reconsider or petition for certiorari would not, individually or in the aggregate, reasonably be expected to be materially adverse to the Transaction, any Specified Business, Buyer or any of its Affiliates (in the case of Buyer or its Affiliates, only to the extent related to the Transaction or an interest in the Transferred Joint Venture Parents (other than with respect to Plan distribution matters) and not in their capacity as creditors or, with respect to Plan distribution matters, equityholders) (taking into account whether such request for a stay, appeal, motion to reconsider or petition for certiorari would be rendered moot under the doctrine of “equitable mootness” as a result of the occurrence of the Closing and any findings of the Bankruptcy Court contained in any such order or judgment, including under section 363(m) of the Bankruptcy Code).

“Financial Information” has the meaning set forth in Section 5.9(a).

“Fixtures and Equipment” means, with respect to each Specified Business, all furniture, office equipment, furnishings, fixtures, vehicles, equipment, testing equipment, computers, set-top boxes, tools, electronic devices, towers, tower equipment, trunk and

distribution cable, other aboveground and underground cable, decoders and spare decoders for scrambled satellite signals, amplifiers, microwave equipment, power supplies, conduits, vaults and pedestals, grounding and pole hardware, installed subscriber devices (including drop lines, converters, encoders, transformers behind television sets and fittings), headends and hubs (origination, transmission and distribution systems) hardware, spare parts, supplies and closed circuit devices, inventory, other physical Assets (other than real property) and other tangible personal property Related to such Specified Business, wherever located.

“Franchise” means, with respect to each Specified Business, each franchise, as such term is defined in the Communications Act, granted by a Government Entity authorizing the construction, upgrade, maintenance or operation of any part of the Cable Systems that are part of such Specified Business.

“Friendco” has the meaning set forth in the Recitals.

“Friendco Business” has the meaning set forth in the Recitals.

“Friendco Parent” has the meaning set forth in the Recitals.

“Friendco Parent Redemption Agreement” means the Redemption Agreement, dated as of the date hereof, by and among Buyer, Comcast Cable Communications Holdings, Inc., MOC Holdco II, Inc., TWE Holdings I Trust, TWE Holdings II Trust, Cable Holdco II Inc., TWE Holding I LLC, TWX and Friendco Parent.

“Friendco Purchase Agreement” has the meaning set forth in the Recitals.

“Friendco Transaction” means the Redemptions and the Exchange.

“Friendco Transferred Assets” has the meaning ascribed to the term “Transferred Assets” in the Friendco Purchase Agreement.

“GAAP” means United States generally accepted accounting principles in effect from time to time.

“Government Antitrust Entity” means any Government Entity with jurisdiction over the enforcement of any U.S. Antitrust Law or other similar Law.

“Government Entity” means any federal, state or local court, administrative body or other governmental or quasi-governmental entity with competent jurisdiction.

“Governmental Authorizations” means, with respect to each Specified Business, all licenses (including cable television relay service, business radio and other licenses issued by the FCC or any other Government Entity), permits (including construction permits), certificates, waivers, amendments, consents, Franchises (including similar authorizations or permits), exemptions, variances, expirations and terminations of any waiting period requirements (including pursuant to the HSR Act), other actions by, and notices, filings, registrations, qualifications, declarations and designations with, and other

authorizations and approvals Related to such Specified Business and issued by or obtained from a Government Entity or Self-Regulatory Organization.

“Group 1 Business” has the meaning set forth in the Recitals.

“Group 1 Cap Amount” means \$119,100,000, *plus* any amounts paid into the Escrow Account by Buyer *minus* any amounts paid out of the Escrow Account to Buyer, in each such case after Closing with respect to adjustments in respect of the Group 1 Business under Sections 2.8(f) and 2.9(c).

“Group 1 Current Assets” means the sum of (i) 75% multiplied by the Current Assets of the Century Business, plus (ii) 66 % multiplied by the Current Assets of the Parnassos Business, plus (iii) 66 % multiplied by the Current Assets of the Western Business plus (iv) the Current Assets of the Group 1 Remainder Business.

“Group 1 Remainder Business” means the Group 1 Business other than the Century Business, the Parnassos Business and the Western Business, including the Group 1 Shared Assets and Liabilities.

“Group 1 Shared Assets and Liabilities” means the Shared Assets and Liabilities that are allocated to the Group 1 Business as set forth on Schedule 1.1(f) of the Seller Disclosure Schedule and any other Assets or Liabilities (other than those solely Related to the Group 1 Business), as applicable, that are allocated to the Group 1 Business pursuant to the Designated Allocation or the proviso to Section 2.5.

“Group 1 Systems” has the meaning set forth in the Recitals.

“Group 1 Threshold Amount” means \$30,000,000.

“Group 1 Total Liabilities” means the sum of (i) 75% multiplied by the Total Liabilities of the Century Business, plus (ii) 66 % multiplied by the Total Liabilities of the Parnassos Business, plus (iii) 66 % multiplied by the Total Liabilities of the Western Business plus (iv) the Total Liabilities of the Group 1 Remainder Business.

“Group 2 Business” has the meaning set forth in the Recitals.

“Group 2 Cap Amount” means \$20,900,000, *plus* any amounts paid into the Escrow Account by Buyer *minus* any amounts paid out of the Escrow Account to Buyer, in each such case after Closing with respect to adjustments in respect of the Group 2 Business under Sections 2.8(f) and 2.9(c).

“Group 2 Current Assets” means Current Assets of the Group 2 Business.

“Group 2 Shared Assets and Liabilities” means the Shared Assets and Liabilities that are allocated to the Group 2 Business as set forth on Schedule 1.1(f) of the Seller Disclosure Schedule and any other Assets or Liabilities (other than those solely Related to the Group 2 Business), as applicable, that are allocated to the Group 2 Business pursuant to the Designated Allocation or the proviso to Section 2.5.

“Group 2 Systems” has the meaning set forth in the Recitals.

“Group 2 Threshold Amount” means \$5,000,000.

“Group 2 Total Liabilities” means the Total Liabilities of the Group 2 Business.

“Hazardous Substance” means any substance that is listed, defined, designated or classified as hazardous, toxic or otherwise harmful under applicable Laws or is otherwise regulated by a Government Entity, including petroleum products and byproducts, asbestos-containing material, polychlorinated biphenyls, lead-containing products and mold.

“Historic Promotion” means, as to any Basic Subscriber (other than Subscribers that only receive the lowest tier of service (i.e., lifeline or “B1 only” Subscribers)), any discount or promotion that (i) such Basic Subscriber is subject to as of the date hereof (without any modification, extension or renewal thereof after the date hereof) and (ii) does not extend beyond twelve months following the date hereof.

“HSI Subscriber” means an “HSI Customer” as determined pursuant to the Seller Subscriber Accounting Policy.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

**“Indebtedness”** of any Person shall mean, without duplication, (i) all indebtedness of such Person for money borrowed or with respect to deposits or advances of any kind, whether short-term or long-term and whether secured or unsecured and whether or not required to be disclosed on a balance sheet or in the related notes to financial statements under GAAP, (ii) the undrawn face amount of, and unpaid reimbursement obligations in respect of, all letters of credit and bankers’ acceptances issued for the account of such Person, (iii) obligations under any Capital Lease, (iv) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (v) all obligations of such Person upon which interest charges are customarily paid (excluding trade accounts payable and accrued obligations in the ordinary course of business) excluding Cure Costs or Rejection Claims, (vi) all obligations of such Person under conditional sale or other title retention agreements relating to Assets purchased by such Person, (vii) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding trade accounts payable and accrued obligations in the ordinary course of business), (viii) all obligations of such Person in respect of interest rate protection agreements, foreign currency exchange agreements or other interest or exchange rate hedging arrangements, (ix) all obligations of such Person to purchase, redeem, retire, defease or otherwise acquire for value any Equity Securities of such Person or any trust or Subsidiary of such Person (including any preferred stock of such Person or any obligations of such Person in respect of trust preferred, but excluding any such obligations under the Investment Documents listed on Schedule 1.1(g) of the Seller Disclosure Schedule and provided that such Investment Documents have been made available to Buyer prior to the date hereof), (x) any “keep well” or other agreement to maintain the financial condition of another Person (other than a wholly-owned Subsidiary

of such Person), (xi) any arrangement having the economic effect of any of the foregoing, (xii) any indebtedness of the types referred to in clauses (i) through (xi) above of another Person that is guaranteed directly or indirectly by such Person or secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) the Assets of such Person, whether or not the obligations secured thereby have been assumed, (xiii) renewals, extensions, refundings, deferrals, restructurings, amendments and modifications of any such indebtedness, obligation or guarantee and (xiv) any interest, charges or penalties in respect of any of the foregoing.

**“Indemnified Parties”** has the meaning set forth in Section 7.2(a).

**“Indemnifying Party”** has the meaning set forth in Section 7.4(a).

**“Initial Disputed MCE System Adjustment Amount”** has the meaning set forth in Section 2.9(a).

**“Initial MCE Purchase Price”** has the meaning set forth in Section 2.9(a).

**“Insurance Claims”** means, with respect to each Specified Business, all title, property, casualty, fire or, to the extent it relates to periods following the Closing, business interruption, insurance proceeds received or receivable by such Specified Business in respect of any Transferred Asset or Assumed Liability, all title, property, casualty, fire or, to the extent it relates to periods following the Closing, business interruption, insurance proceeds (to the extent not already expended (including expenditures of other monies) by Seller or any Affiliate of Seller to restore or replace the lost or damaged Asset, which replacement Asset shall be a Transferred Asset) received or receivable by such Specified Business in respect of any Asset damaged or lost after December 31, 2004 and which, if not so damaged or lost, would have been a Transferred Asset and all insurance proceeds received or receivable by such Specified Business in respect of business interruption of such Specified Business to the extent relating to any period after the Closing.

**“Insurance Policies”** has the meaning set forth in Section 3.23.

**“Intellectual Property”** means, as they exist anywhere in the world, (i) trademarks, service marks, brand names, certification marks, collective marks, logos, symbols, trade dress, trade names, and other indicia of origin, all applications and registrations for the foregoing, and all goodwill associated therewith and symbolized thereby, including all renewals of same, (ii) inventions and discoveries, whether patentable or not, and all patents, invention disclosures and applications therefor, and designs and improvements claimed therein, including divisions, continuations, continuations-in-part and renewal applications, and including renewals, reexaminations, interferences, extensions and reissues, (iii) trade secrets, confidential information and know-how, including processes, schematics, business methods, formulae, drawings, prototypes, models, designs, customer lists and supplier lists, (iv) published and unpublished works of authorship, whether copyrightable or not (including databases and other compilations of information), including mask rights and computer software (including all source code, object code,

specifications, designs and documentation related to such programs), copyrights therein and thereto, registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof, (v) domain names, Internet addresses and other computer

identifiers, web sites, web pages and similar rights and items, and (vi) any other intellectual property or proprietary rights to the extent entitled to legal protection as such.

**“Intellectual Property Assignment Agreement”** means, with respect to each Specified Business, an agreement in form and substance reasonably acceptable to Seller and Buyer, providing for the assignment of the Transferred Intellectual Property Related to such Specified Business.

**“Intercompany Payables”** means, with respect to each Specified Business, all account, note or loan payables (including credit balance intercompany receivables), whether or not recorded on the books of Seller or any of its Affiliates, for goods or services purchased by such Specified Business or provided to such Specified Business, or advances (cash or otherwise) or any other extensions of credit to such Specified Business, in each case from Seller or any of its Affiliates, including amounts recorded on the Derivative 2004 Financial Statements, whether current or non-current, as either intercompany, affiliate or related party payables, on a gross or net basis.

**“Intercompany Receivables”** means, with respect to each Specified Business, all account, note or loan receivables, whether or not recorded on the books of Seller or any of its Affiliates, for goods or services sold or provided by such Specified Business to Seller, any of its Affiliates or advances (cash or otherwise) or any other extensions of credit made by such Specified Business to Seller or any of its Affiliates, including amounts recorded on the Derivative 2004 Financial Statements, whether current or non-current, as either intercompany, affiliate or related party receivables, on a gross or net basis.

**“Intermediate Subsidiary”** has the meaning set forth in Section 3.2(a).

**“Investment Documents”** means the documents governing any Transferred Investment.

**“Investment Entity”** means any issuer of a Transferred Investment.

**“Investment Entity Securities”** means, with respect to each Investment Entity, the Equity Securities of such Investment Entity.

**“IRS”** means the United States Internal Revenue Service.

**“Joint Venture Business”** means, the Century Business, the Parnassos Business, the Western Business or the Group 1 Remainder Business, as applicable.

**“Joint Venture Employees”** has the meaning set forth in Section 5.5(a).

**“Joint Venture Securities”** has the meaning set forth in Section 3.2(b).

**“Joint Venture Transaction”** has the meaning set forth in Section 2.2.

**“JV Documents”** means the documents governing the management, operations and rights of joint venture partners or other equity holders in the Transferred Joint Venture Entities (including all certificates of incorporation, bylaws, partnership agreements and operating agreements), as in effect on the date hereof (including all amendments or supplements thereto).

**“JV Interest Assignment Agreement”** means, with respect to each Transferred Joint Venture Parent, an agreement in form and substance reasonably acceptable to Buyer and Seller providing for the transfer to Buyer of the JV Interests of such Transferred Joint Venture Parent in accordance with Section 2.2.

**“JV Interests”** means Seller’s and its Affiliates’ Equity Securities in the Transferred Joint Venture Parents as set forth in Schedule 3.2(b) of the Seller Disclosure Schedule.

**“Knowledge”** means (i) with respect to Seller and its Affiliates, the collective actual knowledge of any of Seller’s executive officers, the vice president of law and governmental affairs, the vice president for engineering, the vice president for finance, the vice president of financial planning, the vice president – treasurer, the applicable regional senior vice presidents, the applicable direct reports to the regional senior vice presidents, including the senior executive officer of each Cable System or group of Cable Systems, the most senior employee that is responsible for tax matters (currently, the vice president of taxation), the senior officer responsible for environmental matters including the Environmental Self-Audit and each regional vice president of finance, each regional vice president of engineering, and each regional vice president of law and governmental affairs; and (ii) with respect to Buyer, the collective actual knowledge of Buyer’s executive officers.

**“Law”** means any law, statute, ordinance, rule, regulation, code, order, judgment, injunction or decree enacted, issued, promulgated, enforced or entered by a Government Entity or Self-Regulatory Organization.

**“Lease Assignment Agreement”** means, with respect to each Specified Business, one or more agreements in form and substance reasonably acceptable to Seller and Buyer and reasonably necessary to cause such agreements to be recordable, assigning to Buyer

the Transferred Real Property Leases Related to such Specified Business.

“Leased Real Property” means real property subject to the Real Property Leases.

“LFA Approvals” means all consents, approvals or waivers required to be obtained from Government Entities with respect to the transfer or change in control of Franchises in connection with the Transaction and, except for purposes of Section 6.2(e), the Exchange.

“Liabilities” means any and all Indebtedness, losses, claims, charges, demands, actions, damages, obligations, payments, costs and expenses, sums of money, bonds,

indemnities and similar obligations, covenants, contracts, controversies, omissions, make whole agreements and similar obligations, and other liabilities, including all contractual obligations, whether due or to become due, fixed, contingent or absolute, inchoate or otherwise, matured or unmatured, liquidated or unliquidated, accrued or not accrued, asserted or not asserted, known or unknown, determined, determinable or otherwise, whenever or however arising, including, those arising under any Law, principles of common law (including out of any contract or tort based on negligence or strict liability) action, threatened or contemplated action (including the costs and expenses of demands, assessments, judgments, settlements and compromises relating thereto and attorneys’ fees and any and all costs and expenses (including allocated costs of in-house counsel and other personnel), whatsoever reasonably incurred in investigating, preparing or defending against any such actions or threatened or contemplated actions), order or consent decree of any Government Entity or any award of any arbitrator or mediator of any kind, and those arising under any contract, commitment or undertaking, whether or not the same would be required by GAAP to be recorded or reflected in financial statements or disclosed in the notes thereto.

“LIBOR” means the six-month Interbank Official Rate with respect to deposits in Dollars which appears on the Telerate Page 3750 as of 11:00 a.m., London time, on the day that is two business days in London preceding the Closing.

“Losses” has the meaning set forth in Section 7.2(a).

“Managed Cable Entity” means, with respect to a Group 2 System, each Person (other than the Debtors, Buyer and its Affiliates) that owns or purports to own any Equity Security or profits interest in such Group 2 System.

“Material Adverse Effect” means (i) a material adverse effect on the business, condition (financial or otherwise), Assets or results of operations of any Specified Business (or, solely for purposes of Section 6.2(f), any Specified Business or the Acquired Business), taken as a whole, or (ii) a material impairment or delay of Seller’s or its Affiliates’ ability to effect the Closing or to perform its obligations under this Agreement or any Ancillary Agreement to which it is a party; provided, however, that none of the following (or the results thereof) shall be taken into account: (A) any change in Law or accounting standards or interpretations thereof that is of general application; (B) any change in general economic or business conditions or industry-wide or financial market conditions generally; (C) except with respect to Sections 3.4, 3.5, 6.1(f) and 6.2(e), any adverse effect as a result of the execution or announcement of this Agreement, the Ancillary Agreements, the Transaction or the transactions contemplated by the Ancillary Agreements; and (D) any loss of Subscribers reflected in the Base Subscriber Number for such Specified Business (or, solely for purposes of Section 6.2(f), any or all Specified Businesses ) and any loss of Subscribers to the extent reflected in the Subscriber Change used in calculating the Final Adjustment Amount for such Specified Business (or, solely for purposes of Section 6.2(f), any or all Specified Businesses).

“MCE Base Subscriber Number” means, with respect to each Group 2 System, the number of Basic Subscribers of such Group 2 System corresponding to the month

prior to the month in which the Closing occurs, as set forth on Schedule 1.1(h) of the Seller Disclosure Schedule.

“MCE Closing” has the meaning set forth in Section 2.9(c)

“MCE Discharge” means, with respect to each Group 2 System, except as otherwise provided in the Plan and the Confirmation Order (or, to the extent approved by Buyer (such approval not to be unreasonably withheld), such other plan that includes the applicable Managed Cable Entity as a debtor and the confirmation order of the Bankruptcy Court approving such plan and effecting the MCE Discharge), the discharge and/or equivalent effect granted pursuant to such confirmation order and sections 363, 1123 and 1141 of the Bankruptcy Code or the equivalent effect pursuant to any other governmental proceeding to the extent approved by Buyer (such approval not to be unreasonably withheld; it being understood that it would be reasonable for Buyer to refuse to grant

such approval if such other governmental proceeding would not have the same effect as a bankruptcy discharge in all respects relative to the Transaction), of (i) each applicable Managed Cable Entity, as a debtor in possession, from Liabilities, (ii) interests of, and rights, interest and Claims of the holders of Claims against and interests in, such Group 2 System and Managed Cable Entity and (iii) Encumbrances on, or interests of Persons (other than Seller and its Affiliates) in, the Transferred Assets that are Related to such Group 2 System; it being understood that an MCE Discharge may occur pursuant to the Plan.

"MCE Financial Statements" has the meaning set forth in Section 5.9(b).

"MCE Fraction" means, with respect to the Disputed MCE Systems transferred to Buyer at the MCE Closing (or, as used in the definitions of "MCE Subscriber Cap Component" and "MCE Subscriber Basket Component," with respect to all Disputed MCE Systems not transferred to Buyer at the Closing), a fraction, the numerator of which is the aggregate number of Basic Subscribers served by such Disputed MCE Systems and the denominator of which is the aggregate number of Basic Subscribers served by all Group 2 Systems, in each case as of December 31, 2004.

"MCE Management Agreement" has the meaning set forth in Section 2.9(b).

"MCE Period" has the meaning set forth in Section 2.9(b).

"MCE Purchase Price" means \$600,000,000.

"MCE Purchase Shares" has the meaning set forth in Section 2.9(c).

"MCE Resolution" has the meaning set forth in Section 2.9(b).

"MCE Subscriber Basket Component" means the Subscriber Basket set forth on Schedule 1.1(q)(i) of the Seller Disclosure Schedule with respect to the Group 2 Systems, multiplied by the MCE Fraction.

"MCE Subscriber Cap Component" means the Subscriber Cap set forth with respect to the Group 2 Systems on Schedule 1.1(q)(ii) of the Seller Disclosure Schedule multiplied by the MCE Fraction.

"Measurement Date" means the subscriber cut-off date during the calendar month immediately preceding the month in which the Closing occurs.

"Most Recent Balance Sheet" means, with respect to each Specified Business, the unaudited balance sheet included in the Derivative 2004 Financial Statements for such Specified Business.

"Multiemployer Plan" has the meaning set forth in Section 3.10(a).

"Net Liabilities Adjustment Amount" means, with respect to each Specified Business, the Closing Net Liabilities Amount minus the Base Net Liabilities Amount of such Specified Business, expressed as a positive, if positive, or as a negative, if negative.

"Non-Debtor Subsidiaries" has the meaning set forth in Section 5.11(h).

"Non-Debtor Transfer" has the meaning set forth in Section 5.11(h).

"Non-Governmental Authorizations" means, with respect to each Specified Business, all licenses, permits (including construction permits), certificates, waivers, amendments, consents, franchises, exemptions, variances, expirations and terminations of any waiting period requirements, other actions by, and notices, filings, registrations, qualifications, declarations and designations with, any Person and other authorizations and approvals that are Related to such Specified Business other than Governmental Authorizations.

"Notice Period" has the meaning set forth in Section 7.4(a).

"OCB Contract" means, with respect to each Specified Business, a Contract Related to such Specified Business that (i) (A) is in a Contract Category Expected to be Assumed, (B) is entered into in the Ordinary Course and (C) contains no Special Terms (provided, that with respect to Contracts described on Schedule 1.1(k)(i) of the Seller Disclosure Schedule, clause (i) of the definition of "Special Terms" shall be disregarded for purposes of this definition) or (ii) is set forth on Schedule 1.1(k)(ii) of the Seller Disclosure Schedule; provided, however, that any Contract that would otherwise be an OCB Contract and which cannot be assigned to Buyer at the Closing without consent or waivers of a third party that are not obtained by the Closing (and the use and benefits of which cannot in all material respects be provided to Buyer pursuant to Section 2.13) shall be deemed not to be an OCB Contract; provided, further, that Buyer shall be entitled to remove from Schedule 1.1(k)(ii) of the Seller Disclosure Schedule any Contract that was amended in any material respect prior to the date hereof if such amendment is not identified with such Contract on Schedule 1.1(k)(ii).

“Ordinary Course” or “Ordinary Course of Business” means, with respect to each Specified Business, the conduct of such Specified Business as a going concern in

accordance with Seller’s normal day-to-day customs, practices and procedures, without regard to the Sale Process (it being understood that the use of regional or national resources utilized by a Cable System shall be deemed to be so conducted if utilized in accordance with Seller’s normal, day-to-day customs, practices and procedures in the Business as applied to such Cable System).

“Outside Date” has the meaning set forth in Section 8.2.

“Owned Real Property” means, with respect to each Specified Business, all fee interests in real property (including improvements thereon) Related to such Specified Business, including those listed on Schedule 1.1(l) of the Seller Disclosure Schedule and identified as Related to such Specified Business.

“Palm Beach Joint Venture” means Palm Beach Group Cable Joint Venture, a Florida general partnership.

“Parnassos” means Parnassos Communications, L.P., a Delaware limited partnership.

“Parnassos Business” means the portion of the Group 1 Business conducted by Parnassos and its Subsidiaries.

“Per Share Value of the Purchase Shares” has the meaning set forth in the Friendco Purchase Agreement.

“Permitted Encumbrances” means (i) Encumbrances reflected or reserved against or otherwise disclosed in the Most Recent Balance Sheet, (ii) mechanics’, materialmen’s, warehousemen’s, carriers’, workers’, or repairmen’s liens or other similar common law or statutory Encumbrances arising or incurred in the Ordinary Course and that are not material in amount or effect on any Specified Business or are being contested in good faith by appropriate proceedings, (iii) liens for Taxes, assessments and other governmental charges that are not due or payable or are being contested in good faith by appropriate proceedings, (iv) with respect to real property, (A) easements, quasi-easements, licenses, covenants running with the land, rights-of-way, rights of re-entry, restrictions or other similar encumbrances, conditions or restrictions that would be disclosed on current title reports or surveys, which do not, individually or in the aggregate with one or more other Encumbrances, interfere in any material respect with the right or ability to own, use, enjoy or operate such real property as currently used or operated or to convey good and indefeasible fee simple title to the same (with respect to Owned Real Property) or materially detract from the value of such real property, (B) zoning, building, subdivision or other similar requirements or restrictions, provided, that the same are not violated in any material respect by the existing improvements or the current use and operation of such real property, and (C) Transferred Real Property Subleases which do not, individually or in the aggregate with one or more other Encumbrances, interfere in any material respect with the right or ability to use, enjoy or operate such real property as currently used or operated or materially detract from the value of such real property, (v) Encumbrances, other than Encumbrances on real

property, incurred in the Ordinary Course that are not material to any Specified Business, (vi) any transfer restrictions set forth in any Assigned Contract (other than any such restriction that could reasonably be expected, individually or in the aggregate, to adversely affect the Transaction or the Exchange in any material respect) and (vii) Encumbrances imposed by any Contract or any Law governing a Franchise, provided, that in the case of clauses (i), (ii), (iii), (iv) (as to any Encumbrances that can be satisfied solely through the payment of money) and (v), any such Encumbrance shall be a Permitted Encumbrance only to the extent that such Encumbrance (x) shall be discharged pursuant to the Discharge or, with respect to Group 2 Systems or Transferred Assets owned by Non-Debtor Subsidiaries, an MCE Discharge or Additional Discharge, respectively, or (y) is reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

“Permitted Promotion” means, as to any Basic Subscriber (other than Subscribers that only receive the lowest tier of service (i.e., lifeline or “B1 only” Subscribers)), any discount or promotion (i) which does not extend beyond two months following the Closing Date or provide for a discount equal to (or in excess of) the entire Applicable Monthly Rate in any consecutive months or in more than any one month if such discount or promotion is for a period of less than four months and (ii) the dollar amounts or values of which do not (A) exceed, over the life of such discount or promotion, an amount equal to two times the full monthly rate card pricing applicable to all services provided to such Subscriber (the “Applicable Monthly Rate”) or (B) exceed 50% of an amount equal to the product of (x) the Applicable Monthly Rate multiplied by (y) the number of months (including any fraction thereof) in the life of such discount or promotion.

“Person” means an individual, a corporation, a partnership, an association, a limited liability company, a Government Entity, a trust, a labor union or other entity or organization.

Petition Date" has the meaning set forth in the Recitals.

Plan" means the chapter 11 plan filed by Seller and/or its Affiliates in connection with the Reorganization Case, providing, among other things, for the effectuation of the Transaction, as amended from time to time, and satisfying the requirements of Section 5.11.

Primarily Related" means, with respect to any business or System, owned or held primarily by, required primarily for, or used, intended for use, leased, licensed, accrued, reserved or incurred primarily in connection with, such business or System, including to the extent allocated thereto pursuant to Schedule 1.1(m) of the Seller Disclosure Schedule.

Programming Agreement" means any Contract pursuant to which Seller or any of its Affiliates has the right to carry audio and/or video content or programming (or pay for or otherwise provide compensation with regard to cable television programming) on any Cable System and all related arrangements, including with respect to programming

and launch initiatives and support; provided, that "Programming Agreement" shall not include any local Cable System leased access agreement required by Law.

Protections Order" means an order of the Bankruptcy Court approving Section 5.8 and Article VIII pursuant to sections 105, 363, 503(b) and 364 of the Bankruptcy Code.

Proximate Cause Party" has the meaning set forth in Section 8.2.

Purchase Price" has the meaning set forth in Section 2.7(b).

Purchase Price Allocation Schedule" has the meaning set forth in Section 5.4(d).

Purchase Price Per Subscriber" means \$3,275.

Purchase Rights" means any purchase options, rights of first refusal or other rights that any Person may have (under the terms of any franchise or otherwise) to purchase all or any portion of a System owned or operated by any Person as a result of the Transaction or the transfer of any System pursuant to the Exchange.

Purchase Shares" has the meaning set forth in Section 5.11(a).

Qualified Customer" means a Basic Subscriber who, prior to the Closing, has been billed and, prior to one month following the Closing, has paid (disregarding payments subject to any rebates or similar programs) for services delivered during the period commencing two months prior to the Measurement Date and ending on the Measurement Date an amount no less than (i) for each month in such period, 50% of the Applicable Monthly Rate or (ii) 66.67% of the Applicable Monthly Rate in respect of any single month during such period. For the avoidance of doubt, in calculating a Qualified Customer for purposes of the Estimated Closing Adjustment Amount and the condition set forth in the second sentence of Section 6.2(h), the parties shall assume that no payments will be made by such Basic Subscriber after the Closing.

Rate Regulatory Matter" means any proceeding or investigation with respect to a Cable System arising out of or related to the Cable Act (other than those affecting the cable television industry generally) dealing with, limiting or affecting the rates which can be charged by such Cable System for programming, equipment, installation, service or otherwise.

Real Property Leases" means, with respect to each Specified Business, those leases, subleases, license agreements, and sublicense agreements, together with all extensions, supplements, amendments, other modifications and nondisturbance agreements relating thereto, governing real property Related to such Specified Business, including those with respect to the real properties listed on Schedule 1.1(n) of the Seller Disclosure Schedule and identified as Related to such Specified Business.

Real Property Sublease" means, with respect to any Specified Business, any lease, sublease, license or sublicense, together with all extensions, supplements,

amendments and other modifications relating thereto, pursuant to which the Owned Real Property or the Leased Real Property (or any portion thereof) Related to such Specified Business is leased, subleased, licensed or sublicensed to others.

“Redemptions” means the transactions that are the subject matter of the Friendco Parent Redemption Agreement and of the TWE Redemption Agreement.

“Registered” means issued by, registered with, renewed by, or the subject of a pending application before, any Government Entity or domain name registrar.

“Rejected Contracts” has the meaning set forth in Section 5.11(b).

“Rejection Claim” means, with respect to a Contract, any Claim arising out of (i) the termination of such Contract or the rejection of such Contract under section 365 of the Bankruptcy Code or (ii) a breach of or default under any such Contract entered into following the Petition Date as a result of the termination, rejection or breach of such Contract as a result of Buyer’s determination not to make such Contract an Assigned Contract, in each case assuming such termination, rejection or breach occurred as of the earlier of (A) the date on which such Contract is terminated or rejected or (B) the Closing Date.

“Related” means, with respect to any business or System, owned or held by, required for, or used, intended for use, leased, licensed, accrued, reserved or incurred in connection with, such business or System.

“Reorganization Case” has the meaning set forth in the Recitals.

“Retained Books and Records” has the meaning set forth in Section 5.1(c).

“Retained Claims” means (a) any Claim of a Buyer JV Partner (in its capacity as such) against Seller or its Affiliates, and (b) the portion of any Claim of such Transferred Joint Venture Entity against Seller or its Affiliates equal to the applicable Buyer Joint Venture Percentage (but, in the case of each of (a) and (b), only to the extent such Claim or portion of a Claim is not transferred or assigned to, or held for the benefit of, Friendco or any of its Affiliates); provided, however, that Retained Claims shall not include Claims attributable to actions, omissions, circumstances or conditions occurring before the Petition Date to the extent the recovery on account of such Claims (taking into consideration the amounts payable on account of such Claims under the Plan and valuing any non-cash consideration payable on account of such Claims under the Plan at the value stated in the Disclosure Statement approved by the Bankruptcy Court (or, if a range of values, the mid-point of such range)) exceeds \$30 million in the aggregate; and, provided, further, that Retained Claims shall not include Claims attributable to actions, omissions, circumstances or conditions occurring after the Petition Date to the extent such Claims are based upon fraud or a similar area of law such as misrepresentation or deceit or breach of fiduciary duty and not based upon a contractual obligation to a Buyer JV Partner or a Transferred Joint Venture Entity, or include a claim for consequential, punitive, special or indirect damages, including lost profits.

“Rigas Litigation” means the litigation described on Schedule 1.1(o) of the Seller Disclosure Schedule.

“Rights-of-Way” means, with respect to each Specified Business, the written rights-of-way easements, rights of access, rights of use, pole line or joint line agreements, underground conduit agreements, crossing agreements, railroad agreements, leases, subleases, licenses, sublicenses and other similar interests in real property (other than Owned Real Property and Leased Real Property), together with all extensions, supplements, amendments, other modifications and nondisturbance agreements relating thereto, Related to such Specified Business.

“Rights-of-Way Assignment Agreement” means, with respect to each Specified Business, an agreement in form and substance reasonably acceptable to Seller and Buyer and, to the extent relating to Transferred Rights-of-Way that are currently recorded, reasonably necessary to cause such assignments to be in recordable form, assigning to Buyer the Transferred Rights-of-Way Related to such Specified Business.

“Sale Bonus Program” has the meaning set forth in the definition of “Assumed Liabilities.”

“Sale Process” means the formal sale process of Seller’s Business announced by Seller on April 22, 2004 and commenced by Seller in September 2004.

“Schedule A Part” has the meaning set forth in the definition of “System Group”.

“SEC” means the Securities and Exchange Commission.

“SEC/DOJ Matters” means (i) the civil enforcement action captioned Securities and Exchange Commission v. Adelphia Communications Corporation, John J. Rigas, Timothy J. Rigas, Michael J. Rigas, James P. Rigas, James R. Brown and Michael C. Mulcahey, filed on July 24, 2002, alleging various securities fraud claims arising out of the Rigas family’s alleged misconduct, and the Department of Justice’s investigation related thereto, in each case as amended, modified and/or supplemented from time to time, and any related action or investigation commenced from time to time and (ii) any and all other Claims that the SEC or Department of Justice may have against Seller or any of its Affiliates (other than any Excluded Claim); provided, that, solely for

purposes of Section 6.1(c), clause (ii) shall be deemed to exclude any such Claims that shall not have been asserted or threatened by the SEC or Department of Justice as of the Closing Date.

“SEC/DOJ Settlement” means a settlement, dismissal or other resolution of the SEC/DOJ Matters in full and pursuant to which after the Closing no Specified Business or Transferred Joint Venture Entity or any owner of any Specified Business or Transferred Joint Venture Entity shall have any Liability (including risk of criminal prosecution), including any obligation with respect to behavioral relief or similar action or limitation, other than obligations not greater than those set forth in the form of letter agreement delivered by representatives of Buyer to representatives of Seller on April 17, 2005.

“Section 754 Election” means the election described in Section 754 of the Code.

“Securities Act” means the Securities Act of 1933.

“Self-Regulatory Organization” means the National Association of Securities Dealers, Inc., the American Stock Exchange, the NYSE, any national securities exchange (as defined in the Exchange Act) or any other similar self-regulatory body or organization.

“Seller” has the meaning set forth in the Preamble.

“Seller Audited Financial Statements” has the meaning set forth in Section 5.9(b).

“Seller Confidentiality Agreement” means the letter agreement, dated October 22, 2004, among Seller, Friendco and TWX, as amended by the letter agreement, dated November 9, 2004, the letter agreement, dated January 7, 2005, and the letter agreement dated as of the date hereof.

“Seller Disclosure Schedule” means the disclosure schedule attached hereto as Annex A.

“Seller Indemnified Parties” has the meaning set forth in Section 7.3.

“Seller JV Partner” means (a) with respect to Century, Century Exchange LLC, a Delaware limited liability company and (b) with respect to Parnassos and Western, both of Montgomery Cablevision, Inc., a Pennsylvania corporation, and Adelphia Western New York Holdings L.L.C., a Delaware limited liability corporation.

“Seller Required Approvals” means, with respect to each Specified Business, all consents, approvals, waivers, authorizations, notices and filings, (a) required to be obtained by Seller or any of its Affiliates from, or to be given by Seller or any of its Affiliates to, or made by Seller or any of its Affiliates with, any Person, in connection with the execution, delivery and performance by Seller or any of its Affiliates of this Agreement, the Ancillary Agreements and the agreements contemplated thereby to which it is (or will be) a party, the failure of which to obtain or make would, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, other than the Confirmation Order and the LFA Approvals, or (b) that are listed on Schedule 1.1(p) of the Seller Disclosure Schedule and identified as Related to such Specified Business.

“Seller Severance Plan” has the meaning set forth in Section 5.5(c).

“Seller Subscriber Accounting Policy” has the meaning set forth in Section 3.16(e).

“Seller’s 401(k) Plan” has the meaning set forth in Section 5.5(j).

“Seller’s Objection” has the meaning set forth in Section 2.8(c).

“Seller’s Statement” has the meaning set forth in Section 2.8(a).

“Shared Assets and Liabilities” means the Assets and Liabilities set forth on Schedule 1.1(f) of the Seller Disclosure Schedule and any other Assets required to have been listed thereon in order for the representation and warranty in Section 3.20(b) to be true and correct.

“Significant Subsidiary” of any Person means a Subsidiary of such Person that would constitute a “significant subsidiary” (within the meaning of Rule 102 of Regulation S-X of the SEC).

“SOA” means the Sarbanes-Oxley Act of 2002.

“Special Term” has the meaning set forth in Section 3.15(b).

“Specified Business” means each of the Group 1 Business and the Group 2 Business.

“Specified Systems” means each of the Group 1 Systems and the Group 2 Systems.

“Stock Awards” has the meaning set forth in Section 5.5(q).

“Sublease Assignment Agreement” means, with respect to each Specified Business, one or more agreements in form and substance reasonably acceptable to Seller and Buyer and reasonably necessary to cause such agreements to be recordable, assigning to Buyer the Transferred Real Property Subleases Related to such Specified Business.

“Subscriber” means any Basic Subscriber, Digital Subscriber or HSI Subscriber.

“Subscriber Accounting System” has the meaning set forth in Section 5.19.

“Subscriber Adjustment Amount” means, with respect to each Specified Business, the product of (i) Purchase Price Per Subscriber multiplied by (ii) if (A) the absolute value of the Subscriber Change is less than or equal to the Subscriber Basket, zero and (B) the absolute value of the Subscriber Change is greater than the Subscriber Basket, (1) if the Subscriber Change is a negative amount, the sum of the Subscriber Change plus the Subscriber Basket for such Specified Business and (2) if the Subscriber Change is a positive amount, the sum of the Subscriber Change minus the Subscriber Basket for such Specified Business.

“Subscriber Basket” means, with respect to each Specified Business, the number of Basic Subscribers set forth opposite such Specified Business in Schedule 1.1(q)(i) of the Seller Disclosure Schedule; provided, however, that the Subscriber Basket allocated to the Group 2 Business shall be reduced by the MCE Subscriber Basket Component (if there are any Disputed MCE Systems).

“Subscriber Cap” means, with respect to each Specified Business, the number of Basic Subscribers set forth with respect to such Specified Business in Schedule 1.1(q)(ii) of the Seller Disclosure Schedule; provided, however, that the Subscriber Cap allocated to the Group 2 Business shall be reduced by the MCE Subscriber Cap Component (if there are any Disputed MCE Systems).

“Subscriber Change” means, with respect to each Specified Business, the Base Subscriber Number for such Specified Business minus the Closing Subscriber Number for such Specified Business, expressed as a positive, if positive, or as a negative, if negative; provided, that except for purposes of calculating the Subscriber Adjustment Amount for each Disputed MCE System pursuant to Section 2.9(a), the absolute value of the Subscriber Change shall not exceed the Subscriber Cap for such Specified Business.

“Subsequent Adjustment Amount” has the meaning set forth in Section 2.8(f).

“Subsidiary” means, with respect to any Person, any entity whether incorporated or unincorporated, of which at least a majority of the securities or ownership interests having by their terms voting power to elect a majority of the board of directors or other persons performing similar functions is directly or indirectly owned or controlled by such Person or by one or more of its respective Subsidiaries.

“Superior Alternate Plan” has the meaning set forth in Section 5.8(b).

“Superior Proposal” has the meaning set forth in Section 5.8(a).

“System” means (i) a cable system, as such term is defined in the Communications Act and (ii) to the extent relating to areas referred to on a Schedule A Part as a non-primary Cost Center, a multichannel video programming distribution system operated through (A) bulk, commercial or multiple dwelling units, (B) satellite master antenna television units or (C) former Verizon systems in Thousand Oaks, Oxnard, Hueneme or El Rio, California.

“System Group” means, with respect to each Specified Business and each Specified Business (as defined in the Friendco Purchase Agreement), the Systems that are a part of such Specified Business as set forth in the applicable part of Schedule A of the Seller Disclosure Schedule or Schedule A of the Seller Disclosure Schedule (as defined in the Friendco Purchase Agreement) (each a “Schedule A Part”).

“Target Capital Expenditure Amount” means (i) with respect to the Group 1 Business, the sum of (A) 75% multiplied by the Budgeted Capital Expenditure Amount for the Century Business, plus (B) 66 % multiplied by the Budgeted Capital Expenditure Amount for the Parnassos Business, plus (C) 66 % multiplied by the Budgeted Capital Expenditure Amount for the Western Business, plus (D) the Budgeted Capital Expenditure Amount for the Group 1 Remainder Business (ii) with respect to the Group 2 Business, the Budgeted Capital Expenditure Amount for the Group 2 Business and (iii) in the event any Disputed MCE Systems exist as of the Closing, then the Target Capital Expenditure Amount in respect of the Group 2 Business shall be reduced by the amounts included in the Budget in respect of each Disputed MCE System through the month

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ending (i) on the Closing Date if the Closing occurs on month-end or (ii) immediately prior to the Closing Date if the Closing does not occur on a month-end (it being understood that the amounts included in the Budget in respect of each Disputed MCE System shall be deemed for purposes hereof to equal the amounts included in the Budget in respect of all Group 2 Systems multiplied by the quotient obtained by dividing (x) the aggregate number of Basic Subscribers served by such Disputed MCE System as of December 31, 2004 by (y) the aggregate number of Basic Subscribers served by all Group 2 Systems as of December 31, 2004); provided, further, that, if the Subscriber Change for a Specified Business is a positive number, the Target Capital Expenditure Amount for such Specified Business shall be reduced by an amount equal to the lesser of (A) the product of the Subscriber Change multiplied by \$210.00 and (B) (1) with respect to the Group 1 Business, \$8,300,000 and (2) with respect to the Group 2 Business, \$1,500,000.

**Tax Law** means the Code, final, temporary or proposed Treasury regulations, published pronouncements of the U.S. Treasury Department or IRS, court decisions or other relevant binding legal authority (and similar provisions, pronouncements, decisions and other authorities of state, local and foreign Law).

**Tax Return** shall mean any report, return or other information (including any attached schedules or any amendments to such report, return or other information) required to be supplied to or filed with a Government Entity with respect to any Tax, including an information return, claim for refund, amended return, declaration, or estimated Tax returns in connection with the determination, assessment, collection or administration of any income Tax.

**Taxes** means all federal, state or local and all foreign taxes, including income, gross receipts, windfall profits, value added, severance, property, production, sales, use, duty, license, excise, franchise, employment, withholding or similar taxes (including any payment required to be made to any state abandoned property administrator or other public official pursuant to an abandoned property, escheat or similar Law) together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

**Third Party Claim** has the meaning set forth in Section 7.4(a).

**Third Party Confidentiality Agreement** has the meaning set forth in Section 5.18.

**Total Liabilities** means, with respect to each Specified Business or Joint Venture Business, all Liabilities, expressed as a positive number, of such Specified Business or Joint Venture Business as of the Closing (after giving effect to the Transaction), as would be reflected on the face of a balance sheet (excluding any footnotes thereto) prepared in accordance with GAAP consistently applied (to the extent GAAP was previously applied) for such Specified Business or Joint Venture Business; provided, however, that Total Liabilities shall include the following: accounts payable, accrued expenses (including all accrued vacation time, sick days, paid time off, copyright

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fees, franchise fees and other license fees or charges), Liabilities with respect to unearned income and advance payments (including subscriber prepayments and deposits for converters, encoders, cable television service and related sales) and interest, if any, required to be paid on advance payments; provided, further, that (a) in no event shall Total Liabilities include (i) Liabilities that constitute Assumed Liabilities pursuant to clauses (iii) (other than part (C) thereof), (iv) (other than accrued but unpaid Franchise fees and any reserves for Franchise fee audits), (v), (vi) and (vii) of the definition of “Assumed Liabilities” or (ii) Excluded Liabilities, and (b) Liabilities (x) under the Sale Bonus Program included in clause (iii)(C) of the definition of “Assumed Liabilities” and (y) under purchase orders outstanding as of the Closing will be treated, for purposes hereof, as part of the Total Liabilities of the relevant Specified Business or Joint Venture Business as of the Closing regardless of whether they would otherwise be treated as such under GAAP but subject in any event to the remainder of this definition. For purposes of determining Total Liabilities in respect of any Disputed MCE System, all references above to the Closing shall be deemed to mean, with respect to any Disputed MCE System, the MCE Closing.

**Transaction** means the transactions that are the subject of this Agreement, including the purchase and sale of the Transferred Assets, the assumption of the Assumed Liabilities and the Joint Venture Transaction; provided, however, that Transaction shall not include the Friendco Transaction.

**Transfer Tax Returns** has the meaning set forth in Section 5.4(c)(ii).

**Transfer Taxes** has the meaning set forth in Section 5.4(c).

**Transferred Assets** has the meaning set forth in Section 2.3.

“Transferred Cash” has the meaning set forth in Section 2.3(a).

“Transferred Employees” has the meaning set forth in Section 5.5(e)(ii).

“Transferred Employees’ Records” means all personnel files related to the Transferred Employees, but not including any files the transfer of which would be prohibited by Law.

“Transferred Intellectual Property” means, with respect to each Specified Business, the Intellectual Property owned by Seller or its Affiliates and Related to such Specified Business, including that set forth on Schedule 1.1(r) of the Seller Disclosure Schedule and identified as Related to such Specified Business.

“Transferred Intellectual Property Contracts” means, with respect to each Specified Business, (i) the licenses, sublicenses, distributor agreements and permissions, and royalty agreements concerning Intellectual Property to which Seller or any of its Affiliates is a party and which are Related to such Specified Business and are Assigned Contracts and (ii) the rights and entitlements, including the right to receive royalty payments, pursuant to any licenses, sublicenses, distributor agreements and permissions or royalty agreements to which Seller or any of its Affiliates is a party and

under which a third party licensee obtains benefits pursuant to section 365(n) of the Bankruptcy Code and which are Related to such Specified Business and are Assigned Contracts.

“Transferred Investment Assignment Agreement” means, with respect to each Specified Business, an agreement in form and substance reasonably acceptable to Seller and Buyer, providing for the assignment and assumption of Transferred Investments Related to such Specified Business.

“Transferred Investments” means, with respect to each Specified Business, (i) the Equity Securities identified on Schedule 1.1(s)(i) of the Seller Disclosure Schedule and allocated to such Specified Business pursuant to the Designated Allocation, it being understood that, by written notice to Seller delivered on one or more occasions and no fewer than 10 Business Days prior to the Closing, Buyer shall be entitled to remove any item from Schedule 1.1(s)(i) of the Seller Disclosure Schedule with respect to which any material Investment Document was not provided to Buyer prior to the date hereof; and (ii) those Equity Securities identified on Schedule 1.1(s)(ii) of the Seller Disclosure Schedule that Buyer selects to be allocated to a Specified Business (or, if held by a Transferred Joint Venture Entity, retained by such Transferred Joint Venture Entity), it being understood, that such selection shall be made in the same manner, and subject to the same conditions, as are applicable to the selection of Contracts as Assigned Contracts pursuant to Section 5.11 (with the determination of whether or not an item will be treated as an OCB Contract made on the basis of the primary agreement containing the business terms applicable to the applicable Investment Entity).

“Transferred Joint Venture Employees” has the meaning set forth in Section 5.5(a).

“Transferred Joint Venture Entities” means the Transferred Joint Venture Parents and the Transferred Joint Venture Subsidiaries, collectively.

“Transferred Joint Venture Parents” means Century, Parnassos and Western.

“Transferred Joint Venture Subsidiaries” means the Subsidiaries of the Transferred Joint Venture Parents, including the entities set forth on Schedule 3.2(b) of the Seller Disclosure Schedule and identified therein as Transferred Joint Venture Subsidiaries.

“Transferred Leased Real Property” means Leased Real Property that is the subject of a Transferred Real Property Lease.

“Transferred Owned Real Property” means Owned Real Property that is not an Excluded Asset pursuant to Section 2.4(h).

“Transferred Real Property Leases” means Real Property Leases that are Assigned Contracts.

“Transferred Real Property Subleases” means Real Property Subleases that are Assigned Contracts and that relate to (i) the Transferred Owned Real Property or (ii) the Transferred Leased Real Property.

“Transferred Rights-of-Way” means all Rights-of-Way, provided, that to the extent a Right-of-Way is a Contract, Transferred Rights-of-Way shall mean Rights-of-Way that are Assigned Contracts.

“Transitional Services” has the meaning set forth in Section 5.21.

**TWE Redemption Agreement** means the Redemption Agreement, dated as of the date hereof, by and among Buyer, Comcast Cable Communications Holdings, Inc., MOC Holdco I, LLC, TWE Holdings I Trust, Cable Holdco III LLC, Time Warner Entertainment Company, L.P., a Delaware limited partnership, TWX and Friendco Parent.

**TWX** means Time Warner Inc., a Delaware corporation.

**Union Employee** has the meaning set forth in Section 5.5(b).

**Unallocated Shared Assets and Liabilities** means those Assets and Liabilities (and the related revenues and expenses) identified as such on Schedule 1.1(f) of the Seller Disclosure Schedule.

**U.S. Antitrust Laws** means the Sherman Act, the Clayton Act, the HSR Act, the Federal Trade Commission Act, and all other federal and state statutes, rules, regulations, orders, decrees, administrative and judicial doctrines, and other Laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade.

**US Trustee** means the United States Trustee for Region 2 or such other region in which the reorganization case of any Managed Cable Entity or Non-Debtor Subsidiary is pending.

**WARN** means the Worker Adjustment and Retraining Notification Act.

**Western** means Western NY Cablevision, L.P., a Delaware limited partnership.

**Western Business** means the portion of the Group 1 Business conducted by Western and its Subsidiaries.

**Section 1.2 Interpretive Provisions.** Unless the express context otherwise requires:

(a) the words “hereof,” “herein,” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

(b) the terms defined in the singular have a comparable meaning when used in the plural, and vice versa;

(c) the terms “Dollars” and “\$” mean United States Dollars;

(d) references herein to a specific Section, Subsection, Recital, Schedule or Exhibit shall refer, respectively, to Sections, Subsections, Recitals, Schedules or Exhibits of this Agreement;

(e) wherever the word “include,” “includes,” or “including” is used in this Agreement, it shall be deemed to be followed by the words “without limitation”;

(f) references herein to any gender include each other gender;

(g) references herein to any Person include such Person’s heirs, executors, personal representatives, administrators, successors and assigns; provided, however, that nothing contained in this clause (g) is intended to authorize any assignment or transfer not otherwise permitted by this Agreement;

(h) references herein to a Person in a particular capacity or capacities exclude such Person in any other capacity;

(i) references herein to any contract or agreement (including this Agreement) mean such contract or agreement as amended, supplemented or modified from time to time in accordance with the terms thereof;

(j) with respect to the determination of any period of time, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding”;

(k) references herein to any Law or any license mean such Law or license as amended, modified, codified, reenacted, supplemented or superseded in whole or in part, and in effect from time to time;

(l) references herein to any Law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise;

(m) references herein to sections of the Code shall be construed to also refer to any successor sections;

(n) the rules of construction contained in section 102 of the Bankruptcy Code (except section 102(8) of the Bankruptcy Code) shall apply; and

(o) in the event of any inconsistency between the terms of the Plan and this Agreement, the terms of this Agreement shall control.

## ARTICLE II

### PURCHASE AND SALE OF THE SPECIFIED BUSINESSES

Section 2.1 Purchase and Sale of Assets. Subject to Sections 2.9, 2.13 and 5.11(h), on the terms and subject to the conditions set forth herein, at the Closing and following the Joint Venture Transactions, Seller shall, and shall cause each of its Affiliates to, sell, convey, transfer, assign and deliver to Buyer, and Buyer shall purchase from Seller and each of its Affiliates: (x) the JV Interests, free and clear of all Encumbrances, other than Encumbrances under the JV Documents, (y) the Transferred Investments, free and clear of all Encumbrances, other than Encumbrances under the Investment Documents and (z) without duplication of clauses (x) and (y) above, all of Seller's and each of its Affiliate's right, title and interest to the Transferred Assets (other than Transferred Assets held by any Transferred Joint Venture Entity), free and clear of all Encumbrances, other than Permitted Encumbrances. Seller shall take such actions as are necessary to cause the Transferred Assets held by Transferred Joint Venture Entities to be owned by such Transferred Joint Venture Entities free and clear of all Encumbrances, other than Permitted Encumbrances.

Section 2.2 Joint Venture Transactions. At the Closing, and prior to the transactions described in Section 2.1, with respect to each Transferred Joint Venture Parent (a) the applicable Buyer JV Partner shall contribute cash to such Transferred Joint Venture Parent in an amount equal to the Buyer Discharge Amount for such Transferred Joint Venture Parent and (b) Seller shall cause such Transferred Joint Venture Parent to distribute to the applicable Seller JV Partner (i) cash in the Amount of the Buyer Discharge Amount for such Transferred Joint Venture Parent and (ii) all Excluded Assets of the Transferred Joint Venture Parent and its Subsidiaries and (c) Seller shall cause the applicable Seller JV Partner to assume all Liabilities of such Transferred Joint Venture Parent and its Subsidiaries (other than any such Liabilities that constitute Assumed Liabilities) (such transactions being collectively referred to as the "Joint Venture Transactions").

Section 2.3 Transferred Assets. "Transferred Assets" means all of Seller's and each of its Affiliates' Assets that are Related to the Acquired Business, including the Acquired Systems, except for the Excluded Assets, including the following:

(a) all cash and cash equivalents consisting of (i) petty cash-on-hand, (ii) cash and cash equivalents of any Transferred Joint Venture Entity (other than as set forth in Section 2.2), (iii) Condemnation Proceeds and (iv) Insurance Claims (collectively, the "Transferred Cash");

(b) Accounts Receivable;

(c) Assigned Contracts;

(d) Transferred Intellectual Property and Transferred Intellectual Property Contracts;

(e) Books and Records;

(f) Fixtures and Equipment;

(g) Transferred Real Property Leases;

(h) Transferred Real Property Subleases;

(i) Transferred Owned Real Property;

(j) Transferred Rights-of-Way;

(k) Insurance Claims and Condemnation Proceeds to the extent not included under subsection (a) above;

(l) except as set forth in Section 2.4(k), all claims (and the proceeds related thereto) available to or being pursued by Seller or any of its Affiliates (i) to the extent related to the Transferred Assets, the Assumed Liabilities or the ownership, use, function or value of any Transferred Asset or (ii) against any Transferred Joint Venture Entity or Investment Entity;

(m) all credits, prepaid expenses, advance payments, security deposits, prepaid items and duties to the extent related to a Transferred Asset;

(n) to the extent their transfer is not prohibited by Law, all Authorizations held by Seller or any of its Affiliates and all applications therefor;

(o) all guaranties, representations, warranties, indemnities and similar rights in favor of Seller or any of its Affiliates to the extent related to any Transferred Asset, except to the extent included in Excluded Assets;

(p) all Retained Claims;

(q) all other current assets;

(r) all JV Interests, all Joint Venture Securities of Transferred Joint Venture Subsidiaries and all Transferred Investments; and

(s) copies of all Tax Returns relating to any Transferred Joint Venture Entity with respect to any taxable period (or portion thereof) ending on or after December 31, 1999;

provided, that the sale, conveyance, transfer, assignment or delivery of a Transferred Asset shall, except as otherwise directed by Buyer in a manner consistent with like allocations of Friendco pursuant to the Friendco Purchase Agreement (provided, that the effect of any such allocation so directed by Buyer that is different than the allocation that would occur in the absence of such direction shall be disregarded for the purposes of making any determination with respect to (x) the representations, warranties or covenants

of Seller herein, (y) the Closing Adjustment Amount and (z) the satisfaction of the conditions set forth in Article VI, in each case, to the extent such determination would be different (but in the case of the Closing Adjustment Amount, only to the extent the aggregate Closing Adjustment Amount and the Closing Adjustment Amount (as defined in the Friendco Purchase Agreement) would be different) as a result of such direction), be allocated among each of the Specified Businesses, the Joint Venture Businesses and the Friendco Business in the following manner (provided, that (A) in no event will any of the following allocations result in the transfer of subscribers from one System Group to another and (B) any allocation of capital expenditures shall be made in accordance with Schedule 5.2(s) of the Seller Disclosure Schedule or, if not addressed in such Schedule as set forth below): (a) if such Transferred Asset is owned by a Transferred Joint Venture Entity, such Transferred Asset shall be allocated to the Joint Venture Business applicable to such Transferred Joint Venture Entity and (b) if such Transferred Asset is not owned by a Transferred Joint Venture Entity and is (i) Related only to a single Specified Business and not to the Friendco Business, to such Specified Business (and, if to the Group 1 Business, to the Group 1 Remainder Business), (ii) included in the Group 1 Shared Assets and Liabilities pursuant to Schedule 1.1(f) of the Seller Disclosure Schedule, to the Group 1 Remainder Business, (iii) included in the Group 2 Shared Assets and Liabilities pursuant to Schedule 1.1(f) of the Seller Disclosure Schedule, to the Group 2 Business, (iv) solely Related to the Friendco Business or allocated to the Friendco Business pursuant to Schedule 1.1(h) of the Seller Disclosure Schedule (as defined in the Friendco Purchase Agreement), to the Friendco Business, (v) is readily divisible, Related to more than one of the Group 1 Business, the Group 2 Business and the Friendco Business and not allocated pursuant to clause (i), (ii), (iii) or (iv), allocated to the Group 1 Business (and within the Group 1 Business, to the Group 1 Remainder Business), the Group 2 Business and/or the Friendco Business to which it is Related pro rata based on the number of Basic Subscribers served by such Group 1 Business, Group 2 Business or Friendco Business (as applicable) as of the Closing and (vi) not allocated pursuant to clause (i), (ii), (iii), (iv) or (v) and is (A) Primarily Related to the Friendco Business, to the Friendco Business, (B) Primarily Related to the Group 1 Business, to the Group 1 Business (and, within the Group 1 Business, to the Group 1 Remainder Business), (C) Primarily Related to the Group 2 Business, to the Group 2 Business and (D) if not allocated pursuant to subclause (A), (B) or (C), to the Friendco Business (the allocation of such assets pursuant to this proviso to this Section 2.3, the “Designated Allocation”). Notwithstanding anything to the contrary in this Section 2.3, any Asset included in Unallocated Shared Assets and Liabilities that is not a Transferred Asset pursuant to the Designated Allocation shall not be deemed to be a Transferred Asset.

Section 2.4 Excluded Assets. Notwithstanding anything herein to the contrary, from and after the Closing, Seller and its Affiliates shall retain (or in the case of any of the following Assets held by any Transferred Joint Venture Entity, Seller shall cause to be transferred to the applicable Seller JV Partner prior to the Closing), and there shall be excluded from the sale, conveyance, assignment or transfer to Buyer hereunder, and the Transferred Assets shall not include, any of the Friendco Transferred Assets or the following Assets (collectively, the “Excluded Assets”):

(a) all Assets with respect to Taxes (including duty and tax refunds and prepayments) and net operating losses of Seller or any of its Affiliates;

(b) except as set forth in Section 2.3(s) and except to the extent set forth in Section 5.1(c), all Tax Returns of Seller or any of its Affiliates and all Books and Records (including working papers) and tax software to the extent directly related thereto;

(c) all insurance policies and rights thereunder, other than the Insurance Claims;

(d) all credits, prepaid expenses, deferred charges, advance payments, security deposits and prepaid items, in each case, only to the extent related to any Asset that is not a Transferred Asset;

(e) all cash and cash equivalents, except for the Transferred Cash;

(f) all Intercompany Receivables;

(g) all Contracts (including all Third Party Confidentiality Agreements) other than Assigned Contracts;

(h) (i) any Owned Real Property that, and any lease (other than a lease designated by Buyer as an Assigned Contract) for real property that, (A) is vacant, (B) contains only inactive headends, inactive hubsites or inactive optical transition nodes or (C) is solely residential in nature and (ii) the Owned Real Property set forth on Schedule 2.4(h) of the Seller Disclosure Schedule; provided, however, that, from time to time prior to the Closing, but no later than ten Business Days prior to the Closing, Buyer may designate any other Owned Real Property to be included on such Schedule 2.4(h) of the Seller Disclosure Schedule;

(i) all Programming Agreements (other than any retransmission consent agreement that is an Assigned Contract);

(j) all Assets listed on Schedule 2.4(j) of the Seller Disclosure Schedule;

(k) (i) all claims (and proceeds related thereto) set forth on Schedule 2.4(k) of the Seller Disclosure Schedule relating to (A) the Rigas Litigation or (B) the Designated Litigation, (ii) all other claims (and proceeds related thereto) that Seller or any of its Affiliates may make after the date hereof to the extent not affecting any Specified Business (including any Transferred Asset or Assumed Liability) in any material respect and (iii) any claims of Seller or its Affiliates against Seller or any of its Affiliates (other than any claim against any Investment Entity or any Transferred Joint Venture Entity) to the extent not affecting any Specified Business (including any Transferred Asset or Assumed Liability); provided, that none of the Retained Claims will be treated as Excluded Assets pursuant to this clause (k);

(l) all personnel records, other than the Transferred Employees' Records;

(m) all rights in connection with and Assets of the Benefit Plans;

(n) except for the Transferred Investments and the Joint Venture Securities, all Equity Securities or other rights of Seller or any of its Affiliates in any other Person, including any Asset Transferring Subsidiary;

(o) Assets allocated to the Friendco Business pursuant to the Designated Allocation;

(p) state certificates of public convenience and necessity or similar state telecommunication Authorizations except for those that Buyer designates in writing as Transferred Assets at least ten Business Days prior to the Closing;

(q) Excluded Books and Records (subject to Section 9.3); and

(r) the Equity Securities of Empire Sports Network and all Assets of Empire Sports Network.

**Section 2.5 Assumption of Liabilities.** On the terms and subject to the conditions set forth herein and in partial consideration of the sale of the Transferred Assets, at the Closing, Buyer shall assume (or, in the case of Assumed Liabilities of the Transferred Joint Venture Entities, acquire the Joint Venture Securities subject to) and discharge or perform (or in the case of Assumed Liabilities of the Transferred Joint Venture Entities, cause such Transferred Joint Venture Entities to discharge and perform) when due all the Assumed Liabilities; it being understood, that the assumption (or retention) of an Assumed Liability shall, except as otherwise allocated by Buyer in a manner consistent with the like allocations of Friendco pursuant to the Friendco Purchase Agreement (provided, that the effect of any such allocation so directed by Buyer that is different than the allocation that would occur in the absence of such direction shall be disregarded for the purposes of making any determination with respect to (x) the representations, warranties or covenants of Seller herein, (y) the Closing Adjustment Amount and (z) the satisfaction of the conditions set forth in Article VI, in each case, to the extent such determination would be different (but in the case of the Closing Adjustment Amount, only to the extent the aggregate Closing Adjustment Amount and the Closing Adjustment Amount (as defined in the Friendco Purchase Agreement) would be different) as a result of such direction), be allocated among each of the Specified Businesses and the Friendco Business in the following manner: if such Assumed Liability is (a) a Liability of a Transferred Joint Venture Entity, to

the Joint Venture Business applicable to such Transferred Joint Venture Entity or (b) not a Liability of a Transferred Joint Venture Entity and is (i) Related only to a single Specified Business and not to the Friendco Business, to such Specified Business (and, in the case of the Group 1 Business, to the Group 1 Remainder Business), (ii) included in the Group 1 Shared Assets and Liabilities pursuant to Schedule 1.1(f) of the Seller Disclosure Schedule, to the Group 1 Business (and within the Group 1 Business, to the Group 1 Remainder Business), (iii)

included in the Group 2 Shared Assets and Liabilities pursuant to Schedule 1.1(f) of the Seller Disclosure Schedule, to the Group 2 Business, (iv) solely Related to the Friendco Business or allocated to the Friendco Business pursuant to Schedule 1.1(h) of the Seller Disclosure Schedule (as defined in the Friendco Purchase Agreement), to the Friendco Business and (v) not allocated pursuant to clause (i), (ii), (iii) or (iv), then to the Friendco Business, to the extent Related to the Friendco Business, to the Group 1 Business (and within the Group 1 Business, to the Group 1 Remainder Business), to the extent Related to the Group 1 Business, and to the Group 2 Business, to the extent Related to the Group 2 Business (which allocations shall be made in each case after giving effect to the allocations to each such Friendco Business and Specified Business pursuant to the Designated Allocation).

**Section 2.6 Excluded Liabilities.** Seller and its Affiliates shall retain (and in the case of any of the Excluded Liabilities of a Transferred Joint Venture Entity, the applicable Seller JV Partner shall assume pursuant to Section 2.2) and be responsible for all Excluded Liabilities. Notwithstanding anything to the contrary in this Agreement, Buyer shall not assume, and neither Buyer nor any of its Affiliates (including, for this purpose the Transferred Joint Venture Entities) shall have any Liability for, any Liability of Seller or any Affiliate of Seller that is not (a) expressly assumed by Buyer pursuant to Section 2.5 or (b) an Assumed Liability retained by a Transferred Joint Venture Entity after giving effect to Section 2.2.

**Section 2.7 Purchase Price.** On the terms and subject to the conditions set forth herein, in consideration of the sale of the Transferred Assets, at the Closing, Buyer shall:

(a) assume the Assumed Liabilities (other than those retained by any Transferred Joint Venture Entity);

(b) pay to Seller an aggregate amount in cash equal to \$3,500,000,000, as adjusted pursuant to Sections 2.8(a) and 2.8(f) (as so adjusted, the “Purchase Price”), minus the Aggregate Buyer Discharge Amount; and

(c) cause the Buyer JV Partners to make the contributions described in Section 2.2; and,

provided, however, that, in lieu of payment to Seller, Buyer shall deliver or cause to be delivered, at the Closing, 4% of the Purchase Price (after giving effect to any adjustment thereof that is effected as of the Closing) in cash (as such amount may be increased in accordance with Section 2.8(f) or Section 2.9(c), the “Escrow Amount”) by wire transfer of immediately available funds to the Escrow Agent to be held by the Escrow Agent in an interest bearing account (the “Escrow Account”), pursuant to the Escrow Agreement, which Escrow Amount shall be paid in whole or in part in accordance with the terms of the Escrow Agreement to (i) the Buyer Indemnified Parties to the extent necessary to satisfy any obligation of Seller pursuant to Section 7.2(a), (ii) Buyer to the extent necessary to satisfy a payment obligation of Seller, if any, pursuant to Section 2.8(f) or 2.9(d), (iii) Seller, on the date that is six months following the Closing Date, to the extent

of the excess, if any, of 33% of the Escrow Amount deposited at the Closing over the sum of (A) all amounts paid pursuant to the immediately preceding clauses (i) and (ii), plus (B) the maximum amount that could reasonably be expected to be necessary to satisfy all claims by the Buyer Indemnified Parties pursuant to Section 7.2(a) asserted on or prior to such date, and (iv) Seller to the extent of any remaining funds in the Escrow Account as of the Buyer Indemnification Deadline (subject, with respect only to the Final MCE Purchase Price, to Section 2.9(d)), except to the extent of the maximum amount that could reasonably be expected to be necessary to satisfy all claims by the Buyer Indemnified Parties pursuant to Section 7.2(a) asserted on or prior to the Buyer Indemnification Deadline (subject, with respect only to the Final MCE Purchase Price, to Section 2.9(d)).

**Section 2.8 Closing Adjustment Amount.**

(a) No later than ten Business Days prior to the Closing Date, Seller shall prepare, or cause to be prepared, and deliver to Buyer, with respect to each Specified Business, a statement (each, a “Seller’s Statement”), which shall set forth Seller’s good faith estimate of the Closing Adjustment Amount which shall be determined in accordance with this Agreement (the “Estimated Closing Adjustment Amount”). Each Seller’s Statement shall be accompanied by a certification of Seller’s Chief Financial Officer to the effect that such Seller’s Statement has been prepared in good faith in accordance with this Agreement based on the books and records of such Specified Business and be reasonably satisfactory to Buyer. If the sum of the Estimated Closing Adjustment Amounts for the Specified Businesses is a negative number, then the Purchase Price payable at the Closing shall be decreased by

the absolute value of such sum. If the sum of the Estimated Closing Adjustment Amounts for the Specified Businesses is a positive number, then the Purchase Price payable at the Closing shall be increased by such sum.

(b) As soon as practicable but in no event more than 90 days following the Closing, Buyer shall prepare, or cause to be prepared, and deliver to Seller, with respect to each Specified Business, a statement (each, a “Buyer’s Statement”) of the actual Closing Adjustment Amount, as of the Closing Date, which shall be determined in accordance with this Agreement. Each Buyer’s Statement shall be accompanied by a certification of Buyer’s Chief Financial Officer to the effect that such Buyer’s Statement has been prepared in accordance with this Agreement based on the books and records of such Specified Business.

(c) Seller and Seller’s accountants shall complete their review of each of the Buyer’s Statements and Buyer’s calculations of the Closing Adjustment Amount within 30 days after delivery thereof by Buyer. In the event that Seller determines in good faith that any Buyer’s Statement has not been prepared in accordance with this Agreement, Seller shall, on or before the last day of such 30-day period, so inform Buyer in writing setting forth a specific description of the basis of Seller’s determination and the adjustments to such Buyer’s Statement and the corresponding adjustments to the applicable Closing Adjustment Amount that Seller believes should be made in accordance with this Agreement (a “Seller’s Objection”). If no Seller’s Objection is

received by Buyer on or before the last day of such 30 day period, then the Closing Adjustment Amount set forth in a Buyer’s Statement shall be final and binding upon Seller. Buyer shall have 30 days from its receipt of a Seller’s Objection to review and respond to such Seller’s Objection.

(d) If Seller and Buyer are unable to resolve all of their disagreements with respect to the proposed adjustments set forth in any Seller’s Objection within 15 days following the completion of Buyer’s review of such Seller’s Objection, they shall refer any remaining disagreements to the CPA Firm which, acting as experts and not as arbitrators, shall determine, in accordance with this Agreement based on the books and records of the applicable Specified Business, and only with respect to the remaining differences so submitted (and within the range of dispute between Buyer’s Statement and Seller’s Objection with respect to each such difference), whether and to what extent, if any, any Closing Adjustment Amount requires adjustment. Buyer and Seller shall instruct the CPA Firm to deliver its written determination to Buyer and Seller no later than 30 days after the remaining differences underlying any such Seller’s Objection are referred to the CPA Firm. The CPA Firm’s determination shall be conclusive and binding upon Buyer and Seller and their respective Affiliates. With respect to each Seller’s Objection, the fees and disbursements of the CPA Firm shall be borne equally by Seller and Buyer. Buyer and Seller shall make readily available to the CPA Firm all relevant books and records and any work papers (including those of the parties’ respective accountants, to the extent permitted by such accountants) relating to the determination of any Closing Adjustment Amount and all other items reasonably requested by the CPA Firm in connection therewith.

(e) Buyer shall provide to Seller and its accountants full access to the books and records of each Specified Business and to any other information, including work papers of its accountants (to the extent permitted by such accountants), and to any employees during regular business hours and on reasonable advance notice, to the extent reasonably necessary for Seller to review each Buyer’s Statement, to prepare a Seller’s Objection, if any, and to prepare materials for presentation to the CPA Firm in connection with Section 2.8(d). Seller and its accountants shall have full access to all information used by Buyer in preparing such Buyer’s Statement, including the work papers of its accountants (to the extent permitted by such accountants).

(f) Upon satisfaction of the applicable procedures of this Section 2.8, the Purchase Price shall be adjusted with respect to each Specified Business by an amount equal to (i) the Final Adjustment Amount of such Specified Business minus (ii) the Estimated Closing Adjustment Amount of such Specified Business (the “Subsequent Adjustment Amount”). If the Subsequent Adjustment Amount is a positive number, then the Purchase Price allocated to such Specified Business shall be increased by the Subsequent Adjustment Amount and Buyer shall promptly (and in any event within five Business Days) after the final determination thereof pay to the Escrow Agent, for deposit into the Escrow Account, the Subsequent Adjustment Amount, plus interest from the Closing Date to the date of payment at LIBOR calculated on a 365-day basis, by wire transfer of immediately available funds to the Escrow Account. If the Subsequent Adjustment Amount is a negative number, then the Purchase Price allocated to such

Specified Business shall be decreased by the absolute value of the Subsequent Adjustment Amount and Buyer shall be entitled to payment of the Subsequent Adjustment Amount from the Escrow Account promptly (and in any event within five Business Days) after the final determination of the Subsequent Adjustment Amount, plus interest from the Closing Date to the date of payment at LIBOR calculated on a 365-day basis, by wire transfer of immediately available funds to an account designated by Buyer; provided, however, that, to the extent the payment obligations pursuant to this sentence exceed the remaining funds in the Escrow Account, Seller shall promptly (and in any event with five Business Days) after the final determination of the Subsequent

Adjustment Amount, pay such excess amount to Buyer by wire transfer of immediately available funds to an account designated by Buyer.

## Section 2.9 Group 2 Systems.

(a) Notwithstanding anything to the contrary contained herein, if any Group 2 System has not been finally determined to be wholly-owned by Seller or its wholly-owned Subsidiaries (it being understood that, for purposes of this Section 2.9(a), if Seller has the right to cause the transfer of good and marketable title to the Assets of any Group 2 System (free and clear of all Encumbrances other than Permitted Encumbrances) to Buyer (or has otherwise arranged for such transfer to occur at the Closing to the reasonable satisfaction of Buyer), such Disputed MCE System shall be deemed to be wholly owned by Seller) or has been finally determined to be so owned but as to which there has not been an MCE Discharge as of the date on which the Seller's Statements are delivered under Section 2.8(a) (each such MCE System, a "Disputed MCE System"), then (i) the geographical areas serviced by such Disputed MCE System shall be deemed not to be listed on Schedule A of the Seller Disclosure Schedule and such Disputed MCE System shall be deemed not to be included in the Group 2 Business or otherwise Related to the Group 2 Business or the Acquired Business, (ii) any Assets, Liabilities or Employees that would, but for clause (i) above, have been Transferred Assets, Assumed Liabilities or Transferred Employees shall be deemed not to be Transferred Assets, Assumed Liabilities or Transferred Employees, respectively, (iii) the Closing shall be effected without such Disputed MCE System, (iv) the Purchase Price (before adjustment under Section 2.8) shall be reduced by an aggregate amount equal to the product of (A) the MCE Purchase Price multiplied by (B) the quotient obtained by dividing (1) the aggregate number of Basic Subscribers served by all such Disputed MCE Systems as of December 31, 2004 by (2) the aggregate number of Basic Subscribers served by all Group 2 Systems as of December 31, 2004 (such amount with respect to each such Disputed MCE System, the "Initial MCE Purchase Price"), (v) the Seller's Statement delivered in respect of the Group 2 Business shall be prepared to reflect the foregoing and (vi) with respect to the Disputed MCE Systems, the determination of the Closing Adjustment Amount (calculated as to each such Disputed MCE System separately as if it were its own Specified Business and assuming the Net Liabilities Adjustment Amount for each such Disputed MCE System is zero) shall be made in accordance with Section 2.8 except that the Subscriber Cap shall not apply to the determination of the Subscriber Adjustment Amount and there shall be no adjustment to the Purchase Price at the Closing as a result of such determination (the amount by which the Purchase Price would have been adjusted (expressed as a negative if decreased and as

a positive if increased) in respect of each such Disputed MCE System as determined pursuant to this clause (vi), the "Initial Disputed MCE System Adjustment Amount").

(b) With respect to any Disputed MCE System, Seller shall (i) use commercially reasonable efforts to cause each such Disputed MCE System to be bound by a written management agreement with Buyer (or its designee) as of the Closing, in form and substance reasonably acceptable to Buyer and Seller (each such agreement, an "MCE Management Agreement") and (ii) continue during the succeeding 15 months (the "MCE Period") using commercially reasonable efforts to obtain full direct or indirect ownership of, and an MCE Discharge with respect to, such Disputed MCE System (it being understood that, for purposes of this Section 2.9(b), if Seller has the right to cause the transfer of good and marketable title to the Assets of any Group 2 System (free and clear of all Encumbrances other than Permitted Encumbrances) to Buyer (or has otherwise arranged for such transfer to occur at the MCE Closing to the reasonable satisfaction of Buyer), such Disputed MCE System shall be deemed to be wholly owned by Seller) (an "MCE Resolution"). Buyer shall not have any obligation to enter into an MCE Management Agreement unless Buyer is provided with reasonably satisfactory evidence of (A) the enforceability of such MCE Management Agreement from and after the Closing, (B) the authority of the counterpart(ies) to enter into and perform such MCE Management Agreement and to bind such Disputed MCE System and (C) the creditworthiness of such Group 2 System (or such other Person who or such instrument that guarantees the Liabilities of such Group 2 System pursuant to the applicable MCE Management Agreement). Seller shall notify Buyer of any MCE Resolution as promptly as practicable and in any event within three Business Days of obtaining any such MCE Resolution and shall provide Buyer with such information and documentation related thereto as Buyer reasonably requests.

(c) As to any Disputed MCE System that is the subject of an MCE Resolution that occurs prior to the expiration of the MCE Period, and with respect to which (i) Buyer (or its designee) enters into an MCE Management Agreement that has not been terminated in accordance with its terms (other than by Seller as a direct result of a breach by Buyer (or its designee)) or rejected and remains in full force and effect until the completion of the MCE Closing (a "Buyer Managed MCE System") or (ii) Buyer (or its designee) does not enter into such an MCE Management Agreement but, within 60 days of such MCE Resolution, Buyer makes an election to purchase such Disputed MCE System, the parties agree that Seller shall sell, or cause to be sold, to Buyer and Buyer shall purchase from Seller (or the applicable transferor which Seller causes to sell) the Assets of such Disputed MCE Systems in exchange for an amount of cash equal to the Final MCE Purchase Price to be delivered by wire transfer of immediately available funds to one or more accounts designated by Buyer, at a single closing (the "MCE Closing") that, subject to satisfaction of the conditions set forth in Sections 6.1, 6.2 (other than, without limiting Section 2.9(d)(ii), Sections 6.2(a), 6.2(f) (but only if Buyer is a Proximate Cause Party) and 6.2(h)) and 6.3 (other than, without limiting Section 2.9(d)(ii) and Section 6.3(a)) (applied with respect to such Disputed MCE Systems (treating such Systems as a Specified Business) *mutatis mutandis*), shall occur on the fifth Business Day following the earlier of (A) the expiration of the MCE Period and (B) the date all Disputed MCE Systems have been subject to an MCE Resolution; provided,

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however, that 4% of the cash so delivered will be deposited in the Escrow Account. At the MCE Closing, the parties will assign or assume, as applicable, the Transferred Assets and Assumed Liabilities with respect to each such Disputed MCE System (treating such System as a Specified Business) that would have been assigned and assumed as if the Closing had been delayed until the date of the MCE Closing and shall execute such conveyance, assumption and other instruments as are required pursuant to Sections 2.11 and 2.12 (applied with respect to such Disputed MCE Systems (treating such Systems as a Specified Business) and applied with respect to the MCE Purchase Shares (treating such MCE Purchase Shares as Purchase Shares) *mutatis mutandis*). For purposes of determining the Disputed MCE System Adjustment Amount, the Net Liabilities Adjustment Amount in respect of each such Disputed MCE System shall be determined as of the date of the MCE Closing in accordance with Section 2.8 applied *mutatis mutandis* (treating each such System as a Specified Business).

(d) In connection with the transfer to Buyer of any Disputed MCE Systems, (i) Assumed Liabilities related to such Disputed MCE Systems shall be deemed to have been assumed effective as of the date of the MCE Closing only, and (ii) at, and as a condition to, the MCE Closing, (A) Seller shall be deemed to have restated the representations and warranties in Article III in respect of such Disputed MCE Systems (x) with respect to the Class 2 Representations and Warranties, as of the date made and as of the Closing, and (y) with respect to the Class 1 Representations and Warranties, as of the date made and as of the MCE Closing, (B) Seller shall deliver to Buyer a certificate certifying to the satisfaction of Section 6.2(a) with respect to such Disputed MCE Systems (treating such Disputed MCE Systems as if they were a Specified Business and multiplying all applicable monetary and materiality thresholds by the MCE Fraction) (x) with respect to the Class 2 Representations and Warranties, as of the Closing, and (y) with respect to the Class 1 Representations and Warranties, as of the MCE Closing, (C) Article VII shall apply to such Disputed MCE Systems *mutatis mutandis* (including by multiplying the applicable basket and cap amounts by the MCE Fraction), provided, that, notwithstanding Section 7.1, all the representations and warranties in Article III shall, with respect to such Disputed MCE Systems, survive the MCE Closing until the expiration of the later of the survival period in Section 7.1 and twelve months after the date of the MCE Closing (and the Buyer Indemnification Deadline shall be extended with respect to such Disputed MCE Systems by a corresponding period) and (D) Sections 2.13 and 5.10 shall apply *mutatis mutandis*. For purposes of any covenants in this Agreement governing the parties hereto following the Closing and any Ancillary Agreement, any Assets related to any such Disputed MCE Systems which are transferred to Buyer after Closing under this Section 2.9 shall become part of the Group 2 Business as of the time of the MCE Closing.

**Section 2.10 Closing.** The Closing shall take place at the offices of Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019-6064 at 10:00 a.m., New York City time, on the last Business Day of the calendar month in which the conditions set forth in Article VI (other than those conditions that by their nature are to be satisfied at the Closing but subject to the fulfillment or waiver of those conditions) have been satisfied or waived, unless such conditions have not been so satisfied or waived (other than those conditions that by their

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nature are to be satisfied at the Closing but subject to the fulfillment or waiver of those conditions) by the fifth Business Day preceding the last Business Day of such calendar month, in which case the Closing shall take place on the last Business Day of the next calendar month (or at such other time and place as the parties hereto may mutually agree); provided, however, that the Closing shall not occur prior to the earliest of (a) immediately following the closing of the Redemption under the Friendco Parent Redemption Agreement, (b) 30 days following the date on which the conditions set forth in Article VI (other than those conditions that by their nature are to be satisfied at the Closing but subject to the fulfillment or waiver of those conditions) have been satisfied or waived (provided, that the Outside Date or the Extended Outside Date, as the case may be, shall be extended to the last Business Day of the calendar month in which the end of such 30-day period occurs if the Outside Date or Extended Outside Date, as the case may be, would otherwise occur prior to such last Business Day), and (c) the termination of the Friendco Parent Redemption Agreement. The date on which the Closing occurs is called the "Closing Date."

**Section 2.11 Deliveries by Buyer.** At the Closing, Buyer shall:

(a) deliver to Seller, the Purchase Price less the Aggregate Buyer Discharge Amount and less the Escrow Amount to be delivered at Closing, in immediately available funds by wire transfer to an account which has been designated by Seller at least two Business Days prior to the Closing Date;

(b) deliver to the Escrow Agent the Escrow Amount in immediately available funds by wire transfer to the Escrow Agent, to be held by the Escrow Agent in the Escrow Account;

(c) cause each Buyer JV Partner to deliver to its applicable Transferred Joint Venture Parent the Buyer Discharge Amount applicable to such Transferred Joint Venture Parent in immediately available funds by wire transfer to an account for such Transferred Joint Venture Parent which has been designated by Seller at least two Business Days prior to the Closing Date and;

(d) deliver to Seller (or to the applicable Affiliate of Seller), with respect to each Specified Business, such bills of sale, instruments of assumption and other instruments or documents, in form and substance reasonably acceptable to Seller and Buyer, as may be reasonably necessary to effect, in each case in accordance with the terms of this Agreement (x) the assumption by Buyer of the Assumed Liabilities Related to such Specified Business (other than Assumed Liabilities retained by any Transferred Joint Venture Entity) and (y) the conveyance, transfer and assignment to Buyer of the Transferred Assets Related to such Specified Business (other than the Transferred Assets held by any Transferred Joint Venture Entity), including the following:

- (i) a duly executed counterpart of one or more Bills of Sale;
- (ii) a duly executed counterpart of one or more Assignment and Assumption Agreements;

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(iii) evidence of the obtaining of, or, with respect to Buyer Required Approvals that only require notice or filing, the notice or filing with respect to, the Buyer Required Approvals;

- (iv) with respect to each Transferred Joint Venture Parent, a duly executed counterpart of a JV Interest Assignment Agreement;
- (v) a duly executed counterpart of one or more Transferred Investment Assignment Agreements;
- (vi) a duly executed counterpart of one or more Intellectual Property Assignment Agreements;
- (vii) a duly executed counterpart of one or more Lease Assignment Agreements;
- (viii) a duly executed counterpart of one or more Sublease Assignment Agreements;
- (ix) a duly executed counterpart of one or more Rights-of-Way Assignment Agreements;
- (x) the certificate to be delivered pursuant to Section 6.3(d);
- (xi) a duly executed counterpart of the Escrow Agreement; and

(xii) duly executed counterparts of such other customary instruments of transfer, assumptions, filings or documents, in form and substance reasonably satisfactory to Buyer and Seller, as may be reasonably required to give effect to this Agreement.

Section 2.12 Deliveries by Seller. At the Closing, Seller shall deliver, or cause to be delivered, to Buyer, with respect to each Specified Business, such bills of sale, instruments of assumption and other instruments or documents, in form and substance reasonably acceptable to Seller and Buyer, as may be reasonably necessary to effect, in each case in accordance with the terms of this Agreement (w) the assumption by Buyer of the Assumed Liabilities Related to such Specified Business (other than Assumed Liabilities retained by any Transferred Joint Venture Entity), (x) the conveyance, transfer and assignment to Buyer of the Transferred Assets Related to such Specified Business (and the retention by each Transferred Joint Venture Entity of the Transferred Assets to be retained by such Transferred Joint Venture Entity), (y) in the case of the Group 1 Business, the assumption by the applicable Seller JV Partner of all Liabilities of such Transferred Joint Venture Parent and its Subsidiaries (other than any such Liabilities that constitute Assumed Liabilities) and the assumption by Seller or its Affiliate (other than a Transferred Joint Venture Entity or the Palm Beach Joint Venture) of all other Excluded Liabilities to which the Group 1 Business is subject and (z) in the case of Group 1 Business, the conveyance, transfer and assignment to Seller of all Excluded Assets held by any Transferred Joint Venture Entity, including the following:

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- (a) a duly executed counterpart of one or more Bills of Sale;
- (b) a duly executed counterpart of one or more Assignment and Assumption Agreements;
- (c) a duly executed counterpart of one or more Transferred Investment Assignment Agreements;
- (d) a duly executed counterpart of one or more Intellectual Property Assignment Agreements;
- (e) a duly executed counterpart of one or more Lease Assignment Agreements;

(f) a duly executed counterpart of one or more Sublease Assignment Agreements;

(g) a duly executed counterpart of one or more Rights-of-Way Assignment Agreements;

(h) special warranty deeds (or local equivalent) in respect of the Transferred Owned Real Property Related to such Specified Business;

(i) with respect to each Transferred Joint Venture Parent, a duly executed counterpart of a JV Interest Assignment Agreement;

(j) such instruments of assumption and other instruments or documents, in form and substance reasonably acceptable to Buyer and Seller, as may be necessary to effect the assumption by Seller or its Affiliate (other than any Transferred Joint Venture Entity or the Palm Beach Joint Venture) of all Liabilities of such Transferred Joint Venture Parent and its Subsidiaries (other than any such Liabilities that constitute Assumed Liabilities) in accordance with Section 2.2;

(k) duly executed certifications from Seller and each Subsidiary that in this Transaction will be a transferor described in Treasury Regulations Section 1.1445 -1(g)(3) that Seller and such Subsidiaries are not foreign Persons within the meaning set forth in Treasury Regulation Section 1.1445 -2(b)(2)(iii)(A); it being understood that, notwithstanding anything to the contrary contained herein, if Seller fails to provide Buyer with such certifications, Buyer shall be entitled to withhold a portion of the Purchase Price in accordance with Section 1445 of the Code and the applicable Treasury Regulations;

(l) the Books and Records Related to such Specified Business that are Transferred Assets (it being understood that Books and Records located on real property interests conveyed to Buyer at the Closing shall be deemed delivered pursuant to this Section 2.12(l));

(m) evidence of the obtaining of, or, with respect to Seller Required Approvals that only require notice or filing, the notice or filing with respect to, the Seller Required Approvals or any LFA Approvals, in each case, Related to such Specified Business;

(n) the certificate to be delivered pursuant to Section 6.2(d);

(o) a certified copy of the Confirmation Order (including any amendments thereto);

(p) duly executed counterparts of instruments providing Buyer the limited, irrevocable right, in the name, place and stead of Seller and any of its Affiliates, as attorney-in-fact of Seller and any of its Affiliates, to cash, deposit, endorse or negotiate checks received on or after the Closing Date made out to Seller or any of its Affiliates in payment for cable television, high speed Internet, telephony and related services and charges provided by the Specified Systems Related to such Specified Business, and evidence of written instructions to the lock-box service provider or similar agents of Seller and any of its Affiliates to promptly forward to Buyer upon receipt all such cash, deposits and checks representing accounts receivable of such Specified Systems;

(q) to the extent available using commercially reasonable efforts, (i) subject only to Permitted Encumbrances, such certificates and affidavits of Seller or its applicable Affiliate as may be reasonably requested by Buyer's title insurance company necessary and satisfactory to Buyer in connection with the issuance of title insurance with respect to any Owned Real Property or Leased Real Property Related to such Specified Business and (ii) customary gap indemnities covering Seller's acts for the period between Closing and the recording of the applicable deed or assignment of lease with respect to such Owned Real Property or Leased Real Property; provided, that, except with respect to the customary gap indemnities described in clause (ii) above, such certificates or affidavits shall be deemed not to have been reasonably requested if they would increase, in each case other than in a *de minimis* manner, the Liability of Seller or any of its Affiliates beyond the liability that would be incurred by Seller or its applicable Affiliates under a special warranty deed or would contain representations that are more extensive than those set forth in this Agreement;

(r) the Transferred Cash Related to such Specified Business (other than any Transferred Cash retained by any Transferred Joint Venture Entity) in immediately available funds by wire transfer to an account which has been designated by Buyer at least two Business Days prior to the Closing Date (it being understood that Transferred Cash shall be deemed delivered if it is either (i) located on real property interests being conveyed to Buyer at Closing or (ii) held in accounts assigned to Buyer pursuant to duly executed instruments of assignment that are reasonably satisfactory to Buyer);

(s) stock certificates (or other comparable evidence of ownership, if issued) representing the Transferred Investments Related to such Specified Business,

duly endorsed for transfer or accompanied by executed stock transfer powers or other appropriate instruments of assignment and transfer;

(t) a duly executed counterpart of the Escrow Agreement; and

(u) duly executed counterparts of such other customary instruments of transfer, assumptions, filings or documents, in form and substance reasonably satisfactory to Buyer and Seller, as may be reasonably required to give effect to this Agreement.

### Section 2.13 Non-Assignability of Assets.

(a) Without limiting Sections 6.1(f) and 6.2(e), if and to the extent that the transfer or assignment from Seller or any of its Affiliates to Buyer of any Transferred Asset (other than any JV Interests or any Transferred Asset held by a Transferred Joint Venture Entity) would be a violation of applicable Law with respect to such Transferred Asset or otherwise adversely affect the rights of the applicable transferee thereunder as a result of the failure to obtain or make any consent, approval, waiver, authorization, notice or filing required to be made in connection with the Transaction, then the transfer or assignment to Buyer of such Transferred Asset (each, a “Delayed Transfer Asset”) shall be automatically deemed deferred and any such purported transfer or assignment shall be null and void until such time as all legal impediments are removed and/or Authorizations have been made or obtained; it being understood that no adjustment to the Purchase Price will be made as a result of the failure to transfer or assign any Delayed Transfer Asset.

(b) If the transfer or assignment of any Transferred Asset (other than any JV Interests or a Transferred Asset held by a Transferred Joint Venture Entity or, at the Closing, a Transferred Asset Related to a Disputed MCE System) intended to be transferred or assigned hereunder is not consummated prior to or at the Closing as a result of the failure to obtain any Authorization, then Seller or its Affiliate shall thereafter, directly or indirectly, hold such Transferred Asset for the use and benefit of Buyer (at the expense of Buyer), insofar as reasonably possible. In addition, to the extent not prohibited by Law, Seller shall take or cause to be taken such other actions as may be reasonably requested by Buyer in order to place Buyer, insofar as reasonably possible, in the same position as if such Transferred Asset had been transferred as contemplated hereby and so that all the benefits and burdens relating to such Transferred Asset, including possession, use, risk of loss, potential for gain, and dominion, control and command over such Transferred Asset, are to inure from and after the Closing to Buyer. To the extent permitted by Law and to the extent otherwise permissible in light of any required Authorization, Buyer shall be entitled to, and shall be responsible for, the management of any Transferred Assets not yet transferred to it as a result of this Section 2.13 and the parties hereto agree to use commercially reasonable efforts to cooperate and coordinate with respect thereto.

(c) If and when the Authorizations, the absence of which caused the deferral of transfer of any Transferred Asset pursuant to this Section 2.13, are obtained, the transfer of the applicable Transferred Asset to Buyer shall automatically and without

further action be effected in accordance with the terms of this Agreement and the applicable Ancillary Agreements.

(d) Prior to the Closing Date, Seller shall deliver to Buyer a list identifying, in reasonable detail and to the Knowledge of Seller, the Delayed Transfer Assets and the Authorizations required therefor.

(e) The parties hereto further agree that, assuming as set forth in Section 2.13(b) that all or substantially all of the benefits and burdens relating to the Transferred Assets inure to Buyer, (i) any Delayed Transferred Assets referred to in this Section 2.13(e) shall be treated for all income Tax purposes as Assets of Buyer and (ii) neither Buyer nor Seller shall take, and each of Buyer and Seller shall prevent any of their respective Affiliates from taking, any position inconsistent with such treatment for any income Tax purposes (unless required by a change in applicable income Tax Law or a good faith resolution of a contest).

## ARTICLE III

### REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that except as set forth on the Seller Disclosure Schedule, as of the date hereof and as of the Closing:

Section 3.1 Organization and Qualification. Seller is a corporation duly organized, validly existing and in good standing under the laws of Delaware and has all requisite corporate power and authority to own, lease and operate its Assets, and to carry on each Specified Business as currently conducted. Seller is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the ownership or operation of the Transferred Assets or the conduct of each Specified Business requires such qualification, except for failures to be so qualified or in good standing, as the case may be, that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Prior to the date hereof, Seller has made available to

Buyer a true and complete copy of Seller's certificate of incorporation and bylaws, each as amended and in effect as of the date hereof.

### Section 3.2 Subsidiaries, Transferred Joint Venture Entities and Transferred Investments.

(a) Schedule 3.2(a) of the Seller Disclosure Schedule sets forth a true and complete list of each Asset Transferring Subsidiary, together with its jurisdiction of organization. The Asset Transferring Subsidiaries are the only Subsidiaries of Seller that have any right, title or other interest in or to the Assets of Seller and its Affiliates (other than the Transferred Joint Venture Entities) that are Related to the Acquired Business. Except for the Non-Debtor Subsidiaries, all of the Asset Transferring Subsidiaries and Intermediate Subsidiaries are Debtors. Each Transferred Joint Venture Entity, each Asset Transferring Subsidiary and each Intermediate Subsidiary is duly organized, validly existing, and in good standing under the laws of its jurisdiction of organization and, in the

case of the Transferred Joint Venture Entity and the Asset Transferring Subsidiaries, has all requisite corporate or similar power and authority to own, lease and operate its Assets and to carry on its portion of each Specified Business as currently conducted, except for failures to be in good standing that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each of the Transferred Joint Venture Entities, each Asset Transferring Subsidiary and each Intermediate Subsidiary is duly qualified to do business and is in good standing as a foreign corporation or other entity in each jurisdiction where the ownership or operation of its Assets or the conduct of its business requires such qualification, except for failures to be so duly organized, validly existing, qualified or in good standing that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except to the extent of any Claims that will be discharged (or the functional equivalent thereof in terms of its effect on Buyer, each Specified Business, the Transferred Assets and the Assumed Liabilities) pursuant to the Discharge (or, as applicable, the MCE Discharge or an Additional Discharge), (i) Seller owns, directly or indirectly, through one or more other Subsidiaries (each such Subsidiary that is not also an Asset Transferring Subsidiary is referred to herein as an "Intermediate Subsidiary"), all right, title and interest in and to all of the outstanding Equity Securities of the Asset Transferring Subsidiaries and (ii) all of the outstanding Equity Securities of the Asset Transferring Subsidiaries and Intermediate Subsidiaries have been duly authorized, and are validly issued, fully paid and non-assessable. Except to the extent of any Claims that will be discharged (or the functional equivalent thereof in terms of its effect on Buyer, each Specified Business, the Transferred Assets and the Assumed Liabilities) pursuant to the Discharge (or, as applicable, the MCE Discharge or an Additional Discharge), Seller has, directly or indirectly, good and valid title to the Equity Securities of each Asset Transferring Subsidiary and each Intermediate Subsidiary, free and clear of all Encumbrances, other than Permitted Encumbrances.

(b) Schedule 3.2(b) of the Seller Disclosure Schedule sets forth a true and complete list of (i) each Transferred Joint Venture Parent and each Transferred Joint Venture Subsidiary, together with its jurisdiction of authorization, (ii) each Transferred Joint Venture Entity's authorized and outstanding Joint Venture Securities, (iii) the Joint Venture Securities held by Seller and its Affiliates, and the Joint Venture Securities held by other Persons in each Transferred Joint Venture Parent and (iv) the Joint Venture Securities held by each Transferred Joint Venture Parent and by each Transferred Joint Venture Subsidiary in each Transferred Joint Venture Subsidiary. Except as set forth in Schedule 3.2(b) of the Seller Disclosure Schedule, there are no outstanding Equity Securities of any Transferred Joint Venture Entity ("Joint Venture Securities"). All of the Joint Venture Securities have been duly authorized, and are validly issued, fully paid and non-assessable.

(c) There are no preemptive or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements or commitments of any character under which Seller or any of its Affiliates, is or may become obligated to issue or sell, or giving any Person a right to subscribe for or acquire, or in any way dispose of, any Joint Venture Securities, and no securities or obligations evidencing such Joint Venture Securities are authorized,

issued or outstanding, except in each such case as set forth in any JV Documents. Except as set forth in the JV Documents, none of the Joint Venture Securities are subject to any voting trust agreement or other contract, agreement or arrangement restricting or otherwise relating to the voting, dividend rights or disposition of such Joint Venture Securities. There are no phantom stock or similar rights providing economic benefits based, directly or indirectly, on the value or price of any of the Joint Venture Securities. Seller has provided or made available to Buyer complete copies of the JV Documents.

(d) Except to the extent of any Claims that will be discharged (or the functional equivalent thereof in terms of its effect on Buyer, each Specified Business, the Transferred Assets and the Assumed Liabilities) pursuant to the Discharge (or, as applicable, the MCE Discharge or an Additional Discharge), Seller or its Affiliate has good and valid title to the JV Interests, free and clear of all Encumbrances, other than Encumbrances existing under the JV Documents, and at the Closing Seller or its Affiliate will deliver to Buyer good and valid title to the JV Interests, free and clear of all Encumbrances, other than Encumbrances existing under the

JV Documents and those created by Buyer or any of its Affiliates (other than, prior to the Closing, any Transferred Joint Venture Entity or the Palm Beach Joint Venture). Except to the extent of any Claims that will be discharged (or the functional equivalent thereof in terms of its effect on Buyer, each Specified Business, the Transferred Assets and the Assumed Liabilities) pursuant to the Discharge (or, as applicable, the MCE Discharge or an Additional Discharge), the relevant Transferred Joint Venture Parent (as set forth in Schedule 3.2(b) of the Seller Disclosure Schedule) has (and immediately after the Closing will have), directly or indirectly, good and valid title to all of the Joint Venture Securities of the Transferred Joint Venture Subsidiaries, free and clear of any Encumbrances other than Encumbrances existing under the JV Documents.

(e) Except as set forth in Schedule 3.2(b) of the Seller Disclosure Schedule, no Transferred Joint Venture Entity owns, directly or indirectly, any capital stock or other equity interests of any Person or has any direct or indirect equity or ownership interest in any business, or is a member of or participant in any partnership, joint venture or similar Person.

(f) At the time of the Closing, no Transferred Joint Venture Entity shall: conduct any business or operations other than the applicable Joint Venture Business. There are no Assets or Liabilities of any Transferred Joint Venture Entity that Relate to the Group 2 Business, the Friendco Business or to a Joint Venture Business other than the Joint Venture Business applicable to such Transferred Joint Venture Entity. None of Seller or its Affiliates (other than any Transferred Joint Venture Entity) owns any Transferred Asset Primarily Related to any Joint Venture Business.

(g) Schedule 3.2(g) of the Seller Disclosure Schedule sets forth a true and complete list of each Investment Entity, the Equity Securities of Seller and its Affiliates in each Investment Entity and, to the Knowledge of Seller, with respect to those Investment Entities identified on Schedule 3.2(g)(i) of the Seller Disclosure Schedule, the jurisdiction of organization and authorized and outstanding Equity Securities of such Investment Entities. Seller has provided or made available to Buyer true and complete

copies of the Investment Documents. Except to the extent of any Claims that will be discharged (or the functional equivalent thereof in terms of its effect on Buyer, each Specified Business, the Transferred Assets and the Assumed Liabilities) pursuant to the Discharge (or, as applicable, the MCE Discharge or an Additional Discharge), the outstanding Equity Securities held by Seller or any of its Affiliates in respect of each Transferred Investment identified on Schedule 3.2(g)(i) of the Seller Disclosure Schedule and, to the Knowledge of Seller, in respect of any other Investment Entities, have been duly authorized, and are validly issued, fully paid and non-assessable.

(h) Except to the extent of any Claims that will be discharged (or the functional equivalent thereof in terms of its effect on Buyer, each Specified Business, the Transferred Assets and the Assumed Liabilities) pursuant to the Discharge (or, as applicable, the MCE Discharge or an Additional Discharge), Seller has good and valid title to the Transferred Investments, free and clear of all Encumbrances, other than as set forth in any Investment Document, and upon delivery by Seller and/or any of its Affiliates of the Transferred Investments at Closing, good and valid title to the Transferred Investments, free and clear of all Encumbrances, other than as set forth in any Investment Document and those resulting from Buyer's ownership, will pass to Buyer. Except for the Transferred Investments, none of Seller or any of its Affiliates owns, directly or indirectly, any Equity Securities of any Person (other than a Subsidiary of Seller) or has any direct or indirect equity or ownership interest in any business (other than any business operated by a Subsidiary of Seller), or is a member of or participant in any partnership, joint venture or similar Person (other than a Subsidiary of Seller) that is Related to the Acquired Business or the Friendco Business.

### Section 3.3 Corporate Authorization.

(a) Seller has, with respect to Section 5.8 and Article VIII, full corporate power and authority to execute and deliver this Agreement, and to perform its obligations hereunder. The execution, delivery and performance by Seller of this Agreement, with respect to Section 5.8 and Article VIII, have been duly and validly authorized and no additional corporate, shareholder or similar authorization or consent is required in connection with the execution, delivery and performance by Seller of this Agreement.

(b) Without limiting Section 3.3(a), subject to the entry of the Confirmation Order and its effectiveness at the Closing, (i) Seller has full corporate power and authority to execute and deliver this Agreement and each of the Ancillary Agreements to which it is a party, and to perform its obligations hereunder and thereunder and (ii) the execution, delivery and performance by Seller of this Agreement and each of the Ancillary Agreements to which it is a party have been duly and validly authorized and no additional corporate, shareholder or similar authorization or consent is required in connection with the execution, delivery and performance by Seller of this Agreement or any of the Ancillary Agreements to which it is a party.

(c) Each Affiliate of Seller has or prior to the Closing will have, subject to the entry of the Confirmation Order and its effectiveness at the Closing, full

corporate, partnership or similar power and authority to execute and deliver each Ancillary Agreement or Closing document to which it is (or will be) a party and to perform its obligations thereunder. Subject to the entry of the Confirmation Order, the execution, delivery and performance by each Affiliate of Seller of each Ancillary Agreement or Closing document to which it is (or will be) a party has been or prior to the Closing will have been duly and validly authorized, and no additional corporate authorization or consent is or will be required in connection with the execution, delivery and performance by any Affiliate of Seller of the Ancillary Agreements or Closing documents to which such Affiliate is (or will be) a party or signatory.

(d) At a meeting duly called and held, the Board and the board of directors (or similar governing body) of each Asset Transferring Subsidiary has by the requisite vote: (i) determined that this Agreement and the Transaction are in the best interests of Seller, such Asset Transferring Subsidiaries and their respective stakeholders, (ii) approved and adopted this Agreement and (iii) resolved to cause each Asset Transferring Subsidiary to perform its obligations under the Ancillary Agreements to which it is (or will be) a party.

Section 3.4 Consents and Approvals. No consent, approval, waiver, authorization, notice or filing is required to be obtained by Seller or any of its Affiliates from, or to be given by Seller or any of its Affiliates to, or made by Seller or any of its Affiliates with, any Person (and assuming solely for this purpose that all Contracts Related to the Acquired Business shall constitute Assigned Contracts but, for purposes of Section 6.2(a) only, excluding any Contract that is not an Assigned Contract if the consent, approval, waiver, authorization, notice or filing is required only to the extent such Contract would have been an Assigned Contract), in connection with (a) the execution, delivery and performance by Seller or any of its Affiliates of Section 5.8 and Article VIII and (b) other than the entry by the Bankruptcy Court of the Confirmation Order (or the entry of an order pursuant to section 365(f) of the Bankruptcy Code authorizing the assumption and, if applicable, assignment of Assigned Contracts), the execution, delivery and performance by Seller or any of its Affiliates of the remainder of this Agreement and the Ancillary Agreements to which it is (or will be) a party, other than, in the case of this clause (b) only, the consents, approvals, waivers, authorizations, notices or filings the failure of which to obtain or make would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 3.5 Non-Contravention. The execution, delivery and performance by Seller and its Affiliates of this Agreement and the Ancillary Agreements to which they are a party, and the consummation of the transactions contemplated hereby and thereby (and assuming solely for this purpose that all Contracts Related to the Acquired Business shall constitute Assigned Contracts but, for purposes of Section 6.2(a) only, excluding any Contract that is not an Assigned Contract), do not and will not (a) violate any provision of the articles of incorporation, bylaws or other organizational documents of Seller or any of its Affiliates, (b) assuming (i) the entry of the Confirmation Order (or the entry of an order pursuant to section 365(f) of the Bankruptcy Code authorizing the assumption and, if applicable, assignment of Assigned Contracts), and (ii) the receipt of all consents, approvals, waivers and authorizations and the making of the

notices and filings set forth on Schedule 3.4 of the Seller Disclosure Schedule with respect to any Person which is not a Government Entity or Self-Regulatory Organization (which assumption shall not apply to Section 5.8 and Article VIII), conflict with, or result in the breach of, or constitute a default under, or result in the termination, cancellation, modification or acceleration of any right or obligation of Seller or any of its Affiliates under, or result in a loss of any benefit to which Seller or any of its Affiliates is entitled under, any Contract, or result in the creation of any Encumbrance upon any of the Transferred Assets or give rise to any Purchase Right, in each case, whether after the filing of notice or the lapse of time or both, or (c) assuming the entry of the Confirmation Order and the receipt of all consents, approvals, waivers and authorizations and the making of notices and filings set forth on Schedule 3.4 of the Seller Disclosure Schedule with respect to Government Entities or Self-Regulatory Organizations or required to be made or obtained by Buyer (which assumption shall not apply to Section 5.8 and Article VIII), violate or result in a breach of or constitute a default under any Law to which Seller or any of its Affiliates is subject, or under any Governmental Authorization, except for (which exception shall not apply to Section 5.8 and Article VIII), in the cases of clauses (b) and (c), conflicts, breaches, terminations, defaults, cancellations, accelerations, losses, violations, Encumbrances or Purchase Rights that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 3.6 Binding Effect. Subject to the Bankruptcy Court's entry of the Confirmation Order and its effectiveness at the Closing, this Agreement and each of the Ancillary Agreements dated the date hereof is, and each other Ancillary Agreement will constitute, when executed and delivered by Seller and each Affiliate of Seller party to such agreements and by Buyer and the other parties thereto, a valid and legally binding obligation of Seller and each Affiliate of Seller party to such agreements, enforceable against Seller and each such Affiliate in accordance with their respective terms. Notwithstanding the foregoing, Section 5.8 and Article VIII constitute valid and legally binding obligations of Seller, enforceable against Seller in accordance with their respective terms. Upon the Bankruptcy Court's entry of the Confirmation Order and subject to its effectiveness at Closing, each of the unexecuted Ancillary Agreements to be entered into on or prior to the Closing Date, when executed and delivered by Seller and each Affiliate of Seller party to such agreements and by Buyer and the other parties thereto, will constitute a valid and legally

binding obligation of Seller and each Affiliate of Seller party to such agreements, enforceable against Seller and each such Affiliate in accordance with its terms.

### Section 3.7 Financial Statements.

(a) Set forth on Schedule 3.7(a) of the Seller Disclosure Schedule is a copy of (i) the consolidated audited balance sheets and audited statements of income, stockholders' equity and cash flows for Seller and its Affiliates for the fiscal years ended December 31, 2001, December 31, 2002, and December 31, 2003 (the "Audited Financial Statements"), (ii) the unaudited balance sheet and unaudited statements of income, stockholders' equity and cash flows of each Specified Business, but including the Excluded Assets and the Excluded Liabilities to the extent Related to such Specified

Business, at and for the fiscal year ended December 31, 2003 (but not including, except with respect to the unaudited statements of income, Unallocated Shared Assets and Liabilities), in each case derived from the Audited Financial Statements for the corresponding time period (the "Derivative 2003 Financial Statements") and (iii) the unaudited balance sheet and unaudited statements of income, stockholders' equity and cash flows for each Specified Business, but including the Excluded Assets and the Excluded Liabilities Related to such Specified Business, at and for the fiscal year ended December 31, 2004 (but not including, except with respect to the unaudited statements of income, Unallocated Shared Assets and Liabilities) (the "Derivative 2004 Financial Statements") and (iv) the unaudited balance sheet and unaudited statements of income, stockholders' equity and cash flows for the Unallocated Shared Assets and Liabilities at and for the fiscal year ended December 31, 2004 (the "Derivative Unallocated 2004 Financial Statements"). The Audited Financial Statements have been prepared from the books and records of Seller and its Affiliates in accordance with GAAP consistently applied (except as may be indicated in the notes thereto), and fairly present, in all material respects, the financial condition and results of operations, stockholders' equity and cash flows of Seller and its Affiliates (assuming the exclusion of the Group 2 Systems and the MCE Systems (as defined in the Friendco Purchase Agreement) from the Business) as of the dates thereof or for the periods then ended. The Derivative 2003 Financial Statements and the Derivative 2004 Financial Statements have been specially prepared from the books and records of Seller and its Affiliates in accordance with GAAP consistently applied (except as may be indicated in the notes thereto) and fairly present, in all material respects, the financial condition and results of operations, stockholders' equity and cash flows of each such Specified Business (including the Group 2 Systems) as of the dates thereof or for the periods then ended, subject to the absence of footnotes and similar presentation items therein and excluding the Unallocated Shared Assets and Liabilities (other than the related revenues and expenses). The Derivative Unallocated 2004 Financial Statements have been specially prepared from the books and records of Seller and its Affiliates in accordance with GAAP consistently applied (except as may be indicated in the notes thereto) and fairly present, in all material respects, the Unallocated Shared Assets and Liabilities as of December 31, 2004 or for the period ended thereon.

(b) The Chief Executive Officer and the Chief Financial Officer of Seller and any Significant Subsidiary of Seller have disclosed, based on their most recent evaluation, to Seller's auditors and the audit committee of the Board (i) all significant deficiencies in the design or operation of internal controls that could adversely affect Seller's or any of Seller's Affiliates' ability to record, process, summarize and report financial data and have identified for Seller's auditors any material weaknesses in internal controls and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in Seller's or any of Seller's Subsidiaries' internal controls. Copies of all disclosures described in the foregoing sentence have been made available to Buyer. Seller and its consolidated Subsidiaries have established and maintain disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act); such disclosure controls and procedures are designed to ensure that material information relating to Seller, including its consolidated Subsidiaries, is made known to Seller's Chief Executive Officer and its Chief Financial Officer by others

within those entities; and such disclosure controls and procedures are effective in alerting Seller's Chief Executive Officer and its Chief Financial Officer to material information of the nature required to be disclosed in periodic reports pursuant to the Exchange Act in a timely fashion.

(c) The financial statements prepared by Seller and delivered to Buyer pursuant to Section 5.9(a) shall, when so delivered, be prepared from the books and records of Seller and its Affiliates in accordance with GAAP consistently applied (except as may be indicated in the notes thereto), and fairly present, in all material respects, the financial condition and results of operations, stockholders' equity and cash flows of each Specified Business as of the dates thereof or the period then ended, subject to, in the case of interim financial statements, normal year-end adjustments and the absence of footnotes and similar presentation items therein.

(d) The Additional Financial Statements prepared by Seller and delivered to Buyer pursuant to Section 5.9(b) shall, when so delivered, be prepared from the books and records of Seller and its Affiliates in accordance with GAAP consistently applied (except as may be indicated in the notes thereto), and will fairly present, in all material respects, the financial condition and results of operations, stockholders' equity and cash flows of (i) in the case of the Seller Audited Financial Statements, Seller and its Affiliates (assuming, with respect to any period prior to January 1, 2004, the exclusion of the Group 2 Systems and the MCE Systems (as defined in the Friendco Purchase Agreement) from the Business), (ii) in the case of the Derivative Audited Financial Statements, each such Specified Business and (iii) in the case of the MCE Financial Statements, the Group 2 Systems, in each case as of the dates thereof or for the periods then ended, subject, solely in the case of the MCE Financial Statements, to the absence of footnotes and similar presentation items therein.

### Section 3.8 Litigation and Claims.

(a) Except (i) to the extent of any Claims that will be discharged (or the functional equivalent thereof in terms of its effect on Buyer, each Specified Business, the Transferred Assets and the Assumed Liabilities) pursuant to the Discharge (or, as applicable, the MCE Discharge or an Additional Discharge) and, to the Knowledge of Seller, not arising from actions, omissions or circumstances continuing as of the Closing and affecting or otherwise relating to Seller or any of its Affiliates, the Transferred Assets or any Specified Business and (ii) for the SEC/DOJ Matters and the pendency of the Reorganization Case, there are no civil, criminal or administrative actions, suits, demands, claims, hearings, proceedings or investigations pending against, or, to the Knowledge of Seller, threatened against or affecting, or otherwise relating to Seller or any of its Affiliates, the Transferred Assets, any Specified Business or the Transaction, other than those that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Except (i) to the extent of any Claims that will be discharged (or the functional equivalent thereof in terms of its effect on Buyer, each Specified Business, the Transferred Assets and the Assumed Liabilities) pursuant to the Discharge (or, as applicable,

the MCE Discharge or an Additional Discharge) and, to the Knowledge of Seller, not arising from actions, omissions or circumstances continuing as of the Closing and affecting or otherwise relating to Seller or any of its Affiliates, the Transferred Assets or any Specified Business and (ii) for the SEC/DOJ Matters and the pendency of the Reorganization Case, none of Seller, any of its Affiliates or any of the Transferred Assets is subject to any order, writ, judgment, award, injunction or decree of any court or governmental or regulatory authority of competent jurisdiction or any arbitrator or arbitrators, other than those that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

### Section 3.9 Taxes.

(a) All material Tax Returns with respect to any Transferred Joint Venture Entity or to any Transferred Assets that are required to be filed have been filed (or extensions have been duly obtained) and all amounts shown to be due and owing or to be withheld thereon have been duly and timely paid or withheld as the case may be (except for the period prior to the commencement of the Reorganization Case that may not be paid except pursuant to a Plan); provided, that, solely for purposes of Section 6.2(a), this Section 3.9(a) shall be qualified by the Knowledge of Seller.

(b) There is no material lien for Taxes upon any of the Transferred Assets nor is any taxing authority in the process of imposing, or has threatened to impose, any material lien for Taxes on any of the Transferred Assets, other than liens for Taxes that are not yet due and payable or for Taxes the validity or amount of which is being contested by Seller or one of its Affiliates in good faith by appropriate action and for which appropriate provision has been made in accordance with GAAP; provided, that, solely for purposes of Section 6.2(a), this Section 3.9(b) shall be qualified by the Knowledge of Seller.

(c) Seller and its Affiliates have each withheld from their respective employees, independent contractors, creditors, stockholders and third parties and timely paid to the appropriate taxing authority proper and accurate amounts in all material respects for all taxable periods, or portions thereof, ending on or before the Closing Date in compliance with all Tax withholding and remitting provisions of applicable laws and have each complied in all material respects with all withholding Tax information reporting provisions of all applicable Laws; provided, that, solely for purposes of Section 6.2(a), this Section 3.9(c) shall be qualified by the Knowledge of Seller.

(d) Except as set forth on Schedule 3.9(d) of the Seller Disclosure Schedule, (i) none of Seller, any Affiliate of Seller or any member of the Tax Group of which Seller is the common parent has executed or filed with any Tax Authority any consent, agreement or other document extending or having the effect of extending the period for filing any Tax Return with respect to any Transferred Joint Venture Entity (other than routine six-month extensions of the time for filing income Tax Returns), or assessment or collection of any Taxes with respect to any Transferred Joint Venture Entity, (ii) there is no material action, suit, proceeding, investigation, audit or claim relating to Taxes currently pending with respect to any Transferred Joint Venture Entity,

and neither Seller, any Affiliate of Seller or a Tax Group of which Seller is the common parent has received any written notice of the commencement of any such action, suit, proceeding, investigation, audit or claim, (iii) all material deficiencies in Taxes that have been claimed, proposed or asserted against any Transferred Joint Venture Entity have been paid in full, (iv) no Person currently holds, with respect to the Tax Returns filed or to be filed prior to the Closing Date, powers of attorney from Seller, any Affiliate of Seller or any member of a Tax Group of which Seller is the common parent with respect to any Transferred Joint Venture Entity, and (v) no Transferred Joint Venture Entity is a party to, is bound by or has any obligation under any Tax sharing or similar agreement; provided, that, solely for purposes of Section 6.2(a), this Section 3.9(d) shall be qualified in its entirety by the Knowledge of Seller.

(e) Schedule 3.9(e) of the Seller Disclosure Schedule sets forth a list of all jurisdictions (whether foreign or domestic) in which any Transferred Joint Venture Entity currently files Tax Returns.

(f) No Transferred Joint Venture Entity has made an election to be treated as a corporation for United States federal income Tax purposes.

(g) No Asset of a Transferred Joint Venture Entity nor any Transferred Asset: (i) is property required to be treated as being owned by another Person pursuant to the provisions of Section 168(f)(8) of the Internal Revenue Code of 1954, as amended and in effect immediately prior to the enactment of the Tax Reform Act of 1986, (ii) constitutes “tax-exempt use property” within the meaning of Section 168(h)(1) of the Code or (iii) is “tax-exempt bond financed property” within the meaning of Section 168(g)(5) of the Code.

(h) As of the date hereof, (i) Western (a) has never reported any item of income, gain, loss, deduction or credit for Tax purposes nor (b) has it reported any assets or liabilities on a Tax Return, in the case of (a) and (b), in an amount greater than \$3,500; (ii) none of the business operations of Parnassos have been reported on a Tax Return relating to Western; (iii) neither Seller nor any of its Affiliates has reported Western as a party to any “partnership division” within the meaning of Treas. Reg. Sec. 1.708 -1(d); and (iv) the information included in the restated financial statement of Seller published on December 23, 2004 would not cause Seller to change the reporting described in clauses (i), (ii) and (iii).

(i) As of the date hereof, since January 1, 2002, Seller has not reported any Subsidiary of a Transferred Joint Venture Parent as an entity that is separate and apart from its owner for U.S. federal income Tax purposes.

### Section 3.10 Employee Benefits.

(a) All benefit and compensation plans, programs, contracts, policies, agreements or arrangements, including any trusts (including any trusts required in the future as a result of the Transaction or otherwise), trust instruments, funding arrangements or insurance contracts, any “employee benefit plans” within the meaning of

Section 3(3) of ERISA, including any multiemployer pension plans within the meaning of Section 3(37) of ERISA (each, a “Multiemployer Plan”), any pension, profit-sharing, savings, retirement, deferred compensation, stock option, stock purchase, stock appreciation rights, stock based, incentive, bonus, workers’ compensation, short term disability, sick leave, group insurance, hospitalization, medical, dental, life, cafeteria or flexible spending, vacation, continuity, sale bonus, retention, fringe benefit, employee loan and severance plans and all employment, collective bargaining, consulting, severance and change in control agreements, plans, policies, programs or arrangements, whether formal or informal, written or oral, and all amendments thereto, under which (i) any Employee, director or consultant of Seller or any of its Affiliates has any present or future right to benefits and which are contributed to, sponsored by or maintained by Seller or any of its Affiliates, or (ii) Seller or any of its Affiliates has any present or future liability (whether contingent or otherwise) (the “Benefit Plans”), are listed on Schedule 3.10(a) of the Seller Disclosure Schedule. Schedule 3.10(a)(i) of the Seller Disclosure Schedule lists each of the Benefit Plans sponsored or maintained by a Transferred Joint Venture Entity. Each Benefit Plan which is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service National Office and has been separately identified. Seller has provided or made available to Buyer true and complete copies of all Benefit Plans (or, with respect to any individual employment agreements, shall provide such agreements to Buyer not later than 14 Business Days following the date hereof) and, with respect to each Benefit Plan, to the extent applicable, all related service agreements, summaries, summary plan descriptions, actuarial reports, the most recently filed Forms 5500 and the most recent determination letters.

(b) All Benefit Plans, other than Multiemployer Plans, have been established, maintained and administered in substantial compliance with all applicable Laws, including ERISA and the Code. Neither Seller nor any of its Affiliates has engaged in a transaction with respect to any Benefit Plan that is subject to ERISA that could subject Seller to a tax or penalty imposed by either Section 4975 of the Code or Section 502(i) of ERISA. No actions, suits, claims, litigation, audits, investigations, administrative proceedings or disputes are pending, or, to Seller’s Knowledge threatened, with respect to (i) any Benefit Plan that would be material to any Specified Business or (ii) any Seller stock fund or trust in any Benefit Plan, and, to Seller’s Knowledge, no facts or

circumstances exist that could give rise to any such actions, suits, claims, litigation, audits, investigations, administrative proceedings or disputes.

(c) Neither Seller nor any other entity which, together with Seller, would be treated as a single employer under Section 4001 of ERISA or Section 414 of the Code (an “ERISA Affiliate”) contributes to or has in the past six years sponsored, maintained or contributed to any defined benefit pension plan (as defined in Section 3(35) of ERISA) or is subject to Section 412 of the Code or Section 302 of ERISA.

(d) Neither Seller nor any of its ERISA Affiliates has, within the six years preceding the date of this Agreement, or expects to incur any obligation to contribute to, or any withdrawal liability under Subtitle E of Title IV of ERISA with

respect to, a Multiemployer Plan (whether based on contributions of Seller or an ERISA Affiliate) nor do Seller or any of its ERISA Affiliates have any Liabilities under any such plan that remain unsatisfied.

(e) There has been no amendment to, or announcement by Seller or any of its Affiliates (whether or not written) in respect of the Employees relating to any Benefit Plan which would increase materially the expense of maintaining such Benefit Plan above the level of the expense incurred therefor for the most recent fiscal year, except as would not directly or indirectly adversely affect Buyer.

(f) Neither Seller nor any of its Affiliates has incurred any current or projected liability in respect of post-employment or post-retirement health, medical or life insurance benefits for current, former or retired employees of Seller or any of its Affiliates, except as required to avoid an excise tax under Section 4980B of the Code or otherwise, or as may be required pursuant to any other applicable Law.

(g) No Benefit Plan is a split-dollar life insurance program or otherwise provides for loans to executive officers (within the meaning of the SOA).

(h) As of the date hereof with respect to those Employees listed on Schedule 5.5(a)(ii) of the Seller Disclosure Schedule and as of the date hereof and as of the Closing Date with respect to all other Employees, no Benefit Plan exists that, as a result of the execution of this Agreement or the Transaction (whether alone or in connection with any subsequent event(s)), will (i) entitle any Employee, director or consultant of Seller or any of its Affiliates to severance pay or any increase in severance pay upon any termination of employment after the date of this Agreement, (ii) accelerate the time of payment or vesting or result in any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, increase the amount payable or result in any other material obligation pursuant to, any of the Benefit Plans, (iii) limit or restrict the right of Seller or any of its Affiliates to merge, amend or terminate any of the Benefit Plans or (iv) result in payments under any of the Benefit Plans which would subject any recipient of the payments to excise taxes under Section 4999 of the Code.

(i) To the extent that, after the Closing, Buyer operates each Specified Business in the same manner operated by Seller and its Affiliates during the six-month period prior to the Closing, Buyer will not incur any Liability under WARN or any other applicable Law other than on account of any action or inaction taken by Buyer following the Closing Date relating to plant closings or employee separations or severance pay.

(j) Neither Seller nor any of its Affiliates has any material Liability with respect to any misclassification of any person as an independent contractor rather than as an employee, or with respect to any employee leased from another employer, except as would not directly or indirectly adversely affect Buyer.

Section 3.11 Compliance with Laws. Each Specified Business and all of the Transferred Assets have since July 1, 2003 and currently are being conducted, held and operated in compliance with all applicable Laws and Governmental Authorizations,

including the Communications Act, the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992, the Telecommunications Act of 1996, the Copyright Act of 1976 and all rules and regulations of the FCC and the United States Copyright Office, except for failures to comply that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Since July 1, 2003 and, to the Knowledge of Seller, and except to the extent of any Claims that will be discharged (or the functional equivalent thereof in terms of its effect on Buyer, each Specified Business, the Transferred Assets and the Assumed Liabilities) pursuant to the Discharge (or, as applicable, the MCE Discharge or an Additional Discharge), prior to July 1, 2003, neither Seller nor any of its Affiliates has received any notice alleging any violation by Seller or any of its Affiliates under any applicable Law for a violation, except for violations that would not, individually or in the aggregate,

reasonably be expected to have a Material Adverse Effect. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, each Specified Business has all Governmental Authorizations necessary for the conduct of such Specified Business as currently conducted and such Governmental Authorizations are in full force and effect. Nothing in this representation is intended to address any compliance matter that is specifically addressed by Sections 3.10 (Employee Benefits), 3.12 (Environmental Matters), 3.14 (Labor) and 3.17 (Franchises). Schedule 3.11 of the Seller Disclosure Schedule sets forth, with respect to each Specified Business, each Governmental Authorization issued by the FCC, each Governmental Authorization for the provision of telephony services and each other material Governmental Authorization, in each case Related to such Specified Business.

### Section 3.12 Environmental Matters.

(a) Each Specified Business, the Owned Real Property and the Transferred Assets are in compliance in all material respects with all applicable Environmental Laws and Environmental Permits and there are no material Liabilities under any Environmental Law with respect to any Specified Business, the Owned Real Property or the Transferred Assets.

(b) As of the date hereof, none of Seller or any of its Affiliates (nor, to Seller's Knowledge, any predecessor in interest) has received from any Person any notice, demand, claim, letter, citation, summons, order or request for information, relating to any material violation or alleged violation of, or any material Liability under, any Environmental Law in connection with or affecting any Specified Business, the Owned Real Property or the Transferred Assets.

(c) There are no material complaints filed, penalties assessed, writs, injunctions, decrees, orders or judgments outstanding, or any material actions, suits, proceedings or investigations pending or, to Seller's Knowledge, threatened, relating to compliance with or Liability under any Environmental Law affecting any Specified Business, the Owned Real Property or the Transferred Assets.

(d) There are no underground storage tanks, asbestos-containing materials, lead-based products or polychlorinated biphenyls on, at or under any of the

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### Section 3.14 Labor.

(a) Except for the Collective Bargaining Agreements, none of Seller or any of its Affiliates is a party to or bound by any labor agreement, union contract or collective bargaining agreement respecting any of the Employees, nor are there any Employees represented by a collectively bargained unit or labor organization who are not covered by a Collective Bargaining Agreement.

(b) Seller and its Affiliates are in compliance in all material respects with all labor Laws applicable to any Specified Business and the Employees, and are not engaged in any unfair labor practices, as defined in the National Labor Relations Act or other Law applicable to Employees. There are no outstanding unfair labor practice charges pending before the National Labor Relations Board with respect to any Employee.

(c) There is no pending or, to the Knowledge of Seller, threatened strike, shutdown, dispute, walkout or other work stoppage or any union organizing effort by, or with respect to, any of the Employees.

### Section 3.15 Contracts.

(a) Schedule 3.15(a) of the Seller Disclosure Schedule contains, with respect to each Specified Business, Seller's good faith estimate, as of the date hereof, of the number of Contracts (other than Programming Agreements, Franchises and Governmental Authorizations) to which Seller or any of its Affiliates or any of their respective Assets are party, bound or subject which are executory and are Related to such Specified Business. Such list represents Seller's good faith estimate of the number of such Contracts in each of the categories set forth on Schedule 3.15(a) of the Seller Disclosure Schedule, and indicates as to each category, the number of such Contracts that (i) were entered into prior to the Petition Date, (ii) were entered into following the Petition Date or (iii) Relate to any Specified Business and any other business of Seller or its Affiliates, including any part of the Friendco Business.

(b) Except as set forth on Schedule 3.15(b) of the Seller Disclosure Schedule, none of the Contracts of Seller or any of its Affiliates Related to a Specified Business contains any of the following terms or provisions (each such term or provision, a "Special Term"):

(i) consideration payable or receivable by Seller or any of its Affiliates in excess of \$100,000 in any twelve month period or in excess of \$1,000,000 over the remaining term;

(ii) limitations on the freedom of Seller or any of its Affiliates to compete in any line of business, with any Person or in any geographic area, and which would limit the freedom of Buyer or any of its Affiliates to do so after the Closing Date if it were an Assigned Contract;

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(iii) so-called "most favored nation" provisions or any similar provision requiring Seller or any of its Affiliates to offer a third party terms or concessions at least as favorable as those offered to one or more other parties, or which would require Buyer or any of its Affiliates to do so after the Closing Date if it were an Assigned Contract;

(iv) any terms that do not reflect in all material respects those that would be obtained in arm's length negotiations;

(v) any exclusivity provision or provision that requires the purchase of all or a given portion of a party's requirements or any other similar provision that would, in each case, bind Buyer or its Affiliates after the Closing if it were an Assigned Contract;

(vi) any terms for the benefit of any members of the Riga family (except terms for the general benefit of holders of Equity Securities in Seller or any of its Affiliates), Seller, any Managed Cable Entity or any of its or their current or former Affiliates or associates (as defined in Rule 405 under the Securities Act), in each case that would continue to benefit any such Person after the Closing if it were an Assigned Contract;

(vii) any provision relating to the use by third parties of any of the Transferred Assets to provide telephone, Internet or data services other than in Contracts with Subscribers of any such services and other than under the Contracts listed on Schedule 3.15(b) (vii) of the Seller Disclosure Schedule; or

(viii) with respect to any Contract entered into following entry of the Confirmation Order, any provision that directly or indirectly restricts (or imposes a penalty or loss of benefit upon) the assignment or transfer of the rights or obligations thereunder to

Buyer, Friendco or their Affiliates.

(c) Schedule 3.15(c) of the Seller Disclosure Schedule contains a true and complete list, as of the date hereof, of all Contracts (other than Equipment Leases and Programming Agreements) to which Seller or any of its Affiliates or any of their respective Assets are party, bound or subject that Relate to more than one Specified Business or to both a Specified Business and any part of the Friendco Business.

(d) Subject to the entry of the Confirmation Order, all Assigned Contracts will be, when assumed by Seller and assigned to Buyer hereunder and under the Confirmation Order, in full force and effect and will be enforceable against each party thereto in accordance with the express terms thereof and any violation, breach or event of default, or alleged violation, breach or event of default, or event or condition that, after notice or lapse of time or both, would constitute a violation, breach or event of default thereunder on the part of Seller or any of its Affiliates existing prior to such assumption and assignment will be fully discharged and Buyer shall have no responsibility therefor except for any Assumed Cure Costs. To the Knowledge of Seller, no other party to any Contract of Seller or any of its Affiliates is in default, violation or breach of such

Contract, and there are no disputes pending or threatened under any such Contract other than those defaults, violations, breaches and disputes that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. In the last five years, none of Seller or any of its Affiliates has made any material claim under any Contract pursuant to which any of the Cable Systems were acquired.

#### Section 3.16 Cable System and Subscriber Information.

(a) Except for the Friendco Transferred Assets, none of Seller or any of its Affiliates, directly or indirectly, owns any Systems other than the Cable Systems listed on Schedule 3.16(a) of the Seller Disclosure Schedule.

(b) Except for the Group 2 Systems and the Friendco Transferred Assets, none of Seller or any of its Affiliates, directly or indirectly, manages or operates any Systems which it does not, directly or indirectly, wholly own.

(c) None of Seller or any of its Affiliates, directly or indirectly, owns any Systems that it does not, directly or indirectly, manage and operate.

(d) Schedule 3.16(d) of the Seller Disclosure Schedule sets forth the aggregate number of Basic Subscribers, Digital Subscribers and HSI Subscribers of each Specified Business (detailed by Cable System) as of December 31, 2004. Each such aggregate number has been determined in accordance with the Seller Subscriber Accounting Policy.

(e) Schedule 3.16(e) of the Seller Disclosure Schedule sets forth Seller's policy with respect to calculating subscribers (the "Seller Subscriber Accounting Policy").

(f) Schedule 3.16(f) of the Seller Disclosure Schedule sets forth the average total revenue per Basic Subscriber of each Specified Business as of December 31, 2004.

(g) Schedule 3.16(g) of the Seller Disclosure Schedule sets forth the Basic Subscriber monthly churn rate for each Specified Business as of December 31, 2004.

(h) Schedule 3.16(h) of the Seller Disclosure Schedule sets forth a true and complete list of the Cost Centers comprising each Specified Business.

#### Section 3.17 Franchises.

(a) Schedule 3.17(a) of the Seller Disclosure Schedule sets forth (i) a true and complete list of each Franchise operated by Seller or any of its Affiliates, detailed by Specified Business, Cable System and Cost Center and (ii) Seller's good faith estimate of the number of Basic Subscribers served by each such Franchise as of December 31, 2004. Except as disclosed by Seller to Buyer prior to the date of this Agreement, the Cable Systems are in compliance with the applicable Franchises in all

material respects. There are no material ongoing or, to the Knowledge of Seller, threatened audits or similar proceedings undertaken by Government Entities with respect to the Franchises.

(b) Except as disclosed by Seller to Buyer prior to the date of this Agreement, (i) each of the Franchises is in full force and effect in all material respects, and a valid request for renewal has been duly and timely filed under Section 626 of the Communications Act with the proper Government Entity with respect to each of the Franchises that has expired or will expire within 30 months after the date of this Agreement, (ii) notices of renewal have been filed pursuant to the formal renewal procedures established by Section 626(a) of the Communications Act, (iii) there are no applications relating to any Franchises pending before any Government Entity that are material to any Specified Business, (iv) none of Seller or any of its Affiliates has received notice from any Person that any Franchise will not be renewed or that the applicable Government Entity has challenged or raised any material objection to or, as of the date hereof, otherwise questioned in any material respect, a Seller's request for any such renewal under Section 626 of the Communications Act, and Seller and its Affiliates have duly and timely complied in all material respects with any and all inquiries and demands by any and all Government Entities made with respect to Seller's or such Affiliates' requests for any such renewal, (v) none of Seller, any of its Affiliates or any Government Entity has commenced or requested the commencement of an administrative proceeding concerning the renewal of a material Franchise as provided in Section 626(c)(1) of the Communications Act, and (vi) to the Knowledge of Seller, there exist no facts or circumstances that make it likely that any material Franchise shall not be renewed or extended on commercially reasonable terms.

(c) With respect to the Franchises, none of Seller or any of its Affiliates has made any material commitment to any Government Entity except (i) as set forth in the Contracts listed on Schedule 3.17(c)(i) of the Seller Disclosure Schedule, true and complete copies of which have been made available to Buyer prior to March 31, 2005, and (ii) such other Franchise commitments that (A) are commercially reasonable given the relevant Franchise and locality and (B) do not contain unfulfilled commitments except (1) those commitments reflected in the Budget or the Derivative 2004 Financial Statements (provided, that any commitment so reflected only in part will be deemed to be covered by this exception only to the extent so reflected) and (2) those commitments that are not material relative to Seller's operations or financial performance in the applicable Franchise area.

(d) Set forth on Schedule 3.17(d) of the Seller Disclosure Schedule is a list of each Franchise subject to a Purchase Right and except as set forth on such Schedule no such Purchase Right provides for purchase thereunder at a price less than fair market value or a third party offer price.

**Section 3.18 Network Architecture.** Schedule 3.18 of the Seller Disclosure Schedule sets forth a true and complete statement (detailed by Cable System) as of December 31, 2004 (or, in the case of clauses (c) and (f), as of the date hereof), of (a) the approximate number of plant miles (aerial and underground) for each headend

located in each Specified Business, (b) the approximate bandwidth capability expressed in MHz of each such headend, (c) the stations and signals carried by each such headend and the channel position of each such signal and station, (d) the approximate number of multiple dwelling units served by such Specified Business, (e) the approximate number of homes passed in such Specified Business as reflected in the system records of Seller or any of its Affiliates, (f) a description of basic and optional or tier services available and the rates charged for each such Specified Business, (g) the bandwidth capacity of each Cable System in such Specified Business for each headend, and (h) the municipalities served by each of the Cable Systems in such Specified Business and the public service numbers of such municipalities.

**Section 3.19 Absence of Changes.** Since the date of the Most Recent Balance Sheet, Seller and its Affiliates have conducted each Specified Business only in the Ordinary Course, and each Specified Business has not experienced any event, occurrence, condition or circumstance, and, to Seller's Knowledge, no event, occurrence, condition or circumstance is threatened, other than those that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

#### **Section 3.20 Assets.**

(a) Other than the Excluded Assets, the right, title and interest of Seller and its Affiliates in the Transferred Assets constitute all of the Assets of Seller and its Affiliates owned or held by, used or intended for use, leased, licensed, accrued, reserved, allocated or incurred in connection with the conduct of any Specified Business in all material respects as currently conducted and, immediately after the Closing, shall be sufficient for Buyer to continue to operate and conduct such Specified Business in all material respects as currently conducted. At the Closing (after giving effect to the Transaction), Buyer or its designated Affiliate will have good and marketable title to (or in the case of Transferred Assets that are leased, valid leasehold interests in) the Transferred Assets (other than those held by the Transferred Joint Venture Entities) free and clear of any Encumbrances, other than Permitted Encumbrances (or in the case of the Transferred Investments, Encumbrances under the Investment Documents), and those created by Buyer or any of its Affiliates (other than, prior to the Closing, any Transferred Joint Venture Entity or the Palm Beach Joint Venture). At the Closing (after giving effect to the Transaction) the Transferred Joint Venture Entities will have good and marketable title to (or in the case of Transferred Assets that are leased, valid leasehold interests in) the Transferred Assets held by them free and clear of any Encumbrances other than Permitted Encumbrances, in the case of Joint Venture Securities, Encumbrances under the JV Documents, and those created by Buyer or any of its Affiliates (other than, prior to the Closing, any Transferred Joint Venture Entity or the Palm Beach Joint Venture).

(b) The Shared Assets and Liabilities are the only Assets and Liabilities of Seller or any of its Affiliates that Relate to both of the Specified Businesses or to any Specified Business and any other business of Seller or its Affiliates, including any part of the

Friendco Business. The Palm Beach Joint Venture does not hold any Assets that are Primarily Related to any portion of the Business other than the portion of

the Business conducted by the Palm Beach Joint Venture. Empire Sports Network has no Assets other than those Primarily Related to its business of operating a regional sports network and has no Assets Primarily Related to the Cable Systems.

(c) The Friendco Transferred Assets are the only Assets that are Primarily Related to the Cable Systems being purchased by Friendco. None of the Friendco Transferred Assets are Primarily Related to any Specified Business except to the extent Buyer has otherwise so consented. Other than the Friendco Transferred Assets, the Transferred Assets and the Excluded Assets, there are no Assets of Seller or any of its Affiliates Related to the Business.

(d) Schedule 3.20(d) of the Seller Disclosure Schedule sets forth a true and complete list of all of the material Assets Related to each Specified Business owned, held by, leased or licensed by any Subsidiary of Seller that is not a Debtor.

(e) Other than the Transferred Joint Venture Entities, the Transferred Investments and the wholly owned Subsidiaries of Seller and as set forth on Schedule 3.20(e) of the Seller Disclosure Schedule, Seller and its Affiliates have no Equity Securities in any Person which holds Assets Primarily Related to the operations and business conducted by the Cable Systems.

### Section 3.21 Real Property.

(a) Schedule 3.21(a) of the Seller Disclosure Schedule sets forth a complete and accurate list of all the Real Property Leases and Real Property Subleases, in each case providing for annual payments in excess of \$50,000. Seller has delivered to Buyer true and complete copies of each of such Real Property Leases and Real Property Subleases.

(b) Schedule 3.21(b) of the Seller Disclosure Schedule sets forth the address and/or location and the general use within each Specified Business of each Owned Real Property and each Leased Real Property listed on Schedule 3.21(a) of the Seller Disclosure Schedule.

(c) Subject to the entry of the Confirmation Order, all Transferred Real Property Leases and Transferred Rights-of-Way, when assumed by Seller or its Affiliates and assigned to Buyer or its Affiliates (or, in the case of Transferred Real Property Leases and Transferred Rights-of-Way held by any Transferred Joint Venture Entity, when assumed and retained by such Transferred Joint Venture Entity upon completion of the Closing) pursuant to this Agreement and the Confirmation Order, will be in full force and effect and will be enforceable against each party thereto in accordance with the express terms thereof and will not require any consent of any Person or any payment thereunder in respect of such assignment (unless such payment is made by Seller or any of its Affiliates on or prior to the Closing) and any violation, breach or event of default, or event or condition that, after notice or lapse of time or both (to the extent required), would constitute a violation, breach or event of default thereunder on the part of Seller or any of its Affiliates existing prior to such assumption and assignment

will be fully discharged and none of Buyer nor any of its Affiliates shall have any responsibility therefor. To the Knowledge of Seller, no other party to any Transferred Real Property Lease or Transferred Right-of-Way is in default, violation or breach of such Transferred Real Property Lease or Transferred Right-of-Way and there are no disputes pending or threatened thereunder other than those defaults, violations, breaches and disputes that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Neither the Transferred Owned Real Property nor the Transferred Leased Real Property is subject to any material Real Property Sublease.

(d) Seller has not received notice and has no Knowledge of any pending, threatened or contemplated material condemnation proceeding affecting the Transferred Owned Real Property or the Leased Real Property or any part thereof, or of any sale or other disposition of the Transferred Owned Real Property or the Leased Real Property or any part thereof in lieu of condemnation.

Section 3.22 Absence of Liabilities. Except to the extent of any Claims that will be discharged (or the functional equivalent thereof in terms of its effect on Buyer, each Specified Business, the Transferred Assets and the Assumed Liabilities) pursuant to the Discharge (or, as applicable, the MCE Discharge or an Additional Discharge), each Specified Business has no Liabilities and there is no existing condition, situation or set of circumstances that, individually or in the aggregate, would reasonably be expected to result in a Liability of any Specified Business, other than (a) Liabilities specifically reflected, reserved against or otherwise disclosed in the Derivative 2004 Financial Statements or, only with respect to Liabilities included in the Unallocated Shared Assets and Liabilities that become Assumed Liabilities pursuant to Section 2.5, the Derivative Unallocated 2004 Financial Statements, (b) Excluded Liabilities and (c) Liabilities that were incurred in the Ordinary Course of Business since the date of the Derivative 2004

Financial Statements and that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

**Section 3.23 Insurance.** Schedule 3.23 of the Seller Disclosure Schedule lists all material insurance policies covering the properties, assets, employees and operations of the Business (including policies providing property, casualty, liability and workers' compensation coverage) (the "Insurance Policies"). All of the Insurance Policies or renewals thereof are in full force and effect in all material respects. With such exceptions as would not be material, all premiums due in respect of the Insurance Policies have been paid by Seller or its Affiliate and Seller and its Affiliates are otherwise in compliance with the terms of such policies. Seller carries sufficient third party insurance to insure in all material respects all reasonable insurable risks of the Business. Following the Closing, the Insurance Policies shall continue to provide coverage with respect to acts, omissions and events occurring prior to the Closing in accordance with their terms as if the Closing had not occurred. To the Knowledge of Seller, there has not been any threatened termination of, material premium increase (other than with respect to customary annual premium increases) with respect to, or material alteration of coverage under, any Insurance Policy.

**Section 3.24 Friendco Purchase Agreement.** Seller has previously delivered to Buyer a true and complete copy of the Friendco Purchase Agreement as of the date hereof. Except for the Friendco Purchase Agreement and any Ancillary Agreements (as defined in the Friendco Purchase Agreement), Seller and/or any of its Affiliates, on the one hand, and Friendco and/or any of its Affiliates, on the other hand, are not party to any Contract related to the Transaction or the Friendco Transaction.

**Section 3.25 Transactions with Affiliates.** Except for this Agreement, the Ancillary Agreements to which it is a party and any Liability arising under this Agreement or any such Ancillary Agreement, from and after the Closing, none of Buyer or its Subsidiaries shall, as a result of the Transaction, be bound by any Contract or any other arrangement of any kind whatsoever with, or have any Liability to, Seller, any Managed Cable Entity or any of their respective Affiliates.

**Section 3.26 Finders' Fees.** Except for UBS Securities LLC and Allen & Company LLC, whose fees will be paid by Seller, there is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of Seller or any of its Affiliates who might be entitled to any fee or commission in connection with the Transaction.

**Section 3.27 No Other Representations or Warranties.** Except for the representations and warranties contained in this Article III, neither Seller nor any other Person makes any other express or implied representation or warranty on behalf of Seller

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that, except as set forth on the Buyer Disclosure Schedule, as of the date hereof and as of the Closing:

#### Section 4.1 Organization and Qualification.

(a) Buyer is a corporation duly organized, validly existing and in good standing under the laws of Pennsylvania. Buyer has all requisite corporate power and authority to own and operate its Assets and to carry on its business as currently conducted. Buyer has made available to Seller a true and complete copy of Buyer's articles of incorporation and bylaws, each as amended and in effect as of the date hereof.

**Section 4.2 Corporate Authorization.** (a) Buyer has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution, delivery and performance by Buyer of this Agreement have been duly and validly authorized and no additional corporate authorization or consent is required in connection with the execution, delivery and performance by Buyer of this Agreement.

(b) Prior to the Closing, each of Buyer and Buyer's Subsidiaries will have full corporate, partnership or similar power and authority to execute and deliver

each of the Ancillary Agreements to which it will be a party and to perform its obligations thereunder. Prior to the Closing, the execution, delivery and performance by each of Buyer and Buyer's Subsidiaries of each of the Ancillary Agreements to which it

will be a party will have been duly and validly authorized and no additional shareholder or similar authorization or consent will be required in connection with the execution, delivery and performance by each of Buyer and Buyer's Subsidiaries of any of the Ancillary Agreements to which it will be a party.

**Section 4.3 Consents and Approvals.** No consent, approval, waiver, authorization, notice or filing is required to be obtained by Buyer or any of its Affiliates from, or to be given by Buyer or any of its Affiliates to, or made by Buyer or any of its Affiliates with, any Person in connection with the execution, delivery and performance by Buyer of this Agreement and by Buyer or any of its Subsidiaries of the Ancillary Agreements to which it is a party, other than the consents, approvals, waivers, authorizations, notices or filings the failure of which to obtain, give or make would not, individually or in the aggregate, reasonably be expected to materially impair or delay Buyer's or any of its Subsidiaries' ability to effect the Closing or to perform their respective obligations under this Agreement or any Ancillary Agreement to which Buyer or such Subsidiary is a party.

**Section 4.4 Non-Contravention.** The execution, delivery and performance by Buyer of this Agreement and the execution, delivery and performance by Buyer of each of the Ancillary Agreements to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not (a) violate any provision of the articles of incorporation, bylaws or other organizational documents of Buyer or any of its Subsidiaries, (b) assuming the receipt of all consents, approvals, waivers and authorizations and the making of notices and filings set forth on Schedule 4.3 of the Buyer Disclosure Schedule with respect to any Person which is not a Government Entity or Self-Regulatory Organization, conflict with, or result in the breach of, or constitute a default under, or result in the termination, cancellation, modification or acceleration (whether after the filing of notice or the lapse of time or both) of any right or obligation of Buyer or any of its Subsidiaries under, or result in a loss of any benefit to which Buyer or any of its Subsidiaries is entitled under, any Contract to which any of them is a party or result in the creation of any Encumbrance upon any of their Assets or give rise to any Purchase Right or (c) assuming the receipt of all consents, approvals, waivers and authorizations and the making of notices and filings set forth on Schedule 4.3 of the Buyer Disclosure Schedule with respect to Government Entities or Self-Regulatory Organizations or required to be made or obtained by Seller, violate or result in a breach of or constitute a default under any Law to which Buyer or any of its Subsidiaries is subject, or under any Buyer Governmental Authorization, other than, in the case of clauses (b) and (c), conflicts, breaches, terminations, defaults, cancellations, accelerations, losses, violations or Encumbrances that would not, individually or in the aggregate, reasonably be expected to materially impair or delay Buyer's or its Subsidiary's ability to effect the Closing or to perform their respective obligations under this Agreement or any Ancillary Agreement to which Buyer or such Subsidiary is a party.

**Section 4.5 Binding Effect.** This Agreement and each of the Ancillary Agreements dated the date hereof is, and each other Ancillary Agreement will constitute, when executed and delivered by Buyer and each Affiliate of Buyer party to such agreements and by Seller and the other parties thereto, a valid and legally binding obligation of Buyer and each Affiliate of Buyer party to such agreements, enforceable against Buyer and each such Affiliate in accordance with their respective terms.

**Section 4.6 Litigation and Claims.** There are no civil, criminal or administrative actions, suits, demands, claims, hearings, proceedings or investigations pending against, or, to the Knowledge of Buyer, threatened against or affecting, or otherwise relating to Buyer or any of its Affiliates, or the Transaction, other than those that would not, individually or in the aggregate, reasonably be expected to materially impair or delay Buyer's or any of its Subsidiaries' ability to effect the Closing or to perform their respective obligations under this Agreement or any Ancillary Agreement to which Buyer or such Subsidiary is a party. None of Buyer or any of its Affiliates is subject to any order, writ, judgment, award, injunction or decree of any court or governmental or regulatory authority of competent jurisdiction or any arbitrator or arbitrators, other than those that would not, individually or in the aggregate, reasonably be expected to materially impair or delay Buyer's or any of its Subsidiaries' ability to effect the Closing or to perform their respective obligations under this Agreement or any Ancillary Agreement to which Buyer or such Subsidiary is a party.

#### **Section 4.7 Friendco Agreements.**

(a) Buyer has delivered to Seller true and complete copies of the Friendco Parent Redemption Agreement, TWE Redemption Agreement and Exchange Agreement, each as in effect as of the date hereof.

(b) Each of the Friendco Parent Redemption Agreement, the TWE Redemption Agreement and the Exchange Agreement constitutes a valid and legally binding obligation of each of Buyer and any of its Affiliates that are parties thereto, enforceable against each of them in accordance with its terms.

(c) As of the date hereof, except for the Exchange Agreement, the TWE Redemption Agreement and the Friendco Parent Redemption Agreement, none of Buyer or its Affiliates have entered into any material agreements or understandings with Friendco Parent or any of its Affiliates Relating to any of the Transferred Assets or otherwise in connection with the Transaction or the Friendco Transaction.

**Section 4.8 No On-Sale Agreements.** Except with respect to the Transaction, the Exchange or the Redemptions, as of the date hereof, Buyer and its Affiliates have not entered into any binding agreement with any third party (other than Seller) with respect to a purchase and sale transaction, whether by merger, stock sale, asset sale or otherwise, for any of the Transferred Assets.

Section 4.9 Finders' Fees. There is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of

Buyer or any Affiliate of Buyer who might be entitled to any fee or commission from Seller or any of its Affiliates in connection with the Transaction.

Section 4.10 No Other Representations or Warranties. Except for the representations and warranties contained in this Article IV, neither Buyer nor any other Person makes any other express or implied representation or warranty on behalf of Buyer.

## ARTICLE V

### COVENANTS

#### Section 5.1 Access and Information.

(a) From the date hereof until the Closing (and, with respect to any Disputed MCE System, until the expiration of the MCE Period), subject to applicable Laws, Seller shall (i) afford Buyer and its authorized representatives reasonable access, during regular business hours, upon reasonable advance notice, to the Employees, each Specified Business, the Friendco Business, Assets that will be Transferred Assets as of the Closing and the Friendco Transferred Assets, (ii) furnish, or cause to be furnished, to Buyer any financial and operating data and other information with respect to each Specified Business or in furtherance of the Transaction or the Exchange as Buyer from time to time reasonably requests, including, subject to Section 5.9, by providing to Buyer or its accountants sufficient information (A) for the preparation of the pro-forma balance sheet and statements of income, stockholders' equity and cash flows for the Buyer Business (in each case, if requested, assuming the Friendco Transaction and/or the Exchange have occurred) and (B) regarding compliance by Seller and its Affiliates with the requirements of the SOA with respect to the Business, and (iii) instruct the Employees, and its counsel and financial advisors to cooperate with Buyer in its investigation of each Specified Business and the Friendco Business, including instructing its accountants to give Buyer access to their work papers; provided, however, that in no event shall Buyer have access to any information that, based on advice of Seller's counsel, would (A) reasonably be expected to (i) create Liability under applicable Laws, including U.S. Antitrust Laws, (ii) waive any material legal privilege or (iii) otherwise be prohibited by an order of the Bankruptcy Court (provided, that in the case of clauses (ii) or (iii) Buyer and Seller shall use commercially reasonable efforts to cooperate to permit disclosure of such information, in the case of clause (ii), in a manner consistent with the preservation of such legal privilege and, in the case of clause (iii), by seeking relief from such order of the Bankruptcy Court to the extent reasonably requested by Buyer), (B) result in the disclosure of any trade secrets of third parties or (C) violate any obligation of Seller with respect to confidentiality so long as, with respect to confidentiality, to the extent specifically requested by Buyer, Seller has made commercially reasonable efforts to obtain a waiver regarding the possible disclosure from the third party to whom it owes an obligation of confidentiality; it being understood that Buyer shall not conduct any environmental sampling without the prior written consent of Seller, which consent may be withheld in Seller's reasonable discretion. All requests made pursuant to this Section 5.1(a) shall be directed to an executive officer of Seller or such Person or Persons as may be designated by Seller. All information received pursuant to this Section 5.1(a) shall,

prior to the Closing, be governed by the terms of the Seller Confidentiality Agreement. No information or knowledge obtained in any investigation by Buyer pursuant to this Section 5.1(a) shall affect or be deemed to modify any representation or warranty made by Seller hereunder.

(b) Following the Closing and until all applicable statutes of limitations (including periods of waiver) have expired, Buyer agrees to retain all Books and Records in existence on the Closing Date, and to the extent permitted by Law and confidentiality obligations existing as of the Closing Date, grant to Seller and its representatives during regular business hours and subject to reasonable rules and regulations, the right, at the expense of Seller, (i) to inspect and copy the Books and Records and (ii) to have personnel of Buyer made reasonably available to them or have Buyer otherwise cooperate to the extent reasonably necessary, including in connection with (A) preparing and filing Tax Returns and/or any Tax inquiry, audit, investigation or dispute, (B) any litigation or investigation or (C) the claims resolution, plan administration and case closing processes in the Reorganization Case; provided, however, that in no event shall Seller have access to any information that, based on advice of Buyer's counsel, would (1) reasonably be expected to create Liability under applicable Laws, including U.S. Antitrust Laws, or waive any material legal privilege (provided, that in such latter event Buyer and Seller shall use commercially reasonable efforts to cooperate to permit disclosure of such information in a manner consistent with the preservation of such legal privilege), (2) result in the disclosure of any trade secrets of third parties or (3) violate any obligation of Buyer with respect to confidentiality (provided, that with respect to

clause (3), to the extent specifically requested by Seller, Buyer has in good faith sought to obtain a waiver regarding the possible disclosure from the third party to whom it owes an obligation of confidentiality). In no event shall Seller or its representatives have access to the Tax Returns of Buyer. No Books and Records shall be destroyed by Buyer without first advising Seller in writing and giving Seller a reasonable opportunity to obtain possession thereof at the transferee's expense. All information received pursuant to this Section 5.1(b) shall be governed by the terms of Section 5.1(d) .

(c) Following the Closing and until all applicable statutes of limitations (including periods of waiver) have expired (and with respect to Tax Returns, until the later of (I) the five year anniversary of the Closing and (II) the expiration of the statute of limitations with respect to such Tax Returns), Seller agrees to retain all Books and Records and all Excluded Books and Records, in each case in existence on the Closing Date and not transferred to Buyer or retained by a Transferred Joint Venture Entity (the "Retained Books and Records"), and to the extent permitted by Law and confidentiality obligations existing as of the Closing Date, (i) permit Buyer to make copies of any Tax Returns (including related workpapers) relating to any Transferred Joint Venture Entity (including any amended Tax Returns relating to such Transferred Joint Venture Entities and workpapers related thereto), (ii) grant to Buyer and its representatives the right to inspect and make copies of Retained Books and Records not described in clause (i) above (other than Excluded Books and Records) and (iii) grant to Buyer and its representatives during regular business hours and subject to reasonable rules and regulations, the right, at the expense of Buyer, to have personnel of Seller made

reasonably available to them or have Seller otherwise cooperate to the extent reasonably necessary, in each case, including in connection with (A) preparing and filing Tax Returns and/or any Tax inquiry, audit, investigation or dispute or (B) any litigation or investigation; provided, however, that in no event shall Buyer or its representatives have access to any information that, based on advice of Seller's counsel, would (1) reasonably be expected to create Liability under applicable Laws, including U.S. Antitrust Laws, or waive any material legal privilege (provided, that in such latter event Buyer and Seller shall use commercially reasonable efforts to cooperate to permit disclosure of such information in a manner consistent with the preservation of such legal privilege), (2) result in the disclosure of any trade secrets of third parties or (3) violate any obligation of Seller with respect to confidentiality (provided, that with respect to clause (3), to the extent specifically requested by Buyer, Seller has in good faith sought to obtain a waiver regarding the possible disclosure from the third party to whom it owes an obligation of confidentiality). No Retained Books and Records shall be destroyed by Seller without first advising Buyer in writing and giving Buyer a reasonable opportunity to obtain possession thereof at the transferee's expense.

(d) From and after the Closing, Seller and its Affiliates shall keep confidential any non-public information in their possession Related to the Business or related to the Transferred Assets (any such information that is required to keep confidential pursuant to this sentence shall be referred to as "Confidential Information"). Neither Seller nor its Affiliates shall disclose, or permit any of their respective directors, officers, employees or representatives to disclose, any Confidential Information to any other Person or use such information to the detriment of Buyer or its Affiliates; provided, that such party may use and disclose any such information (i) once it has been publicly disclosed (other than by such party in breach of its obligations under this Section 5.1(d)) or (ii) to the extent that such party may, in the reasonable judgment of its counsel, be compelled by Law to disclose any of such information, such party may disclose such information if it has used commercially reasonable efforts, and has afforded Buyer the opportunity, to obtain an appropriate protective order, or other satisfactory assurance of confidential treatment, for the information compelled to be disclosed. Except in respect of Excluded Assets and Excluded Liabilities, the Seller Confidentiality Agreement shall terminate upon the Closing with no further liability thereunder on the part of any party thereto.

**Section 5.2 Conduct of Business.** During the period from the date hereof to the Closing (and, following the Closing, with respect to any Disputed MCE System that is not a Buyer Managed MCE System, until the expiration of the MCE Period), except as otherwise expressly contemplated by this Agreement, as set forth on Schedule 5.2 of the Seller Disclosure Schedule or as Buyer otherwise agrees in writing in advance, Seller shall (x) conduct, and shall cause its Affiliates to conduct, each Specified Business in the Ordinary Course and in accordance with applicable material Laws (including, subject to Section 5.2(s), completing line extensions, placing conduit or cable in new developments, fulfilling installation requests and work on existing and planned construction projects), (y) use its commercially reasonable efforts to preserve intact each Specified Business and its relationship with its customers, suppliers, creditors and employees (it being understood that no increases in any compensation or any incentive

compensation or similar compensation shall be required in respect thereof except to the extent such increase is required in the Ordinary Course of Business) and (z) use its commercially reasonable efforts to perform and honor all of its post-petition obligations under any Contract as they become due and otherwise discharge and satisfy all Liabilities thereunder as and when they become due. During the period from the date hereof to the Closing (and, following the Closing, with respect to any Disputed MCE System that is not a Buyer Managed MCE System, until the expiration of the MCE Period), except as otherwise contemplated by this Agreement or any Ancillary Agreement or as Buyer shall otherwise consent (provided, that Buyer shall respond as soon as

reasonably practicable but in no event later than five Business Days following receipt of Seller's written request for such response) or as set forth in the applicable sections of Schedule 5.2 of the Seller Disclosure Schedule, Seller shall, and shall cause each of its Affiliates to, with respect to each Specified Business:

- (a) not incur, create or assume any Encumbrance on any of its Assets other than a Permitted Encumbrance;
- (b) not sell, lease, license, transfer or dispose of any Assets other than in the Ordinary Course of Business; provided, however, that in any event, such Assets shall not (i) constitute a Cable System or material portion thereof or (ii) include any Equity Securities of any Asset Transferring Subsidiary (other than in connection with a transfer to Seller or any of its wholly owned Subsidiaries that is an Asset Transferring Subsidiary and a Debtor);
- (c) not (i) assume pursuant to an order of the Bankruptcy Court any OCB Contract, (ii) enter into any Contract in the Contract Categories Expected to be Assumed that contains any Special Terms (except with respect to clause (i) of the definition thereof), (iii) modify, renew (except in respect of Governmental Authorizations pursuant to Section 5.2(r)), suspend, abrogate or amend in any material respect (including the addition of any Special Term) any (A) Governmental Authorization that is material, (B) Contract Related to any Specified Business that is material or that contains Special Terms (except with respect to clause (i) of the definition thereof), (C) retransmission consent agreement (in a manner which would result in any compensation being payable thereunder, other than compensation that is customary, consistent with Seller's past practice and, in any event, non-monetary), (D) Third Party Confidentiality Agreement or (E) Contract listed on Schedule 1.1(k)(ii) of the Seller Disclosure Schedule (other than, with respect to this clause (E), with the consent of Buyer, such consent not to be unreasonably withheld (other than in the case of extending the term or amending with like effect any lease on Schedule 1.1(k)(ii), with respect to which such consent shall be at Buyer's discretion)), (iv) reject or terminate any Contract Related to any Specified Business or (v) with respect to any Contract Related to any Specified Business, take any action outside the Ordinary Course of Business or fail to take any action in the Ordinary Course of Business;
- (d) not declare, set aside or pay any dividend or distribution on any Joint Venture Securities or Investment Entity Securities;

- (e) not amend any of the JV Documents or Investment Documents;
- (f) not issue, sell, pledge, transfer (other than to Seller or any wholly-owned Subsidiary of Seller; provided, that any such wholly-owned Subsidiary shall be an Asset Transferring Subsidiary and a Debtor), dispose of or encumber any Joint Venture Securities or Investment Entity Securities;
- (g) not split, combine, subdivide, reclassify or redeem, or purchase or otherwise acquire, any Joint Venture Securities or Investment Entity Securities;
- (h) provide prompt written notice to Buyer of Seller or any of its Affiliates entering into any OCB Contract that is material to any Specified Business;
- (i) not dispose of, license or permit to abandon, invalidate or lapse any rights in, to or for the use of any material Transferred Intellectual Property;
- (j) not (i) increase the compensation of any Employee or current director of Seller or any of its Subsidiaries, except for increases in salary or wage rates in the Ordinary Course of Business or as required by the terms of agreements or plans currently in effect and listed on Schedule 3.10(a) of the Seller Disclosure Schedule or with respect to any Employee listed on Schedule 5.5(a)(ii) of the Seller Disclosure Schedule, (ii) establish, amend, pay, agree to grant or increase any special bonus, sale bonus, stay bonus, retention bonus, deal bonus, emergence award or change in control bonus or any other benefit under Seller's Performance Retention Plan or other plan, agreement, award or arrangement, other than any such award, entitlement or arrangement that will be fully paid and satisfied on or prior to the Closing Date (other than any sale bonus under the Sale Bonus Program as provided below or as otherwise provided in the parenthetical at the end of this clause (ii) with respect to awards other than awards under the Sale Bonus Program or Seller's Performance Retention Plan) and the Liabilities of which will be Excluded Liabilities or, with respect to any sale bonus under the Sale Bonus Program, to the extent (but only to the extent) any such sale bonus amount is reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount (provided, however, that an award, entitlement or arrangement under this clause (ii) granted to an Employee listed on Schedule 5.5(a)(ii) of the Seller Disclosure Schedule may be paid by Seller in accordance with its terms; provided, further, that (x) all payments that pursuant to the term of such award, entitlement or arrangement are to be paid on or prior to the Closing shall be paid by Seller on or prior to the Closing and (y) if Buyer offers employment to any such Employee pursuant to Section 5.5(a) (or, with respect to any Joint Venture Employee, continues such employment) and such Employee becomes a Transferred Employee, Seller shall fully pay and satisfy any such award, entitlement or arrangement as to such individual on or prior to the Closing), (iii) except as provided in clause (ii) or as required by Law, establish, adopt, enter into, amend or terminate any Benefit Plan (other than any broad based health or welfare plan) or any plan, agreement, program, policy, trust, fund or other arrangement that would be a Benefit Plan if it were in existence

as of the date of this Agreement, (iv) hire any employee for any Specified Business with annual compensation in excess of the amount of compensation for a Person in a similar position consistent with past practice, other

than to fill vacancies arising in the Ordinary Course of Business, (v) enter into any new employment or severance agreements or amend any such existing agreement with any Employee (provided, that the foregoing shall not restrict Seller from taking any such action with respect to an Employee listed on Schedule 5.5(a)(ii) of the Seller Disclosure Schedule so long as Buyer will not be bound by any such action (including as it may relate to the terms of employment of any such Employee pursuant to Section 5.5 hereof)) if the Employee becomes employed by Buyer in connection with the Transaction, (vi) establish, adopt, enter into, amend or terminate any plan, policy or arrangement providing for severance or termination pay or benefits (provided, that the foregoing shall not restrict Seller from taking any such action so long as Buyer will not be bound by any such action (including as it may relate to the terms of any offer to any Employee, or the terms of continued employment of any Joint Venture Employee, pursuant to Section 5.5(a) hereof) if any Employee covered thereby becomes employed by Buyer in connection with the Transaction) or (vii) engage in any hiring practices that are not in the Ordinary Course of Business;

(k) not make any material loans, advances or capital contributions to, or investments in, any other Person (other than, to the extent not in violation of applicable Law, customary loans or advances to employees in amounts not material to the maker of such loan or advance and other than to any Subsidiary of Seller in the Ordinary Course);

(l) not settle any claims, actions, arbitrations, disputes or other proceedings that would result in Seller or any of its Affiliates being enjoined in any respect material to the Transaction or any Specified Business or that would affect any Specified Business after the Closing (other than in a *de minimis* manner);

(m) not make any material change in any method of accounting, keeping of books of account or accounting practices or in any material method of Tax accounting of Seller or any of its Subsidiaries unless required (i) by a concurrent change in GAAP or applicable Law or (ii) upon prior written notice to Buyer, in order to comply with any GAAP requirements or FASB interpretations or in order to comply with the view of Seller's independent auditors;

(n) except for capital expenditures, which shall be governed by Section 5.2(s), not Acquire any Assets or any business (including Equity Securities) in one or a series of related transactions, other than (i) pursuant to agreements in effect as of the date hereof that were disclosed to Buyer prior to the date hereof, (ii) Assets used by Seller in the Ordinary Course of Business (which Assets do not constitute a System, a business unit, division or all or substantially all of the Assets of the transferor) and (iii) any interest in or Assets of any entity which nominally owns any interest in any Group 2 System;

(o) use commercially reasonable efforts to continue normal marketing, advertising and promotional expenditures with respect to each Specified Business;

(p) use commercially reasonable efforts to (i) maintain or cause to be maintained (A) the Transferred Assets in adequate condition and repair for their current

use in the Ordinary Course, ordinary wear and tear excepted, and (B) in full force and effect the Insurance Policies (with the same amounts and scopes of coverage) with respect to the Transferred Assets and the operation of each Specified Business and (ii) enforce in good faith the rights under the Insurance Policies;

(q) use commercially reasonable efforts to perform all post-petition obligations under all of the Franchises, other material Governmental Authorizations and Assigned Contracts without material breach or default and pay all post-Petition Date Liabilities arising thereunder in the Ordinary Course of Business;

(r) use commercially reasonable efforts to renew any material Governmental Authorizations which expire prior to the Closing Date;

(s) use commercially reasonable efforts to make capital expenditures and operate in accordance with the capital and operating budget set forth on Schedule 5.2(s) of the Seller Disclosure Schedule (the "Budget") and, in the case of capital expenditures, on a line item basis;

(t) maintain inventory sufficient for the operation of each Specified Business in the Ordinary Course of Business;

- (u) not engage in any marketing, Subscriber installation or collection practices other than in the Ordinary Course of Business;
- (v) not convert any billing systems used by any Specified Business;
- (w) use commercially reasonable efforts to implement all rate changes provided for in the Budget and except for rate increases provided for in the Budget not change the rate charged for any level of cable television, telephony or high speed data services;
- (x) except as required by applicable Law (including applicable must-carry laws), not add or voluntarily delete any channels from any Cable System, or change the channel lineup in any Cable System or commit to do any of the foregoing in the future; except for (i) pending channel additions and deletions or changes in channel lineups to the extent customer notifications have, as of the date hereof, been mailed or otherwise made in a manner permitted by each applicable Franchise; (ii) channel additions or changes in lineups as required in order to fulfill distribution commitments or broadcast station retransmission consent obligations (in either case, existing as of the date hereof) pursuant to existing Contracts, and solely to the extent the commitment and/or obligation must, pursuant to such Contract, be satisfied prior to the Closing Date; (iii) channel additions, migrations or changes in channel lineups in connection with headend consolidations (provided, however, that no new channels may be added to a system unless immediately prior to the headend consolidation, the channel was so carried on one headend or the other, provided, further, that if such channel is carried on both headends and the channel is not carried on the same tier or level of service on the two headends, then after such consolidation, the channel shall be carried on the tier or level of service of the dominant headend); (iv) the addition of one or more of the channels listed on

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Schedule 5.2(x)(iv) of the Seller Disclosure Schedule in connection with a system upgrade; (v) the roll-out of any video on demand service listed on Schedule 5.2(x)(v) of the Seller Disclosure Schedule or any free video on demand services for which Seller is not required to pay any fee or consideration; (vi) the addition of one or more of the high definition services listed on Schedule 5.2(x)(vi) of the Seller Disclosure Schedule, which additions shall not, except as otherwise noted on Schedule 5.2(x)(vi) of the Seller Disclosure Schedule, require Seller to pay any fee or consideration for such services; or (vii) the addition of the high definition signal of a NBC, ABC, CBS, or Fox station that is licensed to the same designated market area as the system on which such signal is being launched, so long as such signal is a simulcast of such station's analog signal, to the extent Seller is not required to pay any fee or consideration for such high definition signal;

- (y) not file a cost-of-service rate justification;
- (z) use commercially reasonable efforts to launch telephony and video on demand services in the Cable Systems identified on Schedule 5.2(z) of the Seller Disclosure Schedule substantially in accordance with the timetable set forth on such Schedule 5.2(z), and provide Buyer with written notice promptly following any such launch;
- (aa) continue to conduct the Business in accordance with, and not make any change to, the Seller Subscriber Accounting Policy, including as to disconnects;
- (bb) not transfer the employment duties of any Applicable Employee from any Cable System to a different Cable System or business unit other than in the Ordinary Course of Business;
- (cc) use commercially reasonable efforts to maintain or cause to be maintained its Books and Records (and Excluded Books and Records) and accounts with respect to each Specified Business in the usual, regular and ordinary manner on a basis consistent with past practice;
- (dd) give or cause to be given to Buyer, and its counsel, accountants and other representatives, (i) as soon as reasonably possible, but in any event prior to the date of submission to the appropriate Government Entity, copies of all FCC rate Forms 1205, 1210, 1235, and 1240, and simultaneous with, or as soon as reasonably possible after submission to the appropriate Government Entity, any other FCC Forms required under the regulations of the FCC promulgated under the Cable Act that are prepared with respect to any of the Cable Systems and (ii) as soon as reasonably possible after filing copies of all copyright returns filed in connection with any Cable System; provided, that in the case of clause (i), before any such FCC Forms 1205, 1210, 1235, or 1240 are filed, Seller and Buyer shall consult in good faith concerning the contents of such forms; and
- (ee) not announce an intention, authorize or enter into any agreement or commitment with respect to any of the foregoing.

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### Section 5.3 Commercially Reasonable Efforts.

(a) Subject to the Bankruptcy Code and any orders of the Bankruptcy Court, Seller and Buyer shall cooperate and use their respective commercially reasonable efforts to fulfill as promptly as practicable the conditions precedent to the other party's obligations hereunder and shall use their respective commercially reasonable efforts to fulfill as promptly as practicable the conditions precedent to their obligations hereunder to the extent they have the ability to control the satisfaction of such obligations. Without limiting the generality of the foregoing, Seller and Buyer shall (i) make all filings and submissions required by the U.S. Antitrust Laws and any other Laws, and promptly file any additional information requested as soon as practicable after receipt of such request therefor and promptly file any other information that is necessary, proper or advisable to permit consummation of the Transaction and the Exchange and (ii) use commercially reasonable efforts to obtain and maintain all Seller Required Approvals and Buyer Required Approvals in form and substance reasonably satisfactory to Buyer and Seller. In connection with the foregoing, Seller and Buyer will endeavor to consummate the Transaction without (or with minimal) costs, conditions, limitations or restrictions associated with the grant of such Seller Required Approvals and Buyer Required Approvals.

(b) Notwithstanding anything to the contrary herein, nothing in this Agreement shall require Buyer to agree to or to effect any divestiture, hold separate or similar agreement with respect to any business or Assets or agree to enter into, or amend, or agree to amend, any Contracts or governmental authorizations or take or refrain from taking any other action or conduct any business in any manner if doing so would reasonably be expected, individually or in the aggregate, to have an adverse impact that is material to the Buyer Business or the Transferred Assets or would materially constrain the operations of Buyer and its Subsidiaries or of the Transferred Assets; it being understood that the incurrence of legal, accounting, investment banking and other customary forms of transaction expenses and the commitment of reasonable management time and effort shall not be considered an adverse impact for the purpose of this Section 5.3(b).

(c) No later than 45 days following the date hereof, Buyer and Seller shall provide each other (or shall cause their respective Subsidiaries to provide) with all necessary documentation to allow filing of FCC Forms 394 with respect to the Franchises with respect to which a LFA Approval is or may be required. Buyer and Seller shall use commercially reasonable efforts to cooperate with one another and, no later than 60 days following the date hereof, file with the applicable Government Entity FCC Forms 394 for each of the Franchises with respect to which a LFA Approval is required. Buyer and Seller shall cooperate and use their commercially reasonable efforts to have Buyer enter into a substitute performance bond arrangement with respect to those Assets of each Specified Business the transfer of which to Buyer would require Buyer to enter into such a substitute bond arrangement, on substantially the same terms as the substitute bond arrangement with respect to such Assets in effect as of the date hereof. Notwithstanding anything to the contrary herein, Seller shall not accept, agree to or accede to any modifications or amendments to, or in connection with, or any conditions to the transfer

of, any Franchises that are not approved by Buyer in writing, such approval not to be unreasonably withheld; provided, however, that if Seller affords Buyer reasonable notice of, and opportunity to attend and participate in, meetings or other discussions relating to LFA Approvals where modifications, amendments or conditions are expected to be discussed or negotiated, Buyer shall approve any such modifications, amendments or conditions that are approved by Seller so long as such modifications, amendments or conditions are commercially reasonable and are similar in nature, extent and impact (giving due consideration to such factors as the relative size of the Franchise involved, the proximity of other Franchises, the financial and operational impact of the change and the precedential impact thereof) to modifications, amendments or conditions agreed to by Buyer or Friendco Parent in connection with material acquisitions of cable assets effected since 2001. In addition, if Buyer seeks any LFA Approval pursuant to this Transaction, Buyer shall agree to any modifications, amendments or conditions that are commercially reasonable and are similar in nature, extent and impact (giving due consideration to such factors as the relative size of the Franchise involved, the proximity of other Franchises, the financial and operational impact of the change and the precedential impact thereof) to modifications, amendments or conditions agreed to by Buyer or Friendco Parent in connection with material acquisitions of cable assets effected since 2001.

(d) Each of the parties hereto agrees to execute and deliver such other documents, certificates, agreements and other writings and to take such other commercially reasonable actions as may be necessary or desirable in order to evidence, consummate or implement expeditiously the transactions contemplated by this Agreement and to vest in Buyer good and marketable title to the Transferred Assets to the same extent as held by Seller and its Affiliates (other than the Transferred Assets to be retained by a Transferred Joint Venture Entity), and to vest in the Transferred Joint Venture Entities good and marketable title to the Transferred Assets to be retained by such Transferred Joint Venture Entity, in each case free and clear of all Encumbrances other than, in the case of Transferred Assets other than the JV Interests and the Transferred Investments, Permitted Encumbrances, in the case of the JV Interests, Encumbrances under the JV Documents, and in the case of the Transferred Investments, Encumbrances under the Investment Documents and, in each case, Encumbrances created by Buyer or any of its Affiliates (other than, prior to the Closing, any Transferred Joint Venture Entity or the Palm Beach Joint Venture).

(e) Seller and Buyer shall cooperate with each other and shall furnish to the other party all information reasonably necessary or desirable in connection with making any filing under the HSR Act, and in connection with resolving any investigation or other inquiry by any Government Antitrust Entity with respect to the Transaction and the Exchange; provided, however, that Buyer shall reimburse Seller for the reasonable out-of-pocket costs, if any, incurred by Seller as a result of such cooperation solely to the extent

it relates to the consummation of the Exchange. Each of the parties shall promptly inform the other party of any communication with, and any proposed understanding, undertaking or agreement with, any Government Entity regarding any such filings or any such transaction. Seller and Buyer shall not participate in any meeting with any Government Antitrust Entity in respect of any such filings, investigation or other inquiry without giving the other party prior notice of, and the opportunity to participate in, such

meeting. The parties hereto will consult and cooperate with one another in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any party hereto in connection with all meetings, actions and proceedings under or relating to the HSR Act (including, with respect to making a particular filing, by providing copies of all such documents (other than those that will not be publicly available) to the non-filing party and their advisors prior to filing and, if requested, giving due consideration to all reasonable additions, deletions or changes suggested in connection therewith); provided, however, that in no event shall Buyer or Seller be required to furnish any information that, based on advice of such party's counsel, would reasonably be expected to create any potential Liability under applicable Laws, including U.S. Antitrust Laws, or would constitute a waiver of any material legal privilege (provided, that in such latter event Buyer and Seller shall use commercially reasonable efforts to cooperate to permit disclosure of such information in a manner consistent with the preservation of such legal privilege).

(f) In furtherance and not in limitation of the foregoing, each of Buyer and Seller agrees to make, as promptly as practicable, (i) an appropriate filing of a Notification and Report Form pursuant to the HSR Act with respect to the Transaction and the Exchange (which filing shall be made in any event within 20 Business Days of the date hereof), (ii) appropriate filings with the FCC, and any state public service commissions having jurisdiction over any Transferred Assets or any services provided by any Specified Business or the Assets of or services provided by the Buyer Business with respect to the Transaction and the Exchange, and (iii) all other necessary filings with other Government Entities relating to the Transaction and the Exchange, and to use commercially reasonable efforts to cause the expiration or termination of the applicable waiting periods under the HSR Act and the receipt of the Seller Required Approvals and the Buyer Required Approvals under such other Laws or from such authorities or third parties as soon as practicable; provided, however, that Buyer shall reimburse Seller for the reasonable out-of-pocket costs, if any, incurred by Seller as a result of such cooperation solely to the extent it relates to the consummation of the Exchange.

(g) Each of Seller and Buyer shall give (or shall cause their respective Subsidiaries to give) any notices to third parties, and use, and cause their respective Subsidiaries to use, commercially reasonable efforts to obtain any third party (excluding Government Entities) consents related to or required in connection with the Transaction and the Exchange that are Seller Required Approvals or Buyer Required Approvals; provided, however, that Buyer shall reimburse Seller for the reasonable out-of-pocket costs, if any, incurred by Seller as a result of such cooperation solely to the extent it relates to the consummation of the Exchange.

(h) Notwithstanding anything in this Agreement to the contrary, Buyer shall have the sole responsibility for any filing, submission or other action (including, for the avoidance of doubt, obtaining any required LFA Approval) that is necessary, proper or advisable to permit the consummation of the Exchange (it being understood that Seller shall use its commercially reasonable efforts to cooperate with Buyer with respect to any action required to be taken by Buyer pursuant to this sentence; provided, however, that Buyer shall reimburse Seller for the reasonable out-of-pocket costs, if any, incurred by

Seller as a result of such cooperation solely to the extent it relates to the consummation of the Exchange.

(i) After the Closing, Buyer shall, in the ordinary course of business of Buyer, use its commercially reasonable efforts to bill and collect from each Basic Subscriber that is potentially a Qualified Customer any amounts due and payable in respect of services delivered to such Basic Subscriber prior to the Closing.

#### Section 5.4 Tax Matters.

(a) Proration of Taxes. To the extent necessary to determine the liability for Taxes for a portion of a taxable year or period that begins before and ends after the Closing, the determination of the Taxes for the portion of the year or period ending on, and the portion of the year or period beginning after, the Closing shall be determined by assuming that the taxable year or period ended as of the close of business on the Closing, except that those annual property taxes and exemptions, allowances or deductions that are calculated on an annual basis shall be prorated on a time basis. For the avoidance of doubt, (i) any Taxes that are apportioned to the portion of a taxable period that ends on the Closing pursuant to this Section 5.4(a) shall be Excluded Taxes and (ii) any Taxes that are apportioned to the portion of a taxable period beginning after the Closing pursuant to this Section 5.4(a) shall be Assumed Taxes.

(b) Tax Returns. (i) Seller shall file or cause to be filed when due all Tax Returns that are required to be filed by or with respect to all Transferred Joint Venture Entities for taxable years or periods ending on or before the Closing Date and shall pay any Taxes due in respect of such Tax Returns (which for the avoidance of doubt shall not include income Taxes payable by any partner in a Transferred Joint Venture Parent), and Buyer shall file or cause to be filed when due all Tax Returns that are required to be filed by or with respect to all Transferred Joint Venture Entities for taxable years or periods ending after the Closing Date.

(ii) Except as provided in Section 5.4(c), if either party shall be liable hereunder to pay over to the other party any portion of the Tax (including, for the avoidance of doubt, by reason of the inclusion of such Tax in Assumed Taxes or Excluded Taxes) of a Transferred Joint Venture Entity shown due on any such Tax Return required to be filed by the other party with respect to a taxable period that includes the Closing Date, the party preparing such Tax Return shall deliver a copy of the relevant portions of such Tax Return to the party so liable for its review and approval not less than 30 days prior to the date on which such Tax Return is due to be filed (taking into account any applicable extensions). If the parties disagree as to any item reflected on any such Tax Return, the non-preparing party shall notify the preparing party of such disagreement and its reasons for so disagreeing, in which case the parties shall attempt to resolve such disagreement. To the extent that Seller and Buyer cannot reach agreement with respect to such disputed item, the resolution of such dispute shall be made by the CPA Firm, or such nationally recognized firm of independent accountants agreed upon by Seller and Buyer, whose decision shall be final and binding and whose expenses shall be shared equally by Seller and Buyer. The party liable to pay over to the other party any

portion of a Tax under Section 5.4(b) that is payable with a Tax Return to be filed by the other party with respect to a taxable period that includes the Closing Date, shall pay the other party at least 10 days prior to the due date for the filing of such Tax Return.

(iii) Buyer shall not file any amended Tax Returns with respect to any Transferred Joint Venture Entity that includes a period ending on or before the Closing Date without Seller's written consent, which shall not be unreasonably withheld or delayed.

(c) Transfer Taxes. (i) To the extent not otherwise exempt to the fullest extent permitted by section 1146(c) of the Bankruptcy Code and except as otherwise provided in this Section 5.4(c)(i), all federal, state, local or foreign or other excise, sales, use, value added, transfer (including real property transfer or gains), stamp, documentary, filing, recordation and other similar taxes and fees that may be imposed or assessed as a result of the Transaction, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties ("Transfer Taxes"), shall, subject to the provisos to Sections 5.4(c)(iii) and 5.4(c)(v), be borne by Buyer.

(ii) Any Tax Returns that must be filed in connection with Transfer Taxes ("Transfer Tax Returns") shall be prepared by Buyer, and Buyer shall prepare such Transfer Tax Returns in a manner consistent with the allocation of the consideration that is agreed pursuant to Section 5.4(d); provided, however, that if Buyer and Seller do not jointly agree to a Purchase Price Allocation Schedule as provided in Section 5.4(d) and except as provided in Section 5.4(c)(iii), any such Transfer Tax Return shall be prepared by Buyer in good faith in a manner consistent with the purchase price allocation of Buyer or Seller that Buyer and Seller, as the case may be, use for Tax purposes that results, in the higher aggregate Transfer Tax liability with respect to each applicable jurisdiction. The party filing any Transfer Tax Return (or similar form claiming an applicable exemption from Transfer Taxes) pursuant to this Section 5.4 shall furnish a copy of such Transfer Tax Return (or similar form) to the other party.

(iii) Except as provided in the following proviso, all Transfer Tax Returns shall be filed by Buyer, and Buyer shall be responsible for remitting all amounts shown as due on such Transfer Tax Returns to the appropriate Government Entity; provided, however, that, in the case of any Transfer Tax Return in which Seller's purchase price allocation would result in a higher aggregate Transfer Tax liability than Buyer's purchase price allocation (w) Buyer shall prepare such Transfer Tax Return unless Seller reasonably determines that the positions taken on such Transfer Tax Return as prepared by Buyer would reasonably be expected to give rise to a material risk of civil and/or criminal penalties (other than interest) if challenged by the applicable Government Entity, in which case, Seller may prepare such Transfer Tax Return, (x) Seller shall be responsible for filing such Transfer Tax Return and for remitting all amounts shown as due thereon to the appropriate Government Entity, (y) notwithstanding any other provision of this Section 5.4(c) to the contrary, Buyer shall pay to Seller an amount equal to the Transfer Tax liability that would have resulted if such return had been prepared by Buyer (it being understood that, for purposes of this clause (y), the Transfer Tax Return

that would have been prepared by Buyer shall be determined by using (1) the Buyer's purchase price allocation, and (2) Buyer's interpretation of applicable Tax Law as reflected in the Transfer Tax Return prepared by Buyer pursuant to clause (x) hereof), and (z) Seller shall have sole responsibility for the balance of the Transfer Tax liability with respect to such Transfer Tax Return. Buyer and Seller shall (and shall cause each of their respective Affiliates to) cooperate in the timely completion and filing of all such Tax Returns, and Buyer and Seller shall (and shall cause each of their respective Affiliates to) execute such documents in connection with such filings as shall have been required by Law or reasonably requested by the other party.

(iv) Buyer shall control the conduct of any audit, claim, contest or administrative or judicial proceeding relating to such Transfer Taxes, subject to Seller's right to make any statement or report to any tax authority reflecting the purchase price allocation prepared by Seller; provided, however, that Seller shall be entitled to make any such statement and/or report only (A) to the extent Seller reasonably determines is reasonably necessary to rebut any presumption under applicable Tax Law that would otherwise deem Seller to have agreed to and adopted the purchase price allocation prepared by Buyer in the absence of such statement or report and (B) if such presumption could reasonably be expected to result in an adverse effect on Seller other than a *de minimis* adverse effect. If Buyer or Seller receives any written notice of assessment or other claim from any Government Entity with respect to Transfer Taxes for which the other party may be liable pursuant to this Section 5.4(c), the notified party shall notify the other party in writing of the receipt of such notice of assessment or other claim promptly after the receipt thereof.

(v) Any additional Transfer Taxes resulting from an adverse determination by a Government Entity shall be borne by Buyer; provided, however, that, so long as the adverse determination by the applicable Government Entity does not relate directly to purchase price allocation, Seller shall be responsible for any such additional Transfer Taxes to the extent that such additional Transfer Taxes are attributable to the use of Seller's purchase price allocation rather than Buyer's purchase price allocation.

(vi) Any Transfer Taxes resulting from any subsequent increase in the Purchase Price pursuant to this Agreement shall be borne in accordance with the provisions of this Section 5.4(c).

(vii) Buyer and Seller shall cooperate in good faith to minimize the amount of Transfer Taxes that may be imposed or assessed as a result of the Transaction, including pursuant to one or more restructuring transactions consummated pursuant to the Plan prior to the Closing; provided, that Buyer and Seller conclude in good faith that such restructuring would have a more likely than not probability of prevailing if challenged by the applicable Government Entity.

(d) Determination and Allocation of Purchase Price. Seller and Buyer undertake to act in good faith to jointly agree to a schedule setting forth the allocation of the consideration in the Transaction (including, as appropriate for Tax purposes, assumptions of liabilities) among the Transferred Assets (the "Purchase Price Allocation

Schedule") for Tax purposes. If Seller and Buyer so agree within 180 days of the Closing Date, Seller and Buyer shall, and Seller and Buyer shall cause each of their respective Affiliates, (i) to report the federal, state, and local income and other Tax consequences of the Transaction contemplated herein in a manner consistent with such Purchase Price Allocation Schedule and (ii) not to take any position inconsistent therewith for any Tax purposes (unless required by a change in applicable Tax Law or as a result of a good faith resolution of a contest). If Seller and Buyer do not so agree within 180 days of the Closing Date, each of Seller and Buyer may prepare their own purchase price allocation and, for the avoidance of doubt and except as provided in Sections 5.4(c)(iii) and 5.4(c)(v), each of Buyer and Seller will have no liability to the other for any additional Taxes that may be imposed by any Government Entity as a result of inconsistencies between the respective allocations of Buyer and Seller.

(e) Employee Withholding and Reporting Matters. With respect to those Transferred Employees who are employed by Buyer within the same calendar year as the Closing, Buyer shall, in accordance with and to the extent permitted pursuant to Revenue Procedure 2004-53, 2004-34 I.R.B. 320, assume all responsibility for preparing and filing Form W-2, Wage and Tax Statement, Form 941, Employer's Quarterly Federal Tax Return, Form W-4, Employee's Withholding Allowance Certificate and Form W-5, Earned Income Credit Advance Payment Certificate. Seller and Buyer agree to comply with the procedures described in Section 5 of the Revenue Procedure 2004-53. Notwithstanding any provision of this Agreement, all Taxes required to have been withheld by Seller and its Subsidiaries from their respective employees and independent contractors with respect to any taxable periods, or portions thereof, ending on or before the Closing shall be Excluded Liabilities and shall not be treated as Assumed Liabilities.

(f) Section 754 Elections.

(i) Seller agrees to use commercially reasonable efforts to cause each Transferred Joint Venture Parent to make a valid Section 754 Election (or comparable election, if provided for under applicable state or local law) for a taxable year ending on or prior to the Closing Date. Seller shall not take any action or permit any of its Affiliates (including any Transferred Joint Venture Parent) to take any action that would cause any such Section 754 Election to become void or invalid.

(ii) If Seller or any of its Affiliates reports any Subsidiary of a Transferred Joint Venture Parent as a partnership for U.S. federal income Tax purposes, Seller agrees to use commercially reasonable efforts to cause such Subsidiary to make a valid Section 754 Election (or comparable election, if provided for under state or local law) for a taxable year ending on or prior to the Closing Date.

## Section 5.5 Post-Closing Obligations of each Specified Business to Certain Employees.

(a) Seller shall provide to Buyer not later than 14 Business Days following the date hereof, a copy of each employment agreement or other individual agreement governing the terms and conditions of any Applicable Employee's

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employment entered into with any Applicable Employee and a schedule of each Applicable Employee with his or her title, job location, employer, primary place of residence, salary or wage rate, commission status, bonus opportunity, date of hire, level or other job classification, full or part time status, “exempt” or “non-exempt” status, whether such Applicable Employee is part of a collective bargaining unit and regularly scheduled work shift, as applicable, and shall supplement such schedule not later than 60 Business Days following the date hereof, indicating for each Applicable Employee, such Applicable Employee’s direct supervisor and most recent performance rating or evaluation. In addition, not later than 55 Business Days prior to the Closing Date, Seller shall update such schedule, including with respect to each Applicable Employee’s direct supervisor and most recent performance rating or evaluation. Not later than 40 Business Days prior to the Closing Date, Buyer shall make offers of employment commencing on the Closing Date to all Applicable Employees, and such offers shall be contingent upon (i) the Closing, (ii) such Employee being an Applicable Employee on the Closing Date and (iii) such Applicable Employee’s satisfaction of customary employment conditions applicable to all Buyer employees which customary employment conditions are set forth on Schedule 5.5(a)(i) of the Buyer Disclosure Schedule (it being understood that such conditions will not include the evaluation of prior performance) (the “Background Check”); provided, however, that Buyer shall have no obligation to extend an offer of employment to any Employee who as of the date hereof or as of the Closing Date is identified by job function, description or title or otherwise noted on Schedule 5.5(a)(ii) of the Seller Disclosure Schedule; and provided, further that Buyer need not extend an offer to any Applicable Employee who is employed by a Transferred Joint Venture Entity (such employees, other than those set forth on Schedule 5.5(a)(ii) of the Seller Disclosure Schedule, the “Joint Venture Employees”). Joint Venture Employees who have, as of the Closing Date, satisfied the Background Check and who are Applicable Employees on the Closing Date (“Transferred Joint Venture Employees”) shall remain employees of the applicable Transferred Joint Venture Entity as of immediately following the Closing and shall be entitled to compensation and benefits in accordance with the terms set forth in this Section 5.5. Buyer shall cooperate with Seller from and after the date hereof to communicate with Applicable Employees other than those set forth on Schedule 5.5(a)(ii) of the Seller Disclosure Schedule regarding (i) the anticipated offers of employment to be made by Buyer to such Applicable Employees hereunder or (ii) the continuation of such Applicable Employee’s employment with the applicable Transferred Joint Venture Entity, as the case may be. Offers of employment required by this Section 5.5(a) shall be for a position of similar or greater status, authority, duties and aggregate compensation (excluding any equity-based compensation, severance, retention, sale, stay, special bonus, emergence or other change in control payments or awards or any similar compensation or award) as such Employee enjoys with Seller and/or its Affiliates immediately prior to the Closing Date, that is within a 50-mile radius from such Employee’s primary place of residence as of the Closing Date, and with any such additional rights and benefits as are prescribed by this Section 5.5. Consistent with and subject to the foregoing and the other terms of this Agreement, Buyer shall have the right to establish the terms and conditions under which such offers will be made. Not later than two Business Days following the date offers are required to be made hereunder, Buyer shall provide to Seller a list of the Applicable Employees who do not satisfy the Background Check, by job position or

name and region, and as to whom Buyer as a result of such Background Check failure has not made offers of employment pursuant to this Section 5.5(a). The parties hereto shall cooperate with each other to give effect to this Section 5.5(a) and neither Seller nor its Affiliates shall take any actions that would interfere with the Applicable Employees so offered employment from becoming employed by Buyer or the Joint Venture Employees becoming Transferred Joint Venture Employees, as the case may be, as of the Closing Date. Immediately prior to the Closing, the Transferred Joint Venture Entities shall employ no individuals other than those Employees who are or will be Transferred Joint Venture Employees Related to the applicable Joint Venture Business. If any Employee, other than a Transferred Employee, becomes entitled to any payments or benefits under any severance policy, plan, agreement, arrangement or program which exists or arises or may be deemed to exist or arise, under any applicable Law or otherwise, as a result of the consummation of the Transaction or otherwise, Seller shall be liable for such amounts, which Liability shall constitute an Excluded Liability except to the extent Buyer does not comply with the requirement to offer employment on the terms set forth in this Section 5.5(a).

(b) Beginning on the Closing Date and ending no earlier than the first anniversary of the Closing Date, Buyer shall provide each Transferred Employee, other than any Transferred Employee included in a collective bargaining unit covered by the Collective Bargaining Agreements as in effect on the Closing Date (each, a “Union Employee”) with, at Buyer’s sole discretion, either compensation and employee benefits that are (i) no less favorable in the aggregate (excluding any equity-based compensation, severance, retention, sale, stay, special bonus, emergence or other change in control payments or awards or any similar compensation or award) than the compensation and employee benefits provided to each such Transferred Employee immediately prior to the Closing Date or (ii) substantially comparable in the aggregate (excluding any severance) to the compensation and employee benefits provided to similarly situated employees of Buyer; provided, that for purposes of any equity-based compensation, such employees shall be deemed newly hired employees of Buyer. In addition, to the extent Buyer maintains a tax-qualified defined benefit pension plan, from and after the date each Transferred Employee satisfies the applicable eligibility and service requirements of any such plan as in effect on any date of determination, such Transferred Employee shall participate in such

plan to the same extent as similarly situated employees of Buyer. With respect to Union Employees, Buyer will retain any and all of the rights and obligations it may have pursuant to applicable labor Law.

(c) Notwithstanding Section 5.5(b), beginning on the Closing Date, Buyer shall, for a period ending no earlier than the first anniversary of the Closing Date, maintain a severance plan for the benefit of each Transferred Employee, other than any Union Employee, that is no less favorable to Transferred Employees than the Amended and Restated Adelphia Communications Corporation Severance Plan effective September 21, 2004 (the “Seller Severance Plan”) and which includes the same general terms and conditions regarding eligibility and exclusion from eligibility for severance pay and benefits as the Seller Severance Plan. It is intended that this Section 5.5(c) shall not result in any duplication of benefits to any Transferred Employee.

(d) To the extent (and only to the extent) set forth on Schedule 5.5(d) of the Seller Disclosure Schedule, Buyer shall assume all Liabilities and obligations to provide any severance pay and benefits to any Transferred Employee whose employment is terminated following the Closing. Buyer shall reimburse Seller for any severance costs incurred with respect to any Employee who is not offered employment by Buyer pursuant to this Transaction in the event Buyer or any of its Subsidiaries hires such Employee within three months after the Closing.

(e) For purposes of this Agreement, (i) “Applicable Employees” means all of the following:

(A) All persons who are active Employees on the Closing Date, including Employees on vacation and Employees on a regularly scheduled day off from work. Employees on temporary leave for purposes of jury or annual two-week national service/military duty shall be deemed to be active Employees;

(B) Employees who on the Closing Date are on nonmedical leave of absence; provided, however, that no such Employee shall be guaranteed reinstatement to active service if his return to employment is contrary to the terms of his leave, unless otherwise required by applicable Law (for purposes of the foregoing, nonmedical leave of absence shall include maternity or paternity leave, leave under the Family and Medical Leave Act of 1993, educational leave, military leave with veteran’s reemployment rights under federal Law, or personal leave, unless any of such is determined to be a medical leave); and

(C) Employees who on the Closing Date are on disability or medical leave and for whom it has been 180 calendar days or less since their last day of active employment; provided, however, that no such Employee shall be guaranteed reinstatement to active service if he is incapable of working in accordance with the policies, practices and procedures of Buyer; and

(ii) “Transferred Employees” means those Applicable Employees who accept offers of employment with Buyer and the Transferred Joint Venture Employees.

(f) Seller shall retain responsibility for and continue to pay all medical, life insurance, disability and other welfare plan expenses and benefits for each Transferred Employee with respect to claims incurred by such Transferred Employee or his or her covered dependents prior to the Closing Date except to the extent (and only to the extent) such liabilities are reflected in the determination of the Closing Net Liabilities used in the determination of the Final Adjustment Amount for the Specified Business in which such Transferred Employee is employed. Buyer shall be responsible for all expenses and benefits with respect to claims incurred by Transferred Employees or their covered dependents on or after the Closing Date. For purposes of this paragraph, a claim is deemed incurred: (i) in the case of medical or dental benefits, when the services that are the subject of the claim are performed, (ii) in the case of life insurance, when the death occurs, (iii) in the case of long-term disability benefits, when the Employee

becomes disabled, and (iv) in the case of workers compensation benefits, when the event giving rise to the benefits occurs.

(g) With respect to any plan that is a “welfare benefit plan” (as defined in Section 3(1) of ERISA), or any plan that would be a “welfare benefit plan” (as defined in Section 3(1) of ERISA) if it were subject to ERISA, maintained by Buyer, Buyer shall (i) provide coverage for Transferred Employees under its medical, dental and health plans as of the Closing Date in accordance with the terms of such plans, (ii) cause there to be waived any pre-existing conditions, actively at work requirements and waiting periods or other eligibility requirements to the extent such conditions, requirements or waiting periods were satisfied by a Transferred Employee under a corresponding Benefit Plan, and (iii) cause such plans to honor any expenses incurred by the Transferred Employees and their dependents or beneficiaries under similar plans of Seller and its Affiliates during the portion of the calendar year in which the Closing Date occurs for purposes of satisfying applicable deductible, co-insurance and maximum out-of-pocket expenses.

(h) Transferred Employees shall be given credit for purposes of eligibility and vesting and other entitlement to benefits or rights, under each employee benefit plan of Buyer (each a “Buyer Plan”) in which such Transferred Employees are or become eligible to participate, for all service (including service with Seller or any of its Affiliates) for which such Transferred Employees were credited for such purposes under a corresponding Benefit Plan of Seller prior to the Closing Date; provided, however, that nothing in this Section 5.5(h) shall result in any duplication of benefits.

(i) Except as required by applicable Law, as of the Closing Date, the Transferred Employees shall cease to accrue further benefits under the employee benefit plans and arrangements maintained by Seller and its Affiliates. From and after the Closing, Seller shall remain solely responsible for any and all Liabilities in respect of the Employees, including the Transferred Employees, related to the Benefit Plans, except as otherwise provided in this Section 5.5. None of Buyer or any of its Affiliates shall assume or have transferred to them the sponsorship of any of the Benefit Plans or any other benefit plans or arrangements maintained by Seller or any of its Affiliates; including any non qualified deferred compensation or rabbi trust plans or arrangements, pursuant to or in connection with the Transaction.

(j) Seller shall take all actions necessary to fully vest the Transferred Employees in their account balances under Seller’s tax-qualified 401(k) plan (“Seller’s 401(k) Plan”) effective as of the Closing Date. In accordance with the terms of the applicable plan, each Transferred Employee shall be eligible to participate in a Buyer-sponsored defined contribution plan intended to qualify under Sections 401(a) and 401(k) of the Code (“Buyer’s 401(k) Plan”). Buyer shall take all actions reasonably necessary to permit beginning as soon as reasonably practical following the Closing Date each Transferred Employee who has received an eligible rollover distribution (as defined in Section 402(c)(4) of the Code) from Seller’s 401(k) Plan to roll over the distribution, to an account in Buyer’s 401(k) Plan; provided, that any Transferred Employee with less than six months of service with Seller or any of its Affiliates immediately prior to the Closing Date will only become a participant in the Buyer’s 401(k) Plan after completing

six months of combined continuous service with Seller or any of its Affiliates and Buyer and any of its Affiliates (without duplication).

(k) With respect to any accrued but unused vacation time (including flexible time-off and sick pay) to which any Transferred Employee is entitled pursuant to the vacation policy applicable to such Transferred Employee immediately prior to the Closing Date, Buyer shall, to the extent permitted by applicable Law, assume the liability for such accrued vacation and allow such Transferred Employee to use such accrued vacation to the extent such Transferred Employee would have been entitled to such accrued vacation based on his level and years of service under the vacation policy of Buyer in effect as of the Closing Date as if such Transferred Employee had been employed by Buyer during such Transferred Employee’s employment with Seller; provided, however, that if the Transferred Employee’s accrued vacation is greater than the amount of vacation to which such Transferred Employee would have been entitled under Buyer’s vacation policy, Buyer shall pay to such Transferred Employee within 90 days of the Closing Date an amount in cash equal to the difference but only to the extent of the amount reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount for the Specified Business in which such Transferred Employee is employed. With respect to any sale bonuses under the Sale Bonus Program, Seller shall be responsible for the payment to all Employees of that portion of the bonus that is to be paid on the “First Sale Bonus Payment Date” (as defined in the Sale Bonus Program), which bonuses shall be paid prior to or on the Closing. Buyer shall be responsible for the payment to Transferred Employees on a timely basis of any sale bonuses under the Sale Bonus Program to be paid after the “First Sale Bonus Payment Date” but only to the extent of the amount reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount for the Specified Business in which such Transferred Employee is employed.

(l) Buyer shall be responsible for providing or discharging any and all notifications, benefits and liabilities to Transferred Employees and governmental authorities required by WARN or by any other applicable Law relating to plant closings or employee separations that are required (i) to be provided after the Closing or (ii) with respect to any plant closing or mass layoff that occurs within the 60-day period immediately following the Closing. Seller agrees to cooperate in preparing and distributing any notices that Buyer may desire to provide prior to the Closing. No later than five Business Days prior to the Closing Date, Seller shall provide Buyer with a schedule setting forth each Employee whose employment was terminated or is anticipated to be terminated during the six month period prior to the Closing Date and the work location of such Employee.

(m) Buyer shall assume any liability under COBRA arising from the actions (or inactions) of Buyer or its Affiliates with respect to the Transferred Employees after the Closing Date. Seller shall retain all obligations with respect to continued coverage under COBRA (and any similar state Law), Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA and the regulations thereunder for all Employees, including Applicable Employees, who do not become Transferred Employees. Notwithstanding the immediately preceding sentence, to the extent required by Treasury

Regulation Section 54.4980B -9, Q&A-8(c), Buyer shall perform all obligations under COBRA and the foregoing provisions of the Code and ERISA with respect to each employee of Seller who is an “M&A qualified beneficiary” with respect to the Transaction, as such term is defined by Treasury Regulation section 54.4980B -9, Q&A-4.

(n) For Employees who participate in Seller’s short term incentive bonus program, including the Short-Term Incentive Plan, Sales Incentive Plan and Marketing Incentive Plan, Seller shall be responsible for paying their respective annual bonuses for the period from the January 1 immediately preceding the Closing Date through the Closing (pro-rated for the partial year) and shall pay such bonuses to such Employees not later than the Closing; and, solely with respect to Transferred Employees who participated immediately prior to the Closing Date in such Seller’s short term incentive bonus programs, Buyer shall be responsible for paying respective annual bonuses for the period from the Closing Date through the December 31 immediately following the Closing Date pro-rated for the partial year.

(o) With respect to any Transferred Employee who becomes employed by Friendco or any of its Affiliates pursuant to the Exchange Agreement, references to any benefit plans maintained by Buyer shall be deemed to be references to benefit plans maintained by Friendco or its Affiliates and references to similarly situated employees of Buyer shall be deemed to be references to similarly situated employees of Friendco or its Affiliates.

(p) The parties hereto hereby acknowledge and agree that no provision of this Agreement shall be construed to create any right to any compensation or benefits whatsoever on the part of any Employee or other future, present or former employee of Seller or any of its Affiliates. Nothing in this Section 5.5 or elsewhere in this Agreement shall be deemed to make any employee of the parties or their respective Affiliates a third party beneficiary of this Section 5.5 or any rights relating hereto.

(q) The parties hereto hereby acknowledge and agree that Buyer shall have no Liability in respect of any award to any Employee, director, consultant, independent contractor or other service provider of Seller or its Affiliates with respect to any shares of Seller’s Equity Securities, whether existing on the date hereof or arising in the future (“Stock Awards”), and that all Liabilities related to such Stock Awards shall be Excluded Liabilities.

(r) Seller agrees that, notwithstanding anything in this Agreement to the contrary, the payments of awards under the Amended and Restated Adelphia Communications Corporation Performance Retention Plan shall in no event be made in Equity Securities of Buyer or any Affiliate of Buyer and shall be satisfied in full by Seller prior to or on the Closing.

**Section 5.6 Ancillary Agreements.** At the Closing, Seller shall and shall cause each of its Affiliates party to an unexecuted Ancillary Agreement to, execute and deliver each unexecuted Ancillary Agreement to which it is a party, and Buyer shall execute and deliver each of the unexecuted Ancillary Agreements to be executed by it.

**Section 5.7 Transfer and Assignment of Assets and Certain Employees of Transferred Joint Venture Entities.** At or prior to the Closing, Seller shall (a) cause each Transferred Joint Venture Entity to transfer to the applicable Seller JV Partner all Excluded Assets held by such Transferred Joint Venture Entity (b) terminate the employment of all individuals who are then employed by a Transferred Joint Venture Entity and who are not or will not be Transferred Joint Venture Employees Related to the applicable Joint Venture Business and (c) cause such Seller JV Partner to, assume and discharge or perform when due all Excluded Liabilities to which such Transferred Joint Venture Entity is subject, in each case pursuant to agreements, instruments or other documents in form and substance reasonably satisfactory to Buyer.

**Section 5.8 Acquisition Proposals.** Except as otherwise provided in this Section 5.8, Seller agrees that neither it nor any of its Subsidiaries nor any of their respective directors, officers or employees shall, and that it shall direct its Subsidiaries and its and its Subsidiaries’ agents and representatives and use its best efforts to cause its and its Subsidiaries’ agents and representatives (including any investment banker, attorney or accountant retained by it or any of its Subsidiaries) not to, directly or indirectly, initiate, solicit or encourage any inquiries or the making of any proposal or offer with respect to a merger, reorganization (including an Alternate Plan), share exchange, consolidation or similar transaction involving (directly or indirectly), or any purchase (directly or though a proposed investment in Equity Securities, debt securities or claims of creditors) of 10% or more of the Transferred Assets Related to the Business or of the outstanding Equity Securities of Seller or any of its Affiliates directly or indirectly owning Assets Related to the Business (any such proposal or offer being hereinafter referred to as an “Acquisition Proposal” and any such transaction, an “Acquisition”); provided, however, that the foregoing shall not restrict Seller from renewing the “exit financing” of the Debtors on substantially the same terms as in effect as of March 31, 2005. Seller further agrees that neither it nor any of its Subsidiaries nor any of their respective directors, officers or employees shall, and that it shall direct its Subsidiaries and its and its Subsidiaries’ agents and representatives and use its best efforts to cause its and its Subsidiaries’ agents and representatives (including any investment banker, attorney or accountant retained by it or any of its Subsidiaries) not to, directly or indirectly, engage in any negotiations concerning, or provide any confidential information or data to or have any discussions with any Person relating to, an Acquisition Proposal, or otherwise facilitate any effort or attempt to make or implement an Acquisition Proposal. Seller agrees that it will take the necessary steps to promptly inform the Persons referred to in the first sentence of this Section 5.8 of the obligations undertaken in this Section 5.8 and to cause them to cease immediately any current activities that are inconsistent with this Section 5.8. Notwithstanding the foregoing, nothing contained in this Agreement shall prevent Seller or its board of directors (the “Board”) from:

(a) (i) complying with its disclosure obligations under Law or the Bankruptcy Code with regard to an Acquisition Proposal, or (ii) prior to the commencement of the Confirmation Hearing, in response to an unsolicited bona fide Acquisition Proposal, (A) (1) providing information to (including discussing any due diligence issues, requests or clarifications with) a Person with whom Seller executes a

confidentiality agreement on terms no less favorable to Seller than those contained in the Seller Confidentiality Agreement (as in effect prior to amendment on the date hereof), other than any restrictions on such Person's ability to make or amend an Acquisition Proposal and (2) following receipt of a bona fide unsolicited Acquisition Proposal from such a Person, engaging in discussions with such Person to the extent such discussions are confined to clarifying any term of such Acquisition Proposal or (B) engaging in any negotiations or discussions with any Person who has made such an Acquisition Proposal if and only to the extent that, in each such case referred to in clauses (A) and (B) above, (1) the Board determines in good faith after consultation with outside legal counsel that the directors of Seller should take such action in order to comply with their fiduciary duties under applicable Law, (2) such Acquisition Proposal involves the direct or indirect acquisition by one or more third parties of at least 66 2/3% of (x) all Assets Related to the Business or (y) the outstanding Equity Securities of Seller and (3) in each such case referred to in clause (B) above, the Board determines in good faith (after consultation with its financial and legal advisors) that such Acquisition Proposal, if accepted, is reasonably likely to be consummated, taking into account all legal, financial and regulatory aspects of the proposal and the Person making the proposal, and if consummated, would result in a transaction more favorable (taking into account, without limitation, financial terms of any termination fee that may be payable pursuant to Section 8.5(b)) to Seller's stakeholders from a financial point of view than the Transaction (any such more favorable Acquisition Proposal being referred to in this Agreement as a "Superior Proposal"). Seller or any of its Subsidiaries shall notify Buyer promptly (but in no event later than 24 hours) after receipt by Seller or any of its Subsidiaries (or any of their respective directors, officers, employees or advisors) of any Acquisition Proposal, any indication that a third party is considering making an Acquisition Proposal or any request for information relating to the Transferred Assets, any Specified Business, Seller or any of its Subsidiaries or for access to any Specified Business or any of the Transferred Assets by any third party that may be considering making, or has made, an Acquisition Proposal. Seller shall provide such notice orally and in writing and shall identify the third party making, and the terms and conditions of, any such Acquisition Proposal, indication or request. Seller shall keep Buyer fully informed, on a current basis, of the status and details of any such Acquisition Proposal, indication or request. Seller shall promptly provide Buyer with any non public information concerning Seller's business, present or future performance, financial condition or results of operations, provided to any third party that was not previously provided to Buyer; and

(b) (i) prior to the commencement of the Confirmation Hearing, engaging in any negotiations or discussions concerning an Alternate Plan with the Committees, the stakeholders of Seller or its Affiliates or their respective advisors (in each case (other than in the case of Committees) with whom Seller enters into, or has entered into, a confidentiality agreement on customary terms under the circumstances that restricts such stakeholder (other than with respect to any other stakeholder who is subject to a substantially similar confidentiality agreement or to the Committees) from (x) disclosing any confidential information regarding Seller and its Affiliates, Buyer and its Affiliates, or information regarding an Alternate Plan, including the status thereof, and (y) making public statements regarding any of the foregoing), but only to the extent that (A) the Board determines in good faith after consultation with outside legal counsel that

the directors of Seller should take such action in order to comply with their fiduciary duties under applicable Law and (B) the Board determines in good faith (after consultation with its financial and legal advisors) that such Alternate Plan, if pursued and assuming (for purposes of determining the right to engage in negotiations or discussions pursuant to this Section 5.8(b), but not for purposes of the definition of "Superior Alternate Plan") the support of Seller's stakeholders therefor, is reasonably likely to be consummated, taking into account all legal, financial and regulatory aspects of the proposed Alternate Plan and, if consummated, would result in a transaction more favorable (taking into account, without limitation, the financial terms of any termination fee that may be paid pursuant to Section 8.5(b)) to the stakeholders of Seller and its Affiliates from a financial point of view than the Transaction (any such more favorable Alternate Plan being referred to in this Agreement as a "Superior Alternate Plan") or (ii) after entry of a Confirmation Order satisfying the condition set forth in Section 6.2(g) (but only for so long as such Confirmation Order is in effect), planning for an Alternate Plan that involves the emergence of Debtors as standalone entities with no greater than a 10% additional equity contribution (other than existing Claims), including engaging in any negotiations or discussions concerning an Alternate Plan with stakeholders of Seller or its Affiliates or their advisors, preparing (but not filing) a disclosure statement with respect to such Alternate Plan and preparing and negotiating any intercreditor agreements; provided, however, that such Alternate Plan provides that it can only be confirmed and effective if this Agreement is terminated in accordance with its terms and such planning does not involve any action or omission that could reasonably be expected to materially impair or materially delay the Transaction; provided, further, that nothing in this Section 5.8(b) shall permit any public statements or filings with the Bankruptcy Court or any other court by or on behalf of Seller or its Affiliates. Seller shall notify Buyer of its engagement in discussions

concerning an Alternate Plan and shall keep Buyer reasonably informed, on a current basis, of material developments that could reasonably be expected to result in an Alternate Plan. For purposes of this Agreement, an “Alternate Plan” is any plan under chapter 11 of the Bankruptcy Code (other than the Plan) or any liquidation under chapter 7 of the Bankruptcy Code. Without limiting any other obligation set forth in this Agreement, Seller shall, in connection with the activities permitted under this Section 5.8(b), use commercially reasonable efforts to enforce any confidentiality obligations of the Committees and any obligations under the confidentiality agreements described in this Section 5.8(b).

#### Section 5.9 Additional Financial Information.

(a) Seller shall use commercially reasonable efforts, and shall cause its Affiliates to use commercially reasonable efforts, to provide Buyer with financial statements and related information (collectively, “Financial Information”) sufficient to permit Buyer or its Affiliates to fulfill their obligations to include financial disclosure relating to each Specified Business and, if required, the Friendco Business and the Group 2 Systems, on a timely basis under the Exchange Act and, if Buyer or any of Buyer’s Affiliates undertakes an offering of securities prior to the Closing, the Securities Act (it being understood that the foregoing shall not require Seller to file or furnish any periodic or current reports that are required to be filed prior to the date hereof under the Exchange Act with the SEC). If some or all of the Financial Information is included in or

incorporated by reference into a prospectus for an offering of securities by Buyer or any of Buyer’s Subsidiaries prior to the Closing, Seller shall, and shall cause its Affiliates to, use commercially reasonable efforts to cause the independent auditors of Seller to provide customary assistance to Buyer or such Subsidiary and its underwriters in connection with such financing, including the provision of consent and comfort letters addressed to the SEC, comfort letters addressed to the underwriters, participation in due diligence matters with respect to such offering and assistance in responding to comments or questions from the SEC with respect to the Financial Information. Buyer shall reimburse Seller for the reasonable costs and expenses incurred by Seller pursuant to this Section 5.9(a), including reasonable out-of-pocket costs and any incremental costs and expenses necessary to comply with this Section 5.9(a) (including all necessary incentive compensation) (unless and to the extent compliance with this Section 5.9(a) is waived by Buyer prior to the incurrence of such costs and expenses). Seller shall give Buyer reasonable advance notice of the type and the amount of such costs and expenses prior to the incurrence thereof.

(b) As soon as reasonably practicable (and, in any event, prior to the Closing), Seller shall, and shall cause its Affiliates to, use commercially reasonable efforts, to provide Buyer with a copy of (i) the consolidated audited balance sheets and audited statements of income, stockholders equity and cash flows for each Specified Business reflecting the allocation of Shared Assets and Liabilities pursuant to the Designated Allocation and Section 2.5 (provided, that, but subject to clause (iii) below, such financial statements do not need to be provided for the Group 2 Business for any period prior to January 1, 2004), at and for the fiscal years ended December 31, 2002 (unless statements at and for the fiscal year ended December 31, 2005 are provided as set forth below), December 31, 2003, December 31, 2004, and, if the Closing shall not have occurred on or prior to March 31, 2006 (or if such statements are otherwise available) December 31, 2005 (as modified by the proviso to clause (i) of this Section 5.9(b), the “Derivative Audited Financial Statements”), (ii) the consolidated audited balance sheets and audited statements of income, stockholders’ equity and cash flows for Seller and its Affiliates for the fiscal years ended December 31, 2004, and, if the Closing shall not have occurred on or prior to March 31, 2006 (or if such statements are otherwise available), December 31, 2005 (the “Seller Audited Financial Statements”), and (iii) the unaudited balance sheets and unaudited statements of income, stockholders’ equity and cash flows for each Group 2 System for the fiscal years ended December 31, 2002 (unless the Derivative Audited Financial Statements include consolidated audited balance sheets and audited statements of income, stockholders equity and cash flows for each Specified Business for the fiscal year ended December 31, 2005 are provided as set forth above), and December 31, 2003 (the “MCE Financial Statements” and, together with the Derivative Audited Financial Statements and the Seller Audited Financial Statements, the “Additional Financial Statements”); provided, that Buyer shall reimburse Seller for the reasonable costs and expenses incurred by Seller in connection with the preparation of the Derivative Audited Financial Statements and the MCE Financial Statements, including reasonable out-of-pocket costs and any incremental costs and expenses necessary to comply with this Section 5.9(b) (including all necessary incentive compensation). Seller shall give Buyer reasonable advance notice of the type and the amount of such costs and expenses prior to the incurrence thereof.

(c) Buyer shall use its commercially reasonable efforts to obtain relief from the staff of the SEC from Buyer’s obligations to include financial statements with respect to periods ending on or prior to December 31, 2002 required by Section 5.9(a) or Section 5.9(b) in Buyer’s filings under the Securities Act or Exchange Act. Seller shall cooperate with Buyer in respect of the obtaining of any such relief.

#### Section 5.10 Post Closing Consents.

(a) Subsequent to the Closing, and subject to Section 2.13, Seller shall and shall cause its Affiliates to continue to use commercially reasonable efforts to obtain in writing as promptly as possible any consent, authorization or approval necessary or commercially advisable in connection with the Transaction which was not obtained on or before the Closing in form and substance reasonably satisfactory to Buyer.

(b) Without limiting Section 5.10(a), in the event that a Closing under this Agreement occurs without the receipt of all LFA Approvals, Buyer and Seller shall act in good faith to obtain any remaining LFA Approvals following the Closing. Until such time as all LFA Approvals have been obtained, Buyer covenants and agrees to use commercially reasonable efforts to satisfy all obligations of Seller or any of its Affiliates arising after the Closing under each Franchise agreement corresponding to a LFA Approval that has not been obtained. Buyer and Seller agree to enter into such arrangements as are reasonably necessary to cause Seller not to be in breach under each such Franchise agreement and to permit Buyer to receive the economic benefits of each such Franchise agreement.

(c) Buyer and Seller agree, assuming as set forth in Section 5.10(b) that all or substantially all of the economic benefits relating to a remaining Franchise inure to Buyer, (i) that any remaining Franchises described in Section 5.10(b) shall be treated for all income Tax purposes as Assets of Buyer as of the Closing and (ii) not to take, and to prevent any of their respective Affiliates from taking, any position inconsistent with such treatment for any income Tax purposes (unless required by a change in applicable income Tax Law or a good faith resolution of a contest).

#### Section 5.11 Bankruptcy Proceedings.

(a) Seller shall, as soon as reasonably practicable after the date hereof, but no later than 45 days hereafter, file with the Bankruptcy Court (i) a Disclosure Statement with respect to the Plan intended to meet the requirements of section 1125(b) of the Bankruptcy Code and this Section 5.11(a) (as amended from time to time in accordance with this Agreement, the “Disclosure Statement”), (ii) a motion to approve, among other things, the Disclosure Statement (the “Disclosure Statement Motion”) and (iii) the Plan. Seller shall, and shall cause each of its Affiliates to, commence appropriate proceedings before the Bankruptcy Court and otherwise use commercially reasonable efforts to obtain approval of the Disclosure Statement and the Plan as expeditiously as possible. Seller shall, and shall cause its Affiliates to, provide in the Disclosure Statement a range of values determined by Seller after consultation with Buyer; provided, that the midpoint of such range shall equal the Aggregate Value of the Purchase Shares);

provided, however, that, based on changes, events or circumstances first arising or occurring following the date hereof, Seller may, after consultation with Buyer and its counsel, change the midpoint, and the range in order that the statements contained in the Disclosure Statement in respect of the value of the Purchase Shares would not be misleading or result in a violation of any applicable Law by Seller. The Plan, any and all exhibits and attachments to the Plan, the Disclosure Statement, and the Disclosure Statement Motion and the orders approving the same (including the Confirmation Order), and any amendment or supplement to any of the foregoing, (A) to the extent affecting the terms of the Transaction, the Transferred Assets, the Assumed Liabilities, Buyer or its Affiliates (in the case of Buyer or its Affiliates, only to the extent related to the Transaction or an interest in the Transferred Joint Venture Parents (other than with respect to Plan distribution matters) and not in their capacity as creditors or, with respect to Plan distribution matters, equityholders), shall be in all material respects reasonably acceptable in form and substance to, and shall not be filed until consented to by, Buyer, which consent shall not be unreasonably withheld, (B) shall not otherwise contain any provision (including any provision relating to the allocation of distributable proceeds among Seller’s stakeholders), or otherwise have an effect, that would, individually or in the aggregate, reasonably be expected to materially impair or materially delay the Transaction; it being understood that any allocation of distributable proceeds that does not violate the absolute priority rule or any proposed waiver of the absolute priority rule as may be contemplated by the Plan that is reasonably expected to be consented to by the affected classes shall not be deemed to materially impair or materially delay the Transaction, (C) shall not contain any provision providing for an Alternate Plan, including the so-called “toggle plan”, (D) shall not treat Buyer or its Affiliates, in their capacities as creditors or equityholders, in a discriminatory manner as compared to similarly classified stakeholders, (E) except to the extent expressly set forth herein, shall not modify, alter, amend or otherwise impair the rights of any of the Buyer JV Partners in their capacity as equity security holders (and not as holders of claims) set forth in the JV Documents or otherwise impair or alter the terms of any Joint Venture Securities and (F) without limiting the generality of the foregoing, in the case of the Confirmation Order, shall contain the finding that Buyer is a good faith purchaser of the Transferred Assets pursuant to section 363(m) of the Bankruptcy Code unless Buyer’s actions which have been determined by the Bankruptcy Court to have not been in good faith preclude such a finding. Buyer shall refrain from taking any actions in connection herewith that are not in good faith (as determined by the Bankruptcy Court) and that would preclude a finding that Buyer is a good faith purchaser of the Transferred Assets pursuant to section 363(m) of the Bankruptcy Code. Seller shall provide Buyer and its counsel with copies of all material motions, applications, supporting papers and notices prepared by Seller (including forms of orders and notices to interested parties) relating in any way to the Disclosure Statement, the Plan or the Transaction prior to the filing of such documents and shall provide Buyer, to the extent practicable, with a reasonable opportunity to review and comment on same. Seller shall consult with Buyer prior to taking any action in or with respect to the Reorganization Case that could reasonably be expected, individually or in the aggregate, to (x) be inconsistent with this Agreement or the Transaction, (y) materially impair or materially delay the Transaction or (z) relate to any material information provided by Buyer for inclusion in the Disclosure Statement or have

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an adverse effect on the Transaction, the Transferred Assets, the Assumed Liabilities, Buyer or its Affiliates (in the case of Buyer or its Affiliates, only to the extent related to the Transaction or an interest in the Transferred Joint Venture Parents (other than with respect to Plan distribution matters) and not in their capacity as creditors or, with respect to Plan distribution matters, equityholders). Buyer shall provide Seller with all information concerning Buyer as is required (or, with respect to Systems to be received by Friendco or its Affiliates in the Exchange, reasonably advisable) to be included in the Disclosure Statement and is requested by Seller. Any information delivered by Buyer or Seller for inclusion in the Disclosure Statement will be intended to satisfy the requirements of section 1125(a) of the Bankruptcy Code.

(b) No later than 70 days prior to the Confirmation Hearing, Seller shall deliver to Buyer a true and complete list of all Contracts Related to each Specified Business (other than Programming Agreements but including retransmission consent agreements) entered into prior to such seventieth day (provided, that between such seventieth day and the Confirmation Hearing, Seller shall promptly update such list to reflect Contracts Related to each Specified Business (other than Programming Agreements but including retransmission consent agreements) entered into during such period) which shall include the following, each of which must be satisfactory in form and substance to Buyer in its reasonable discretion: (i) a list of Contracts (other than Programming Agreements but including retransmission consent agreements) which Seller or any Affiliate has rejected pursuant to an order of the Bankruptcy Court (the “Rejected Contracts”); (ii) a list of Contracts (other than Programming Agreements but including retransmission consent agreements) which Seller or any Affiliate has assumed pursuant to an order of the Bankruptcy Court; (iii) with respect to each such Contract that is not a Rejected Contract, (A) Seller’s good faith estimate of the Cure Costs in respect of such Contract, (B) Seller’s good faith estimate of the Rejection Claims in respect of such Contract and (C) whether such Contract was entered into on or following the Petition Date. No later than 40 days prior to the Confirmation Hearing, Buyer shall provide Seller with a list of Contracts to be assumed, if applicable, by Seller or any of its Affiliates and assigned by Seller or any of its Affiliates to Buyer (or, in the case of Contracts to which any Transferred Joint Venture Entity is party, assumed and retained by such Transferred Joint Venture Entity) with respect to each Specified Business (as further identified by Buyer pursuant to the provisions of this Section 5.11(b), the “Assigned Contracts”). As promptly as practicable following the determination of the Assigned Contracts by Buyer and in any event no later than 20 days prior to the Confirmation Hearing, Seller or its Affiliates, as the case may be, shall commence appropriate proceedings before the Bankruptcy Court and otherwise take all necessary actions in order to determine Cure Costs with respect to any Assigned Contract entered into prior to the Petition Date. Notwithstanding the foregoing, prior to the Closing, Buyer may identify (x) any Assigned Contract as one that Buyer no longer desires to have assigned to it (or retained by a Transferred Joint Venture Entity, as applicable) and such Contract shall for all purposes of this Agreement, including Section 5.11(d) and any Ancillary Agreement be deemed not to be an Assigned Contract and (y) any Contract entered into by Seller or any of its Affiliates following entry of the Confirmation Order that is Related to any Specified Business as an Assigned Contract and such Contract shall for all purposes of this Agreement be deemed to be an Assigned Contract. At the direction of Buyer, Seller shall

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or shall cause its Affiliates to, as the case may be, take all necessary actions and, if necessary, promptly commence appropriate proceedings before the Bankruptcy Court in order to effect the assumption of any Assigned Contract by Seller or any of its Affiliates and the assignment of such Contract to Buyer at the Closing (or, in the case of Assigned Contracts to which any Transferred Joint Venture Entity is party, the assumption and retention by such Transferred Joint Venture Entity) pursuant to the Plan. Following the Closing, Seller shall not, and shall cause each of its Affiliates not to, amend, modify, terminate or abrogate any Assigned Contract. Seller shall, and shall cause each of its Affiliates to, take all actions such that each OCB Contract that is not an Assigned Contract shall be terminated or rejected as of the Closing.

(c) Seller shall use its commercially reasonable efforts to make available to Buyer as promptly as practicable after the date hereof (or, in the case of Contracts entered into after the date hereof, as promptly thereafter as practicable) true and complete copies of each of the Contracts Related to each Specified Business (other than Programming Agreements but including retransmission consent agreements) and of each of the Contracts listed, or required to be listed, in Schedule 3.15(b) of the Seller Disclosure Schedule, and true and complete summaries of the terms of any such oral Contracts; it being understood that, in any event, such copies and summaries shall be made available in respect of the Contracts listed on the list delivered pursuant to the first sentence of Section 5.11(b) no later than 70 days prior to the Confirmation Hearing.

(d) Other than the Assumed Cure Costs, Seller shall be liable for all Cure Costs, and Buyer shall have no Liability to any Seller Indemnified Party, the estate of Seller or any of its Affiliates or to any non-debtor party to any Contract in connection therewith; provided, however, that if the amount of the Cure Costs in respect of any Assigned Contract that is not an OCB Contract is greater than the amount that would be paid to the non-debtor party to such Contract on account of a Rejection Claim in respect of such Contract, taking into consideration the likely recovery on account of such Rejection Claim under the Plan (as Seller and Buyer mutually agree, or, in the absence of such agreement, as may be determined by the Bankruptcy Court), then such excess, but only such excess, shall be deemed to constitute an Assumed Cure Cost. Seller shall also be liable for all Claims, including Rejection

Claims, in respect of any Contract that is not an Assigned Contract, and Buyer shall have no Liability to any Seller Indemnified Party, the estate of Seller or any of its Affiliates or to any non-debtor party to any such Contract in connection therewith; provided, however, that if the amount that would be paid to the non-debtor party to an OCB Contract that is not an Assigned Contract on account of a Rejection Claim in respect of such OCB Contract, taking into consideration the likely recovery on account of such Rejection Claim under the Plan, is greater than the Cure Costs with respect to such OCB Contract (in either case as Seller and Buyer mutually agree, or, in the absence of such agreement, as may be determined by the Bankruptcy Court), then, subject to such OCB Contract having been made available to Buyer for at least 70 days prior to the Confirmation Hearing (or, in the case of Contracts entered into after such seventieth day, as promptly thereafter as practicable), such excess, but only such excess, shall constitute an Assumed Liability. Subject to approval of the Bankruptcy Court (which approval Seller shall use commercially reasonable efforts to obtain), Buyer (or its designee) shall be entitled to assume and maintain control, on

behalf of Seller and any of its Affiliates, of the litigation and settlement of any dispute over any Assumed Cure Costs with respect to any Franchise or, in respect of any OCB Contract, any Rejection Claim that is an Assumed Liability. Seller shall not, and shall cause each of its Affiliates not to, without the prior written consent of Buyer (not to be unreasonably withheld), settle, compromise or offer to settle or compromise any Liability in respect of (i) Cure Costs under such Assigned Contract that is not an OCB Contract or under any Franchise unless Seller shall have assumed all Liabilities in respect thereof and shall have agreed to release Buyer from all Liabilities in respect of any and all Cure Costs under such Assigned Contract or such Franchise or (ii) any Rejection Claim in respect of any OCB Contract unless Seller shall have assumed all Liabilities in respect thereof and shall have agreed to release Buyer from all Liabilities in respect of any and all Rejection Claims caused by or arising out of any such settlement or compromise and Seller shall consult with and, in each case, provide Buyer a meaningful opportunity to participate in any such litigation or settlement.

(e) Any motion, application or other court document filed with, and the proposed orders submitted to, the Bankruptcy Court seeking authorization to assume and assign or reject or terminate any Contracts Relating to any Specified Business or the Business shall be provided to Buyer in advance of filing (with a reasonable opportunity to review and comment on same) and shall be in form and substance reasonably satisfactory to Buyer in all material respects. On or prior to the Closing, Seller shall, and shall cause its Affiliates to, cure any and all defaults and breaches under and satisfy (or with respect to any Assumed Liability or obligation that cannot be rendered non-contingent and liquidated prior to the Closing Date, make effective provision satisfactory to Buyer and the Bankruptcy Court for satisfaction from funds of Seller) any Liability (other than as to Assumed Cure Costs) arising from or relating to pre-Closing periods under the Assigned Contracts so that such Contracts may be assumed by Seller or its Affiliates and assigned to Buyer in accordance with the provisions of section 365 of the Bankruptcy Code and this Agreement. On or prior to the Closing, Seller shall, and shall cause its Affiliates to, pay or make adequate reserve for all Cure Costs other than the Assumed Cure Costs.

(f) Seller shall, and shall cause its Affiliates to, and Buyer shall, each use commercially reasonable efforts, and cooperate, assist and consult with each other, as promptly as practicable, to secure approval of the Disclosure Statement, confirmation of the Plan and consummation of the transactions contemplated by the Plan and this Agreement. Neither the Plan nor the Disclosure Statement nor any other material document relating to the transactions contemplated hereby shall be amended, modified, supplemented, withdrawn or revoked (i) if such amendment, modification, supplement, withdrawal or revocation affects the terms of the Transaction, the Transferred Assets, the Assumed Liabilities, Buyer or its Affiliates (in the case of Buyer or its Affiliates, only to the extent related to the Transaction or an interest in the Transferred Joint Venture Parents (other than with respect to Plan distribution matters) and not in their capacity as creditors or, with respect to Plan distribution matters, equityholders) without the consent of Buyer (provided, that such consent shall not be unreasonably withheld) or (ii) if such amendment, modification, supplement, withdrawal or revocation would contain or alter any provision (including as to the allocation of distributable proceeds among Seller's stakeholders), that would, individually or in the aggregate, reasonably be expected to

materially impair or materially delay the Transaction. For the avoidance of doubt, the parties hereto acknowledge and agree that it would not be unreasonable for Buyer to decline to consent to any Plan modification which would require the payment of additional consideration by Buyer under the Plan or which would reduce or impair the Transferred Assets or increase the Assumed Liabilities.

(g) If an order, judgment or ruling of a court of competent jurisdiction in the Reorganization Case is entered denying entry of (or vacating), or that is inconsistent with the entry of, a Confirmation Order satisfying the condition set forth in Section 6.2(g), Seller and Buyer will cooperate and otherwise use commercially reasonable efforts to prosecute diligently the entry of a Confirmation Order satisfying the condition set forth in Section 6.2(g). If the Confirmation Order or any other orders of the Bankruptcy Court relating to this Agreement, the Disclosure Statement, the solicitation of acceptances of the Plan or confirmation of the Plan shall be appealed by any party (or a petition for certiorari or motion for reconsideration, amendment, clarification, modification, vacation,

stay, rehearing or reargument shall be filed with respect to any such order), Seller and Buyer will cooperate in taking such steps to prosecute diligently such appeal, petition or motion, each of Seller and Buyer shall use commercially reasonable efforts to obtain an expedited resolution of any such appeal, petition or motion and any expenses incurred by Seller in connection therewith shall be borne by Seller.

(h) Seller shall either (i) (A) cause the Subsidiaries of Seller listed on Schedule 5.11(h) of the Seller Disclosure Schedule or any other non-debtor Subsidiary of Seller that acquires Assets Related to the Acquired Business (the “Non-Debtor Subsidiaries”) to file a petition for relief under chapter 11 of the Bankruptcy Code (the “Additional Reorganization Case”), (B) take all steps reasonably necessary to obtain approval by the Bankruptcy Court of the Transaction as it relates to the Non-Debtor Subsidiaries and (C) obtain an Additional Discharge for the Non-Debtor Subsidiaries, in each case as expeditiously as possible under the Bankruptcy Code and the Bankruptcy Rules, and in any event prior to Closing or (ii) subject to the prior approval of the Bankruptcy Court, cause each Non-Debtor Subsidiary to transfer any Assets of such Non-Debtor Subsidiary to a Debtor (other than a Transferred Joint Venture Entity) in exchange for payment of adequate consideration (provided, that such transfer shall be reasonably satisfactory to Buyer in all material respects and shall render such Assets subject to the Discharge) (such transfer, a “Non-Debtor Transfer”). Seller shall, and shall cause each Non-Debtor Subsidiary to, (x) provide Buyer and its counsel with copies of all material motions, applications, supporting papers and notices prepared by Seller or such Non-Debtor Subsidiary (including forms of orders and notices to interested parties) relating in any way to an Additional Reorganization Case or Non-Debtor Transfer prior to the filing of such documents and (y) provide Buyer, to the extent practicable, with a reasonable opportunity to review and comment on same. Seller shall, and shall cause each Non-Debtor Subsidiary to, consult with Buyer prior to taking any action in or with respect to any Additional Reorganization Case or Non-Debtor Transfer. For purposes of Sections 2.1, 2.3 and 2.5 (including any related definitions), unless otherwise directed in writing by Buyer (and only to the extent set forth in such writing), each Non-Debtor Subsidiary shall only be considered an Affiliate of Seller if and only to the extent such

Non-Debtor Subsidiary shall have performed the actions and satisfied the requirements set forth in clause (i) or (ii) of this Section 5.11(h).

(i) Seller shall, and shall cause each of its Affiliates to, use commercially reasonable efforts to maintain the exclusive periods pursuant to section 1121(d) of the Bankruptcy Code during which the Debtors may file a plan or plans of reorganization and solicit acceptances thereof.

**Section 5.12 Name of Business.** Buyer shall cause the Acquired Business, within six months following the Closing Date, not to use or conduct business using any such terms, or other names, marks, logos or indicia of Seller, other than to use the name “Adelphia” to notify Persons of their name changes in connection with the Transaction. During such six month period such use shall be permitted consistent with past practices. The Business may, notwithstanding any expiration of such six month period, continue to use reproductions of such names or marks that are affixed to converters, remotes and other items already in use as of the Closing Date in customer homes or properties or that are already in use as of the Closing Date in similar fashion making such removal or discontinuation impracticable; provided that Buyer shall discontinue use of such items bearing such reproductions upon it becoming reasonably practicable to do so (e.g., upon their return to Buyer or removal from service).

**Section 5.13 Equipment Leases.** Seller shall, and shall cause its Affiliates to, pay the remaining balances on any Equipment Leases and shall deliver title to all vehicles and Fixtures and Equipment covered by such Equipment Leases free and clear of all Encumbrances to Buyer at the Closing.

#### **Section 5.14 Environmental Matters.**

(a) **Environmental Self-Audit.** Seller shall provide copies of all correspondence, audits, assessments, agreements, proposals and other documentation relating to the Environmental Self-Audit to Buyer. Prior to the Closing Date, Seller shall cooperate and consult with Buyer in the (i) negotiation of any agreement with the United States Environmental Protection Agency or any other relevant Government Entity relating to the Environmental Self-Audit, (ii) development and negotiation of the scope of the Environmental Self-Audit and (iii) development and negotiation of corrective action and remedies with respect to the Environmental Self-Audit Deficiencies. In any agreement with the United States Environmental Protection Agency or any other relevant Government Entity entered into prior to the Closing Date with respect to the Environmental Self Audit, Seller shall not agree to any remedies that impose obligations to act or refrain from acting after the Closing Date except to the extent that such remedies (A) can be satisfied solely through the payment of monetary damages or (B) are reasonably acceptable to Buyer; provided, that Buyer shall not be required to agree to non-monetary obligations that could reasonably be expected to involve more than *de minimis* expenditures by Buyer or its Affiliates after the Closing.

(b) **Property Transfer Laws.** Seller shall take all actions required by the Connecticut Transfer Act and the New Jersey Industrial Site Recovery Act, to the

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extent such actions are required as a result of this Transaction, provided that Seller shall not take any actions or enter into any agreement relating to the Connecticut Transfer Act or the New Jersey Industrial Site Recovery Act that will impose binding obligations to act or refrain from acting after the Closing Date except to the extent that such remedies (i) can be satisfied solely through the payment of monetary damages or (ii) are reasonably acceptable to Buyer; provided, that Buyer shall not be required to agree to non-monetary obligations that could reasonably be expected to involve more than *de minimis* expenditures by Buyer or its Affiliates after the Closing.

(c) Notice and Information. If at any time prior to the Closing, any material environmental investigation, study, audit, test, review or other analysis in relation to any Owned Real Property or Transferred Asset is conducted, Seller shall (i) promptly notify Buyer thereof and (ii) subject to applicable Law, keep Buyer informed as to the progress of any such proceeding.

**Section 5.15 SOA Compliance.** Prior to the Closing, Seller shall use reasonable efforts, and shall cause its Affiliates and its and their respective representatives to use reasonable efforts, to take all actions that Buyer may reasonably request, and to cooperate and to cause the representatives of Seller and its Affiliates to cooperate in the taking of such actions, to enable each Specified Business, immediately following the Closing, to satisfy the applicable obligations under Sections 302, 404 and 906 of the SOA and the other requirements of the SOA with respect to the Cable Systems, including establishing and maintaining adequate disclosure controls and procedures and internal controls over financial reporting as such terms are defined in the SOA; it being understood that Seller has material weakness in its internal controls.

**Section 5.16 Franchise Expirations.** From and after the date hereof until the Closing, Seller shall, and shall cause its Affiliates to, use commercially reasonable efforts to obtain renewals or valid extensions of any Franchises which expire on or before December 31, 2007, in the Ordinary Course of Business. Seller shall not, and shall cause its Affiliates not to, agree or accede to any material modifications or amendments to or in connection with, or the imposition of any material condition to the renewal or extension of, any of the Franchises that are not reasonably acceptable to Buyer determined in a manner consistent with the proviso to Section 5.3(c); provided, however, that if the LFA Approval in respect of such Franchise is not obtained in connection with any such renewal or extension (after Buyer has complied with its obligations under Section 5.3(c)) Seller shall only agree or accede to any such modifications or amendments that are reasonably acceptable to Buyer (without regard to the proviso to Section 5.3(c)). Upon reasonable prior notice, Seller shall, and shall cause its Affiliates to, allow representatives of Buyer to attend meetings and hearings before applicable Government Entities in connection with the renewal or extension of any Franchise or Governmental Authorization. Nothing in this Section 5.16 shall limit the obligations of Buyer or Seller pursuant to Section 5.3(c).

**Section 5.17 Cooperation upon Inquiries as to Rates.** If at any time prior to Closing, any Government Entity commences a Rate Regulatory Matter with respect to a Cable System, Seller shall (a) promptly notify Buyer and (b) subject to applicable Law,

keep Buyer informed as to the progress of any such proceeding. Without the prior consent of Buyer, which consent shall not be unreasonably withheld or delayed, Seller shall not, and shall cause its Affiliates not to, settle any such Rate Regulatory Matter, either before or after Closing, if (i) Buyer or any of its Affiliates would have any Liability under such settlement other than an obligation to pay money in an amount not greater than \$50,000, which obligation is fully reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount, or (ii) such settlement would reduce the rates permitted to be charged by Buyer after the Closing below the rates set forth on Schedule 3.18 of the Seller Disclosure Schedule or otherwise then in effect.

**Section 5.18 Third Party Confidentiality Agreements.** After the Closing and for so long as reasonably necessary, Seller shall use reasonable efforts to, and shall cause its applicable Affiliates to use reasonable efforts to, enforce each confidentiality agreement entered into by Seller or any such Affiliate with any third party in connection with the Sale Process or otherwise in connection with the Reorganization Case (each, a "Third Party Confidentiality Agreement") on behalf of Buyer and its Affiliates to the extent such confidentiality agreement relates to the Acquired Business.

**Section 5.19 Subscriber Reports.** Within 30 days following the end of each calendar month commencing August 2005 through the Closing, Seller shall provide Buyer with a written report setting forth the following information with respect to each Specified Business as of the end of such calendar month: (a) the number of Basic Subscribers served by such Specified Business, (b) the number of Basic Subscribers in such Specified Business whose rate of service is subject to any discount or promotion (or rebates or similar programs) as of the subscriber cut off date for such calendar month and (c) the discounts or promotions (or rebates or similar programs) offered by such Specified Business during such calendar month, and the geographic areas in which each such discount or promotion (or rebate or similar program) is offered. Seller shall, in consultation with Buyer commencing as promptly as practicable following the date hereof, develop and, no later than 90 days prior to the Closing, implement, an accounting system reasonably acceptable to Buyer, (i) which would reasonably be expected to accurately track the number of Eligible Basic Subscribers (in accordance with the definition thereof) and (ii) the results of which are traceable to Seller's billing system and

capable of being verified, using commercially reasonable efforts, as part of the computation of and resolution of disputes regarding the Subscriber Adjustment Amount pursuant to Section 2.8 (such accounting system, the “Subscriber Accounting System”).

**Section 5.20 Palm Beach Joint Venture.** Notwithstanding anything herein to the contrary, the Palm Beach Joint Venture will be disregarded for purposes of calculating the Closing Adjustment Amount and the components thereof. If, prior to the Closing, the Palm Beach Joint Venture is liquidated, or Seller’s or its Affiliate’s interest therein is purchased, pursuant to the Investment Documents relating thereto, the proceeds received by Seller and its Affiliates therefrom will be treated as Condemnation Proceeds. Notwithstanding anything herein to the contrary, the Assets and Liabilities of the Palm Beach Joint Venture will not be transferred to or assumed by Buyer hereunder and neither Buyer nor any of its Affiliates (other than, after the Closing, the Palm Beach Joint Venture) shall have any Liability in respect thereof other than Liabilities of the direct

holder of the Palm Beach Joint Venture as a result of such direct holder being a general partner of the Palm Beach Joint Venture. If none of the Group 2 Systems are transferred to Buyer at the Closing then, notwithstanding anything in Schedule 1.1(s)(i) of the Seller Disclosure Schedule to the contrary, the Palm Beach Joint Venture will be treated as part of the Group 1 Business for purposes of Article VII.

**Section 5.21 Transitional Services.** Seller shall provide to Buyer, with respect to each Specified Business, upon written request from Buyer received by Seller no later than 30 days prior to the Closing Date, such services as may be reasonably requested by Buyer in connection with the operation of such Specified Business for a commercially reasonable transition period following the Closing to allow for conversion of existing or replacement services, in each case to the extent and only to the extent Seller or its Affiliates retains the Assets and employees necessary to allow the provision of such services (“Transitional Services”). In addition, between the date hereof and the Closing, Seller shall use commercially reasonable efforts to cooperate with Buyer to assist Buyer in developing and implementing a plan of transition. Buyer shall promptly reimburse Seller for the reasonable out-of-pocket costs and any incremental costs and expenses necessary to provide Transitional Services. All other terms and conditions for the provision of Transitional Services shall be reasonably satisfactory to both Buyer and Seller and subject to applicable Law.

**Section 5.22 Western.** No later than five Business Days prior to the Closing Date, Seller shall deliver to Buyer a list setting forth, to Seller’s Knowledge after reasonable inquiry, all Assets of Western and its Subsidiaries. If Buyer so elects, such election to be made no later than two Business Days prior to the Closing Date, the JV Interests in Western and the Joint Venture Securities of Western’s Subsidiaries, and all of their respective Assets, shall be designated as Excluded Assets, the Liabilities of Western shall be designated as Excluded Liabilities and each Contract to which Western is a party shall be treated as not an OCB Contract. If Buyer so elects, such election to be made no later than two Business Days prior the Closing Date, Buyer shall be entitled to shift in its reasonable discretion pro rata portions of the upper and lower limits of the Buyer Discharge Amount of Parnassos from Parnassos to Western.

**Section 5.23 Excluded Books and Records.** Following the date hereof and prior to the Closing, Seller shall institute a system that is reasonably satisfactory to Buyer and will permit a third party to readily identify Excluded Books and Records and to distinguish Excluded Books and Records from any other Books and Records.

## ARTICLE VI

### CONDITIONS TO CLOSING

**Section 6.1 Conditions to the Obligations of Buyer and Seller.** The obligations of the parties hereto to effect the Closing are subject to the satisfaction (or waiver by both parties) prior to the Closing of the following conditions; provided that if

the failure to satisfy any condition set forth in this Section 6.1 is solely with respect to the Group 2 Business or the transactions contemplated herein with respect to the Group 2 Business, Buyer will be relieved only of the obligation to complete the Closing with respect to the Group 2 Business and the Purchase Price shall be reduced as if all the Group 2 Systems were Disputed MCE Systems:

(a) **Bankruptcy Court Approval.** The Confirmation Order shall have been entered by the Bankruptcy Court, shall be a Final Order and shall be in full force and effect, and the Plan shall be effective in accordance with its terms.

(b) **Consummation of the Plan.** All conditions precedent to consummation of the Plan shall have been satisfied or waived in accordance with the terms of the Plan and the Plan shall be consummated substantially contemporaneously with the Closing.

(c) SEC/DOJ Matters. There shall have been a SEC/DOJ Settlement.

(d) HSR. The waiting periods applicable to the consummation of the Transaction under the HSR Act shall have expired or been terminated.

(e) No Prohibition. No Law shall be in effect prohibiting the Transaction.

(f) Consents and Approvals. All Seller Required Approvals and all Buyer Required Approvals shall have been obtained, in each case in form and substance reasonably satisfactory to both parties.

(g) Cross-Conditionality. The closing under the Friendco Purchase Agreement shall have occurred contemporaneously with the Closing.

Section 6.2 Conditions to the Obligation of Buyer. The obligation of Buyer to effect the Closing is subject to the satisfaction (or waiver by Buyer) prior to the Closing of the following conditions; provided that if Seller's failure to satisfy any condition set forth in this Section 6.2 is solely with respect to the Group 2 Business or the transactions contemplated herein with respect to the Group 2 Business, Buyer will be relieved only of the obligation to complete the Closing with respect to Group 2 Business and the Purchase Price shall be reduced as if all the Group 2 Systems were Disputed MCE Systems.

(a) Representations and Warranties. The representations and warranties in Section 3.1, Sections 3.2(a) (other than the first sentence thereof) through 3.2(e), Sections 3.3 through 3.6 and Sections 3.24 through 3.26 (the "Class 1 Representations and Warranties"; all other representations and warranties contained in Article III, the "Class 2 Representations and Warranties") that are qualified as to materiality or Material Adverse Effect shall be true and correct, and the Class 1 Representations and Warranties that are not so qualified shall be true and correct in all material respects, in each case, at the time made and as of the Closing Date as if made at and as of such time (except, in each case, to the extent expressly made as of an earlier

date, in which case as of such earlier date). The Class 2 Representations and Warranties (other than Section 3.19 (but only to the extent related to any event, occurrence, condition or circumstance first occurring after the date hereof), Section 3.20(b) or the first two sentences of Section 3.20(c), assuming, as to Sections 3.20(b) and 3.20(c), the information delivered pursuant to such Sections was prepared by Seller in good faith) shall be true and correct (without giving effect to any materiality or Material Adverse Effect qualifiers set forth therein) at the time made and as of the Closing Date as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such earlier date), except where the failure of such Class 2 Representations and Warranties to be true and correct has not and would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(b) Covenants. Each of the covenants and agreements of Seller to be performed on or prior to the Closing shall have been duly performed in all material respects.

(c) Ancillary Agreements. Seller and its Affiliates shall have executed and delivered the Ancillary Agreements to which they are a party except (i) those Ancillary Agreements the failure of which to have been executed and delivered would not reasonably be expected, individually or in the aggregate, to impair the benefit of the Transaction to Buyer (other than in a *de minimis* manner), taking into account Section 2.13, (ii) in respect of LFA Approvals not obtained as of the Closing and (iii) those Ancillary Agreements required to be delivered pursuant to Section 2.12(u) the failure of which to have been delivered would not reasonably be expected, individually or in the aggregate, to materially impair the benefit of the Transaction to Buyer.

(d) Certificate. Buyer shall have received a certificate, signed on behalf of Seller by the Chief Executive Officer or Chief Financial Officer of Seller, dated the Closing Date, to the effect that the conditions set forth in Sections 6.2(a), 6.2(b) and 6.2(f) have been satisfied.

(e) Franchises. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, all LFA Approvals shall have been obtained, and all Purchase Rights (other than in connection with the Exchange) shall have been waived, in respect of each Specified Business on or prior to the Closing; provided, that this condition shall be deemed not to have been satisfied until the earliest of (i) the date upon which this condition would be satisfied if the foregoing Material Adverse Effect exception were omitted, (ii) 30 days following the date the condition would have been satisfied but for this proviso and (iii) six Business Days prior to the Outside Date.

(f) No Material Adverse Change. Since the date of this Agreement, no event or condition has occurred that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.

(g) Bankruptcy Plan and Confirmation Order. The Confirmation Order and the Plan confirmed by the Bankruptcy Court shall, to the extent relating to or

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affecting the Transaction, the Transferred Assets, the Assumed Liabilities, Buyer or its Affiliates (in the case of Buyer or its Affiliates, only to the extent related to the Transaction or an interest in the Transferred Joint Venture Parents (other than with respect to Plan distribution matters) and not in their capacity as creditors or, with respect to Plan distribution matters, equityholders), be in all material respects satisfactory to Buyer in its reasonable discretion and, without limiting the generality of the foregoing, the Confirmation Order shall contain the finding that Buyer is a good faith purchaser of the Transferred Assets pursuant to section 363(m) of the Bankruptcy Code unless Buyer's actions have been determined by the Bankruptcy Court to have not been in good faith preclude such a finding.

(h) Subscribers. At least 60 days prior to the Closing, Seller shall have implemented the Subscriber Accounting System. The number of Eligible Basic Subscribers served by each Specified Business (in the case of the Group 1 Specified Business, adjusted for minority interests in the same manner as in the definition of "Closing Subscriber Number") shall be at least equal to (i) the Base Subscriber Number for such Specified Business *minus* (ii) the Subscriber Basket for such Specified Business *minus* (iii) the Subscriber Cap for such Specified Business.

(i) [Intentionally Omitted.]

(j) Section 754 Election. Each Transferred Joint Venture Parent (and any Subsidiary of a Transferred Joint Venture Parent that Seller has reported as a partnership for U.S. federal income tax purposes on or after January 1, 2002), (i) shall have filed a Section 754 Election and (ii) with respect to such entity, Seller shall have delivered to Buyer an opinion of Sullivan & Cromwell LLP to the effect that, assuming the entity for which the Section 754 Election described in clause (i) was made is classified as a partnership for U.S. federal income tax purposes, any form that is required to cause such Section 754 Election to be valid (including, if necessary under applicable Tax Law, a U.S. federal income tax return) has been validly filed and such Section 754 Election is valid for U.S. federal income tax purposes as of the Closing; provided, however, that (x) if Buyer takes any action that prevents Seller from making a Section 754 Election that is valid as of the Closing with respect to a Transferred Joint Venture Entity, the condition set forth in this Section 6.2(j) shall be waived with respect to such Transferred Joint Venture Entity, and (y) if Buyer and Seller, each in its sole discretion and acting in good faith, agree that because of a change in Tax Law occurring between the date hereof and the Closing Date, a Section 754 Election is not required in order for the adjustments described in Section 743(b) of the Code to apply to Buyer's acquisition of any Transferred Joint Venture Entity, the condition set forth in this Section 6.2(j) shall be deemed satisfied with respect to such Transferred Joint Venture Entity.

(k) Financial Information. Seller shall have provided Buyer with all Financial Information and the Additional Financial Statements contemplated by Section 5.9 (disregarding for this purpose all references therein to "commercially reasonable efforts") except to the extent Buyer has obtained relief from the SEC with respect thereto or has failed to comply with its obligations under Section 5.9(c).

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Section 6.3 Conditions to the Obligation of Seller. The obligation of Seller to effect the Closing is subject to the satisfaction (or waiver by Seller) prior to the Closing of the following conditions:

(a) Representations and Warranties. The representations and warranties in Article IV that are qualified as to materiality shall be true and correct, and the representations and warranties in Article IV that are not so qualified shall be true and correct in all material respects, in each case, at the time made and as of the Closing Date as if made at and as of such time (except, in each case, to the extent expressly made as of an earlier date, in which case as of such earlier date).

(b) Covenants. Each of the covenants and agreements of Buyer to be performed on or prior to the Closing shall have been duly performed in all material respects.

(c) Ancillary Agreements. Buyer shall have executed and delivered the Ancillary Agreements to which it is a party except (i) those Ancillary Agreements the failure of which to have been executed and delivered would not reasonably be expected, individually or in the aggregate, to impair the benefit of the Transaction to Seller (other than in a de minimis manner), (ii) in respect of LFA Approvals not obtained as of the Closing and (iii) the Ancillary Agreements required to be delivered pursuant to Section 2.11(d)(xii) the failure of which to have been delivered would not reasonably be expected, individually or in the aggregate, to materially impair the benefit of the Transaction to Seller.

(d) Certificate. Seller shall have received a certificate, signed on behalf of Buyer by the Chief Executive Officer or Chief Financial Officer of Buyer, dated the Closing Date, to the effect that the conditions set forth in Sections 6.3(a) and 6.3(b) have been satisfied.

(e) Bankruptcy Plan and Confirmation Order. The Confirmation Order and the final Plan shall not differ in a manner that would be materially adverse to Seller and its Affiliates from the confirmation order and the Plan, respectively, proposed by Seller to the Bankruptcy Court in accordance with Section 5.11.

## ARTICLE VII

### SURVIVAL; INDEMNIFICATION; CERTAIN REMEDIES

Section 7.1 Survival. The representations and warranties of Buyer contained in this Agreement shall expire upon the Closing. The representations and warranties of Seller contained in this Agreement shall survive the Closing for the period set forth in this Section 7.1. Subject to Section 2.9(d), all representations and warranties made by Seller contained in this Agreement and all claims with respect thereto shall terminate upon the expiration of twelve months after the Closing Date (the “Buyer Indemnification Deadline”); it being understood that in the event notice of any claim for indemnification under this Article VII has been given (within the meaning of Section 9.1)

prior to the Buyer Indemnification Deadline, the representations and warranties that are the subject of such indemnification claim shall survive with respect to such claim until such time as such claim is finally resolved.

#### Section 7.2 Indemnification by Seller.

(a) Seller hereby agrees that from and after the Closing it shall indemnify, defend and hold harmless Buyer, its Affiliates, and their respective directors, officers, shareholders, partners, members, attorneys, accountants, agents, representatives and employees (other than the Transferred Employees) and their heirs, successors and permitted assigns, each in their capacity as such (other than, in the case of clauses (i) and (ii), Buyer or any of its Affiliates solely in their capacity as direct or indirect holders of Joint Venture Securities prior to the Closing (but without limiting the definition of “Retained Claims”) the “Buyer Indemnified Parties” and, together with the Seller Indemnified Parties, the “Indemnified Parties”) from, against and in respect of any damages, losses, charges, Liabilities, claims, demands, actions, suits, proceedings, payments, judgments, settlements, assessments, deficiencies, taxes, interest, penalties, and costs and expenses (including removal costs, remediation costs, closure costs, fines, penalties and expenses of investigation and ongoing monitoring, reasonable attorneys’ fees, and reasonable out of pocket disbursements) (collectively, “Losses”) imposed on, sustained, incurred or suffered by, or asserted against, any of the Buyer Indemnified Parties, whether in respect of third party claims, claims between the parties hereto, or otherwise, directly or indirectly relating to, arising out of or resulting from (i) subject to Section 7.2(b), any breach of any representation or warranty made by Seller contained in this Agreement for the period such representation or warranty survives, (ii) any breach of any covenant or agreement of Seller contained in this Agreement and (iii) any Excluded Asset or Excluded Liability (provided that the indemnification under this clause (iii) shall not permit Buyer or any of its Affiliates in their capacity as a direct or indirect holder of Joint Venture Securities prior to the Closing to make any claim against Seller to the extent an Excluded Liability was paid prior to Closing, except to the extent relating to a third party claim in respect thereto).

(b) Seller shall not be liable to the Buyer Indemnified Parties for any Losses with respect to the matters contained in Section 7.2(a)(i):

(i) until any such Losses in respect of the Group 1 Business exceed an aggregate amount equal to the Group 1 Threshold Amount, and then for all such Losses in excess of \$17,000,000, up to an aggregate amount not to exceed the Group 1 Cap Amount; provided, however, that the limitations herein regarding the Group 1 Threshold Amount shall not apply to the Class 1 Representations and Warranties; and

(ii) until any such Losses in respect of the Group 2 Business exceed an aggregate amount equal to the Group 2 Threshold Amount, and then for all such Losses in excess of \$3,000,000, up to an aggregate amount not to exceed the Group 2 Cap Amount; provided, however, that the limitations herein regarding the Group 2 Threshold Amount shall not apply to the Class 1 Representations and Warranties.

(c) Subject to Section 7.8, the Buyer Indemnified Parties shall be entitled to receive payment only from the Escrow Account with respect to any Liability of Seller for any Losses under Section 7.2(a) and, with respect to each Specified Business, only up to an aggregate amount not to exceed the Cap Amount applicable to such Specified Business. Notwithstanding anything to the contrary in this Agreement, Seller shall not be liable for any Losses that (i) are reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount to the extent and only to the extent so reflected or (ii) have been actually discharged (or the functional equivalent thereof in terms of its effect on Buyer, each Specified Business, the Transferred Assets and the

Assumed Liabilities) pursuant to the Discharge (or, as applicable, the MCE Discharge or an Additional Discharge) to the extent and only to the extent so discharged (or such functional equivalent).

**Section 7.3 Indemnification by Buyer.** Buyer hereby agrees that from and after the Closing it shall indemnify, defend and hold harmless Seller and its Affiliates, and their respective directors, officers, stakeholders, partners, members, attorneys, accountants, agents, representatives and employees and their heirs, successors and permitted assigns, each in their capacity as such (the “Seller Indemnified Parties”) from, against and in respect of any Losses imposed on, sustained, incurred or suffered by, or asserted against, any of the Seller Indemnified Parties, whether in respect of third party claims, claims between the parties hereto, or otherwise, directly or indirectly relating to, arising out of or resulting from (a) the Assumed Liabilities Related to each Specified Business, (b) any breach of a covenant or agreement of Buyer contained in this Agreement or (c) the Transferred Assets Related to each Specified Business, each Specified Business or the Transferred Employees to the extent attributable to the operation or ownership of the Transferred Assets Related to such Specified Business or such Specified Business, or the employment of the Transferred Employees following the Closing.

#### Section 7.4 Third Party Claim Indemnification Procedures.

(a) In the event that any written claim or demand for which an indemnifying party (an “Indemnifying Party”) may have liability to any Indemnified Party hereunder is asserted against or sought to be collected from any Indemnified Party by a third party (a “Third Party Claim”), such Indemnified Party shall promptly, but in no event more than thirty days following such Indemnified Party’s receipt of a Third Party Claim, notify the Indemnifying Party in writing of such Third Party Claim, the amount or the estimated amount of damages sought thereunder to the extent then ascertainable (which estimate shall not be conclusive of the final amount of such Third Party Claim), any other remedy sought thereunder, any relevant time constraints relating thereto and, to the extent practicable, any other material details pertaining thereto (a “Claim Notice”); provided, however, that the failure timely to give a Claim Notice shall not affect the rights of an Indemnified Party hereunder except to the extent that such failure has a material prejudicial effect on the defenses or other rights available to the Indemnifying Party with respect to such Third Party Claim. The Indemnifying Party shall have 15 days (or such lesser number of days set forth in the Claim Notice as may be required by court proceeding in the event of a litigated matter) after receipt of the Claim Notice (the

“Notice Period”) to notify the Indemnified Party that it desires to defend the Indemnified Party against such Third Party Claim; provided, however, that the Indemnifying Party shall not be entitled to assume or maintain control of the defense of any Third Party Claim and shall pay the fees and expenses of counsel retained by the Indemnified Party if (i) the Third Party Claim relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation, (ii) the Third Party Claim seeks injunctive or equitable relief against the Indemnified Party, (iii) the Indemnifying Party has failed to defend or is failing to defend in good faith the Third Party Claim, (iv) the Indemnifying Party and the Indemnified Party are both named parties to the proceedings and the Indemnified Party shall have reasonably concluded that representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them or (v) in the case of a Buyer Indemnified Party, it is reasonably likely that the Losses arising from such Third Party Claim will exceed the amount such Buyer Indemnified Party will be entitled to recover as a result of the limitations set forth in Section 7.2(b); provided, further, that prior to assuming control of such defense, the Indemnifying Party must acknowledge that it would have an indemnity obligation for any Losses resulting from such Third Party Claim.

(b) In the event that the Indemnifying Party notifies the Indemnified Party within the Notice Period that it desires to defend the Indemnified Party against a Third Party Claim and subject to Section 7.4(a), the Indemnifying Party shall have the right to defend the Indemnified Party by appropriate proceedings and shall have the sole power to direct and control such defense at its expense. Once the Indemnifying Party has duly assumed the defense of a Third Party Claim, the Indemnified Party shall have the right, but not the obligation, to participate in any such defense and to employ separate counsel of its choosing. Subject to Section 7.4(a), the Indemnified Party shall participate in any such defense at its expense. The Indemnifying Party shall not, without the prior written consent of the Indemnified Party, settle, compromise or offer to settle or compromise any Third Party Claim unless (i) the Indemnifying Party shall have agreed to indemnify and hold the Indemnified Party harmless from and against any and all Losses caused by or arising out of any such settlement or compromise, (ii) such settlement or compromise shall include as an unconditional term thereof the giving by the claimant of a release of the Indemnified Party, reasonably satisfactory to the Indemnified Party, from all Liability with respect to such Third Party Claim and (iii) such settlement or compromise would not result in (A) the imposition of a consent order, injunction or decree that would restrict the future activity or conduct of the Indemnified Party or any of its Affiliates, (B) a finding or admission of a violation of Law or violation of the rights of any Person by the Indemnified Party or any of its Affiliates, (C) a finding or admission that would have an adverse effect on other claims made or threatened against the Indemnified Party or any of its Affiliates, or (D) any monetary liability of the Indemnified Party that will not be promptly paid or reimbursed by the Indemnifying Party.

(c) If the Indemnifying Party (i) is not entitled to defend a Third Party Claim, (ii) elects not to defend the Indemnified Party against a Third Party Claim, whether by not giving the Indemnified Party timely notice of its desire to so defend or otherwise or (iii) after assuming the defense of a Third Party Claim, fails to take

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reasonable steps necessary to defend diligently such Third Party Claim within ten days after receiving written notice from the Indemnified Party to the effect that the Indemnifying Party has so failed, the Indemnified Party shall have the right but not the obligation to assume its own defense; it being understood that the Indemnified Party's right to indemnification for a Third Party Claim shall not be adversely affected by assuming the defense of such Third Party Claim. The Indemnified Party shall not settle a Third Party Claim for which the Indemnifying Party shall have monetary liability hereunder without the consent of the Indemnifying Party, which consent shall not be unreasonably withheld.

**Section 7.5 Consequential Damages; Materiality; Interest.** Notwithstanding anything to the contrary contained in this Agreement, no Person shall be liable under this Article VII for any consequential, punitive, special, incidental or indirect damages, including lost profits, except to the extent awarded by a court of competent jurisdiction in connection with a Third Party Claim, except to the extent the Loss arises out of an intentional or willful breach by the non-claiming party and the Loss was reasonably foreseeable. Any computation of Losses hereunder in respect of a breach of representation or warranty shall measure such Losses without giving effect to any qualifier for materiality or Material Adverse Effect set forth therein. Amounts payable in respect of any Losses under Section 7.2 or 7.3 shall bear interest at LIBOR calculated on a 365-day basis from the date notice of the Losses for which indemnification is sought was delivered until the date of payment of indemnification by the Indemnifying Party.

**Section 7.6 Payments.** The Indemnifying Party shall pay all amounts payable pursuant to this Article VII, promptly following receipt from an Indemnified Party of a bill, together with all accompanying reasonably detailed back up documentation, by wire transfer of immediately available funds from the Escrow Account, subject to the proviso to the last sentence in Section 2.8(f) with respect to the matters set forth in Section 2.8(f) (including as applied to any Group 2 System in accordance with Section 2.9(c)) in an amount equal to the Loss that is the subject of indemnification hereunder, unless the Indemnifying Party in good faith disputes the Loss, in which event it shall so notify the Indemnified Party. In any event, the Indemnifying Party shall pay to the Indemnified Party (i) in the case of a payment by Seller, by wire transfer of immediately available funds from the Escrow Account, subject to the proviso to the last sentence in Section 2.8(f) with respect to the matters set forth in Section 2.8(f) (including as applied to any Group 2 System in accordance with Section 2.9(c)) and (ii) in the case of a payment by Buyer, by wire transfer of immediately available funds, in each case in an amount equal to the amount of any Loss (and any interest thereon) for which it is liable hereunder no later than three days following any final determination of such Loss and the Indemnifying Party's liability therefor. A "final determination" shall exist when (A) the parties to the dispute have reached an agreement in writing, (B) a court of competent jurisdiction shall have entered a final and non appealable order or judgment, or (C) an arbitration or like panel shall have rendered a final non appealable determination with respect to disputes the parties have agreed to submit thereto.

**Section 7.7 Characterization of Indemnification Payments.** All payments made by an Indemnifying Party to an Indemnified Party in respect of any claim

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pursuant to this Article VII shall be treated as adjustments to the Purchase Price for all income Tax purposes but shall not affect the Escrow Amount (other than to the extent of any payment hereunder); provided, however, that any payments pursuant to this Article VII that represent interest payable under Section 7.5 shall be treated as (a) deductible to the Indemnifying Party and (b) taxable to the Indemnified Party. The parties agree to treat, and to cause their respective Affiliates to treat, any such payments in the foregoing manner, for all income Tax purposes (unless otherwise required by a change in applicable income Tax Law or as a result of a good faith resolution of a contest).

**Section 7.8 Remedies.** From and after the Closing, the rights and remedies of Seller and Buyer under this Article VII shall be exclusive and in lieu of any and all other rights and remedies which Seller and Buyer may have under this Agreement or otherwise against each other with respect to the Transaction for monetary relief with respect to (a) any breach of any representation or warranty or any failure to perform any covenant or agreement set forth in this Agreement, other than those which are intentional or willful and other than those in the proviso to the last sentence in Section 2.8(f) (including as applied to any MCE System in accordance with Section 2.9(c)), and (b) the Assumed Liabilities or the Excluded Liabilities, and Buyer and Seller each expressly waives any and all other rights or causes of action it or its Affiliates may have against the other party or its Affiliates for monetary relief now or in the future under any Law with respect to the Transaction.

## ARTICLE VIII

### TERMINATION

Section 8.1 Termination by Mutual Consent. This Agreement may be terminated at any time prior to the Closing by mutual written agreement of Seller and Buyer.

Section 8.2 Termination by Either Buyer or Seller. This Agreement may be terminated at any time prior to the Closing by Buyer or Seller, by giving written notice of termination to the other party, if (a) subject to Section 2.10(b), the Closing shall not have occurred on or before July 31, 2006 (the “Outside Date”) so long as the party proposing to terminate has not breached in any material respect any of its representations, warranties, covenants or other agreements under this Agreement in any manner that shall have proximately contributed to the failure of the Closing to so occur (such breaching party, a “Proximate Cause Party”); provided, however, that if any Government Antitrust Entity has not completed its review of the Transaction or the transactions contemplated by the Friendco Purchase Agreement by such time, or either party determines in good faith at such time that additional time is necessary in order to forestall any action to restrain, enjoin or prohibit the Transaction or the transactions contemplated by the Friendco Purchase Agreement by any Government Antitrust Entity, and, in either such case, all conditions set forth in Article VI (other than Section 6.1(d)) have been satisfied or waived in writing by the party entitled to the benefit thereof or are immediately capable of being satisfied, then in either such case, such date may be extended by either party to a date not beyond October 31, 2006 (the “Extended Outside Date”) or (b) any

Law (other than an order, judgment or ruling contemplated by Section 8.3(d)(ii) or Section 8.4(c)(ii)) permanently restraining, enjoining or otherwise prohibiting consummation of the Transaction shall become final and non-appealable.

Section 8.3 Termination by Seller. This Agreement may be terminated at any time prior to the Closing by Seller, by written notice to Buyer:

(a) prior to the commencement of the Confirmation Hearing, if (i) as of the date of such termination, Seller is not in breach of Section 5.8, (ii) the Board authorizes Seller, subject to complying with the terms of this Agreement, to enter into a binding written agreement concerning a transaction that constitutes a Superior Proposal and Seller notifies Buyer in writing that it intends to enter into such an agreement, attaching the most current version of such agreement (and all related agreements) to such notice (provided, that if such intention changes Seller shall promptly notify Buyer of that fact) and (iii) Buyer does not make, within five Business Days of receipt of Seller’s written notification of its intention to enter into a binding agreement for a Superior Proposal, an offer which, thereafter, the Board determines, in good faith after consultation with its financial advisors, is at least as favorable to the stakeholders of Seller as is the Superior Proposal (taking into account, without limitation, financial terms of any termination fee that may be payable pursuant to Section 8.5(b) and the likelihood of consummation);

(b) if there has been a breach of any representation, warranty, covenant or agreement made by Buyer in this Agreement such that an executive officer of Buyer would be unable to deliver the closing certificate to Seller regarding Buyer’s representations and warranties and Buyer’s performance of its obligations as required pursuant to Section 6.3(a) and Section 6.3(b), respectively, and such breach or condition is not curable or, if curable, is not cured within 60 days after written notice thereof is given by Seller to Buyer; provided, however, that if, with respect to any such breach or condition that cannot reasonably be expected to be cured within 60 days, Buyer is diligently proceeding to cure such breach, this Agreement may not be terminated pursuant to this Section 8.3(b) for so long as (i) such breach is reasonably likely to be cured prior to the date on which this Agreement would otherwise be terminated under Section 8.2 and (ii) Buyer continues such efforts to cure; provided, further, that the right to terminate this Agreement pursuant to this Section 8.3(b) shall not be available to Seller if as of such time it is a Proximate Cause Party;

(c) prior to the commencement of the Confirmation Hearing, if (i) as of the date of such termination, Seller is not in breach of Section 5.8, (ii) the Board authorizes Seller to file a Superior Alternate Plan with the Bankruptcy Court and Seller notifies Buyer in writing that it intends to file such Superior Alternate Plan, attaching the most current version of such Superior Alternate Plan (and all related agreements and supporting documentation) to such notice (provided, that if such intention changes Seller shall promptly notify Buyer of that fact) and (iii) Buyer does not make, within ten Business Days of receipt of Seller’s written notification of its intention to file a Superior Alternate Plan, an offer which, thereafter, the Board determines, in good faith after consultation with its financial advisors, is at least as favorable to the stakeholders of

Seller as is the Superior Alternate Plan (taking into account, without limitation, financial terms of any termination fee that may be payable pursuant to Section 8.5(b) and the likelihood of consummation); or

(d) if (i) at any time after the conclusion of voting on the Plan as established by the Bankruptcy Court, Seller’s stakeholders who are entitled to vote on the Plan vote in sufficient number and amount against the Plan such that the Plan is not otherwise capable of being confirmed by the Bankruptcy Court or (ii) subject to compliance by Seller with the first sentence of Section 5.11(g), at any time after the expiration of 150 days following the entry of an order, judgment or ruling by a court of competent jurisdiction in the

Reorganization Case denying entry of (or vacating, or that is inconsistent with the entry of, a Confirmation Order satisfying the condition set forth in Section 6.2(g), the Bankruptcy Court shall not have thereafter entered a Confirmation Order satisfying the condition set forth in Section 6.2(g); provided, however, that Seller may only terminate this Agreement pursuant to this Section 8.3(d)(ii) if at such time it would not reasonably be expected that a Confirmation Order satisfying the condition set forth in Section 6.2(g) shall be entered prior to the Outside Date.

**Section 8.4 Termination by Buyer.** This Agreement may be terminated at any time prior to the Closing by Buyer, by written notice to Seller:

(a) if there has been a breach of any representation, warranty, covenant or agreement made by Seller in this Agreement (assuming entry of the Confirmation Order) such that an executive officer of Seller would be unable to deliver the closing certificate to Buyer regarding Seller's representations and warranties and Seller's performance of its obligations as required pursuant to Section 6.2(a) and Section 6.2(b), respectively, and such breach is not curable or, if curable, is not cured within 60 days after written notice thereof is given by Buyer to Seller; provided, however, that if, with respect to any such breach or condition that cannot reasonably be expected to be cured within 60 days, Seller is diligently proceeding to cure such breach, this Agreement may not be terminated pursuant to this Section 8.4(a) for so long as (i) such breach is reasonably likely to be cured prior to the date on which this Agreement would otherwise be terminated under Section 8.2 and (ii) Seller continues such efforts to cure;

(b) if (i) Seller has not, by October 15, 2005, filed all motions reasonably necessary to obtain the Confirmation Order or (ii) if the Protections Order is vacated or modified in any material respect following the date hereof;

(c) if (i) at any time after the conclusion of voting on the Plan as established by the Bankruptcy Court, Seller's stakeholders who are entitled to vote on the Plan vote in sufficient number and amount against the Plan such that the Plan is not otherwise capable of being confirmed by the Bankruptcy Court or (ii) subject to compliance by Buyer with the first sentence of Section 5.11(g), at any time after the expiration of 150 days following the entry of an order, judgment or ruling by a court of competent jurisdiction in the Reorganization Case denying entry of (or vacating), or that is inconsistent with the entry of, a Confirmation Order satisfying the condition set forth in Section 6.2(g), the Bankruptcy Court shall not have thereafter entered a Confirmation

Order satisfying the condition set forth in Section 6.2(g); provided, however, that Buyer may only terminate this Agreement pursuant to this Section 8.3(c)(ii) if at such time it would not reasonably be expected that a Confirmation Order satisfying the condition set forth in Section 6.2(g) shall be entered prior to the Outside Date; or

(d) following (i) the conversion of the Reorganization Case into one or more cases under chapter 7 of the Bankruptcy Code or (ii) the appointment of a chapter 11 trustee in the Reorganization Case; provided, however, that the right to terminate this Agreement pursuant to Section 8.4(a), (b) or (c) shall not be available to Buyer if as of such time it is a Proximate Cause Party.

**Section 8.5 Effect of Termination.**

(a) In the event of the termination of this Agreement in accordance with Article VIII, this Agreement shall thereafter become void and have no effect, and no party hereto shall have any Liability to the other party hereto or their respective Affiliates, or their respective directors, officers or employees, except for the obligations of the parties hereto contained in this Section 8.5, the last sentence of Section 5.22 and in Sections 9.1, 9.4, 9.6, 9.7, 9.10, 9.11 and 9.13 (and any related definitional provisions set forth in Article I), and except that nothing in this Section 8.5 shall relieve any party from liability for any willful breach of this Agreement that arose prior to such termination.

(b) In the event that (i) this Agreement is terminated by Seller pursuant to Section 8.2(a) prior to the entry of a Confirmation Order satisfying the condition set forth in Section 6.2(g) which has not been vacated by a court of competent jurisdiction and Buyer is not a Proximate Cause Party as of the date of such termination or (ii) this Agreement is terminated (A) by Seller pursuant to Sections 8.3(a), 8.3(c) or 8.3(d) or (B) by Buyer pursuant to Section 8.4(a) (but, with respect to the representations and warranties of Seller, only in the case of a willful breach by Seller), 8.4(b) or 8.4(c) except, in the case of this clause (ii)(B), in the event that Buyer is a Proximate Cause Party as of the date of such termination, then Seller shall pay Buyer, by wire transfer of immediately available funds, a termination fee of \$87,500,000 payable upon the earlier of consummation of an Acquisition or the effective date of a chapter 11 plan of Seller and/or one or more of its Affiliates approved by the Bankruptcy Court, which plan involves a substantial portion of the Assets of Seller and its Affiliates.

(c) The obligation of Seller to pay the amount payable under Section 8.5(b) (and the payment thereof) shall be absolute and unconditional; such payment shall be an administrative expense under section 507(a)(1) of the Bankruptcy Code and shall be payable as specified herein and not subject to any defense claim, counterclaim, offset, recoupment, or reduction of any kind whatsoever.

## ARTICLE IX

### MISCELLANEOUS

Section 9.1 Notices. All notices, requests, demands, approvals, consents and other communications hereunder shall be in writing and shall be deemed to have been duly given and made if served by personal delivery upon the party for whom it is intended or delivered by registered or certified mail, return receipt requested, or if sent by telecopier or email, provided that the telecopy or email is promptly confirmed by telephone confirmation thereof, to the Person at the address set forth below, or such other address as may be designated in writing hereafter, in the same manner, by such Person:

To Buyer:

Comcast Corporation  
1500 Market Street  
Philadelphia, PA 19102  
Telephone: (215) 665-1700  
Telecopy: (215) 981-7794  
Email: ablock@comcast.com  
Attention: General Counsel

With a copy to:

Davis Polk & Wardwell  
450 Lexington Avenue  
New York, NY 10017  
Telephone: (212) 450-4000  
Telecopy: (212) 450-3800  
Email: dennis.hersch@dpw.com  
william.taylor@dpw.com  
Attention: Dennis S. Hersch  
William L. Taylor

To Seller:

Adelphia Communications Corporation  
5619 DTC Parkway  
Greenwood Village, CO 80111  
Telephone: (303) 268-6458  
Telecopy: (303) 268-6662  
Email: brad.sonnenberg@adelphia.com  
Attention: Brad Sonnenberg

With a copy to:

Sullivan & Cromwell LLP  
125 Broad Street

New York, NY 10004  
Telephone: (212) 558-4000  
Telecopy: (212) 558-3588  
Email: korrya@sullcrom.com  
Attention: Alexandra D. Korry

Section 9.2 Amendment; Waiver. Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by Buyer and Seller, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Law except as otherwise specifically provided in Article VII.

**Section 9.3 No Assignment or Benefit to Third Parties.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and permitted assigns. No party to this Agreement may assign any of its rights or transfer or delegate any of its obligations under this Agreement, by operation of Law or otherwise, without the prior written consent of the other party hereto, except, in whole or in part, (a) as provided in Section 9.5, (b) with respect to Seller's rights and obligations, following the Closing to any entity acting on behalf of Seller's estate (provided, that no such assignment by Seller under this clause (b) will relieve Seller of its Liabilities hereunder), (c) to Friendco under the Exchange Agreement (provided, that in the event of any such assignment (i) and only so long as Friendco does not provide any Excluded Books and Records to Buyer or any of its Affiliates, the Books and Records shall be deemed to include the Excluded Books and Records, the final proviso to the definition of "Books and Records" shall be deemed deleted and upon request of Buyer the Excluded Books and Records will be delivered to Friendco and (ii) Friendco shall not be entitled to any Retained Claims or the proceeds thereof) and (d) by Buyer to one or more direct or indirect wholly owned Subsidiaries of Buyer (provided, that Buyer identifies such Subsidiary and the rights and obligations to be assigned on or before Closing; provided, further, that no such assignment by Buyer to a wholly owned Subsidiary under this clause (d) will relieve Buyer of its Liabilities hereunder). Any assignment or transfer permitted hereunder shall be evidenced in writing signed by the assignor and assignee, a copy of which shall be delivered to the other party hereto. In connection with any assignment, transfer or delegation by Buyer to Friendco as permitted above, Buyer shall be relieved of any Liability so assigned, transferred or delegated, to the extent Seller has the right to enforce in full against Friendco any such Liability. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than Buyer, Seller, the Indemnified Parties and their respective successors, legal representatives and permitted assigns, any rights or remedies under or by reason of this Agreement.

**Section 9.4 Entire Agreement.** This Agreement (including all Schedules and Exhibits) and the Ancillary Agreements executed as of the date hereof

contain the entire agreement between the parties hereto with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, except for the Buyer Confidentiality Agreement and the Seller Confidentiality Agreement, which shall remain in full force and effect except as otherwise provided herein.

**Section 9.5 Debtor Obligations Joint and Several; Fulfillment of Obligations.** Seller shall, and shall cause each of its Affiliates to, cause each and every Debtor, including each that is an Asset Transferring Subsidiary hereunder, to agree for the benefit of Buyer, except to the extent any Liability is limited to the Escrow Account as a result of the limitations set forth in Article VII, to be jointly and severally liable for any breach or violation of Seller's representations, warranties or covenants hereunder and to execute and deliver such Contracts and take such further action as may be reasonably requested by Buyer to evidence the intent and effect of the foregoing (including, for the avoidance of doubt, the inclusion, except to the extent any Liability is limited to the Escrow Account as a result of the limitations set forth in Article VII, of an express undertaking of such joint and several liability in the Plan). Any obligation of any party to any other party under this Agreement, or any of the Ancillary Agreements, which obligation is performed, satisfied or fulfilled completely and without any adverse legal implications to the obligee, by an Affiliate of such party, shall be deemed to have been performed, satisfied or fulfilled by such party.

**Section 9.6 Public Disclosure.** Notwithstanding anything to the contrary contained herein, no press release or similar public announcement or communication shall be made or caused to be made relating to this Agreement and the Transaction unless specifically approved in advance by both parties hereto, except that a party hereto may issue any press release or make any public announcement or communication relating to this Agreement and the Transaction that may be required by any applicable Law (including any listing requirement) without such approval if, to the extent practicable, such party has used commercially reasonable efforts to obtain the approval of the other party before issuing such press release or making such public announcement or communication.

**Section 9.7 Expenses.** Except as otherwise expressly provided in this Agreement, whether or not the Closing occurs, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be borne by the party incurring such costs and expenses.

**Section 9.8 Schedules.** The disclosure of any matter in any Section relating to representations of the Seller Disclosure Schedule or the Buyer Disclosure Schedule shall not be deemed to constitute an admission by Seller or Buyer or to otherwise imply that any such matter is material for the purposes of this Agreement, unless the inclusion of such matter in such Schedule is required to make the representation true. A matter set forth in one Schedule of the Seller Disclosure Schedule or Buyer Disclosure Schedule pertaining to Article III or IV, as applicable, need not be set forth in any other Schedule of such disclosure schedule pertaining to Article III or IV, as applicable, or on a Schedule corresponding to any other Section of Article III or

IV, as applicable, so long as its relevance to such other Schedule or Section is readily apparent on the face of the information so disclosed. A matter set forth in one Schedule of the Seller Disclosure Schedule or Buyer Disclosure Schedule pertaining to Article V (which shall in no event address matters occurring prior to the date hereof) need not be set forth on a Schedule corresponding to any Section of Article III or IV, as applicable, so long as (a) its relevance to such other Schedule or Section is readily apparent on the face of the information so disclosed and (b) such matter does not qualify the representations and warranties set forth in Articles III or IV, as applicable, to the extent such representations and warranties are made as of the date hereof or as of another specific date prior to the date hereof. No later than ten Business Days prior to the Closing, Seller may deliver to Buyer an update to Schedule 3.8(a) and Schedule 3.8(b) of the Seller Disclosure Schedule but only in respect of matters that will be discharged (or the functional equivalent thereof in terms of its effect on Buyer, each Specified Business, the Transferred Assets and the Assumed Liabilities) pursuant to the Discharge (or, as applicable, the MCE Discharge or an Additional Discharge) but arise from actions, omissions or circumstances continuing as of the Closing. No matter added to Schedule 3.8(a) or Schedule 3.8(b) of the Seller Disclosure Schedule pursuant to the preceding sentence will be treated as set forth on any other Schedule as a result of the second sentence of this Section 9.8. When an area is set forth on one Schedule A Part as a primary Cost Center and another Schedule A Part as a non-primary Cost Center, the following shall apply in determining the Systems and System Group to which it relates: (i) for the Schedule A Part with respect to which such area is the primary Cost Center, such Schedule will be deemed to exclude the Subscribers, and Assets primarily related to those Subscribers, included in the applicable non-primary Cost Center(s) and (ii) for any given Schedule A Part with respect to which such area is a non-primary Cost Center, such Schedule A Part will be deemed to include only the Subscribers, and Assets primarily related to those Subscribers, included in the applicable non-primary Cost Center.

Section 9.9 Bulk Sales. Seller and Buyer agree to waive compliance with Article 6 of the Uniform Commercial Code as adopted in each of the jurisdictions in which any of the Transferred Assets are located to the extent that such Article is applicable to the transactions contemplated hereby.

Section 9.10 Governing Law; Submission to Jurisdiction; Selection of Forum; Waiver of Trial by Jury. THE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. Each party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement or the transactions contained in or contemplated by this Agreement and the Ancillary Agreements, exclusively in (a) the Bankruptcy Court so long as the Reorganization Case remains open and (b) after the completion of the Reorganization Case or in the event that the Bankruptcy Court determines that it does not have jurisdiction, the United States District Court for the Southern District of New York or any New York State court sitting in New York City (together with the Bankruptcy Court, the "Chosen Courts"), and solely in connection with claims arising under this Agreement or the transactions that are the subject of this Agreement or any of the Ancillary Agreements (i) irrevocably submits to the exclusive

jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party hereto and (iv) agrees that service of process upon such party in any such action or proceeding shall be effective if notice is given in accordance with Section 9.1. Seller irrevocably designates The Corporation Trust Company as its agent and attorney-in-fact for the acceptance of service of process and making an appearance on its behalf in any such claim or proceeding and for the taking of all such acts as may be necessary or appropriate in order to confer jurisdiction over it before the Chosen Courts and Seller stipulates that such consent and appointment is irrevocable and coupled with an interest. Each party hereto irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

Section 9.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same Agreement.

Section 9.12 Headings. The heading references herein and the table of contents hereof are for convenience purposes only, and shall not be deemed to limit or affect any of the provisions hereof.

Section 9.13 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

Section 9.14 Specific Enforcement. The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions

to prevent breaches of Section 5.8 or Article VIII and to enforce specifically the terms and provisions of such Sections and, following entry of the Confirmation Order, the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, such rights being in addition to any other remedy to which the parties are entitled at Law or in equity. The parties waive any requirement for security or the posting of any bond or other surety in connection with any temporary or permanent award or injunctive, mandatory or other equitable relief.

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed as of the date first written above.

**ADELPHIA COMMUNICATIONS  
CORPORATION**

By: /s/ William Schleyer

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Name: William Schleyer  
Title: Chief Executive Officer and Chairman

**COMCAST CORPORATION**

By: /s/ Arthur R. Block

---

Name: Arthur R. Block  
Title: Senior Vice President

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**REDEMPTION AGREEMENT****DATED AS OF APRIL 20, 2005****BY AND AMONG****COMCAST CABLE COMMUNICATIONS HOLDINGS, INC.,****MOC HOLDCO II, INC.,****TWE HOLDINGS I TRUST,****TWE HOLDINGS II TRUST,****CABLE HOLDCO II INC.,****TIME WARNER CABLE INC.****AND****THE OTHER PARTIES NAMED HEREIN****TABLE OF CONTENTS**

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## **EXHIBITS**

- A Form of Tax Matters Agreement
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## **REDEMPTION AGREEMENT**

This REDEMPTION AGREEMENT (this “Agreement”), dated as of April 20, 2005, is by and among Comcast Cable Communications Holdings, Inc., a Delaware corporation (“Comcast”), MOC Holdco II, Inc., a Delaware corporation (“Comcast Subsidiary”), TWE Holdings I Trust, a Delaware statutory trust (“Comcast Trust I”), but solely for purposes of Section 2.1(a)(iv), TWE Holdings II Trust, a Delaware statutory trust (“Comcast Trust”), Comcast Corporation, a Pennsylvania corporation (“Comcast Parent”), but solely for purposes of Section 2.3, Section 7.25 and the last sentence of Section 12.5, Cable Holdco II Inc., a Delaware corporation (“Holdco”), Time Warner Cable Inc., a Delaware corporation (“Time Warner Cable”), TWE Holding I LLC, a Delaware limited liability company (“TWE Holdco 1”), and Time Warner Inc., a Delaware corporation (“Time Warner”), but solely for purposes of Section 2.3 and the last sentence of Section 12.5. Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article 1.

### **Recitals**

A. Time Warner Cable indirectly through one or more of its Subsidiaries owns and operates the cable communications systems serving the communities identified on Schedule A (the “Transferred Systems”).

B. Comcast Trust has agreed to toll its demand registration rights under the Registration Rights Agreement, Time Warner Cable has agreed to transfer to Holdco the Transferred Assets, and Time Warner Cable, Comcast Trust and Comcast Subsidiary have agreed that Time Warner Cable will transfer all of the issued and outstanding securities of Holdco to Comcast Trust or Comcast Subsidiary in exchange for and in redemption of the Redemption Securities.

C. The parties intend that, for federal Income Tax purposes, (i) the Holdco Transaction and TWC Redemption shall be governed by Sections 355, 361(c) and 368(a)(1)(D) of the Internal Revenue Code of 1986 (the “Code”), (ii) that all of the shares of Holdco shall qualify as “qualified property” for purposes of Section 355(c)(2) and 361(c) of the Code and (iii) that no share of Holdco constitutes “other property” for purposes of Section 355(a)(3)(B) of the Code.

### **Agreements**

In consideration of the mutual covenants and promises set forth in this Agreement, the parties hereto agree as follows:

### **ARTICLE 1**

#### **Definitions**

Section 1.1 Terms Defined in this Section. In addition to terms defined elsewhere in this Agreement, the following terms with initial capital letters, when used in this Agreement, shall have the meanings set forth below:

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**“Actually Realized”** shall have the meaning set forth below. For purposes of this Agreement, (i) a Tax cost shall be treated as Actually Realized by any Person at the time at which the amount of Taxes payable by such Person is increased above the amount of Taxes that such Person would be required to pay (or the Refund to which such Person is entitled is reduced below the Refund to which such Person otherwise would have been entitled) but for such incremental Tax cost, and (ii) a Tax benefit shall be treated as Actually Realized by any Person at the time at which the amount of Taxes payable by such Person is reduced below the amount of Taxes that such Person would be required to pay (or the Refund to which such Person is entitled is increased above the Refund to which such Person otherwise would have been entitled) but for such incremental Tax benefit.

**“Actuarial Amount”** means an amount equal to the present value, as of the last day of the calendar month immediately prior to the Closing Date, of the aggregate actuarially determined cost of providing coverage (including administrative fees associated therewith) under the applicable long-term disability, retiree medical or retiree life plan as contemplated by Section 3.1(g)(v), less the portion of such amount (if any) that is provided by recipient contributions, calculated in good faith by Time Warner Cable’s enrolled actuaries utilizing reasonable actuarial methods and assumptions consistent with GAAP, which calculation and assumptions shall be subject to the review and approval by Comcast Subsidiary’s designated actuaries, such approval not to be unreasonably withheld or delayed.

**“Adelphia”** means Adelphia Communications Corporation, a Delaware corporation.

**“Adelphia Agreement”** means the Comcast Adelphia Agreement or the TWC Adelphia Agreement.

**“Adelphia Closing”** means the “Closing” as defined in the TWC Adelphia Agreement.

**“Adelphia Transactions”** means the Comcast Asset Purchase Transaction and the Time Warner Cable Asset Purchase Transaction, collectively.

**“Affiliate”** means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made; provided, that for purposes of this definition and the definition of “Controlled Affiliate”, “control” (including with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other equity securities, by Contract or otherwise provided, further, that solely for purposes of the definitions of “Affiliate” and “Controlled Affiliate”, Comcast Trust (and its Controlled Affiliates) will be deemed to be controlled by Comcast and any Person who controls Comcast. For purposes of this Agreement, (i) Comcast and

Comcast Trust and Comcast Subsidiary, on the one hand, and Time Warner Cable, on the other hand, shall not be deemed to be Affiliates of one another, (ii) after the Closing Time Warner Cable, on the one hand and Holdco, on the other hand, shall not be deemed to be Affiliates of one another and (iii) prior to the completion of the Closing, Comcast and its Affiliates, on the one hand, and Holdco, on the other hand, shall not be deemed to be Affiliates of one another.

**“Affiliated Group”** means any affiliated, consolidated, combined or unitary group for Tax purposes under any federal state, local or foreign law (including regulations promulgated thereunder) including (without limitation) any affiliated group within the meaning of Section 1504(a) of the Code.

**“Applicable Taxes”** means Taxes that are Assumed Liabilities.

**“Applicable Tax Return”** shall mean any Tax Return relating to Applicable Taxes.

**“Authorization”** means any waiver, amendment, consent, approval, license, franchise, permit (including construction permits), certificate, exemption, variance or authorization of, expiration or termination of any waiting period requirement (including pursuant to the HSR Act) or other action by, or notice, filing, registration, qualification, declaration or designation with, any Person (including any Governmental Authority).

**“Base Interest Rate”** means the rate of interest charged in respect of borrowings by Time Warner Cable under its senior bank credit facilities.

**“Business Day”** means any day other than a Saturday or Sunday or a day on which banks in New York, New York are authorized or required to be closed.

**“Cable Act”** means Title VI of the Communications Act, 47 U.S.C. § 521, *et seq.*

Cash Amount" means an amount of cash equal to (i) \$1,855,750,000 plus (ii) an amount equal to the Estimated Closing Adjustment Amount (which may be a positive or a negative number) minus (iii) the Actuarial Amount (but only if Comcast Subsidiary or its Affiliate shall have made the request referred to in Section 3.1(g)(v)) .

Class A Common Stock" means the Class A Common Stock, par value \$0.01 per share, of Time Warner Cable.

Closing Date" means the date on which the Closing occurs.

Closing Time" means, with respect to each Transferred System, 11:59 p.m., local time in the location of such Transferred System, on the Closing Date.

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Comcast Adelphia Agreement" means the Asset Purchase Agreement, dated as of the date hereof, between Comcast Parent and Adelphia, as such agreement may be amended in accordance therewith and herewith.

Comcast Asset Purchase Transaction" means the Transactions as defined in the Comcast Adelphia Agreement.

Comcast Benefit Plan" means any plan, program, arrangement or agreement that is a pension, profit-sharing, savings, retirement, employment, consulting, severance pay, termination, executive compensation, incentive compensation, deferred compensation, bonus, stock purchase, stock option, phantom stock or other equity-based compensation, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life (including all individual life insurance policies as to which Comcast Subsidiary or any of its ERISA Affiliates is the owner, the beneficiary, or both), Code Section 125 "cafeteria" or "flexible" benefit, employee loan, educational assistance or fringe benefit plan, program, policy or arrangement whether written or oral, including, without limitation, any (i) "employee benefit plan" within the meaning of Section 3(3) of ERISA or (ii) other employee benefit plan, agreement, program, policy, arrangement or payroll practice, whether or not subject to ERISA (including any funding mechanism therefor now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise) which Comcast Subsidiary or any of its ERISA Affiliates maintains or contributes to or in respect of which Comcast Subsidiary or any of its ERISA Affiliates has any obligation to maintain or contribute, or have any direct or indirect liability, whether contingent or otherwise, with respect to which any employee or former employee of Comcast Subsidiary or any of its ERISA Affiliates has any present or future right to benefits.

Comcast Parties" means Comcast, Comcast Subsidiary and Comcast Trust.

Comcast Priority Start Date" means November 1, 2006.

Comcast Priority Termination Date" means the earlier of (a) the date on which neither Comcast Trust nor any of its Controlled Affiliates beneficially own any Registrable Securities and (b) November 18, 2007.

Communications Act" means the Communications Act of 1934.

Confidentiality Agreements" means (i) the letter agreement dated November 9, 2004, as amended, between Time Warner and Comcast Parent and (ii) the letter agreement dated August 26, 2004 between Time Warner Cable and Comcast, in each case regarding confidential information of Time Warner and its Affiliates.

Contract" means any written agreement, contract, mortgage, deed of trust, bond, indenture, lease, license, note, franchise, certificate, option, warrant, right or

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other instrument, document, obligation or agreement, and any oral obligation, right or agreement.

Controlled Affiliate" means, with respect to any Person, any Affiliate of such Person that is controlled by such Person.

Demand Filing Date" means June 1, 2006.

Demand Registration Termination Date" means the later of (a) the Comcast Priority Termination Date and (ii) the completion of the last distribution of Registrable Securities pursuant to the Demand Registration contemplated by Section 2.3(g) hereof; provided that such offering is a firm commitment underwritten public offering initiated on or prior to November 18, 2007 and

*provided* further that such distribution shall be deemed complete (whether or not it is, in fact, complete) on the 30<sup>th</sup> calendar day following the date of the underwriting agreement entered into in connection with such public offering or if such 30<sup>th</sup> calendar day is not a Business Day then the Business Day next following such 30<sup>th</sup> calendar day.

**Digital Subscriber** means a paying customer who has been installed and receives any level of video service offered by a Transferred System and received via digital technology, including without limitation, the digital guide tier, the digital basic tier, digital sports tiers and digital movie tiers.

**DMA** means a geographic area established by Nielsen Media Research for the purpose of rating the viewership of commercial television stations.

**Environmental Law** means any Legal Requirement whether now or hereafter in effect concerning the environment, including Legal Requirements relating to emissions, discharges, releases or threatened releases of Hazardous Substances into the environment, air (including both ambient and within buildings and other structures), surface water, ground water or land or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, presence, disposal, transport or handling of Hazardous Substances.

**ERISA** means the Employee Retirement Income Security Act of 1974, as amended.

**ERISA Affiliate** means, as to any Person, any trade or business, whether or not incorporated, which together with such Person would be deemed a single employer within the meaning of Section 4001 of ERISA.

**Excluded SMATV Acquisition** means in respect to the Transferred Systems any SMATV Acquisition consummated after the date hereof and prior to the Closing Time in respect of which the Total SMATV Consideration (A) exceeds \$2,500,000 or (B) exceeds \$14,700,000 when aggregated with the Total SMATV Consideration paid in all previous such SMATV Acquisitions consummated after the date hereof and prior to the Closing Time.

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**Excluded Tax Liabilities** means all Income Taxes relating to or arising out of, or resulting from the ownership or operation of the Transferred Systems for taxable periods, or portions thereof, ending on or prior to the Closing, other than Income Taxes suffered by Comcast or any of its Affiliates as a partner in TWE.

**FCC** means the Federal Communications Commission.

**FCC Trust Requirements** means rules, regulations, orders, requirements, or procedures adopted by the FCC in *Applications for Consent to the Transfer of Control of Licenses from Comcast Corporation and AT&T Corp., Transferors, to AT&T Comcast Corporation, Transferee*, Memorandum Opinion & Order, 17 FCC Rcd 23,246 (2002), and the trust agreements adopted pursuant to Section III of Appendix B of that order, including any related clarifications, amendments, modifications, and waivers authorized or approved by the FCC.

**Franchise** shall have the meaning assigned to such term in Section 602(9) of the Communications Act.

**Franchising Authority** shall have the meaning assigned to such term in Section 602(10) of the Communications Act.

**GAAP** means generally accepted accounting principles in the United States in effect from time to time applied on a consistent basis.

**GAAP Adjustments** means with respect to the preparation of any relevant financial statement, the exclusion of the items described in the proviso to the second sentence of Section 6.11(a) (other than clauses (v), (vii), (xi) and (xii) of such proviso) in each case consistent with the practices used in preparation of the Transferred System Financial Statements.

**Governmental Authority** means (a) the United States of America, (b) any state, commonwealth, territory or possession of the United States of America and any political subdivision thereof (including counties, municipalities, provinces, parishes and the like), (c) any foreign (as to the United States of America) sovereign entity and any political subdivision thereof and (d) any court, quasi-governmental authority, tribunal, department, commission, board, bureau, agency, authority or instrumentality of any of the foregoing.

**GP Redemption** means the transactions contemplated by the GP Redemption and Amendment Agreement.

**GP Redemption and Amendment Agreement** means the GP Redemption and Amendment Agreement, in the form attached hereto as Exhibit B, as amended from time to time; provided, that any such amendments which would adversely affect Comcast Trust or its Affiliates are approved by Comcast Trust.

**Hazardous Substances** means (a) any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive or otherwise hazardous substance, waste or material, (b) any “hazardous waste” as defined by the Resource Conservation and Recovery Act of 1976 (RCRA) (42 U.S.C. §§ 6901 *et seq.*); (c) any “hazardous substance” as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) (42 U.S.C. §§ 9601, *et. seq.*); (d) any substance regulated by the Toxic Substances Control Act of 1976 (TSCA) (15 U.S.C. § 2601 *et seq.*); (e) asbestos or asbestos-containing material of any kind or character; (f) polychlorinated biphenyls; (g) any substance the presence, use, treatment, storage or disposal of which is prohibited by or regulated under any Legal Requirement; and (h) any other substance which by any Legal Requirement requires special handling, reporting or notification of or to any Governmental Authority in its collection, storage, use, treatment, presence or disposal.

**High Speed Data Subscriber** means a customer who subscribes to at least the lowest level of Internet service offered by a Transferred System, excluding courtesy accounts.

**Holdco Transaction Liabilities** means any and all Liabilities of Holdco arising under Section 3.4 or Article 11 of this Agreement.

**HSR Act** means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

**Income Taxes** means any Tax which is based upon, measured by, or computed by reference to net income or profits (including alternative minimum Tax) or, (i) in the case of Time Warner Cable and its subsidiaries with respect to any payments in respect of Taxes that are governed by the Time Warner Tax Matters Agreement, Income Taxes shall mean any amounts payable by or to Time Warner Cable under the Time Warner Tax Matters Agreement, and (ii) to the extent applicable, in the case of Subsidiaries of Time Warner Cable with respect to any payments in respect of Taxes that are governed by the Time Warner Cable Tax Matters Agreement, Income Taxes shall mean any amounts payable by or to such Subsidiaries under the Time Warner Cable Tax Matters Agreement.

**Individual Subscriber** means, as of any given date, the aggregate of all of the following Subscribers (or Retained Subscribers, as the case may be): (a) private residential customer accounts that are billed by individual unit (regardless of whether such accounts are in single family homes or in individually billed units in apartment houses and other multi-unit buildings) (excluding “second connects” or “additional outlets,” as such terms are commonly understood in the cable industry), each of which shall be counted as one Individual Subscriber, (b) bulk bill residential accounts not billed by individual unit, such as apartment houses and multi-family homes, provided each unit in such apartment house or multi-family home shall be counted as one Individual Subscriber and (c) commercial bulk accounts such as hotels, motels and restaurants, provided each commercial account shall count as one Individual Subscriber; provided that, in all such cases, Individual Subscribers shall not include any free accounts.

**Judgment** means any judgment, judicial decision, writ, order, injunction, award or decree of or by any Governmental Authority or any arbitration panel or authority whose decision is binding and enforceable.

**Leased Property** means the premises demised under the Leases.

**Legal Requirement** means applicable common law and any statute, ordinance, code, law, rule, regulation, order, technical or other written standard, requirement or procedure enacted, adopted, promulgated, applied or followed by, or any agreement entered into by, any Governmental Authority, including any Judgment.

**Liabilities** means any and all liabilities, losses, charges, indebtedness, demands, actions, damages, obligations, payments, costs and expenses, bonds, indemnities and similar obligations, covenants, and other liabilities, including all Contractual obligations, whether due or to become due, absolute or contingent, inchoate or otherwise, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, determined or determinable, whenever arising, and including those arising under any Legal Requirement, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person.

**Lien** means, with respect to any property or asset, any security agreement, financing statement filed with any Governmental Authority, conditional sale agreement, capital lease or other title retention agreement relating to such property or asset, any lease, consignment or bailment given for purposes of security, any right of first refusal, equitable interest, lien, mortgage, indenture, pledge, option, charge, encumbrance, adverse interest, constructive trust or other trust, claim, attachment, exception to or defect in

title or other ownership interest (including reservations, rights of entry, possibilities of reverter, encroachments, survey defects, easements, rights-of-way, restrictive covenants, leases and licenses) of any kind, which otherwise constitutes an interest in or claim against property, whether arising pursuant to any Legal Requirement, any Contract or otherwise.

**"Litigation"** means any claim, action, suit, proceeding, arbitration, investigation, hearing or other activity or procedure that could result in a Judgment, and any notice of any of the foregoing.

**"Local Retransmission Consent Agreement"** means any retransmission consent agreement that covers a signal carried by a Transferred System that does not also cover a signal carried by a Time Warner Cable Retained Cable System.

**"Losses"** means any claims, losses, damages, penalties, costs and expenses, including interest which may be imposed in connection therewith, expenses of investigation, reasonable fees and disbursements of counsel and other experts and the reasonable cost to any Person making a claim or seeking indemnification under this Agreement with respect to funds expended by such Person by reason of the occurrence of any event with respect to which indemnification is sought, but shall in no event include

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incidental, punitive or consequential damages except to the extent required to be paid to a third party. For the avoidance of doubt, an item that is included in the definition of "Losses" shall be included regardless of whether it arises as a result of the negligence, strict liability or any other liability under any theory of law or equity of, or violation of any Law.

**"Master Pre-Closing Liabilities"** means all Liabilities of Time Warner Cable and its Affiliates arising out of, resulting from or associated with the use, ownership or operation of the Excluded Assets described in clauses (i), (ii), (vi), (vii), (viii), or (ix) (except, with respect to clause (ix), to the extent related to inventory included in the definition of "Excluded Assets" pursuant to clause (xiii) thereof) in each case to the extent such Liability primarily relates to goods or services provided to or used by the Transferred Business prior to Closing in the ordinary course of business consistent with past practice; provided that the amount of such Liabilities (in total and for each of the categories described above) is identified to Comcast Subsidiary in writing from Time Warner Cable on or prior to the date that is 60 days after Closing.

**"Material Adverse Effect"** means a material adverse effect on the business, assets, operations or condition (financial or otherwise) of the Transferred Systems taken as a whole, excluding any such effect to the extent resulting from or arising in connection with: (i) except to the extent relating to Section 6.3, the execution of this Agreement and the announcement thereof; (ii) changes or conditions generally affecting the cable television industry; (iii) changes in the economy or financial markets in general; (iv) changes in general regulatory, political or national security (*e.g.*, changes resulting from military conflicts or acts of foreign or domestic terrorism) conditions; (v) changes in the business, operations or conditions of Time Warner Cable that similarly affect the Time Warner Cable Retained Cable Systems, taken as a whole; or (vi) as described on Schedule 1.1(a); provided, that solely for the purposes of Section 8.2(g) the foregoing references to "Transferred Systems" and "Time Warner Cable Retained Cable Systems" shall be switched in order of appearance so that the former becomes a reference to the latter and vice versa.

**"Party"** or **"party"** means either Comcast, Comcast Trust, Comcast Subsidiary, Holdco or Time Warner Cable.

**"Permitted Lien"** means (a) any Lien securing Taxes, assessments and governmental charges not yet due and payable or being contested in good faith (and for which adequate accruals or reserves have been established), (b) any zoning law or ordinance or any similar Legal Requirement, (c) any right reserved to any Governmental Authority, including any Franchising Authority, to regulate the affected property, (d) as to all Owned Property and Real Property Interests, any Lien (other than Liens securing indebtedness or arising out of the obligation to pay money) which does not individually or in the aggregate with one or more other Liens interfere in any material respect with the right or ability to own, use, enjoy or operate the Owned Property or Real Property Interests as they are currently being used or operated, or to convey good and indefeasible fee simple title to the same (with respect to Owned Property), (e) in the case of Leased

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Property, any right of any lessor or any Lien granted by any lessor of Leased Property or by any other party having an interest in such leased property which is superior to that which is demised under the applicable Lease (or to which the fee interest in Leased Property or any other interest superior to that which is demised under the applicable Lease is otherwise subject), (f) any materialmen's, mechanic's, workmen's, repairmen's or other like Liens arising in the ordinary course of business, (g) any Lien described on Schedule 1.1(b) and (h) nonmaterial leases, subleases, licenses or sublicenses in favor of third parties; provided, that **"Permitted Liens"** shall not include any Lien (other than any Lien described in clause (e) above) (i) in the case of a non-monetary claim, which is reasonably likely to prevent or interfere in any material respect with the conduct of the business of the affected

Transferred System as it is currently being conducted or (ii) in the case of a monetary claim or debt, including those described in clauses (a), (d) and (f) above, except to the extent the same is reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

**“Person”** means any human being, Governmental Authority, corporation, limited liability company, general or limited partnership, joint venture, trust, association or unincorporated entity of any kind.

**“Registration Rights Agreement”** means the Registration Rights Agreement, dated as of March 31, 2003, as amended, by and among Comcast Trust, Time Warner and Time Warner Cable.

**“Redemption Securities”** means 179 shares of Class A Common Stock owned by Comcast Trust (as such number may be appropriately adjusted to reflect any stock dividends, subdivisions, splits, combinations or other similar events relating to the capital stock of Time Warner Cable).

**“Refund”** shall mean, with respect to any Person, any refund of Income Taxes including any reduction in Income Tax liabilities by means of a credit, offset or otherwise.

**“Retained Subscriber”** means a paying customer who subscribes to at least the lowest level of video programming offered by a Time Warner Cable Retained Cable System.

**“Service Area”** means any geographic area in which the Transferred Systems are authorized to provide cable television service pursuant to a Transferred Systems Franchise or in which such Transferred Systems provide cable television service for which a Franchise or other Authorization is not required pursuant to applicable Legal Requirements.

**“SMATV Acquisition”** means any acquisition, within or within close geographical proximity to the Service Area of a Transferred System, of multi-channel video subscribers from a private cable communications system operator (including any owner of a Dwelling, a **“SMATV Seller”**) in respect of any one or more apartment houses or multi-unit buildings, complexes or private communities, hotels or motels or similar

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facilities (each a “**Dwelling**”) pursuant to which any payment is required to be made to the SMATV Seller to transfer or terminate its existing cable service agreement with the owner or manager of such Dwelling or, if the SMATV Seller is the owner of the Dwelling, to terminate the owner’s provision of cable services to the Dwelling; provided that the payment, in the ordinary course of business, of door fees, commissions, revenue sharing and similar amounts to any owner or manager of any Dwelling in connection with the provision of multi-channel video service to such Dwelling shall not constitute a SMATV Acquisition.

**“SMATV Purchase Price Per Subscriber”** means, in respect of any SMATV Acquisition, the Total SMATV Consideration payable in respect of such SMATV Acquisition *divided by* the number of Individual Subscribers acquired pursuant to such SMATV Acquisition.

**“Specified Division”** means the division of Time Warner Cable specified on Schedule 1.1(c).

**“Specified Launch Support Liabilities”** means any Liabilities of Time Warner Cable and its Affiliates under agreements with third parties in effect (and on the terms in effect) as of the date hereof, to repay launch support payments received by Time Warner Cable or its Affiliates prior to the date hereof, up to a maximum of \$10,477,000 in the aggregate, arising out of, resulting from or associated with any failure by the Transferred Systems to continue to carry after Closing any channels for which launch support payments were received by Time Warner Cable or its Affiliates prior to the date hereof, but only to the extent such Liabilities result from either the deletion of the applicable channel, change in channel placement of the applicable channel, or the transfer of such channel to a different tier of service, in any such case prior to the fifth anniversary of the date hereof.

**“Straddle Period”** shall mean any taxable period that begins on or before, and ends after, the Closing Date.

**“Subscriber”** means a paying customer who subscribes to at least the lowest level of video programming offered by a Transferred System.

**“Subsidiary”** means, with respect to any Person, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other body performing similar functions are at any time directly or indirectly owned by such Person.

**“Subsidiary Transfers”** means the transfers by the Transferring Persons of the Transferred Systems to Time Warner Cable.

**“Taxes”** means all levies and assessments of any kind or nature imposed by any Governmental Authority, including all income, sales, use, ad valorem, value added, franchise, severance, net or gross proceeds, withholding, payroll, employment, F.I.C.A., excise or property taxes, levies, and any payment required to be made to any

state abandoned property administrator or other public official pursuant to an abandoned property, escheat or similar law, together with any interest thereon and any penalties, additions to tax or additional amounts applicable thereto and in the case of Time Warner Cable and its Subsidiaries with respect to any payments in respect of taxes that are governed by the Time Warner Tax Matters Agreement, Taxes shall mean any amounts payable by or to Time Warner Cable under the Time Warner Tax Matters Agreement.

**Tax Matters Agreement** means the Holdco Tax Matters Agreement, by and between Time Warner, Time Warner Cable, Comcast Parent, Comcast and Holdco substantially in the form attached hereto as Exhibit A, as such agreement may be modified pursuant to Section 7.11 of this Agreement or as such Agreement may be amended after the Closing, and any successor agreement.

**Tax Law** means the Code, final, temporary or proposed Treasury regulations, published pronouncements of the U.S. Treasury Department or Internal Revenue Service, published court decisions or other relevant binding legal authority.

**Tax Return** shall mean any report, return or other information (including any attached schedules or any amendments to such report, return or other information) required to be supplied to or filed with a Governmental Authority with respect to any Tax, including (without limitation) an information return, claim for refund, amended return, declaration, or estimated Tax return, in connection with the determination, assessment, collection or administration of any Tax.

**Telephony Subscriber** means a customer who subscribes to at least the lowest level of telephone service offered by a Transferred System, excluding courtesy accounts.

**Time Warner Cable Asset Purchase Transaction** means the transactions contemplated by the TWC Adelphia Agreement and the Ancillary Agreements (as defined in the TWC Adelphia Agreement), which shall include for the avoidance of doubt all transactions described in Section 5.3 of the Buyer Disclosure Schedule (as defined in the TWC Adelphia Agreement) or the agreements referenced on such Schedule (collectively, the "Interim Steps").

**Time Warner Cable Benefit Plan** means any plan, program, arrangement or agreement that is a pension, profit-sharing, savings, retirement, employment, consulting, severance pay, termination, executive compensation, incentive compensation, deferred compensation, bonus, stock purchase, stock option, phantom stock or other equity-based compensation, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life (including all individual life insurance policies as to which Time Warner Cable or any of its Affiliates is the owner, the beneficiary, or both), Code Section 125 "cafeteria" or "flexible" benefit, employee loan, educational assistance or fringe benefit plan, program, policy or arrangement whether written or oral, including, without limitation, any (i) "employee benefit plan" within the meaning of Section 3(3) of ERISA or (ii) other employee benefit plan, agreement, program, policy, arrangement or payroll practice,

whether or not subject to ERISA (including any funding mechanism therefor now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise) which Time Warner Cable or any of its Affiliates maintains or contributes to or in respect of which Time Warner Cable or any of its Affiliates has any obligation to maintain or contribute, or have any direct or indirect liability, whether contingent or otherwise, with respect to which any Transferred System Employee has any present or future right to benefits.

**Time Warner Cable Required Consents** means (a) any and all consents, authorizations and approvals (other than any approval of any Franchising Authority) the failure to obtain in connection with the GP Redemption, Subsidiary Transfers, Holdco Transaction, TWC Redemption and/or Comcast Subsidiary Transfer would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and (b) any other consents, authorizations and approvals set forth on Schedule 6.3 and designated thereon as Time Warner Cable Required Consents.

**Time Warner Cable Retained Cable Systems** means all cable communications systems operated directly or indirectly by Time Warner Cable and its Affiliates (in each case to the extent the results of such systems are included in the consolidated results of Time Warner Cable) at the Closing other than the Transferred Systems, the TWE Transferred Systems and any systems acquired after the date hereof.

**Time Warner Tax Matters Agreement** means the Tax Matters Agreement, by and between Time Warner and Time Warner Cable, dated as of March 31, 2003, as such agreement may be amended from time to time and any successor agreement; provided,

however, that for purposes of this Agreement, no such amendment or successor agreement shall be taken into account unless it was made or entered into with the consent of Comcast Subsidiary, not to be unreasonably withheld or delayed.

**Total SMATV Consideration** means, in respect of any SMATV Acquisition, the total consideration payable to the SMATV Seller and its Affiliates in respect of such SMATV Acquisition plus the amount of any net liabilities assumed by the acquiror.

**Transaction Documents** means (i) the instruments and documents described in Sections 9.2 and 9.3 which are being executed and delivered by or on behalf of Comcast Trust, Comcast Subsidiary, Comcast Trust I, Holdco or Time Warner Cable, as the case may be, or any Affiliate of any of them in connection with this Agreement or the transactions contemplated hereby and (ii) the instruments and documents required to effect the Comcast Subsidiary Transfer, if applicable.

**Transactions** means the GP Redemption, the Subsidiary Transfers, the Holdco Transaction and the TWC Redemption.

**Transferable Service Area** means a Service Area with respect to which: (a) no Franchise or similar Authorization is required or issued for the provision of cable television service in such Service Area, (b) no consent of a Franchising Authority is

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necessary for the transfer of any Transferred Systems Franchise for such Service Area in connection with the consummation of the transactions contemplated by this Agreement, (c) if a consent of a Franchising Authority is necessary for the transfer of any Transferred Systems Franchise for such Service Area in connection with the consummation of the transactions contemplated by this Agreement, an effective consent or approval (on terms reasonably satisfactory to Comcast Subsidiary) has been obtained (and is in effect) or (d) if a consent of a Franchising Authority is necessary for the transfer of any Transferred Systems Franchise for such Service Area in connection with the consummation of the transactions contemplated by this Agreement, the applicable Franchising Authority does not expressly deny a request for approval to transfer such Systems Franchise within the 120-day review period provided under FCC regulation (plus such extensions of time as are mutually agreed upon by Comcast Subsidiary and Time Warner Cable). Any Service Area in which a Person has a Transferred Systems Option that has not been waived in respect of the transactions contemplated by this Agreement and the Transaction Documents shall not be considered a Transferable Service Area.

**Transferred Business** means the businesses conducted with the Transferred Assets, including the operation of the Transferred Systems.

**Transferred System Employee** means any individual who, as of the consummation of the Holdco Transaction, either (a) (x) is then a current or former employee of (including any full-time, part-time, temporary employee or an individual in any other employment relationship with), or then on a leave of absence (including, without limitation, paid or unpaid leave, disability, medical, personal, or any other form of authorized leave) from, Time Warner Cable or any of its Subsidiaries and (y) who is, or at the time of termination of employment was, primarily employed in connection with the Transferred Systems by Time Warner Cable or any of its Subsidiaries, or (b) has been designated by mutual written agreement of Comcast and Time Warner Cable as a Transferred System Employee prior to the Closing Date. Unless the context clearly indicates otherwise, “Transferred System Employee” shall include any person claiming benefits or rights under or through any Transferred System Employee, including the dependents or beneficiaries of any Transferred System Employee.

**TWC Adelphia Agreement** means the Asset Purchase Agreement, dated as of the date hereof, between Time Warner NY Cable LLC and Adelphia, as such agreement may be amended in accordance therewith and herewith.

**TWC Participant** means each Transferring Person and Holdco.

**TWE** means Time Warner Entertainment Company, L.P., a Delaware limited partnership.

**TWE-A/N** means Time Warner Entertainment-Advance/Newhouse Partnership, a New York general partnership.

**TWE Redemption Agreement** means the Redemption Agreement, dated as of the date hereof, by and among TWE, Comcast, MOC Holdco I, LLC, a Delaware

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limited liability company, Comcast Trust I, Cable Holdco III LLC, and the other parties named therein.

**TWE Transferred Systems** means the Transferred Systems as defined in the TWE Redemption Agreement.

"TWX Registration Rights Agreement" means the Registration Rights Agreement, dated as of March 31, 2003, as amended, by and among Time Warner and Time Warner Cable.

"Variable Expense Item" means the items identified as variable expense items on the Operating Budget.

"\$" means the U.S. dollar.

Section 1.2 Other Definitions. The following terms are defined in the Section or Exhibit indicated:

<b>Term</b>	<b>Section or Exhibit</b>
338(h)(10) Election	7.23
Accounting Referee	2.6(c)
Adjustment Payment	2.6(f)(i)
Affirmative Third Party Firm Determination	7.23(b)
Agreement	Preamble
Assumed Liabilities	2.2
Books and Records	2.1(b)(vii)
Budgets	7.1(i)
Cap	11.4(a)
Capital Budget	7.1(i)
CARS	2.1(b)(iv)
Closing	9.1(a)
Closing Adjustment Amount	2.6(d)
Closing Net Liabilities Amount	2.6(g)
Closing Net Liabilities Adjustment Amount	2.6(g)
COBRA	3.1(i)
Code	Recitals
Comcast	Preamble
Comcast 401(k) Plan	3.1(e)

Comcast Balance Sheet	5.6
Comcast Health or Welfare Plan	3.1(g)(iii)
Comcast Parent	Preamble
Comcast Reimbursement Plan	3.1(h)
Comcast Statement	2.6(a)
Comcast Subsidiary	Preamble
Comcast Subsidiary Transfer	2.1(a)(iii)
Comcast Transferred System Employees	3.1(a)
Comcast Trust	Preamble
Comcast Trust I	Preamble
Comcast Trust Releasing Parties	11.8(a)
Confidential Information	7.4(a)
Delayed Transfer Asset	2.1(d)(i)
Delivery Date	2.6(a)
Demand Filing Date	2.3(g)
Demand Registration Termination Date	2.3(g)(iii)
Determination	7.23(b)
Determination Deadline	7.23(b)
Diligence Request Date	7.4(c)
Disclosure Letter	1.3
ERISA Group Liabilities	6.15(b)
Estimated Closing Adjustment Amount	2.5
Estimated Closing Net Liabilities	2.5
Adjustment Amount	
Estimated Subscriber Adjustment Amount	2.5
Excess Section 2.3(g) Securities	2.3(d)
Exchange Act	4.3
Excluded Assets	2.1(c)
Excluded Liabilities	2.2
Excluded Transferred Cash	2.1(c)

Final Closing Adjustment Amount	2.6(d)
Financial Information	7.22
Franchise Matter	11.3

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Guaranteed Parties	11.11(a)
Guaranteed Obligations	11.11(a)
Holdco	Preamble
Holdco Adjustment Payment	2.6(f)(i)
Holdco Indemnification Payment	11.10(a)
Holdco Indemnified Liabilities	6.15(b)
Holdco Shares	2.1(a)(ii)
Holdco Transaction	2.1(a)(i)
Indemnification Payment	11.10(a)
Indemnitee	11.3
Indemnitor	11.3
Joint Determination	7.23
Knowledge	1.3
Leases	6.10
Lock-Up Period	2.3(b)
Operating Budget	7.1(i)
Outside Closing Date	10.1(a)
Owned Property	2.1(b)(ii)
POFS	7.1(h)(ii)
Post-Closing Consent	7.8
Previous Request	2.3(a)
QSP	7.23
Rate Regulatory Matter	7.10(d)
Real Property Interests	2.1(b)(ii)
Relative Percentage Amount	2.6(h)
Retained Base Subscriber Number	2.6(h)
Retained Closing Subscriber Number	2.6(h)
Retained Employees	3.1(a)
Retained Percentage	2.6(h)
Required Threshold	8.1(i)
Securities Act	4.3
Selected Employees	3.1(g)(v)

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Subscriber Adjustment Amount	2.6(h)
Surveys	7.6
Taking	12.16(b)
Tangible Personal Property	2.1(b)(i)
Third Party Firm	7.23
Threshold Damage Requirement	11.4(a)
Time Warner	Preamble
Time Warner Cable	Preamble
Time Warner Cable 401(k) Plan	3.1(e)
Time Warner Cable Adjustment Payment	2.6(f)(i)
Time Warner Cable FCC Counsel Opinion	8.1(k)
Time Warner Cable Health or Welfare Plan	3.1(g)(i)
Time Warner Cable Indemnification Payment	11.10(a)
Time Warner Cable Marks	3.2
Time Warner Cable Pension Plans	3.1(f)
Time Warner Cable Reimbursement Plan	3.1(h)

Time Warner Cable Released Parties	11.8
Time Warner Cable Statement	2.6(a)
Time Warner Cable Title Policies	8.1(p)
Title Commitment Notice	7.6
Title Commitments	7.6
Title Company	7.6
Title Defect	7.6
Transferred Assets	2.1(b)
Transferred Base Subscriber Number	2.6(h)
Transferred Closing Subscriber Number	2.6(h)
Transferred Percentage	2.6(h)
Transferred Systems	Recitals
Transferred Systems Contracts	2.1(b)(v)
Transferred Systems Financial Statements	6.11(a)
Transferred Systems Franchises	2.1(b)(iii)
Transferred Systems Licenses	2.1(b)(iv)

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Transferred Systems Option	6.19
Transferring Person	6.1
Transitional Services	7.9
TWC Redemption	2.1(a)(ii)
TWE Holdco I	Preamble
WARN	3.1(j)

**Section 1.3 Rules of Construction.** References to one or more schedules or Schedules shall be references to schedules included in that separate disclosure letter (the “Disclosure Letter”) delivered by Time Warner Cable to Comcast Trust and Comcast Subsidiary on the date hereof in connection with this Agreement, as such Schedules may be updated pursuant to Section 7.11 (but, in such case, subject to the provisions of such Section). It is understood that the representations and warranties set forth in Articles 4 and 5 are qualified by the disclosure letter delivered by Comcast Subsidiary to Time Warner Cable on the date hereof in connection with this Agreement. Unless otherwise expressly provided in this Agreement: (a) accounting terms used in this Agreement shall have the meaning ascribed to them under GAAP; (b) words used in this Agreement, regardless of the gender used, shall be deemed and construed to include any other gender, masculine, feminine, or neuter, as the context requires; (c) the word “include” or “including” is not limiting, and the word “or” is not exclusive; (d) the capitalized term “Section” refers to sections of this Agreement; (e) references to a particular Section include all subsections thereof, (f) references to a particular statute or regulation include all amendments thereto, rules and regulations thereunder and any successor statute, rule or regulation, or published clarifications or interpretations with respect thereto, in each case as from time to time in effect; (g) references to a Person include such Person’s successors and assigns to the extent not prohibited by this Agreement; and (h) references to a “day” or number of “days” (without the explicit qualification “Business”) shall be interpreted as a reference to a calendar day or number of calendar days. “Knowledge” (whether or not capitalized) and words of similar import, when used with reference to Time Warner Cable, means the actual knowledge of a particular matter of any of the individuals listed on Schedule 1.3.

## ARTICLE 2 Redemption; Tolling

### Section 2.1 Redemption.

(a) GP Redemption; Holdco Transaction; TWC Redemption. Subject to the terms and conditions set forth in this Agreement:

(i) Subject to Section 2.1(d), prior to the consummation of the Holdco Transaction, (a) pursuant to the terms and conditions of the GP Redemption and Amendment Agreement, the GP Redemption shall be effected and (b) the Subsidiary Transfers shall be effected. Subject to Section 2.1(d), following the

consummation of the GP Redemption and the Subsidiary Transfers, and prior to the consummation of the TWC Redemption, (a) Time Warner Cable shall (or shall cause its Affiliates to) assign, transfer, convey and deliver to Holdco and Holdco shall accept

from Time Warner Cable (and its Affiliates), all of its (and their) right, title and interest in and to the Transferred Assets and (b) Holdco shall assume and agree to pay and discharge, as and when they become due, the Assumed Liabilities. The transactions contemplated by clauses (a) and (b) of the immediately preceding sentence are referred to together as the “Holdco Transaction” and shall be consummated pursuant to one or more Bills of Sale and Assignment and Instrument of Assumption in form and substance reasonably acceptable to Time Warner Cable and Comcast Subsidiary, and such other instruments of transfer or assignment as may be reasonably necessary to effect the Holdco Transaction, in each case in form and substance satisfactory to Comcast Subsidiary. For the avoidance of doubt, both the GP Redemption and the Holdco Transaction shall take place prior to the Closing.

(ii) At the Closing, (a) Time Warner Cable shall transfer to Comcast Trust (or, if such transfer would be permitted under applicable FCC Trust Requirements, to Comcast Subsidiary) all outstanding securities of Holdco (the “Holdco Shares”) in exchange for and in complete redemption of the Redemption Securities and (b) Comcast Trust shall deliver to Time Warner Cable a stock certificate evidencing the Redemption Securities which shall be in definitive form and registered in the name of Comcast Trust, in proper form for transfer and, if requested by Time Warner Cable, execute, acknowledge and deliver a stock power or such other customary instruments of transfer as Time Warner Cable may reasonably request. The transactions contemplated by the preceding sentence are referred to as the “TWC Redemption.”

(iii) If the Holdco Shares are delivered to Comcast Trust (rather than Comcast Subsidiary) pursuant to Section 2.1(a)(ii), then immediately after such transaction, Comcast Trust will transfer the Holdco Shares to Comcast Subsidiary (the “Comcast Subsidiary Transfer”). For purposes of Section 2.1(d)(i) and all Authorizations required or obtained in connection with the transactions contemplated by this Agreement at the Closing, the Comcast Subsidiary Transfer will be considered as part of such transactions so that such Authorizations will allow such transfer.

(iv) Each of the parties hereto hereby agrees that its execution of this Agreement shall constitute its consent and approval of the GP Redemption, the Holdco Transaction, the TWC Redemption, the Comcast Subsidiary Transfer, if any, and the Time Warner Cable Asset Purchase Transaction, for all purposes. Without limiting the foregoing, Comcast Trust I hereby agrees to execute and deliver the GP Redemption and Amendment Agreement at such time prior to the Closing as Time Warner Cable shall request.

(b) Transferred Assets. “Transferred Assets” means the Cash Amount, an amount of cash equal to the cash excluded from Excluded Assets pursuant to clause (iv) of the definition thereof (other than the Cash Amount) and all of Time Warner Cable’s and its Affiliates’ right, title and interest in the assets and properties, real and personal, tangible and intangible, owned, held for use, leased, licensed or used

by Time Warner Cable or its Affiliates primarily in the operation of the Transferred Systems as of the Closing Time (that are not Excluded Assets), which Cash Amount and right, title and interest shall be owned by Holdco as of the Closing (other than as contemplated by Section 2.1(d)(i)). The Transferred Assets shall include the following types of assets and properties:

(i) Tangible Personal Property. All tangible personal property, including towers, tower equipment, aboveground and underground cable, distribution systems, headend equipment, line amplifiers, microwave equipment, converters, testing equipment, motor vehicles, office equipment, furniture, fixtures, supplies, inventory and other physical assets (the “Tangible Personal Property”), including the Tangible Personal Property described on Schedule 2.1(b)(i);

(ii) Real Property. All fee interests in real property (including improvements thereon) (the “Owned Property”), including the interests described as Owned Property on Schedule 2.1(b)(ii), and all leases, easements, rights of access and other interests (not including fee interests) in real property (the “Real Property Interests”), including the Real Property Interests described on Schedule 2.1(b)(ii);

(iii) Franchises. All franchises and similar authorizations or similar permits issued by any Governmental Authority, (the “Transferred Systems Franchises”), including the Transferred Systems Franchises described on Schedule 2.1(b)(iii);

(iv) Licenses. All cable television relay service (“CARS”), business radio and other licenses, authorizations, consents or permits issued by the FCC or any other Governmental Authority (other than the Transferred Systems Franchises) (the “Transferred Systems Licenses”), including the Transferred Systems Licenses described on Schedule 2.1(b)(iv);

(v) Contracts. All pole line or joint line agreements, underground conduit agreements, crossing agreements, bulk service, commercial service or multiple dwelling agreements, access agreements, system specific programming agreements or signal supply agreements, agreements with community groups, commercial leased access agreements, capacity license agreements, partnership, joint venture or other similar agreements or arrangements, advertising representation and interconnect agreements, and other Contracts (including all Contracts in respect of Real Property Interests) (the “Transferred Systems Contracts”), including the Transferred Systems Contracts described on Schedule 2.1(b)(v);

(vi) Accounts Receivable and Current Assets. All subscriber, trade and other accounts receivable (including advertising accounts receivable) and pre-paid expense items;

subscribers of the Transferred Systems, signal and program carriage and dealings with Governmental Authorities, including all reports filed by or on behalf of Time Warner Cable (or its Affiliates) with the FCC and statements of account filed by or on behalf of Time Warner Cable (or its Affiliates) with the U.S. Copyright Office (the “Books and Records”); and

(viii) Insurance and Condemnation Proceeds. All rights to insurance and condemnation proceeds received or receivable after Closing in respect of any Assumed Liabilities, all insurance and condemnation proceeds (to the extent not already expended by Time Warner Cable to restore or replace the lost, damaged or condemned asset, which replacement asset shall be a Transferred Asset) received or receivable in respect of any asset damaged, lost or condemned after December 31, 2004 and which if not so damaged, lost or condemned would have been a Transferred Asset and all insurance and condemnation proceeds received or receivable in respect of business interruption of the Transferred Systems to the extent relating to any period after Closing, in each case on an effective after-tax basis as if TWE and TWE-A/N are, in each case, instead of being partnerships, stand-alone corporations;

in the case of each of the foregoing, if such property is owned, held for use, leased, licensed or used primarily in the operation of the Transferred Systems and then only to the extent of Time Warner Cable’s and its Affiliates’ right, title and interest therein.

For the avoidance of doubt, and subject to Section 2.1(d), the parties intend that to the fullest extent permitted all record and beneficial ownership interests of Time Warner Cable and its Affiliates in the Transferred Assets will be transferred to Holdco in the Holdco Transaction and if any Transferring Person holds beneficial ownership in assets of the type described above while another Transferring Person holds record ownership in such assets, all of such ownership interests would be transferred to Holdco in the Holdco Transaction.

(c) Excluded Assets. Notwithstanding anything to the contrary set forth herein, all right, title and interest of Time Warner Cable and its Affiliates in, to and under the following (collectively, the “Excluded Assets”), in each case regardless of whether related to the Transferred Systems, shall not be transferred to Holdco pursuant to the Holdco Transaction and shall be retained directly or indirectly by Time Warner Cable from and after the Closing: (i) any and all cable programming services agreements (including cable guide contracts but excluding system specific programming agreements listed on Schedule 2.1(b)(y)) and any payments received or to be received with respect thereto; (ii) any and all insurance policies and rights and claims thereunder other than the matters described in Section 2.1(b)(viii); (iii) letters of credit and any stocks, bonds (other than surety bonds), certificates of deposit and similar investments; (iv) any and all cash and cash equivalents (including cash received as advance payments by subscribers in the ordinary course of business and held by Time Warner Cable or its Affiliates as of the Closing, but excluding cash in an amount equal to the amount of cash received as (A) subscriber deposits, (B) the cash insurance and condemnation proceeds described in Section 2.1(b)(viii), (C) petty cash on-hand, if any, (D) any cash referred to in Section

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12.16, (E) cash received as advance payments from subscribers that are not received in the ordinary course of business, (F) cash proceeds (on an effective after-tax basis as if TWE and TWE-A/N are, in each case, instead of being partnerships, stand-alone corporations) of any exercise of a Transferred System Option and (G) the Cash Amount (clauses (B) except to the extent relating to an Assumed Liability), (D), (E), (F) and (G), the “Excluded Transferred Cash”); (v) any and all patents, copyrights, trademarks, trade names, service marks, service names, logos and similar proprietary rights, including the “Time Warner Cable” or “Road Runner” name and any derivations thereof (subject to Section 3.2 and excluding those items (other than those incorporating the “Time Warner” or “Road Runner” name) owned, licensed, used or held for use exclusively in connection with the operation of the Transferred Systems); (vi) any and all Contracts for subscriber billing services and any equipment leased with respect to the provision of services under such Contracts (subject to Section 7.9); (vii) any and all Contracts relating to national advertising sales representation; (viii) any and all agreements with Road Runner Holdco LLC or any other Internet service provider; (ix) any and all Contracts pursuant to which Time Warner Cable or any of its Affiliates procures goods or services for both the Transferred Systems and the Time Warner Cable Retained Cable Systems; (x) any and all retransmission consent agreements, except as provided in Section 7.5 with respect to certain Local Retransmission Consent Agreements as elected by Comcast Subsidiary; (xi) any and all agreements governing or evidencing an obligation of Time Warner Cable or any of its Affiliates for borrowed money; (xii) the assets described on Schedule 2.1(c); (xiii) any surplus inventory in excess of amounts of inventory held consistent with Time Warner Cable Retained Cable Systems practice; (xiv) any and all Authorizations of Governmental Authorities to provide telephony service held, directly or indirectly, by Time Warner Cable or any of its Affiliates; (xv) any and all assets relating to the Time Warner

Cable 401(k) Plan and the Time Warner Cable Pension Plans; (xvi) any and all account books of original entry, general ledgers, and financial records used in connection with the Transferred Systems; (xvii) any assets of the type that would be excluded from financial statements by reason of the GAAP Adjustments; and (xviii) any intercompany account receivable created to record cash swept from the Transferred Systems prior to Closing (except to the extent such cash would be excluded from the definition of "Excluded Assets" pursuant to clause (iv) above and such cash amount is not otherwise transferred to Holdco in the Holdco Transaction); provided, that Time Warner Cable shall, at Comcast Subsidiary's request and expense, provide copies of, or information contained in, such books, records and ledgers referred to in clause (xvi) above (other than information pertaining to programming agreements that are not Transferred System-specific programming or, to the extent necessary to protect the legitimate legal, business and/or confidentiality concerns of Time Warner Cable but taking into account Holdco's and Comcast Subsidiary's need for such information, other information that is competitively sensitive, is subject to confidentiality restrictions or that contains trade secrets or other sensitive information) to the extent reasonably requested by Holdco or Comcast Subsidiary after the Closing Date.

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**(d) Authorizations and Consents.**

(i) If and to the extent that the transfer or assignment from TWE to TWE Holdco 1, from any Transferring Person to Time Warner Cable or from Time Warner Cable or any of its Affiliates to Holdco of any Transferred Asset (or following such transfer or assignment, the transfer of Holdco Shares to Comcast Trust or Comcast Subsidiary, or from Comcast Trust to Comcast Subsidiary, as the case may be) would be a violation of applicable Legal Requirements with respect to such Transferred Asset, require any Authorization with respect to such Transferred Asset or otherwise adversely affect the rights of the applicable transferee thereunder then the transfer or assignment to Time Warner Cable or Holdco, as applicable, of such Transferred Asset (each a "Delayed Transfer Asset") shall be automatically deemed deferred and any such purported transfer or assignment shall be null and void until such time as all legal impediments are removed and/or such Authorizations have been made or obtained. Notwithstanding the foregoing, any such Delayed Transfer Asset shall be deemed a Transferred Asset for purposes of determining whether any Liability is an Assumed Liability.

(ii) If the transfer or assignment of any Transferred Asset intended to be transferred or assigned hereunder is not consummated prior to or at the Closing, whether as a result of the provisions of Section 2.1(d) or for any other reason, then Time Warner Cable (or its Affiliate) shall thereafter, directly or indirectly, hold such Transferred Asset for the use and benefit, insofar as reasonably possible and not prohibited under the terms of any applicable Contract, of Holdco (at the expense of Holdco). In addition, Time Warner Cable shall take or cause to be taken such other actions as may be reasonably requested by Holdco in order to place Holdco, insofar as reasonably possible, in the same position as if such Transferred Asset had been transferred as contemplated hereby and so that all the benefits and burdens relating to such Transferred Assets including possession, use, risk of loss, potential for gain, and dominion, control and command over such Transferred Asset, are to inure from and after the Closing to Holdco. To the extent permitted by Legal Requirements and to the extent otherwise permissible in light of any required Authorization, Holdco shall be entitled to, and shall be responsible for, the management of any Transferred Assets not yet transferred to it as a result of this Section 2.1(d) and the parties agree to use reasonable commercial efforts to cooperate and coordinate with respect thereto. For the avoidance of doubt, Time Warner Cable will cause TWE and each other Transferring Person to comply with the provisions hereof as if TWE or such other Transferring Person were a party hereto to the extent any Transferred Asset was intended to be, but was not, transferred in the GP Redemption, Subsidiary Transfers or the Holdco Transaction, as applicable.

(iii) If and when the Authorizations, the absence of which caused the deferral of transfer of any Transferred Asset pursuant to this Section 2.1(d), are obtained, the transfer of the applicable Transferred Asset to Holdco shall automatically and without further action be effected in accordance with the terms of this Agreement and the applicable Transaction Documents.

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(iv) Neither Time Warner Cable nor any Affiliate thereof shall be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced by Holdco, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by Holdco except as otherwise specifically provided in this Agreement, including for this purpose Section 3.4.

(v) Prior to the Holdco Transaction, Time Warner Cable shall deliver to Holdco a list identifying, in reasonable detail and to Time Warner Cable's knowledge, the Delayed Transfer Assets and the Authorizations required therefor.

(vi) The parties hereto further agree (A) that any Delayed Transferred Assets referred to in this Section 2.1(d) shall be treated for all Income Tax purposes as assets of Holdco (or any successor thereof) and (B) not to report or take any Tax position (on a Tax

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Return or otherwise) inconsistent with such treatment (unless required by a change in applicable Tax law or a good faith resolution of a contest, provided that if such a resolution would result in Time Warner Cable taking a position that is inconsistent with any reporting position required to be taken under the Tax Matters Agreement the provisions of the Tax Matters Agreement shall apply).

**Section 2.2 Assumed Liabilities.** At the Closing and except as otherwise provided for herein, Holdco shall assume, and, from and after the Closing, Holdco shall pay, discharge and perform as and when due, all (a) Liabilities of Time Warner Cable and its Affiliates to the extent arising out of, resulting from or associated with the ownership and operation of the Transferred Assets and/or the Transferred Business prior to Closing, or the transfer of such Transferred Assets and/or Transferred Business at Closing, including all Master Pre-Closing Liabilities, but in each case only to the extent such Liabilities are reflected in the Closing Net Liabilities Amount used to calculate the Final Closing Adjustment Amount and (b) all Liabilities to the extent relating to, arising out of or resulting from the ownership and operation of the Transferred Assets and/or the Transferred Business after the Closing, including all Specified Launch Support Liabilities, (clauses (a) and (b) collectively, the “Assumed Liabilities”). The Assumed Liabilities shall not include (i) Excluded Tax Liabilities, (ii) Liabilities set forth on Schedule 2.2, (iii) Liabilities for long-term debt (including the current portion thereof), (iv) Liabilities to the extent arising out of, resulting from or associated with the use, ownership or operation of the Excluded Assets other than Master Pre-Closing Liabilities and Specified Launch Support Liabilities, (v) any Liabilities of Time Warner Cable or its Affiliates other than Assumed Liabilities, (vi) any Liabilities of the type that would be excluded from financial statements by reason of the GAAP Adjustments or (vii) any intercompany payable created to record cash lent to the Transferred Systems prior to Closing (clauses (i) through (vii) collectively, “Excluded Liabilities”).

**Section 2.3 Registration Rights Agreement.**

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(a) Comcast Trust and Time Warner Cable each hereby acknowledge and agree that any request by Comcast Trust for a demand registration under the Registration Rights Agreement prior to the date hereof (the “Previous Request”) will be treated for all purposes as if it had not been made. Except as set forth in Section 2.3(g) hereof, unless and until a subsequent request for a demand registration is delivered to Time Warner Cable in accordance with the Registration Rights Agreement, Time Warner Cable will not be required to take any action under the Registration Rights Agreement in respect of any request for a registration thereunder.

(b) Comcast Trust hereby agrees on behalf of itself and its Controlled Affiliates that, except as set forth in this Section 2.3, from the date hereof until the earlier of (i) the date upon which this Agreement is terminated in accordance with its terms and (ii) the date upon which Time Warner Cable’s offering of Issuer Securities (as defined in the Registration Rights Agreement) to the public for cash for its own account in one or more transactions registered under the Securities Act (other than as consideration in an acquisition transaction or as compensation to employees) equals or exceeds \$2.1 billion (or such higher amount as may be expressly approved by Comcast Trust) (such period, the “Lock-Up Period”) it shall not exercise (or cause to be exercised) (or make any request with respect thereto) any of its registration rights under the Registration Rights Agreement with respect to any “Registrable Securities” (as defined in the Registration Rights Agreement) beneficially owned by it or any of its Controlled Affiliates or otherwise.

(c) Comcast Trust hereby agrees on behalf of itself and its Controlled Affiliates that, except as set forth in Section 2.3(g) hereof, it shall not transfer (or cause to be transferred), dispose (or cause to be disposed of) or otherwise monetize, in any such case directly or indirectly, any of the Registrable Securities beneficially owned by it or any of its Controlled Affiliates until such time, if any, as this Agreement is terminated in accordance with its terms. Notwithstanding any other provision of this Section 2.3(c), Comcast Trust may, at any time, directly or indirectly transfer all or any of its Registrable Securities to Comcast Parent or any Subsidiary of Comcast Parent if such Person agrees in writing to be bound by, and entitled to the benefits of, this Section 2.3 as if a party hereto and delivers a written acknowledgment of the same to Time Warner Cable (including with respect to any subsequent transfers or dispositions), *provided* that such transfer is otherwise permitted under this Agreement (disregarding this Section 2.3).

(d) For purposes of offerings made pursuant to the Demand Registrations contemplated by Section 2.3(g) hereof or any offering in respect of which Comcast Trust has the opportunity to exercise incidental registration rights pursuant to Article V of the Registration Rights Agreement, from the Comcast Priority Start Date until the Comcast Priority Termination Date, each of the Registration Rights Agreement and the TWX Registration Rights Agreement shall be amended by deleting clauses (a), (b) and (c) and the final sentence of Section 6.10 of each such agreement and replacing them in their entirety with the following:

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“(a) First, such offering shall include any Registrable Securities proposed to be included in such offering; and

(b) Second, (i) if such offering occurs prior to the AOLTW Registration Date, such offering shall include any other securities proposed to be included in such offering, which securities shall (A) first, include any Issuer Securities not already included in such offering and (B) second, include any AOLTW Securities requested to be included in such offering; and (ii) if such offering occurs on or after the AOLTW Registration Date, such offering shall include any other securities proposed to be included in such offering, which securities shall be divided equally between (x) any such securities that are Issuer Securities not already included in such offering and (y) any such securities that are AOLTW Securities not already included in such offering, in each case until all such securities requested to be registered have been included in such offering.”

Immediately following the Comcast Priority Termination Date, (1) Section 6.10 of each of the Registration Rights Agreement and the TWX Registration Rights Agreement shall be amended so as to read as such Section read immediately prior to the amendment effected by this Section 2.3(d); and (2) for purposes calculating the amount of securities to be included in any offering pursuant to Section 6.10(c) of each of the Registration Rights Agreement and the TWX Registration Rights Agreement, any Registrable Securities sold by any Stockholder pursuant to the Section 2.3 Registration Statement for Cumulative Net Proceeds (as defined in each such agreement) in excess of \$3.0 billion (“Excess Section 2.3(g) Securities”) shall be deemed to have been included in such offering pursuant to Section 6.10(c) until all such Excess Section 2.3(g) Securities have been deemed included in an offering pursuant to this subclause (2).

(e) Notwithstanding Section 6.8(a) of the Registration Rights Agreement, but subject to Section 2.3(g)(ix), (i) prior to the Comcast Priority Start Date, Comcast Trust shall not be required to enter into any Lock-up Agreement (as defined in the Registration Rights Agreement) that does not terminate on or prior to the Comcast Priority Start Date and (ii) after the Lock-Up Period, Comcast Trust shall not be required to enter into any Lock-up Agreement unless Comcast Trust has the opportunity to exercise incidental registration rights pursuant to Article V of the Registration Rights Agreement with respect to such offering, subject to the limitations and provisions of the Registration Rights Agreement, as amended hereby.

(f) Time Warner Cable acknowledges that Comcast Trust is obligated to dispose of the Redemption Securities pursuant to the FCC Trust Requirements and agrees to reasonably cooperate with Comcast Trust, Comcast Parent and Comcast Subsidiary in effecting such disposition pursuant to the Registration Rights Agreement, as amended hereby.

(g) Execution of this Agreement shall be deemed a written request, pursuant to Section 4.1 of the Registration Rights Agreement, by Comcast Trust to the Issuer to use all commercially reasonable efforts to file, on (but not prior to) the Demand Filing Date, a registration statement that registers the offer and sale of all

Registrable Securities of Issuer beneficially owned by Comcast Trust or any of its Controlled Affiliates. Such Demand Registration shall be subject to the terms of the Registration Rights Agreement, which agreement shall be deemed amended, from the date hereof until the Comcast Priority Termination Date, as follows:

(i) *Frequency of Demand Registrations.* Section 4.1(a)(i) of the Registration Rights Agreement shall be replaced with the following: “more than one such Demand Registration in any period of 90 days.”.

(ii) *Identity of Requesting Stockholder; Intended Method of Disposition.* For purposes of Section 4.1(b) of the Registration Rights Agreement, the Stockholder making the request shall be deemed to be Comcast Trust and the intended method of distribution shall be one or more underwritten public offerings.

(iii) *Effective Demand Registration.* With respect to the Demand Registrations contemplated by this Section 2.3(g), Section 4.2 of the Registration Rights Agreement shall be replaced in its entirety with the following:

“4.2 Effective Demand Registration. Subject to Section 6.3(b), the Issuer shall use all commercially reasonable efforts to (i) file a Registration Statement relating to the Demand Registration contemplated by Section 2.3(g) of the Redemption Agreement (the “Redemption Agreement”) dated as of April 20, 2005, on or before the Demand Filing Date (as defined in the Redemption Agreement), (ii) cause such Registration Statement to be declared effective by the Commission not later than the Comcast Priority Start Date (as defined in the Redemption Agreement) and (iii) keep such Registration Statement continuously effective until the Demand Registration Termination Date (as defined in the Redemption Agreement).”

(iv) *Shelf Registration Statement.* Notwithstanding Section 6.1(a) of the Registration Rights Agreement, the registration statement (the “Section 2.3 Registration Statement”) in respect of the Demand Registration contemplated by this Section 2.3(g) will be on Form S-1 (or on Form S-3 if the Issuer is eligible to use such form) registering an offering to be made on a continuous or delayed basis pursuant to Rule 415(a)(1) under the Securities Act; each takedown under such Section 2.3 Registration Statement

shall constitute a separate Demand Registration for purposes of Section 4.1(a)(ii) of the Registration Rights Agreement, *provided* that the Demand Registration contemplated by this Section 2.3(g) and the first takedown thereunder shall collectively constitute a single such Demand Registration; and, Comcast Trust shall give Issuer reasonable, but no less than ten (10) Business Days', prior notice of its intent to effect a takedown under

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such Demand Registration. Notwithstanding the foregoing, to the extent the Issuer is eligible to use Form S-3 and to the extent the original Section 2.3 Registration Statement was filed on Form S-1, the Issuer may file an additional Section 2.3 Registration Statement on Form S-3 and on the date the Securities and Exchange Commission declares such additional Section 2.3 Registration Statement effective, Comcast Trust shall not initiate any new takings under the original Section 2.3 Registration Statement and, upon the completion of any then pending distributions of Registrable Securities under the original Section 2.3 Registration Statement, Issuer shall be entitled to withdraw such original Section 2.3 Registration Statement pursuant to Rule 477 under the Securities Act.

(v) *Plan of Distribution.* The Section 2.3 Registration Statement shall include a "Plan of Distribution" reasonably satisfactory to Comcast Trust and Time Warner Cable. From the date on which the Section 2.3 Registration Statement is declared effective through the Comcast Priority Termination Date, all Hedging Transactions required to be registered pursuant to Section 4.4 of the Registration Rights Agreement shall be consummated by Comcast Trust and its Controlled Affiliates pursuant to the Section 2.3 Registration Statement.

(vi) *Effectiveness of Shelf Registration Statement.* Section 6.1(b) of the Registration Rights Agreement shall be replaced in its entirety with the following:

"(b) the Issuer shall, as expeditiously as practicable, use all commercially reasonable efforts to prepare and file with the Commission such amendments and supplements to such Registration Statement and the Prospectus as may be necessary to keep such Registration Statement effective as set forth in Section 4.2 hereof, *provided* that the Issuer shall not be required (i) to supplement the Prospectus until five (5) Business Days after it first announces earnings in respect of its first, second or third fiscal quarters or (ii) to file any post-effective amendment required in respect of its annual report on Form 10-K until ten (10) Business Days after it files such annual report (such ten Business Day period shall constitute a Deferral Period not subject to the limitations set forth in Section 6.3(c) hereof); and the Issuer shall comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such Registration Statement; notwithstanding anything to the contrary in this Agreement, the Issuer shall not be required to file or have declared effective more than one post-effective amendment of the Section 2.3 Registration Statement (as defined in the Redemption Agreement)

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(excluding any post-effective amendments required pursuant to Regulation S-K, Item 512(a)(1)(ii) and excluding any post-effective amendments necessitated by the Issuer having to file any amended annual report on Form 10-K/A) and shall not be required to file more than five supplements to the Prospectus contained in such Section 2.3 Registration Statement (*provided* that any preliminary or final prospectus supplement relating to a single underwritten public offering shall collectively be deemed to constitute one supplement to the Prospectus and any preliminary or final supplement filed in connection with the first takedown under such Section 2.3 Registration Statement shall not be counted as a supplement);".

(vii) *Deferral Periods.* Notwithstanding Section 6.3(b) of the Registration Rights Agreement, the Issuer shall not be entitled to voluntarily withdraw the Section 2.3 Registration Statement (*provided* that the Issuer shall be entitled to suspend any and all sales of Registrable Securities by a holder thereof pursuant to such Section 2.3 Registration Statement as contemplated by Section 6.3 of the Registration Rights Agreement and may withdraw such Section 2.3 Registration Statement as provided by Section 2.3(g)(iv) or if required to do so by applicable law, rule, regulation, order or request by the SEC, a court or other governmental or regulatory body having jurisdiction over the Issuer); from the Demand Filing Date

through the Demand Registration Termination Date, the 120 days referred to in Section 6.3(c) of the Registration Rights Agreement shall be deemed to be 90 days.

(viii) *Restrictions on Covered Transactions.* Section 6.7 of the Registration Rights Agreement shall be amended by adding the following clause (e) thereto:

“(e) Notwithstanding anything to the contrary contained in this Agreement, from the Comcast Priority Start Date through the Comcast Priority Termination Date, the Issuer shall not effect any Covered Transactions other than as provided in Section 6.7(b)(ii) hereof, but Trust II shall be permitted to effect any Covered Transactions, Regulatory Sales or Deemed Sales.”

(ix) *Restrictions on Public Sales.* From the Comcast Priority Start Date through the Comcast Priority Termination Date, Section 6.8(a)(i) of the Registration Rights Agreement and the TWX Registration Rights Agreement shall be amended (A) by replacing “180 days” with “90 days (or such longer period, not to exceed 180 days, as Trust II shall determine)” and (B) by adding the following as the final sentence thereof: “Notwithstanding the foregoing, any Lockup Agreement entered into by the Issuer shall permit the Issuer to issue

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shares of Common Equity as consideration in an acquisition transaction or as compensation to employees.”

(x) *Transferability of rights under this Section 2.3(g).* Notwithstanding anything in this Agreement or the Registration Rights Agreement to the contrary, (A) only Comcast Trust, on behalf of itself, any of its Controlled Affiliates and any transferee under Section 2.3(c) hereof, shall be entitled to the benefits of this Section 2.3(g) and Comcast Trust shall direct all actions hereunder, *provided* that, if Comcast Trust ceases to exist and, pursuant to Section 2.3(c) hereof, has transferred all of the Registrable Securities beneficially owned by it and its Controlled Affiliates to Comcast Parent or its Affiliates, then Comcast Parent shall direct all actions hereunder; and (B) from the Comcast Priority Start Date until the Comcast Priority Termination Date, no Stockholder other than Comcast Trust or any of its Controlled Affiliates (and Comcast Parent and its Controlled Affiliates as provided in the proviso to subclause (A) hereof) under the Registration Rights Agreement shall be permitted to exercise its registration rights under the Registration Rights Agreement.

(h) The foregoing shall be deemed to amend, modify and supplement the Registration Rights Agreement and the TWX Registration Rights Agreement; provided, that, it is acknowledged and agreed by Time Warner Cable that nothing contained in this Section 2.3 shall be deemed a revocation by Comcast Trust for purposes of Section 4.1(c) of the Registration Rights Agreement. In its capacity as the ultimate indirect beneficiary of the Comcast Trust, Comcast Parent hereby expressly acknowledges and approves of the agreement made by Comcast Trust in this Section 2.3. TWX hereby expressly acknowledges and approves the amendment, modification and supplement to the Registration Rights Agreement and the TWX Registration Rights Agreement set forth in this Section 2.3.

(i) Upon the date that the FCC Trust Requirements are terminated or amended so as to require disposition of the Class A Common Stock as of a date that is no earlier than August 18, 2008, Sections 2.3(d), (e), (f) and (g) hereof shall be of no further force or effect.

#### Section 2.4 [Intentionally Omitted]

Section 2.5 Estimated Closing Adjustment Amount. No later than two Business Days prior to the Closing Date, Time Warner Cable will deliver to Comcast Trust and Comcast Subsidiary a good faith estimate of the Subscriber Adjustment Amount (the “Estimated Subscriber Adjustment Amount”), if any, and a good faith estimate of the Closing Net Liabilities Adjustment Amount (the “Estimated Closing Net Liabilities Adjustment Amount”), if any, together with appropriate documentation supporting such estimates. The sum of the Estimated Subscriber Adjustment Amount and the Estimated Closing Net Liabilities Adjustment Amount is

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referred to herein as the “Estimated Closing Adjustment Amount” and may be a positive or a negative amount.

## Section 2.6 Final-Closing Adjustment Amount.

(a) No later than ninety (90) days following the Closing Date (the “Delivery Date”), (i) Comcast Subsidiary will deliver to Time Warner Cable (A) its determination of the Closing Net Liabilities Amount for Holdco and based on the foregoing, the Closing Net Liabilities Adjustment Amount, (B) its determination of the Transferred Closing Subscriber Number and the Transferred Base Subscriber Number and (C) appropriate documentation supporting such determinations (the “Comcast Statement”) and (ii) Time Warner Cable will deliver to Comcast Subsidiary (A) its determination of the Retained Closing Subscriber Number and the Retained Base Subscriber Number and (B) appropriate documentation supporting such determinations (the “Time Warner Cable Statement”). Each such statement shall be prepared in good faith in accordance with this Agreement based on the books and records of the Transferred Systems held by Holdco or based on the books and records of the Time Warner Cable Retained Cable Systems held by Time Warner Cable, as the case may be.

(b) If Time Warner Cable disagrees with any item in the Comcast Statement delivered pursuant to Section 2.6(a)(i), Time Warner Cable may, within ninety (90) days after the Delivery Date, deliver a notice to Comcast Subsidiary disagreeing with such item and setting forth Time Warner Cable’s calculation of such item, together with appropriate documentation supporting such determination. Any such notice of disagreement shall specify those items or portions thereof as to which Time Warner Cable disagrees, and Time Warner Cable shall be deemed to have agreed with all other items and portions of items contained in the Comcast Statement delivered to it pursuant to Section 2.6(a)(i). If Comcast Subsidiary disagrees with any item in the Time Warner Cable Statement delivered pursuant to Section 2.6(a)(ii), Comcast Subsidiary may, within ninety (90) days after the Delivery Date, deliver a notice to Time Warner Cable disagreeing with such item and setting forth Time Warner Cable’s calculation of such item, together with appropriate documentation supporting such determination. Any such notice of disagreement shall specify those items or portions thereof as to which Comcast Subsidiary disagrees, and Comcast Subsidiary shall be deemed to have agreed with all other items and portions of items contained in the Time Warner Cable Statement delivered to it pursuant to Section 2.6(a)(ii). Any such notice shall be prepared in good faith in accordance with this Agreement based on the books and records of the Transferred Systems held by Holdco or the Time Warner Cable Retained Cable Systems, as the case may be.

(c) If a notice of disagreement shall be duly delivered pursuant to Section 2.6(b), Time Warner Cable and Comcast Subsidiary shall, during the thirty (30) days following such delivery, use their commercially reasonable efforts to reach agreement on the disputed items and amounts. If during such period, Time Warner Cable and Comcast Subsidiary are unable to reach such agreement, they shall promptly jointly retain a nationally recognized accounting firm that is not the principal independent accountant of either Comcast Parent or Time Warner Cable’s ultimate

parent (the “Accounting Referee”) to resolve the disputed items or amounts. In making its determinations of the propriety of items and amounts, the Accounting Referee shall consider only those items (or portions thereof) or amounts as to which Time Warner Cable and Comcast Subsidiary disagree and, with respect to each item (or portion thereof) or amount, shall select a number within the range of the dispute between Time Warner Cable and Comcast Subsidiary. The Accounting Referee shall deliver to Time Warner Cable and Comcast Subsidiary, as promptly as practicable (but, in any event, within thirty (30) days after submission of the dispute to it), a report setting forth its resolution of the disputed items and amounts and based thereon (and on the items (or portions thereof) and amounts not in dispute) the Closing Adjustment Amount. Such report shall be final and binding upon Time Warner Cable and Comcast Subsidiary. The costs of the Accounting Referee shall be shared equally by Time Warner Cable and Comcast Subsidiary. Holdco and Time Warner Cable will, and will cause their Affiliates and independent accountants to, cooperate and assist each other and the Accounting Referee in conducting their respective reviews of the amounts referred to in this Section 2.6, including without limitation, making available to the extent necessary any books, records, work papers and personnel.

(d) As used herein, the term “Final Closing Adjustment Amount” means, with respect to any determination of the Closing Adjustment Amount (as defined below): (1) if no notice of disagreement is delivered by either party in accordance with Section 2.6(b) with respect to the other party’s determination of an element used to calculate the Closing Adjustment Amount, the Closing Adjustment Amount calculated based on the amounts in the Comcast Statement and the Time Warner Cable Statement; (2) if either party delivers a notice of disagreement in accordance with Section 2.6(b) and the parties reach agreement on all disputed items within 30 days following such delivery, the Closing Adjustment Amount as determined in accordance with such agreement; or (3) if either party delivers a notice of disagreement in accordance with Section 2.6(b) and the parties fail to reach agreement within 30 days, the Closing Adjustment Amount as calculated based on the undisputed amounts in the Comcast Statement and Time Warner Cable Statement and with respect to disputed items, as determined by the Accounting Referee. As used herein, the term “Closing Adjustment Amount” means the sum of the Subscriber Adjustment Amount and the Closing Net Liabilities Amount.

(e) If the Final Closing Adjustment Amount exceeds the Estimated Closing Adjustment Amount, Time Warner Cable will pay to Holdco the amount of such excess. If the Estimated Closing Adjustment Amount exceeds the Final Closing Adjustment Amount, Holdco will pay to Time Warner Cable the amount of such excess. Any payment pursuant to this Section 2.6(e) shall be made in cash at a mutually convenient time and place within three (3) days following the determination of the Final Closing Adjustment Amount. The amount of any payment to be made pursuant to this Section 2.6(e) shall bear interest from and including the Closing Date to and including the date of payment at the Base Interest Rate.

(f) Tax Treatment of Adjustment Payments and Interest.

(i) For all Tax purposes (unless required by a change in applicable Tax law or a good faith resolution of a contest) the parties hereto agree to treat and to cause their respective Affiliates to treat any payment pursuant to Section 2.6(e) to Holdco by Time Warner Cable (a “Time Warner Cable Adjustment Payment”) or to Time Warner Cable by Holdco (a “Holdco Adjustment Payment” and, each, an “Adjustment Payment”) as (x) with respect to a Time Warner Cable Adjustment Payment, a contribution by Time Warner Cable to Holdco occurring immediately prior to the Closing, and (y) with respect to a Holdco Adjustment Payment, an adjustment to the Cash Amount transferred by Time Warner Cable to Holdco pursuant to the Holdco Transaction occurring immediately prior to the Closing.

(ii) Notwithstanding Section 2.6(f)(i) above, any Adjustment Payments that represent interest payable under Section 2.6(e) hereof shall be treated for all Tax purposes (unless required by a change in applicable Tax law or a good faith resolution of a contest), as (1) deductible to the payor and (2) taxable to the payee.

(g) As used herein, the term “Closing Net Liabilities Adjustment Amount” means the excess, if any, of the Closing Net Liabilities Amount over \$74,300,000. The “Closing Net Liabilities Amount” shall equal the amount of all Liabilities of Holdco (other than the Holdco Transaction Liabilities) as of the Closing (after giving effect to the Closing), less the amount of all current assets (other than inventory and the Excluded Transferred Cash) of Holdco as of the Closing (after giving effect to the Closing), in each case as would be reflected on the face of a balance sheet (excluding any footnotes thereto) prepared in accordance with GAAP; provided that, if Comcast Subsidiary or one of its Affiliates shall have made the request provided in the first sentence of Section 3.1(g)(v), the Actuarial Amount shall be treated as a Liability on the face of such balance sheet prepared in accordance with GAAP for purposes of this calculation and if Comcast Subsidiary or any of its Affiliates has not made such request the Liabilities assumed by Comcast Subsidiary pursuant to the last sentence of Section 3.1(g)(v) shall be treated as a Liability on the face of such balance sheet prepared in accordance with GAAP for purposes of this calculation. The Closing Net Liabilities Amount shall be deemed to include (without duplication) assets or Liabilities of Comcast Subsidiary or its Affiliates or Holdco conveyed or assumed (as applicable) pursuant to Section 3.1, to the extent such assets or Liabilities would be reflected on the face of a balance sheet of the Transferred Business (excluding any footnotes thereto) prepared in accordance with GAAP as of the Closing Time, but without giving effect to the Closing. Current assets shall include, but shall not be limited to, all cash and cash equivalents (including the cash paid to Comcast Subsidiary pursuant to Section 3.1(h) but excluding the Excluded Transferred Cash), prepaid expenses, funds on deposit with third parties, and accounts receivable other than (i) the portion of any account receivable resulting from cable, telephony, data or Internet service sales that is sixty (60) days or more past due as of the Closing Date, (ii) the portion of any national agency account receivable resulting from advertising sales that is one hundred and twenty (120) days or more past due as of the Closing Date, (iii) any non-national agency account receivable resulting from advertising sales any portion of which is

ninety (90) days or more past due as of the Closing Date, (iv) accounts receivable from customers whose accounts are inactive as of the Closing Date or (v) any accounts receivable that have not arisen from a bona fide transaction in the ordinary course of business. For purposes of making the foregoing “past due” calculations, the billing statements of a Transferred System will be deemed to be due and payable consistent with ordinary accounting practice. Current Assets shall include the total SMATV Consideration paid in respect of any Excluded SMATV Acquisition. For the avoidance of doubt, Liabilities shall include, but are not limited to, the Actuarial Amount (if Comcast Subsidiary or any of its Affiliates shall have made the request provided in the first sentence of Section 3.1(g)(v)), Specified Launch Support Liabilities, accounts payable, accrued expenses (including all accrued vacation time, sick days, other accrued paid time off, copyright fees, programming expenses, Applicable Taxes, franchise fees and other license fees or charges), capitalized lease obligations, Contract obligations that are due and payable (including lease obligations), due and payable obligations that are subject to materialmen’s, mechanic’s and similar Liens, Liabilities with respect to unearned income and advance payments (including subscriber prepayments and deposits for converters, encoders, cable television service and related sales) and interest, if any, required to be paid on advance payments.

(h) “Subscriber Adjustment Amount” means an amount (which may be positive or negative) equal to the product of (x) \$3,587 times (y) the Relative Percentage Amount times (z) the Transferred Base Subscriber Number. As used herein, the term “Relative Percentage Amount” means an amount (which shall be expressed as a percentage and may be positive or negative) equal to (i) the Retained Percentage (as defined below) minus (ii) the Transferred Percentage (as defined below). As used herein, the term “Retained Percentage” means a fraction (expressed as a percentage) the numerator of which is the number of Individual Subscribers of the Time Warner Cable Retained Cable Systems as of the Closing Date (the “Retained Closing Subscriber Number”) and the denominator of which is the number of Individual Subscribers of the Time Warner Cable Retained Cable Systems as of the date that

is 12 months prior to the Closing Date (the “Retained Base Subscriber Number”). As used herein, the term “Transferred Percentage” means a fraction (expressed as a percentage) the numerator of which is (A) the number of Individual Subscribers of the Transferred Systems as of the Closing Date minus (B) the number of Individual Subscribers of the Transferred Systems acquired pursuant to any Excluded SMATV Acquisition (the “Transferred Closing Subscriber Number”) and the denominator of which is the number of Individual Subscribers of such Transferred Systems as of the date that is 12 months prior to the Closing Date (the “Transferred Base Subscriber Number”).

## ARTICLE 3 Related Matters

### Section 3.1 Employees.

(a) Employees. Each Transferred System Employee who is an employee of Time Warner Cable or one of its Subsidiaries as of immediately prior to the Holdco Transaction, including individuals on leave of absence, short-term disability

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and long-term disability, shall become an employee of Holdco as of the consummation of the Holdco Transaction. Employees who commence employment with Holdco in accordance with the preceding sentence shall be referred to herein as “Comcast Transferred System Employees.” For the avoidance of doubt, if any employee holding the job title as of the date hereof listed on Schedule 3.1(l) (i) (as previously identified by name to Comcast Subsidiary by Time Warner Cable) remains employed by Time Warner Cable or its Affiliates on the Closing Date as permitted by Section 3.1(l) hereof, such employee shall not be a Comcast Transferred System Employee. For purposes of this Article 3, “Transferred System Employees” shall not include those employees holding the job titles as of the date hereof listed on Schedule 3.1(a) (as previously identified by name to Comcast Subsidiary by Time Warner Cable) (such employees, the “Retained Employees”) and none of Holdco, Comcast Subsidiary or any of their respective Affiliates shall have any obligation or Liability with respect to any of the Retained Employees. Holdco (or its Affiliates as of the Closing) shall take such actions as are reasonably necessary to effectuate the transfer of employment described in this Section 3.1(a), including, without limitation, making a general offer of employment to each such Transferred System Employee. The parties hereto shall not take any action that is not otherwise permitted under this Article 3 that would interfere with such employees becoming employed by Holdco as of the consummation of the Holdco Transaction. Immediately following the Closing, Comcast shall cause the Comcast Transferred System Employees to be paid base salary or wage rates no less than those rates provided to such employees immediately prior to the consummation of the Holdco Transaction and to be provided benefit plan participation at levels no less favorable than those applicable to similarly situated employees of Comcast Subsidiary or its Affiliates at the time of the Closing. As of the Closing, Holdco shall have no employees other than employees who are primarily employed in connection with the Transferred Systems.

(i) Holdco shall recognize, as to each Comcast Transferred System Employee, the period of service (without duplication of benefits) with Time Warner Cable and any of its Affiliates (other than Holdco) prior to the Closing under all Time Warner Cable Benefit Plans to the extent so recognized by Time Warner Cable and its Affiliates prior to the Holdco Transaction. In addition, Holdco shall recognize, as to each Comcast Transferred System Employee, all vacation, sick days and other paid time off accrued by such Comcast Transferred System Employee but unused as of the consummation of the Holdco Transaction, in each case to the extent such amounts are reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

(ii) Notwithstanding any provision in this Agreement to the contrary, the parties hereto agree that, except to the extent used in connection with the funding of any Time Warner Cable Benefit Plan that is continued by Time Warner Cable or any of its Affiliates (other than Holdco), as of the consummation of the Holdco Transaction the parties hereto shall cause to be transferred to or held for the benefit of Holdco their interests in all life, medical and other insurance policies to the extent relating to Transferred System Employees.

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(iii) Subject to obtaining any necessary consents and except as provided in Section 7.2(h) or as otherwise provided in this Agreement, as of the consummation of the Holdco Transaction, Time Warner Cable and its Affiliates (other than Holdco) shall assign to Holdco, and Holdco shall assume, (A) all rights, obligations and Liabilities of Time Warner Cable and its Affiliates (other than Holdco) (x) under all employment agreements, unfunded compensation arrangements and employee related insurance policies and (y) for benefits accrued and payable now and in the future under all Time Warner Cable Benefit Plans, and (B) all other employment-related rights, obligations and Liabilities, in each case to the extent relating to Transferred System Employees (other than Liabilities relating to or arising under the “Time Warner Cable 401(k) Plan”, the “Time Warner Cable Pension Plans” (each as defined below), the Time Warner Cable Excess Benefit Pension Plan and any equity-based compensation plans maintained by Time

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Warner Cable or its Affiliates) (such Liabilities shall be included in the meaning of Assumed Liabilities). With respect to the period prior to Closing, any such Liabilities shall only be assumed to the extent reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

(iv) The parties hereto agree that, except to the extent that sponsorship of a funded Time Warner Cable Benefit Plan is continued by Time Warner Cable or any of its Affiliates (other than Holdco) and except as provided in Section 7.2(h) or as otherwise provided in this Agreement, the Transferred Assets shall include any monies, contracts or other funds relating to the participation of any Transferred System Employees in any Time Warner Cable Benefit Plan, in each case to the extent such amounts, monies, contracts or other funds are reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

(v) Subject to any required notification, as of the consummation of the Holdco Transaction, the parties agree to take such action, and to cause their Affiliates to take such action, as is necessary to cause Holdco to succeed to the rights and obligations of Time Warner Cable and its Affiliates (other than Holdco), including its rights and obligations with respect to any “multiemployer plan” (as defined in Section 3(37) of ERISA), under any collective bargaining agreement (if any so exist) to the extent such agreement covers Transferred System Employees.

(b) Continued Employment with Holdco. Effective as of the Closing, all Comcast Transferred System Employees shall continue to be employees of Holdco and shall cease to be employees of Time Warner Cable or any of its Subsidiaries. Effective as of the Closing, Time Warner Cable shall discontinue providing benefits to Comcast Transferred System Employees under all Time Warner Cable Benefit Plans except as otherwise required by law or as contemplated under this Agreement.

(c) Severance-Related Liabilities. Comcast Subsidiary and Holdco shall be responsible for all Liabilities with respect to any Comcast Transferred System Employee in connection with the termination of such employee’s employment on or after the Closing, and any Liability for WARN and severance payments and benefits under the TWC Severance Pay Plan or any individual employment or severance arrangement, each, in accordance with its terms, applicable to a Transferred

System Employee who rejects the general offer of employment made pursuant to Section 3.1(a). Notwithstanding the foregoing, Comcast Subsidiary and its Affiliates shall have no Liability with respect to the termination of employment of the employees holding the job titles as of the date hereof listed on Schedule 3.1(l)(i), if any such employee is hired by Time Warner Cable or any of its Affiliates as permitted by Section 3.1(l) in the 12 month period following the Closing.

(d) Participation in Benefit Plans. With respect to Comcast Transferred System Employees, compensation and service of such employees with Time Warner Cable and its Affiliates prior to Closing shall be recognized under all applicable Comcast Benefit Plans to the extent so recognized under the corresponding Time Warner Cable Benefit Plans prior to Closing, except to the extent that duplication of benefits would result or as otherwise provided in this Agreement.

(e) Tax-Qualified Defined Contribution Plans. As of and following the Closing, Transferred System Employees shall not be entitled to make contributions to or to benefit from matching or other contributions under the TWC Savings Plan (“Time Warner Cable 401(k) Plan”). None of Comcast Subsidiary, any of its Affiliates or Holdco shall have any Liability with respect to the Time Warner Cable 401(k) Plan, except as may be provided in any other agreement between Time Warner Cable or any of its Affiliates, on the one hand, and Comcast Subsidiary or any of its Affiliates (other than Holdco), on the other. Comcast Transferred System Employees who were participants in the Time Warner Cable 401(k) Plan immediately prior to the Closing shall become participants in a defined contribution pension plan qualified under Section 401(a) of the Code and meeting the requirements of Section 401(k) of the Code established or maintained by Comcast Subsidiary or its Affiliates (the “Comcast 401(k) Plan”) as of the Closing; *provided* that any Comcast Transferred System Employee with less than 6 months of service with Time Warner Cable or any of its Affiliates immediately prior to Closing will only become a participant in the Comcast 401(k) Plan after completing 6 months of combined continuous service with Time Warner Cable or any of its Affiliates (other than Holdco) and Holdco or any of its Affiliates (other than Time Warner Cable). Comcast Subsidiary or its Affiliates shall cause the Comcast 401(k) Plan to accept cash eligible rollover distributions (as defined in Section 402(c)(4) of the Code) by Comcast Transferred System Employees with respect to account balances distributed to them on or after the Closing Date by the Time Warner Cable 401(k) Plan.

(f) Tax-Qualified Defined Benefit Plans. As of the Closing, the Transferred System Employees shall cease accruing benefits under the Time Warner Cable Pension Plan, and the Time Warner Cable Union Pension Plan (collectively, the “Time Warner Cable Pension Plans”). None of Comcast Subsidiary, any of its Affiliates or Holdco shall have any Liability with respect to the Time Warner Cable Pension Plans or the Time Warner Cable Excess Benefit Pension Plan except as may be provided in any other agreement between Time Warner Cable or any of its Affiliates, on the one hand, and Comcast Subsidiary or any of its Affiliates (other than Holdco), on the other.

(g) Health and Welfare Plans.

(i) All Liabilities relating to, arising out of, or resulting from health and welfare coverage or claims incurred by or on behalf of each Transferred System Employee under any Time Warner Cable Benefit Plan that is a health or welfare plan within the meaning of Section 3(1) of ERISA (each a “Time Warner Cable Health or Welfare Plan”) prior to the Closing shall be Liabilities of Holdco or one of its Affiliates to the extent such Liabilities are reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

(ii) Other than as required by COBRA, each Transferred System Employee shall cease to participate in any Time Warner Cable Health or Welfare Plan as of the Closing.

(iii) Each Comcast Transferred System Employee who, after the recognition of service provided for in Section 3.1(d) satisfies the eligibility requirements under the applicable Comcast Benefit Plan that is a health or welfare plan within the meaning of Section 3(1) of ERISA (each, a “Comcast Health or Welfare Plan”), shall be (A) entitled to enroll, effective as of the Closing, as a newly-eligible employee of Comcast Subsidiary or one of its Affiliates in the Comcast Health or Welfare Plans then available to similarly situated employees of Comcast Subsidiary or any of its Affiliates and (B) eligible to elect such coverage and benefit options as may then be available or provided under the terms of the Comcast Health or Welfare Plans to new employees of Comcast Subsidiary or any of its Affiliates. All compensation, benefit elections, deductible payments, payments toward the applicable out-of-pocket maximums and other benefit-affecting determinations affecting Comcast Transferred System Employees that, as of immediately prior to the Closing, were recognized under any Time Warner Cable Health or Welfare Plan with respect to the plan year in which the Closing occurs shall receive full recognition, credit and validity and be taken into account under the corresponding Comcast Health or Welfare Plan as of the Closing with respect to that same plan year.

(iv) With respect to any Comcast Transferred System Employee and his or her dependents (if any) who were covered under any Time Warner Cable Health or Welfare Plan immediately prior to the Closing, Comcast Subsidiary shall take, or cause to be taken, the appropriate actions reasonably necessary to ensure that the proof of insurability requirements (if any) and the preexisting condition exclusions (if any) applicable to new enrollees under the corresponding Comcast Health or Welfare Plan (if any) are waived with respect to such Comcast Transferred System Employee, to the extent that such requirements and exclusions were waived under any similar corresponding Time Warner Cable Health Welfare Plan.

(v) Upon the written request of Comcast Subsidiary or one of its Affiliates delivered to Time Warner Cable at least 60 days prior to the expected Closing Date, Time Warner Cable shall, or shall cause its Affiliates to, permit those Transferred System Employees on long-term disability or who are receiving retiree life or retiree medical benefits at the time of the Closing and who are listed on a Schedule

3.1(g)(v) (the “Selected Employees”), such Schedule 3.1(g)(v) to be updated ten Business Days prior to the expected Closing Date, to continue to receive such coverage under the applicable long-term disability, retiree medical or retiree life plan, as applicable, sponsored or maintained by Time Warner Cable or its Affiliates and the Actuarial Amount shall be determined and taken into account as provided in Section 1.1 in the definition of “Cash Amount” and as provided in Section 2.6(g) in the definition of “Closing Net Liabilities Amount”. If Comcast Subsidiary or one of its Affiliates makes the request provided in the first sentence of this Section 3.1(g)(v), except for the payment of the Actuarial Amount, any Liability associated with any long-term disability, retiree life or retiree medical benefits, as applicable, relating to or in connection with the Selected Employees shall not be an Assumed Liability and shall be included in the meaning of Excluded Liabilities. If Comcast Subsidiary or one of its Affiliates does not make the request provided in the first sentence of this Section 3.1(g)(v), Comcast Subsidiary shall assume all Liabilities associated with any long-term disability, retiree life or retiree medical benefits relating to or in connection with the Selected Employees and such Liabilities shall be reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

(h) Reimbursement Account Plans. To the extent any Comcast Transferred System Employee made contributions to any Time Warner Cable Benefit Plan that is a reimbursement account plan, such as a health care or dependent care reimbursement plan (“Time Warner Cable Reimbursement Plan”), during the calendar year in which the Closing occurs, such Comcast Transferred System Employee shall be permitted to file claims for reimbursement under a Comcast Benefit Plan that is a comparable reimbursement account plan (“Comcast Reimbursement Plan”) for qualifying expenses incurred during the calendar year in which the Closing occurs, including periods prior to the Closing, for a total amount not to exceed the amount elected by such Comcast Transferred System Employee for that year under such plan. Account balances, whether positive or negative, shall be transferred and assigned to the appropriate Comcast Reimbursement Plan by Time Warner Cable or an Affiliate, as applicable. As soon as practicable following the Closing, Time Warner Cable shall pay to Comcast Subsidiary a cash amount (which amount shall be deemed to constitute a current asset of Holdco for purposes of Section 2.6(g)) equal to the aggregate positive balances as of the

Closing Date of each flexible spending account of each Comcast Transferred System Employee under the applicable Time Warner Cable Reimbursement Plan. Comcast Subsidiary shall assume all obligations of Time Warner Cable with respect to each Transferred System Employee under the applicable Time Warner Cable Reimbursement Plan.

(i) COBRA. Comcast Subsidiary shall, or shall cause, each Comcast Transferred System Employee and each “qualified beneficiary” (as defined in Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and as codified in Section 4980B of the Code and ERISA Sections 601 through 608 (“COBRA”)) of each Comcast Transferred System Employee, who elects continued group health plan coverage under COBRA or incurs a “qualifying event” (as defined in COBRA) on or after the Closing, to be offered COBRA coverage on and after the Closing under a Comcast Health or Welfare Plan. Time Warner Cable and its Affiliates

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(other than Holdco) shall retain all obligations and Liabilities with respect to Transferred System Employees who elected continued group plan coverage under COBRA or incurred a “qualifying event” prior to the Closing.

(j) WARN Compliance. Comcast Subsidiary and Holdco shall be responsible for any Liability arising under the Worker Adjustment and Retraining Notification Act and any similar state or local laws (collectively, “WARN”) with respect to the termination of employment of Comcast Transferred System Employees on or after the Closing. During the period prior to the Closing, the parties agree to cooperate with each other in order to comply with WARN, including, but not limited to, Holdco or its Affiliates providing to Transferred System Employees and any applicable governmental entities or other required persons (on behalf of itself and Comcast Subsidiary) any notice and other requirements under WARN.

(k) Workers’ Compensation Liabilities. Comcast Subsidiary and Holdco shall be responsible for all workers’ compensation Liabilities relating to, arising out of, or resulting from any claim incurred for a compensable injury sustained by a Comcast Transferred System Employee on or after the Closing and, to the extent reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount, before Closing.

(l) Non-Solicit Provisions -- Excluded Employees.

(i) Except for the employees holding the job titles as of the date hereof listed on Schedule 3.1(l)(i) (as previously identified by name to Comcast Subsidiary by Time Warner Cable), from the date hereof until the first anniversary of the Closing neither Time Warner Cable nor any of its Subsidiaries will solicit any Transferred System Employees (other than for the benefit of the Transferred Systems or with the prior written consent of Comcast Subsidiary, in each case, prior to the Closing or to comply with the provisions set forth in Section 3.1(a)).

(ii) Except for the employees holding the job titles as of the date hereof listed on Schedule 3.1(l)(i) (as previously identified by name to Comcast Subsidiary by Time Warner Cable), from the date hereof until the first anniversary of the Closing neither Time Warner Cable nor any of its Subsidiaries will hire any Transferred System Employees (other than for the benefit of the Transferred Systems or with the prior written consent of Comcast Subsidiary, in each case, prior to the Closing or to comply with the provisions set forth in Section 3.1(a)).

(iii) Notwithstanding the foregoing, advertising through mass media in which an offer of employment, if any, is available to the general public, such as magazines, newspapers and sponsorships of public events shall not be prohibited by this Section 3.1(l). Solely for purposes of this Section 3.1(l), Transferred System Employees shall in no event include the beneficiary or dependent of any Transferred System Employee unless such beneficiary or dependent is otherwise a Transferred System Employee.

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(iv) Solely for purposes of this Section 3.1(l) “Transferred System Employee” shall be applied so as to include any individual who as of any relevant date (which shall include the period from the date hereof through the Closing Date) would be a Transferred System Employee if the Closing Date occurred on such date.

(v) From the Closing Date until the first anniversary of the Closing, neither Comcast Subsidiary nor any of its Affiliates will hire any Retained Employees.

(vi) Time Warner Cable or its Affiliates shall make available to Comcast Subsidiary or its Affiliates for consultation and transitional services Retained Employees and those employees listed on Schedule 3.1(l)(i) (if hired or retained by Time Warner Cable or its Affiliates as permitted by this Section 3.1(l)), as reasonably requested by Comcast Subsidiary or its Affiliates. The

provision of any such services shall be in accordance with the terms of Section 7.9 hereof and shall not unreasonably interfere with the performance of any such employee's duties to Time Warner Cable or its Affiliates.

(m) Confidentiality and Proprietary Information. No provision of this Section 3.1 shall be deemed to release any individual for any violation of a plan, policy, agreement or guideline regarding non-competition or pertaining to confidential or proprietary information of Time Warner Cable or any of its Affiliates or otherwise relieve any individual of his or her obligations under such guideline or any such plan, program or arrangement.

(n) No Implied Rights or Third Party Beneficiaries. The parties hereto hereby acknowledge and agree that no provision of this Agreement shall be construed to create any right, or accelerate entitlement, to any compensation or benefit whatsoever on the part of any Transferred System Employee, Retained Employee or other future, present, or former employee of Comcast Subsidiary, Holdco, Time Warner Cable, or any of their respective Affiliates, under any Comcast Benefit Plan or Time Warner Cable Benefit Plan or otherwise. Without limiting the generality of the foregoing: (i) except as expressly provided in this Agreement, nothing in this Agreement shall preclude Comcast Subsidiary or any of its Affiliates, at any time after the Closing, from amending, merging, modifying, terminating, eliminating, reducing or otherwise altering in any respect any Comcast Benefit Plan, any benefit under any such plan or any trust, insurance policy or funding vehicle related to any Comcast Benefit Plan; and (ii) except as expressly provided in this Agreement, nothing in this Agreement shall preclude Time Warner Cable or any of its Affiliates, at any time from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any Time Warner Cable Benefit Plan, any benefit under any such plan or any trust, insurance policy or funding vehicle related to any Time Warner Cable Benefit Plan. Nothing in this Section 3.1 or elsewhere in this Agreement shall be deemed to make any employee of the parties a third party beneficiary of this Section 3.1 or any rights relating hereto.

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(o) Collective Bargaining. To the extent any provision of this Agreement is contrary to the provisions of any collective bargaining agreement to which Time Warner Cable or any of its Subsidiaries is a party as of the date hereof that covers Transferred System Employees or Retained Employees, the terms of such collective bargaining agreement shall prevail. Should any provision of this Agreement be deemed to relate to a topic determined by an appropriate authority to be a mandatory subject of collective bargaining with respect to the Transferred System Employees, Comcast Subsidiary or Time Warner Cable or any of their respective Subsidiaries may be obligated to bargain with the union representing affected employees concerning those subjects. Comcast Subsidiary and its Subsidiaries shall be responsible for Liabilities with respect to any obligations to any collective bargaining unit that represents as of the date hereof Transferred System Employees to the extent consistent with Comcast's rights and responsibilities under applicable labor law. If Time Warner Cable or any of its Affiliates acquires a duty to bargain with any labor organization with respect to Transferred System Employees, then Time Warner Cable or its Affiliates shall (i) give prompt written notice of such development to Comcast Subsidiary and (ii) not enter into any contract with such labor organization that contains a successor clause or otherwise purports to bind Comcast Trust, Comcast Subsidiary, Holdco (after the Closing) or any of their Affiliates in any way, without the prior written consent of Comcast Subsidiary.

Section 3.2 Use of Names and Logos. For a period of 150 days after Closing, Holdco shall be entitled to use the trademarks, trade names, service marks, service names, logos and similar proprietary rights of Time Warner Cable and its Affiliates to the extent incorporated in or on the Transferred Assets (collectively, the "Time Warner Cable Marks"), provided, that (a) Comcast Subsidiary and Holdco acknowledge that the Time Warner Cable Marks belong to Time Warner Cable and its Affiliates, and that neither Comcast Subsidiary nor Holdco shall acquire any rights therein during or pursuant to such 150-day period; (b) all such Transferred Assets shall be used in a manner consistent with the use made by Time Warner Cable and its Affiliates of such Transferred Assets prior to Closing; (c) Comcast Subsidiary shall exercise reasonable efforts to remove all Time Warner Cable Marks from the Transferred Assets as soon as reasonably practicable following Closing; and (d) the use of the Time Warner Cable Marks during such period shall inure to the benefit of Time Warner Cable and, to the extent any goodwill in the Time Warner Cable Marks is deemed to accrue during such period, to Holdco or its Affiliates, then Comcast Subsidiary agrees to cause Holdco to assign all such goodwill to Time Warner Cable; provided, that Holdco shall indemnify and hold harmless Time Warner Cable for any Liabilities arising from or otherwise relating to Holdco's use of the Time Warner Cable Marks. Upon expiration of such 150-day period, Comcast Subsidiary shall cause Holdco to remove all Time Warner Cable Marks from the Transferred Assets and destroy all unused letterhead, checks, business-related forms, preprinted form contracts, product literature, sales literature, labels, packaging material and any other materials displaying the Time Warner Cable Marks within ten Business Days and shall provide Time Warner Cable with a written certification that it destroyed any and all such materials. Notwithstanding the foregoing, Comcast Subsidiary and Holdco shall not be required to remove or discontinue using any

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such proprietary rights that are affixed to converters or other items located in customer homes or properties such that prompt removal is impracticable for Comcast Subsidiary and Holdco; provided, that Comcast Subsidiary and Holdco shall remove or discontinue such proprietary rights promptly upon the return of such converters or other items to their possession.

**Section 3.3 Transfer Laws.** The parties hereto each waive compliance with Legal Requirements relating to bulk transfers applicable to the transactions contemplated hereby.

**Section 3.4 Transfer Taxes and Fees.** All sales, use, transfer and similar taxes or assessments, including transfer fees and similar assessments for Transferred System Franchises, Transferred System Licenses and Transferred System Contracts, arising from or payable by reason of or otherwise related to the Holdco Transaction and TWC Redemption, shall be paid one-half by Holdco and one-half by Time Warner Cable (it being understood and agreed that if any such payable is satisfied by a party or any Affiliate thereof, then promptly after the later of (x) the Closing and (y) the demand of the paying party, the other party shall reimburse the paying party for one-half of any such amounts paid by the paying party).

## **ARTICLE 4 Comcast Trust's Representations and Warranties**

Comcast Trust represents and warrants to Time Warner Cable, as of the date of this Agreement and as of Closing, as follows:

**Section 4.1 Organization and Qualification of Comcast Trust.** Comcast Trust is a statutory trust duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite trust power and authority to own the Redemption Securities.

**Section 4.2 Authority.** Subject to the FCC Trust Requirements, Comcast Trust has all requisite power and authority under the terms of its declaration of trust to execute, deliver and perform this Agreement and the Transaction Documents to be executed and delivered by Comcast Trust and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by Comcast Trust have been, and in the case of the Transaction Documents to be executed and delivered by Comcast Trust and the consummation of the transactions contemplated thereby, shall at Closing have been duly and validly authorized, subject to the FCC Trust Requirements, by all necessary trust action on the part of Comcast Trust. This Agreement has been duly and validly executed and delivered by Comcast Trust and is, and in the case of the Transaction Documents to be executed and delivered by Comcast Trust, when so executed and delivered shall be, subject to the FCC Trust Requirements, the valid and binding obligation of Comcast Trust, enforceable against Comcast Trust in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating

to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

**Section 4.3 No Conflict; Required Consents.** Subject to compliance with the HSR Act, the FCC Trust Requirements, the Securities Act of 1933 (the "Securities Act") and the Securities Exchange Act of 1934 (the "Exchange Act") and except for Authorizations to be obtained by Time Warner Cable or its Affiliates, the execution, delivery and performance by Comcast Trust of this Agreement and the Transaction Documents to be executed and delivered by Comcast Trust do not and shall not: (a) conflict with or violate any provision of the certificate of trust or declaration of trust of Comcast Trust; (b) to the knowledge of Comcast Trust's operating trustee violate any provision of any material Legal Requirement; (c) without regard to requirements of notice, lapse of time, elections of other Persons or any combination thereof, conflict with, violate, result in a breach of, constitute a default under or give rise to any third party's right(s) of first refusal or similar right under any Contract to which Comcast Trust is party relating to the Redemption Securities; or (d) to the knowledge of Comcast Trust's operating trustee require any material consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority or other Person.

**Section 4.4 Litigation.** (i) There is no Litigation pending or, to Comcast Trust's knowledge, threatened, by or before any Governmental Authority or private arbitration tribunal, against or involving the assets of Comcast Trust or any of its Controlled Affiliates; and (ii) other than the FCC Trust Requirements, there is no Judgment requiring Comcast Trust or any of its Controlled Affiliates to take any action of any kind, in either case, which could adversely affect in any material respect the ability of Comcast Trust or any of its Controlled Affiliates to perform their respective obligations under this Agreement or the other Transaction Documents.

**Section 4.5 Ownership of Redemption Securities.** Comcast Trust owns of record and, subject to the terms of its declaration of trust, beneficially, and has good and valid title to, free and clear of any Liens (other than restrictions imposed by federal and state securities Laws, pursuant to the declaration of trust of Comcast Trust, under agreements with Time Warner Cable or its Affiliates or by the FCC Trust Requirements) and Comcast Trust shall own immediately prior to Closing of record and, subject to the terms of its declaration of trust, beneficially, and will have good and valid title to, free and clear of any Liens (other than restrictions imposed by federal and state securities Laws, pursuant to the declaration of trust of Comcast Trust, under agreements with Time

Warner Cable or its Affiliates or by the FCC Trust Requirements) all of the Redemption Securities. In the TWC Redemption, Comcast Trust will transfer to Time Warner Cable valid title to the Redemption Securities free and clear of any Liens, other than restrictions imposed by federal and state securities laws.

Section 4.6 Brokers. There is no investment banker, broker, finder or other intermediary who has been retained by or is authorized to act on behalf of

Comcast Trust who might be entitled to any fee or commission from Time Warner Cable or its Affiliates in connection with the transactions contemplated by this Agreement.

## **ARTICLE 5** **Comcast Subsidiary's Representations and Warranties**

Comcast Subsidiary represents and warrants to Time Warner Cable, as of the date of this Agreement and as of Closing, as follows:

Section 5.1 Organization and Qualification of Comcast Subsidiary. Comcast Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

Section 5.2 Authority. Comcast Subsidiary has all requisite corporate power and authority to execute, deliver and perform this Agreement and the Transaction Documents to be executed and delivered by Comcast Subsidiary and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by Comcast Subsidiary have been, and in the case of the Transaction Documents to be executed and delivered by Comcast Subsidiary and the consummation of the transactions contemplated thereby, shall at Closing have been duly and validly authorized by all necessary corporate action on the part of Comcast Subsidiary. This Agreement has been duly and validly executed and delivered by Comcast Subsidiary and is, and in the case of the Transaction Documents to be executed and delivered by Comcast Subsidiary, when so executed and delivered shall be, the valid and binding obligation of Comcast Subsidiary, enforceable against Comcast Subsidiary in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

Section 5.3 No Conflict; Required Consents. Subject to compliance with the HSR Act, the FCC Trust Requirements, the Securities Act and the Exchange Act and except for Authorizations to be obtained by Time Warner Cable or its Affiliates, the execution, delivery and performance by Comcast Subsidiary and Comcast Trust of this Agreement and the Transaction Documents to be executed and delivered by Comcast Subsidiary and/or Comcast Trust do not and shall not: (a) conflict with or violate any provision of the certificate of incorporation or bylaws of Comcast Subsidiary or the certificate of trust or declaration of trust of Comcast Trust; (b) violate any provision of any material Legal Requirement; or (c) require any material consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority or other Person.

Section 5.4 Litigation. (i) There is no Litigation pending or, to Comcast Subsidiary's knowledge, threatened, by or before any Governmental Authority or private arbitration tribunal, against or involving the assets of Comcast Subsidiary or any of its Affiliates; and (ii) other than the FCC Trust Requirements, there is no

Judgment requiring Comcast Subsidiary or any of its Affiliates to take any action of any kind, in either case, which could adversely affect in any material respect the ability of Comcast Subsidiary or any of its Affiliates to perform their respective obligations under this Agreement or any of the other Transaction Documents.

Section 5.5 Brokers. There is no investment banker, broker, finder or other intermediary who has been retained by or is authorized to act on behalf of Comcast and/or Comcast Subsidiary who might be entitled to any fee or commission from Time Warner Cable or its Affiliates in connection with the transactions contemplated by this Agreement.

Section 5.6 Comcast Balance Sheet. Comcast has provided to Time Warner Cable an internal unaudited consolidated balance sheet of Comcast and its Subsidiaries as of December 31, 2004 (the "Comcast Balance Sheet"). The Comcast Balance Sheet was prepared in accordance with GAAP (except for the absence of required footnotes) and fairly presents in all material respects the

consolidated financial condition of Comcast and its Subsidiaries as of the date indicated therein, except that (i) the current and deferred income tax accounts were derived from the general ledgers of the Comcast unaudited consolidated balance sheet but do not reflect tax consolidation and allocation adjustments necessary to present Comcast's balance sheet on a stand alone basis and (ii) "due to related parties, net" is included as a component of stockholder's equity.

Section 5.7 Tolling. The FCC Trust Requirements do not prohibit, and no consent of any Governmental Authority is required with respect to, the agreements of Comcast Trust and of Comcast Parent pursuant to Section 2.3 (including the tolling of registration rights pursuant thereto).

Section 5.8 Tax Matters Agreement Representations. The representations and warranties set forth in Section 4 of the Tax Matters Agreement in the form attached hereto as Exhibit A are made as of the date hereof as if set forth in full herein.

## **ARTICLE 6** **Time Warner Cable's Representations and Warranties**

Time Warner Cable represents and warrants to Comcast Trust and Comcast Subsidiary, as of the date of this Agreement and as of Closing, as follows:

Section 6.1 Organization and Qualification of Time Warner Cable. Time Warner Cable is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Time Warner Cable and each Affiliate of Time Warner Cable that holds Transferred Assets or is otherwise a participant in any of the transactions referred to in Section 2.1(a) (each, a "Transferring Person") has all requisite corporate or other entity power and authority to own and lease the Transferred Assets and to conduct the Transferred Business as currently conducted.

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Section 6.2 Authority. Each of Time Warner Cable and Holdco has all requisite corporate power and authority to execute, deliver and perform this Agreement and the Transaction Documents to be executed and delivered by it and to consummate the transactions contemplated hereby and thereby. Each Transferring Person has all requisite corporate or other power and authority to execute, deliver and perform the Transaction Documents to be executed and delivered by such Transferring Person and to consummate the transactions contemplated thereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by Time Warner Cable and Holdco have been, and in the case of the Transaction Documents to be executed and delivered by Time Warner Cable or any TWC Participant and the consummation of the transactions contemplated thereby, shall at Closing have been duly and validly authorized by all necessary corporate or other entity action on the part of Time Warner Cable and each such TWC Participant. This Agreement has been duly and validly executed and delivered by Time Warner Cable and Holdco and is, and in the case of the Transaction Documents to be executed and delivered by Time Warner Cable or any TWC Participant, when so executed and delivered shall be, the valid and binding obligation of Time Warner Cable or such TWC Participant, enforceable against Time Warner Cable or such TWC Participant, as applicable, in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

Section 6.3 No Conflict; Required Consents. Except as described on Schedules 6.3 and 6.19, and subject to compliance with the HSR Act, the Securities Act and the Exchange Act and except for Authorizations required from, by or with the relevant Franchising Authorities in respect of the Franchises for the Transferred Systems, Authorizations required from, by or with the FCC in connection with a change of control of the holder and/or assignment of the Transferred System Licenses, Authorizations from state public utility commissions having jurisdiction over the assets of Transferred Systems, and Authorizations to be obtained by Comcast Subsidiary or its Affiliates, the execution, delivery and performance by Time Warner Cable and Holdco of this Agreement and the Transaction Documents to be executed and delivered by Time Warner Cable and Holdco, and the execution, delivery and performance by each Transferring Person of the Transaction Documents to be executed and delivered by such Transferring Person, do not and shall not: (a) conflict with or violate any provision of the certificate of incorporation or by-laws or other organizational or governing documents of Time Warner Cable, Holdco or any Transferring Person; (b) violate any provision of any material Legal Requirement; (c) without regard to requirements of notice, lapse of time, elections of other Persons or any combination thereof, conflict with, violate, result in a breach of, constitute a default under or give rise to any third party's right(s) of first refusal or similar right or right of cancellation or termination, or accelerate or permit the acceleration of the performance required by or adversely affect the rights or obligations of Time Warner Cable, Holdco or any Transferring Person under any Transferred Systems Contract, Transferred Systems Franchise or Transferred Systems License; (d) result in the creation or imposition of any Lien against or upon any of the Transferred

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Assets other than a Permitted Lien; (e) require any material consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority; or (f) require any consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Person (other than any Governmental Authority), in the case of clauses (c), (d) and (f) with only such exceptions as would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect or materially delay or prevent the consummation of the transactions contemplated hereby.

#### Section 6.4 Sufficiency of Assets; Title.

(a) Except for items included in the Excluded Assets or as described on Schedule 6.4(a), (i) the Transferred Assets are all of the assets of Time Warner Cable or its Affiliates owned, used or held for use primarily in connection with the operation of the Transferred Systems, and (ii) the right, title and interest in the Transferred Assets conveyed to Holdco pursuant to the Holdco Transaction shall be sufficient to permit Holdco to operate the Transferred Systems substantially as they are being operated by Time Warner Cable and its Affiliates immediately prior to the Holdco Transaction and in compliance with all material Legal Requirements and, except where the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, in compliance with all contractual requirements that comprise part of the Assumed Liabilities. At the Closing, Holdco will have good and marketable title to (or in the case of assets that are leased, valid leasehold interests in) the tangible Transferred Assets free and clear of any Liens, other than Permitted Liens (disregarding clause (d) of the definition thereof), except where the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Notwithstanding the foregoing, the representation contained in the immediately preceding sentence shall not apply with respect to any Owned Property or Leased Property with respect to which Time Warner Cable has delivered a Title Policy, or a Title Commitment to deliver a Title Policy, as provided in Section 8.1.

(b) Except as described on Schedule 6.4(b), the Tangible Personal Property and improvements on Owned Property and real property subject to Real Property Interests are in all material respects adequate for their present uses.

#### Section 6.5 Transferred System Franchises, Transferred System Licenses, Transferred Systems Contracts, Owned Property and Real Property Interests.

(a) Except as described on Schedules 2.1(b)(ii), 2.1(b)(iii), 2.1(b)(iv), 2.1(b)(v) or Schedule 6.5(a) and except for the Excluded Assets, neither Time Warner Cable nor any of its Affiliates is bound or affected by any of the following that relate wholly or primarily to the Transferred Assets or the Transferred Systems: (i) leases of real or material personal property; (ii) Franchises, and similar authorizations for the operation of Transferred Systems, or Contracts of substantially equivalent effect; (iii) other licenses, authorizations, consents or permits of the FCC or,

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to the extent material, any other Governmental Authority; (iv) all Authorizations of Governmental Authorities to provide telephony services held, directly or indirectly, by Time Warner Cable or its Affiliates and used in connection with the operation of any Transferred Systems; (v) material crossing Contracts, easements, rights of way or access Contracts; (vi) pole line or joint line Contracts or underground conduit Contracts; (vii) bulk service, commercial service or multiple-dwelling unit access Contracts which individually provide for payments by or to Time Warner Cable or its Affiliates in any twelve-month period exceeding \$50,000; (viii) system-specific programming Contracts, system-specific signal supply Contracts and Local Retransmission Consent Agreements; (ix) any Contract with the FCC or any other Governmental Authority relating to the operation or construction of the Transferred Systems that are not fully reflected in the Transferred Systems Franchises, or any Contracts with community groups or similar third parties restricting or limiting the types of programming that may be shown on any of the Transferred Systems; (x) any partnership, joint venture or other similar Contract or arrangement; (xi) any Contract with Time Warner Cable or any of its Affiliates; (xii) any Contract that limits the freedom of the Transferred Systems to compete in any line of business or with any Person or in any area or which would so limit the freedom of Holdco, Comcast Subsidiary, Comcast Trust or any of their Affiliates after the Closing Date; (xiii) any Contract relating to the use by third parties of Transferred Assets to provide, or the provision by the Transferred Systems of, telephone, Internet or data services other than Contracts with subscribers of any such services; (xiv) any advertising representation or interconnect Contract; (xv) any Contract with any employee employed primarily in connection with the Transferred Systems; (xvi) any Contract granting any Person the right to use any portion of the cable television system plant included in the Transferred Assets; (xvii) any Contract that is not the subject of any other clause of this Section 6.5(a) that shall remain effective for more than one year after Closing (except those Contracts that may be terminated upon no more than 30 days' notice without penalty and subscription agreements with residential subscribers to provide cable service); or (xviii) any Contract other than those described in any other clause of this Section 6.5(a) which individually provides for payments by or to Time Warner Cable in any twelve month period exceeding \$500,000 or is otherwise material to the Transferred Systems.

(b) Time Warner Cable has prior to the date hereof provided or otherwise made available to Comcast Trust and Comcast Subsidiary true and complete copies of each of the Transferred Systems Franchises, Transferred Systems Licenses and Transferred Systems Contracts described on any of Schedules 2.1(b)(ii) to the extent in the possession of Time Warner Cable or its Affiliates, 2.1(b)(iii), 2.1(b)(iv), 2.1(b)(v) and Schedule 6.5(a) (excluding Local Retransmission Consent Agreements and system-specific

programming contracts), together with true and complete copies of (i) any notices alleging continuing non compliance with the requirements of any Transferred Systems Franchise, (ii) in each case any amendments to any of the items on any such Schedule, in the case of the items on Schedule 2.1(b)(ii), to the extent in the possession of Time Warner Cable or its Affiliates, (iii) in the case of oral Real Property Interests listed on Schedule 2.1(b)(ii) or oral Transferred Systems Contracts listed on Schedule 2.1(b)(v), true and complete written summaries thereof and (iv) each document in the possession of Time Warner Cable or its Affiliates

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evidencing or insuring Time Warner Cable's or its Affiliates' ownership of the Owned Property. Except as described in Schedule 6.5(b) and except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (i) Time Warner Cable and each of its Affiliates are in compliance with each of the Transferred Systems Franchises, Transferred Systems Licenses and Transferred Systems Contracts; (ii) Time Warner Cable and its Affiliates have fulfilled when due, or have taken all action necessary to enable them to fulfill when due, all of their obligations under each of the Transferred Systems Franchises, Transferred Systems Licenses and Transferred Systems Contracts; (iii) there has not occurred any default (without regard to lapse of time or to the giving of notice or both) by Time Warner Cable or any of its Affiliates and, to the knowledge of Time Warner Cable, there has not occurred any default (without regard to lapse of time or the giving of notice, or both) by any other Person, under any of the Transferred Systems Franchises, Transferred Systems Licenses and Transferred Systems Contracts; and (iv) the Transferred Systems Franchises, Transferred Systems Licenses and Transferred Systems Contracts are valid and binding agreements and are in full force and effect.

(c) Schedule 2.1(b)(iii) lists the date on which each Transferred Systems Franchise shall expire.

(d) Except as described on Schedules 2.1(b)(iii), 2.1(b)(iv) or Schedule 6.5(d), there are no applications relating to any Transferred Systems Franchise or Transferred Systems Licenses pending before any Governmental Authority that are material to any of such Transferred Systems. Except as described on Schedule 6.5(d), neither Time Warner Cable nor any of its Affiliates has received, nor do any of them have notice that they shall receive, from any Governmental Authority a preliminary assessment that a Transferred Systems Franchise should not be renewed as provided in Section 626(c)(1) of the Communications Act. Except as described on Schedule 6.5(d), neither Time Warner Cable, nor any of its Affiliates nor any Governmental Authority has commenced or requested the commencement of an administrative proceeding concerning the renewal of a Transferred Systems Franchise as provided in Section 626(c)(1) of the Communications Act. Except as described on Schedule 6.5(d), Time Warner Cable and its Affiliates have timely filed notices of renewal in accordance with the Communications Act with all Governmental Authorities with respect to each Transferred Systems Franchise expiring within 30 months of the date of this Agreement. Except as described on Schedule 6.5(d), such notices of renewal have been filed pursuant to the formal renewal procedures established by Section(a) of the Communications Act. To Time Warner Cable's knowledge, there exist no facts or circumstances that make it likely that any Transferred Systems Franchise shall not be renewed or extended on commercially reasonable terms. Except as described on Schedule 6.5(d), as of the date hereof, no Governmental Authority has commenced, or given notice that it intends to commence, a proceeding to revoke or suspend a Transferred Systems Franchise.

Section 6.6 Employee Benefits. A true and complete list of the Time Warner Cable Benefit Plans is set forth in Schedule 6.6. Except as set forth on Schedule 6.6, none of Time Warner Cable, any of its ERISA Affiliates, any Time Warner

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Cable Benefit Plan other than a multiemployer plan (as defined in Section 3(37) of ERISA), or to the knowledge of Time Warner Cable, any Time Warner Cable Benefit Plan that is a multiemployer plan (as defined in Section 3(37) of ERISA) is in material violation of any provision of ERISA with respect to a Time Warner Cable Benefit Plan. No material "reportable event" (as defined in Sections 4043(c) of ERISA), "accumulated funding deficiency" (as defined in Section 302 of ERISA) or "withdrawal liability" (as determined under Section 4201 et seq. of ERISA) has occurred or exists and is continuing with respect to any Time Warner Cable Benefit Plan other than a multiemployer plan (as defined in Section 3(37) of ERISA) or, to the knowledge of Time Warner Cable, any Time Warner Cable Benefit Plan that is a multiemployer plan (as defined in Section 3(37) of ERISA). After the Closing, none of Holdco, Comcast Subsidiary or any of their respective ERISA Affiliates shall be required, under ERISA, the Code or any collective bargaining agreement, to establish, maintain or continue any Time Warner Cable Benefit Plan currently maintained by Time Warner Cable or any of its ERISA Affiliates. Except as set forth in Schedule 6.6, since December 31, 2004, there has been no change in the Time Warner Cable Benefit Plans or level of compensation provided the Transferred System Employees that would materially increase the cost of operating the Transferred Systems.

Section 6.7 Litigation. Except as set forth in Schedule 6.7, (i) there is no Litigation pending or, to Time Warner Cable's knowledge, threatened, by or before any Governmental Authority or private arbitration tribunal, against Time Warner Cable or any

of its Affiliates; and (ii) there is no Judgment requiring Time Warner Cable or any of its Affiliates to take any action of any kind with respect to the Transferred Assets or the operation of the Transferred Systems, or to which Time Warner Cable or any of its Affiliates (with respect to the Transferred Systems), the Transferred Systems or the Transferred Assets are subject or by which they are bound or affected, in the case of clauses (i) and (ii), which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or materially delay or prevent the consummation of the transactions contemplated by this Agreement and the other Transaction Documents. For the avoidance of doubt, this Section 6.7 shall have no application with respect to Taxes of Time Warner Cable or any of its Affiliates.

Section 6.8 Transferred Systems Information. Schedule 6.8 sets forth a true and complete description in all material respects of the following information.

(a) as of December 31, 2004, the approximate number of miles of plant, aerial and underground and the technical capacity of such plant expressed in MHz, included in the Transferred Assets;

(b) as of the date set forth on such Schedule (which shall be no earlier than December 31, 2004), the number of Individual Subscribers, Digital Subscribers, Telephony Subscribers and High Speed Data Subscribers served by the Transferred Systems;

(c) as of the date set forth on such Schedule (which shall be no earlier than December 31, 2004), the approximate number of homes passed by each

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of the Transferred Systems as reflected in Time Warner Cable's system records for such date;

(d) as of the date hereof, a description of basic and optional or tier services available from each of the Transferred Systems and the rates charged by Time Warner Cable for each;

(e) as of the date hereof, the stations and signals carried by each of the Transferred Systems and the channel position of each such signal and station; and

(f) [Intentionally Omitted]

(g) the municipalities served by each of the Transferred Systems and the community identification numbers of such municipalities.

Section 6.9 Compliance with Legal Requirements. Except as set forth on Schedule 6.9, the Transferred Assets include all material Authorizations of, by or with any Governmental Authority that are necessary for the lawful conduct of the Transferred Systems as currently conducted and each of the material Authorizations is in full force and effect in all material respects. Except as set forth on Schedule 6.9, the Transferred Systems are, and have been, operated in compliance in all material respects with all material Legal Requirements and Authorizations, and, to the knowledge of Time Warner Cable, none of the Transferred Systems are under investigation with respect to or have been threatened to be charged with or given written notice of any material violation of any material Legal Requirement or Authorization.

Section 6.10 Real Property. Schedule 2.1(b)(ii) sets forth all leases included in the Real Property Interests (the "Leases", and each such lease, a "Lease") and all ownership interests in real property included in the Owned Property and all other material Real Property Interests. The Owned Property and Real Property Interests include all leases, fee interests, material easements, material access agreements and other material real property interests necessary to operate the Transferred Systems as currently conducted.

#### Section 6.11 Financial Statements; No Adverse Change; Telephony Budget.

(a) Time Warner Cable has provided to Comcast Trust and Comcast Subsidiary internal unaudited financial statements for the Transferred Systems consisting of balance sheets and statements of operations as of and for the 12 months ended December 31, 2004 (the "Transferred Systems Financial Statements"). The Transferred Systems Financial Statements were prepared in accordance with GAAP (except for the absence of required footnotes) and fairly present in all material respects the financial condition and results of operations of the Transferred Systems as of the dates and for the periods indicated therein; provided that the Transferred System Financial Statements do not reflect the following items, which may have been recorded

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within the financial results of the Transferred Systems had the Transferred Systems been stand-alone entities during the periods presented: (i) an allocation of a portion of goodwill and identifiable intangible assets, and related amortization expense, arising from recent purchase business combinations, which is recorded at the Time Warner Cable or TWE corporate level; (ii) an allocation of debt and related interest expense recorded at the Time Warner Cable or TWE corporate level; (iii) an allocation of deferred Income Taxes, Income Taxes payable and Income Tax expense recorded at the Time Warner Cable corporate level; (iv) a management fee for services provided by Time Warner Cable corporate entities has not been recorded on the books of the non-TWE systems; (v) certain balance sheet reclasses within current assets and liabilities (e.g. reclassifying debit balances in liability accounts to assets and vice versa); (vi) an allocation of certain advertising revenue that was recorded at the Time Warner Cable or TWE corporate level; (vii) an allocation of music performance royalties paid or payable to BMI, ASCAP and SESAC and programming vendor marketing support receipts or receivables that were recorded at the Time Warner Cable or TWE corporate level; (viii) an allocation of variances between actual pension expense and budgeted pension expense (e.g. the financial results of the Transferred Systems reflect budgeted pension expense);(ix) an allocation of other Time Warner Cable corporate, TWE corporate and divisional overhead that is not specifically identified to a particular cable system; (x) an allocation of certain assets, including routers and other equipment located at regional data centers, related to Time Warner Cable's high-speed data business; (xi) certain expense accruals that are paid by Time Warner Cable or TWE corporate on behalf of the Transferred Systems including the following: (1) programming accruals of approximately one month's service would be reflected as a liability for the Transferred Systems and liabilities in excess of one month are transferred to Time Warner Cable or TWE corporate to be paid; (2) group insurance liabilities are recorded on the balance sheet at Time Warner Cable or TWE corporate; (3) casualty insurance, including workers compensation liabilities are recorded on the balance sheet at Time Warner Cable or TWE corporate; (4) certain property tax and sales and use tax liabilities are recorded on the balance sheet at Time Warner Cable or TWE corporate; and (6) other miscellaneous liabilities related to company-wide costs are recorded on the balance sheet at Time Warner Cable or TWE corporate, which are recorded net in the intercompany payables/receivables line items on the Transferred System trial balances and (xii) third party and payroll payments made by Time Warner Cable and TWE corporate on behalf of the Transferred Systems after the monthly cut-off are not pushed down to the Transferred Systems until the following month (e.g. there is a lag between the time of payment of the liability by TWC or TWC and relieving the third-party liability at the Transferred Systems).

(b) Except as set forth in Schedule 6.11(b), since December 31, 2004, (i) there have been no events, circumstances or conditions that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect and (ii) the Transferred Systems and the Transferred Assets have been operated in all material respects only in the ordinary course of business consistent with past practices.

## Section 6.12 Employees.

(a) Except as set forth on Schedule 6.12(a), there are no collective bargaining agreements applicable to any Transferred System Employees, and neither Time Warner Cable nor any Affiliate of Time Warner Cable, nor Holdco as of the Closing, has any duty to bargain with any labor organization with respect to any such persons. There are not pending any material unfair labor practice charges against Time Warner Cable or any Affiliate of Time Warner Cable, or any request or demand for recognition, or any petitions filed by a labor organization for representative status, with respect to any Transferred System Employees.

(b) Except as set forth on Schedule 6.12(b), Time Warner Cable and its Affiliates have complied, and Holdco will be in compliance as of the Closing, in all material respects with all applicable Legal Requirements relating to the employment of labor, including WARN, ERISA, continuation coverage requirements with respect to group health plans and those relating to wages, hours, collective bargaining, unemployment insurance, worker's compensation, equal employment opportunity, age, sex, race and disability discrimination, immigration control and the payment and withholding of Taxes except for any non-compliance which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 6.12(b), neither Time Warner Cable nor any of its Affiliates is, and Holdco will not be as of the Closing, a party to any material labor or employment dispute involving any of its employees who render services in connection with the Transferred Systems.

(c) Except as described on Schedule 6.12(c), neither Time Warner Cable nor any of its Affiliates has any employment agreements, either written or oral, with any Transferred System Employees and none of the employment agreements listed on Schedule 6.12(c) require Comcast Subsidiary, Holdco or any of their Affiliates to employ any person after Closing.

**Section 6.13 Transactions with Affiliates.** Except for this Agreement and Transaction Documents to which it is a party, or as set forth on Schedule 6.13, immediately after the Closing, Holdco shall not be bound by any Contract or any other arrangement of any kind whatsoever with, or have any Liability to, Time Warner Cable or any Affiliate thereof.

**Section 6.14 Undisclosed Material Liabilities.** The Assumed Liabilities will include no Liabilities, and there is no existing condition, situation or set of circumstances which would reasonably be expected to result in such a Liability, other than:

(a) the Liabilities disclosed on Schedule 6.14;

(c) the Liabilities arising in the ordinary course of business since December 31, 2004 in amounts substantially consistent with past practices (subject to customary cost increases); and

(d) other Liabilities which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 6.15 Holdco; TWE Holdco I.

(a) Holdco is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all corporate powers required to carry on its business as now conducted. Holdco is (or at the Closing will be) duly registered as a foreign corporation in all jurisdictions in which the ownership or leasing of the Transferred Assets or the nature of its activities in connection with the Transferred Systems makes such qualification necessary, with only such exceptions as would not, individually or in the aggregate, result in a Material Adverse Effect. Time Warner Cable owns all of the issued and outstanding capital stock of Holdco, free and clear of all Liens, other than restrictions imposed by applicable federal or state securities Laws. All of such capital stock is duly authorized, validly issued, fully paid and non-assessable, and was issued in compliance in all material respects with all applicable Legal Requirements. There shall be no outstanding options, warrants, rights, commitments, conversion rights, preemptive rights or agreements of any kind to which Time Warner Cable or any of its Affiliates or Holdco is a party or by which any of them is bound which would obligate any of them to issue, deliver, purchase or sell any additional shares of capital stock, units, membership, or other equity or profit interests of any kind in Holdco or any security convertible into or exercisable or exchangeable for any of the foregoing. In the TWC Redemption, Time Warner Cable will transfer to Comcast Trust or Comcast Subsidiary, as the case may be, valid title to the Holdco Shares free and clear of any Liens, other than restrictions imposed by federal and state securities laws.

(b) Prior to the Holdco Transaction, Holdco will have conducted no business or operations and will have no indebtedness and no Liabilities (excluding (i) any Liabilities for Taxes with respect to Holdco's corporate existence, (ii) any Liabilities for Taxes of any member of an Affiliated Group of which Holdco is or was a member on or prior to the Closing Date by reason of Liability under Treasury Regulation § 1.1502 -6, Treasury Regulation § 1.1502 -78 or similar provisions of state, local, provincial or foreign law and (iii) any Liabilities with respect to any employee benefit arrangements ("ERISA Group Liabilities") arising either under the Code or ERISA solely as a result of Holdco having been, at any time on or prior to Closing, a member of a group described in Section 4001(b) of ERISA or Section 414(b), (c), (m) or (o) of the Code (collectively, the "Holdco Indemnified Liabilities"), other than under this Agreement and any Transaction Document to which Holdco is a party.

(c) Prior to the Holdco Transaction, Holdco will not have been party to any Contracts other than this Agreement and any Transaction Document to which Holdco is a party. Holdco has no Subsidiaries.

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(d) No ERISA Group Liability has been incurred by Holdco and no ERISA Group Liability is reasonably expected to be asserted against Holdco for periods prior to the Closing.

(e) Prior to the Holdco Transaction, Holdco will not have, and will never have had, any employees, other than unpaid corporate officers with no entitlement to benefits or other compensation that was, is or will be a liability of Holdco.

(f) At the time of the TWC Redemption, Holdco will own the Transferred Assets, subject to the Assumed Liabilities and will have no other assets or Liabilities, except Holdco Indemnified Liabilities and Liabilities under this Agreement and any Transaction Document to which Holdco is a party.

(g) Either (i) TWE Holdco 1 will be a disregarded entity for federal income tax purposes as of Closing; or (ii) the contribution of assets to TWE Holdco I permitted in the last sentence of Step 3 of the Interim Steps, if effectuated, will not impair or materially delay the Holdco Transaction, the TWC Redemption, the GP Redemption or the Subsidiary Transfer, or otherwise adversely affect the Transferred Systems, the Transferred Business, any Transferred Assets, Comcast or any of its Affiliates. TWE Holdings shall be a Transferring Person.

Section 6.16 Insurance. Schedule 6.16 contains a list of all policies of property, fire, casualty, liability, life, workers' compensation, libel and slander, and other forms of insurance of any kind that relate to the Transferred Assets, the Transferred

Systems or any of the employees, officers or directors of the Transferred Systems and are maintained by or on behalf of Time Warner Cable or its Affiliates, in each case which are in force as of the date hereof. All such policies are in full force and effect, all premiums due thereon have been paid by or on behalf of Time Warner Cable, and Time Warner Cable is otherwise in compliance in all material respects with the terms and provisions of such policies (after giving effect to applicable grace or cure periods). After the Closing, the terms of such policies will continue to provide coverage with respect to acts, omissions and events occurring prior to the Closing in accordance with their terms as if the Closing had not occurred. Time Warner Cable has no knowledge of any threatened termination of, material premium increase (other than with respect to customary annual premium increases) with respect to, or material alteration of coverage under, any of such policies.

**Section 6.17 Intellectual Property.** Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or as set forth on Schedule 6.17, the Transferred Business, the Transferred Assets and the Transferred Systems do not infringe and have not infringed upon the intellectual property rights of any Person, or give rise to any rightful claim of any Person for copyright, trademark, service mark, patent, license or other intellectual property right infringement.

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**Section 6.18 Brokers.** There is no investment banker, broker, finder or other intermediary who has been retained by or is authorized to act on behalf of Time Warner Cable or any of its Affiliates who might be entitled to any fee or commission from Comcast Subsidiary or any of its Affiliates in connection with the transactions contemplated by this Agreement.

**Section 6.19 Transferred Systems Options.** Except as disclosed on Schedule 6.19, none of the Transferred Systems or any material Transferred Assets are subject to any purchase option, right of first refusal or similar arrangement which would be triggered by the sale, transfer or other disposition of such Transferred Systems or Transferred Assets (“Transferred Systems Option”).

**Section 6.20 Transferred Systems Proprietary Rights.** Except as described on Schedule 6.20, there is no material trademark, trade name, service mark, service name or logo, or any application therefor, owned, licensed, used or held for use by Time Warner Cable or any of its Affiliates primarily in connection with the operation of the Transferred Systems.

**Section 6.21 Promotional Campaigns.** After Closing, Holdco will not be obligated to continue to make promotional offers under any promotional or marketing campaigns or programs initiated or maintained by Time Warner Cable or its Affiliates with respect to the Transferred Systems; provided that, for the avoidance of doubt, individual Subscribers who subscribed for services prior to the Closing and took advantage of any such campaign or promotional offers may be entitled to continue to receive the benefits offered under such campaign or promotion in accordance with its terms after Closing. After Closing, Holdco will not be obligated to pay for any advertisements run or to be run after the Closing under promotional or marketing campaigns or programs initiated or maintained by Time Warner Cable or its Affiliates with respect to the Transferred Systems, other than campaigns initiated with the consent of Comcast Subsidiary.

## Section 6.22 Environmental.

(a) Except as described on Schedule 6.22(a), to the knowledge of Time Warner Cable, (i) neither Time Warner Cable nor any of its Affiliates has received any notice, demand, request for information, citation, summons or order relating to any material evaluation or investigation, and (ii) neither Time Warner Cable nor any of its Affiliates is the subject of any pending or threatened material investigation, action, claim, suit, review, complaint, penalty or proceeding of any Governmental Authority or other Person, in each case with respect to the Transferred Assets, the Transferred Systems or Holdco which relate to or arise out of any Environmental Law.

(b) Except as described on Schedule 6.22(b), to the knowledge of Time Warner Cable, no Hazardous Substance has been discharged, disposed of, dumped, injected, pumped, deposited, spilled, leaked, emitted, or released at, on or under any Transferred Asset or in connection with the operation of any

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Transferred System or of Holdco, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Except as described on Schedule 6.22(c), neither Time Warner Cable nor any of its Affiliates has received any written notice of, or has any knowledge of circumstances relating to, and, to the knowledge of Time Warner Cable, there are no past events, facts, conditions, circumstances, activities, practices or incidents (including but not limited to the presence, use, generation, manufacture,

disposal, release or threatened release of any Hazardous Substances) relating to any Transferred Asset or in connection with the operation of any Transferred System or of Holdco, which could materially interfere with or prevent material compliance with, or which have resulted in or are reasonably likely to give rise to any material liability of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, arising under or relating to any Environmental Law.

(d) Except as set forth on Schedule 6.22(d), to Time Warner Cable's knowledge, no Transferred Asset nor any property to which Hazardous Substances located on or resulting from the use of any Transferred Asset (or from the operation of the Transferred System or Holdco), have been transported, is listed or proposed for listing on the National Priorities List promulgated pursuant to CERCLA, or CERCLIS (as defined in CERCLA) or on any similar federal, state, local or foreign list of sites requiring investigation or cleanup.

(e) Prior to the date hereof, Time Warner Cable has provided or made available to Comcast Trust and Comcast Subsidiary copies of all material environmental assessments, or other material environmental studies, audits, tests, reviews or other analyses of or relating to the Transferred Assets and/or Transferred Systems.

(f) None of the tangible Transferred Assets (excluding the Cash Amount) are located in New Jersey or Connecticut.

Section 6.23 Taxes. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or as set forth on Schedule 6.23:

(a) All material Applicable Tax Returns have been duly and timely filed (taking into account extensions) or, where not so timely filed, are covered under a valid extension that has been obtained therefor and the information set forth on such Tax Returns is true, correct and complete in all material respects.

(b) All Applicable Taxes shown as due on the Applicable Tax Returns referred to in clause (a) have been paid in full.

(c) All deficiencies asserted or assessments made with respect to the Transferred Business as a result of the examinations of any of the Applicable Tax Returns referred to in clause (a) (together with any interest, additions or

penalties with respect thereto and any interest in respect of such additions or penalties) have been paid in full.

(d) No issues with respect to the Transferred Business that have been raised in writing by the relevant Governmental Authority in connection with the examination of any of the Applicable Tax Returns referred to in clause (a) are pending.

(e) Schedule 6.23(e) sets forth a list of all jurisdictions (whether foreign or domestic) in which Holdco or any of the Transferred Systems currently file Applicable Tax Returns. No written claim with respect to Applicable Taxes has been made by any Governmental Authority in a jurisdiction where the Transferred Business does not file Applicable Tax Returns that it is or may be subject to taxation by that jurisdiction.

(f) There are no liens for Applicable Taxes upon the assets or properties of the Transferred Business, except for liens for Applicable Taxes not yet due and payable or being contested in good faith by appropriate proceedings.

Section 6.24 Tax Matters Agreement Representations. The representations and warranties set forth in Section 3 of the Tax Matters Agreement in the form attached hereto as Exhibit A are made as of the date hereof as if set forth in full herein.

## **ARTICLE 7** **Covenants**

Section 7.1 Certain Affirmative Covenants of Time Warner Cable. Except as otherwise expressly contemplated hereunder (including with respect to each of the Transactions) or as Comcast Subsidiary may otherwise consent in writing, which if requested shall not be unreasonably withheld or delayed, between the date hereof and the Closing Time, Time Warner Cable, with respect to each of the Transferred Systems and the Transferred Assets, shall, and shall cause its Affiliates to:

(a) operate or cause to be operated each Transferred System only in the usual, regular and ordinary course and in accordance with applicable material Legal Requirements (including completing line extensions, placing conduit or cable in new developments, fulfilling installation requests and continuing work on existing construction projects);

(b) perform all of its obligations under all of the Transferred Systems Franchises, Transferred Systems Licenses and Transferred Systems Contracts without material breach or default and pay its Liabilities in the ordinary course of business;

(c) (i) maintain or cause to be maintained (A) the Transferred Assets in adequate condition and repair for their current use, ordinary wear and tear

excepted, and (B) in full force and effect policies of insurance with respect to the Transferred Assets and the operation of the Transferred Systems in such amounts and with respect to such risks as are customarily maintained with respect to the Time Warner Cable Retained Cable Systems and (ii) enforce in good faith the rights under insurance policies referred to in (i)(B);

(d) deliver to Comcast Trust and Comcast Subsidiary reasonably promptly true and complete copies of all monthly trial balances, financial statements and Subscriber and other service recipient (including Individual Subscribers, Digital Subscribers, Telephony Subscribers and High Speed Data Subscribers) counts with respect to each Transferred System, management and operating reports and any written reports or data with respect to the operation of any Transferred System prepared by or for Time Warner Cable or its Affiliates at any time from the date hereof until Closing;

(e) maintain or cause to be maintained its books, records and accounts with respect to the Transferred Assets and the operation of each Transferred System in the usual, regular and ordinary manner on a basis consistent with past practices;

(f) [Intentionally Omitted]

(g) use commercially reasonable efforts to renew any Transferred System Licenses which expire prior to the Closing Date;

(h) use its commercially reasonable efforts to obtain in writing as promptly as practicable the Time Warner Cable Required Consents and any other consent, authorization or approval necessary or commercially advisable in connection with the transactions contemplated hereunder (and shall deliver to Comcast Trust and Comcast Subsidiary copies of any such Time Warner Cable Required Consents and such other consents, authorizations or approvals as it obtains), in each case in form and substance reasonably satisfactory to Comcast Subsidiary; provided, that (i) Time Warner Cable shall have no obligation to make any payment (other than customary filing fees) to, or agree to any concession to, any Person to obtain any such consent, authorization or approval; and (ii) Time Warner Cable shall afford Comcast Subsidiary the opportunity to review and approve the form of Time Warner Cable Required Consent and such other consents prior to delivery to the party whose consent is sought and Time Warner Cable shall not accept or agree or accede to any modifications or amendments to or in connection with, or any conditions to the transfer of, any of the Transferred Systems Franchises, Transferred Systems Licenses or Transferred Systems Contracts of the Transferred Systems that are not approved in writing by Comcast Subsidiary, which approval shall not be unreasonably withheld or delayed. Time Warner Cable agrees, upon reasonable prior notice, to allow representatives of Comcast Subsidiary to attend meetings and hearings before applicable Governmental Authorities in connection with the transfer of any Transferred Systems License or Transferred Systems Franchise. Notwithstanding the foregoing,

Time Warner Cable shall not have any further obligation to obtain Time Warner Cable Required Consents:

(i) with respect to Contracts relating to pole attachments where the licensing Person shall not consent to an assignment of such license agreement but requires that Holdco enter into a new agreement with such Person on overall terms which are no less favorable to Holdco than the original license agreement was to Time Warner Cable, in which case Time Warner Cable shall cooperate with and assist Comcast Subsidiary and Holdco in obtaining such agreements; and

(ii) for any business radio license or any private operational fixed service ("POFS") microwave license which Time Warner Cable Required Consent could reasonably be expected to be obtained within 120 days after Closing and so long as a conditional temporary authorization (for a business radio license) or a special temporary authorization (for a POFS license) is obtained by Holdco under FCC rules with respect thereto;

(i) (i) use its commercially reasonable efforts to preserve the current business organization of each Transferred System intact, including preserving existing relationships with Governmental Authorities, suppliers, customers and others having business dealings with each Transferred System, unless Comcast Subsidiary requests otherwise, (ii) use commercially reasonable efforts to keep available the services of its employees providing services in connection with each Transferred System, (iii) continue normal marketing, advertising and promotional expenditures with respect to each Transferred System and (iv) prior to January 1, 2006, (A) make capital expenditures in accordance with the 2005 capital budget of each Transferred System set forth on Schedule 7.1(i)(A) (the "Capital Budget"), (B) make aggregate expenditures (other than Variable Expense Items) in accordance with the 2005 operating budget for each Transferred System set forth on Schedule 7.1(i)(B) (the "Operating Budget", and together with the Capital Budget, the "Budgets"), (C) until January 1, 2006, with respect to Transferred Systems included in the Specified Division, make telephony capital and telephony operating expenditures with respect to the Transferred Systems on a non-discriminatory basis as compared to the Specified Division; provided, however, that, in each case, deviations (positive or negative) in any such

expenditures by no more than 5% of the aggregate budgeted amount shall be deemed to be in accordance with the Budgets and (D) until January 1, 2006, make capital and operating expenditures with respect to the Monroe cable systems on a non-discriminatory basis as compared to the Jackson cable systems; provided, that, in any event, deviations (positive or negative) in any expenditures contemplated by the telephony budgets included in any Budget shall be deemed to be in accordance with such Budget so long as Time Warner Cable shall have used commercially reasonable efforts to operate in accordance with such telephony budgets;

(j) except as otherwise provided in this Agreement, Time Warner Cable will use commercially reasonable efforts to promptly notify Comcast Trust and Comcast Subsidiary of any circumstance, event or action by Time Warner Cable or any of its Subsidiaries or otherwise, that becomes known to Time Warner

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Cable, (i) which, if known at the date of this Agreement, would have been required to be disclosed in or pursuant to this Agreement or (ii) the existence, occurrence or taking of which would result in any of its representations and warranties in this Agreement or in any Transaction Document to which it or any Transferring Person is a party not being true and correct in all material respects (or if qualified by materiality or Material Adverse Effect, in all respects) when made or at Closing (unless and to the extent that any such representation or warranty speaks specifically as of an earlier date, in which case, at such earlier date); provided, that any notification provided by Time Warner Cable solely pursuant to this subsection shall not be deemed to update the Schedules to this Agreement under Section 7.11 hereof unless Time Warner Cable expressly specifies that such notification is intended as an update pursuant to Section 7.11;

(k) give or cause to be given to Comcast Subsidiary, and its counsel, accountants and other representatives, (i) as soon as reasonably possible, but in any event prior to the date of submission to the appropriate Governmental Authority, copies of all FCC Forms 1200, 1205, 1210, 1215, 1220 and 1240, and simultaneous with, or as soon as reasonably possible after submission to the appropriate Government Authority, any other FCC Forms required under the regulations of the FCC promulgated under the Cable Act that are prepared with respect to any of the Transferred Systems and (ii) as soon as reasonably possible after filing, copies of all copyright returns filed in connection with any Transferred System; provided, that in the case of clause (i), before any such FCC Forms 1200, 1205, 1210, 1215, 1220 or 1240 are filed, Time Warner Cable and Comcast Subsidiary shall consult in good faith concerning the contents of such forms;

(l) use commercially reasonable efforts to implement all rate changes provided for in the Operating Budget and, with respect to periods after January 1, 2006, rate changes in the ordinary course of business; and

(m) maintain inventory sufficient for the operation of the Transferred Systems in the ordinary course of business for a period of time consistent with the period of time such inventory is maintained for the Time Warner Cable Retained Cable Systems.

Section 7.2 Certain Negative Covenants of Time Warner Cable. Except as otherwise expressly contemplated hereunder (including with respect to the Holdco Transaction) or as Comcast Subsidiary may otherwise consent in writing, which if requested shall not be unreasonably withheld or delayed, between the date hereof and the Closing, Time Warner Cable shall not, and shall cause its Affiliates not to, with respect to any of the Transferred Systems or the Transferred Assets (and, in the case of Section 7.2(d) (and, to the extent relating thereto, Section 7.2(r)), the transactions contemplated hereby):

(a) modify, terminate, renew, suspend or abrogate any material Transferred Systems Contract other than in the ordinary course of business;

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(b) modify in any material respect, terminate, renew, suspend or abrogate any Transferred Systems Franchise or material Transferred Systems License;

(c) except as set forth on Schedule 7.2(c), and except for Contracts in respect of SMATV Acquisitions (other than any SMATV Acquisition in which the SMATV Purchase Price Per Subscriber exceeds \$3,587) and renewals and extensions of leases, in each case entered into in the ordinary course of business, enter into any Contract or commitment of any kind relating to the Transferred Systems which would be binding on Holdco after Closing and which (i) would involve an aggregate expenditure or receipt in excess of \$500,000 after Closing; (ii) would have a term in excess of one year after Closing unless terminable without payment or penalty upon 30 days' (or fewer) notice (other than with respect to bulk service, commercial service or multiple dwelling unit access Contracts); (iii) is not being entered into in the usual regular and ordinary course and in accordance with past practices; (iv) would limit the freedom of Holdco, Comcast or any Affiliate of Comcast to compete in any line of business or with any Person or in any area; (v) relates to the use of the Transferred Assets by third parties to provide telephone or high speed data services; (vi) is

not on arm's-length terms; or (vii) is with Time Warner Cable or an Affiliate of Time Warner Cable and is not terminated prior to the Closing without penalty and without liability on the part of Holdco or its Affiliates from and after Closing;

(d) enter into any transaction or take any action that would result in any of its representations and warranties in this Agreement or in any Transaction Document to which it or any of its Affiliates is a party not being true and correct in all material respects (or if qualified by materiality or Material Adverse Effect, in all respects) when made or at Closing (unless and to the extent that any such representation or warranty speaks specifically as of an earlier date, in which case, at such earlier date); provided, however, that with respect to the representation and warranty provided in Section 6.24 hereof, and subject to Section 7.2(p) hereof, Time Warner Cable and its respective Affiliates may enter into any transaction or take any action not otherwise prohibited by this Agreement provided that such transactions or actions would not (i) result in such representation and warranty not being true and correct at Closing, and (ii) reasonably be expected to (w) cause the Holdco Transaction and the TWC Redemption not to qualify as a reorganization and distribution within the meaning of Sections 368(a)(1)(D), 361(c) and 355 of the Code, (x) cause any of the shares of Holdco not to qualify as "qualified property" for purposes of Section 355(c)(2) and 361(c) of the Code, (y) cause any of the shares of Holdco to constitute "other property" for purposes of Section 355(a)(3)(B) of the Code, or (z) result in Tax consequences to Comcast or any of its Affiliates that are materially worse than the expected Tax consequences of the GP Redemption, Subsidiary Transfers, the Holdco Transaction or the TWC Redemption; provided, that, in no case, shall any or all of (I) the Adelphia Transactions; provided, that either (i) all members (other than Holdco) of the Affiliated Group for U.S. federal income tax purposes of which TWC is (or would be), as of the date hereof, the common parent remain, immediately after the Closing, members of the Affiliated Group for U.S. federal income tax purposes of which TWC is (or would be) the common parent or (ii) to the extent that any member

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of the Affiliated Group for U.S. federal income tax purposes of which TWC is (or would be), as of the date hereof, the common parent (other than TWC) is not in existence immediately after the Closing, the assets of such member were transferred to another member of the Affiliated Group for U.S. federal income tax purposes of which TWC is (or would be) the common parent by reason of a transaction in which no gain or loss was recognized, in whole or in part, for U.S. federal income tax purposes, (II) Time Warner Cable ceasing to be a member of the Affiliated Group of which TWX is the parent for federal income tax purposes, (III) members of the Affiliated Group of which TWX is the parent for federal income tax purposes ceasing to own, in the aggregate, stock representing "control" of Time Warner Cable within the meaning of Section 368(c) of the Code, (IV) any change in value (including by reason of changes in the number of Individual Subscribers with respect to any of the Transferred Systems or the Time Warner Cable Retained Cable Systems), from the date hereof to the Closing of any or all of the Transferred Systems or the Time Warner Cable Retained Cable Systems, (V) a fire, theft or other casualty as contemplated in Sections 12.16(a), or (VI) a Taking as contemplated in Sections 12.16(b), constitute a breach of this Section 7.2(d);

- (e) engage in any marketing, subscriber installation or collection practices other than in the ordinary course of business;
  - (f) except for rate increases provided for in the Operating Budget, or with respect to periods after January 1, 2006, rate changes in the ordinary course of business, change the rate charged for any level of cable television service;
  - (g) except as required by applicable Legal Requirements and except as set forth on Schedule 7.2(g), add any channels to any Transferred System, or change the channel lineup in any Transferred System or commit to do so in the future (provided that deletions of channels shall not be considered a change in channel lineup);
  - (h) except for "staying" or "sticking" bonuses to induce such employees to remain with the Transferred Systems and which shall be paid for by Time Warner Cable on or prior to Closing, grant or agree to grant to any employee of the Transferred Systems any increase in (i) wages or bonuses except in the ordinary course of business and consistent with past practices or (ii) any severance, profit sharing, retirement, deferred compensation, insurance or other compensation or benefits, except in the ordinary course of business and consistent with past practices; provided, however, that the foregoing shall not apply to any Retained Employees;
  - (i) engage in any hiring practices that are materially inconsistent with past practices;
  - (j) transfer the employment duties of any employee of a Transferred System from such Transferred System to a different business unit or Subsidiary of Time Warner Cable or any of its Affiliates; provided, however, that the foregoing shall not apply to any Retained Employees;
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- (k) sell, assign, transfer or otherwise dispose of any Transferred Assets except in the ordinary course of business and except for (i) the disposition of obsolete or worn-out equipment, (ii) dispositions with respect to which such Transferred Assets are replaced

with assets of at least equal value, (iii) the Holdco Transaction, or (iv) transfers solely among Time Warner Cable and its Affiliates (whereupon any such transferee would become a “Transferring Person” hereunder); provided, for the avoidance of doubt, that the foregoing clause shall not permit the disposition of any Transferred System other than pursuant to the Transaction;

(l) mortgage, pledge or subject to any material Lien that would survive the Closing, any of the Transferred Assets or the Transferred Systems other than Permitted Liens;

(m) enter into any Transferred System specific programming agreement (other than Local Retransmission Consent Agreements) relating to the Transferred Assets or the Transferred Systems that is not terminated prior to the Closing without penalty and without liability on the part of Holdco or its Affiliates from and after Closing;

(n) make any cost-of-service or hardship election under the Rules and Regulations adopted under the Cable Act;

(o) make any material change to any method of accounting except for any such change required by reason of a concurrent (including any transition period) change in GAAP or applicable law or any change respecting the Time Warner Cable Retained Cable Systems made in accordance with GAAP; provided, that no such change shall affect the calculation of the Closing Net Liabilities Amount;

(p) make or change in any material respect any Tax election, change any annual Tax accounting period or adopt or change any method of Tax accounting, file any amended Tax Returns enter into any closing agreement, settle any Tax claim or assessment, surrender any right to claim a Tax Refund, offset or any other reduction in Tax liability or consent to any extension or waiver of the limitations period applicable to any Tax claim or assessment, in each case, in a manner that is inconsistent with the Tax treatment applicable to the Time Warner Cable Retained Cable Systems; or

(q) convert any billing systems used by the Transferred Systems (other than the conversion described on Schedule 7.2(q)); or

(r) announce an intention, commit or agree to do any of the foregoing.

### Section 7.3 Certain Additional Covenants Regarding Required Consents; HSR Act Filing.

(a) By no later than 45 days after the date hereof, Comcast Trust, Comcast Subsidiary and Time Warner Cable shall provide each other with all

necessary documentation to allow filing of FCC Forms 394 with respect to the Transferred Systems Franchises. Comcast Trust, Comcast Subsidiary and Time Warner Cable shall use commercially reasonable efforts to cooperate with one another and file with the applicable Governmental Authority FCC Forms 394 for each of the Transferred System Franchises which requires the consent of such Governmental Authority in connection with the transactions contemplated by this Agreement, no later than 60 days after the date hereof.

(b) Subject to Section 7.1(h), from and after the date hereof, the parties shall use their commercially reasonable efforts to cooperate with each other in obtaining the Time Warner Cable Required Consents and any other consent, Authorization or approval, including with the relevant franchising authorities in respect of the Transferred Systems Franchises, necessary or commercially advisable with respect to the transactions contemplated hereunder including, to the extent commercially reasonable, the attendance of representatives of Comcast Trust and Comcast Subsidiary at meetings and hearings before applicable Governmental Authorities in connection with the transfer of any Transferred Systems License or Transferred Systems Franchise and by providing appropriate financial statements, insurance certificates and surety bonds required to obtain such Time Warner Cable Required Consents.

(c) The parties shall as soon as practicable after the date hereof, but in any event no later than 20 Business Days after the date hereof, complete and file, or cause to be completed and filed, any notification and report required to be filed under the HSR Act with respect to the transactions contemplated by this Agreement and each such filing shall request early termination of the waiting period imposed by the HSR Act. The parties shall use commercially reasonable efforts to respond as promptly as reasonably practicable to any inquiries or requests received from a Governmental Authority for additional information or documentation in connection with antitrust matters. The parties shall use commercially reasonable efforts to overcome any objections which may be raised by any Governmental Authority having jurisdiction over antitrust matters. Each party shall cooperate to prevent inconsistencies between their respective filings and between their respective responses to all such inquiries and requests, and shall furnish to each other such necessary information and reasonable assistance as the other may request in connection with its preparation of necessary filings or submissions under the HSR Act. Notwithstanding the foregoing or anything else in the Agreement to the contrary, neither party shall be required to enter into any consent decree with any Governmental Authority relating to antitrust matters or to sell or hold separate any assets or make any change in operations or activities of the business (or any material assets employed therein) of such party or its Affiliates, if a party determines in good faith that such change would be adverse to the operations or activities of the business (or any material assets employed therein) of such party or any of its Affiliates

(d) The parties understand and agree that as part of the FCC Trust Requirements the declaration of trust of Comcast Trust may be required to be amended in order to permit the TWC Redemption or the Comcast Subsidiary Transfer, and any such amendment would require approval of the FCC. If such amendment is required, Comcast Trust and Comcast Subsidiary agree to use commercially reasonable efforts to obtain such approval prior to Closing, and if such approval is obtained, Comcast Trust and Comcast Subsidiary will amend the declaration of trust of Comcast Trust to permit the consummation of the transactions contemplated by this Agreement.

#### Section 7.4 Confidentiality and Publicity.

(a) Unless and until Closing occurs, any non-public information that any party may obtain from the other in connection with this Agreement shall be confidential, and following Closing, each party shall keep confidential any non-public information that such party may receive from another party in connection with this Agreement unrelated to the Transferred Systems or Transferred Assets and Time Warner Cable and its Affiliates shall keep confidential any non-public information in their possession related to the Transferred Systems and Transferred Assets (any such information that a party is required to keep confidential pursuant to this sentence shall be referred to as "Confidential Information"). No party shall disclose any Confidential Information to any other Person (other than its Affiliates and its and its Affiliates' directors, officers and employees, and representatives of its advisers and lenders, in each case, whose knowledge thereof is necessary in order to facilitate the consummation of the transactions contemplated hereby, in which case such party shall be responsible for any breach by any such Person) or use such information to the detriment of the other; provided, that (i) such party may use and disclose any such information once it has been publicly disclosed (other than by such party in breach of its obligations under this Section) or which, to its knowledge, rightfully has come into the possession of such party (other than from the other party), and (ii) to the extent that such party may, in the reasonable judgment of its counsel, be compelled by Legal Requirements to disclose any of such information, such party may disclose such information if it has used commercially reasonable efforts, and has afforded the other the opportunity, to obtain an appropriate protective order, or other satisfactory assurance of confidential treatment, for the information compelled to be disclosed and (iii) such party may use and disclose such information to the extent reasonably necessary to permit such party to file Tax Returns, defend any dispute relating to Taxes, claim any Refund or otherwise provide information to a Governmental Authority in connection with any other Tax Proceeding and (iv) such party may use and disclose such information to the extent necessary to comply with Legal Requirements or any periodic reporting obligations such party may have by virtue of such party or any of its Affiliates having securities listed on a national securities exchange or quotation system. In the event of termination of this Agreement, (A) the obligation set forth in this Section shall continue for a period of two years after such termination, and (B) each party shall use commercially reasonable efforts to cause to be delivered to the other, and to retain no copies of, any documents, work papers or other materials obtained by such party or on its behalf from the other, whether so obtained before or after the execution of this Agreement. For the avoidance of doubt,

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Comcast Trust may disclose any Confidential Information to Comcast Subsidiary and its Affiliates and their respective representatives.

(b) Each of the parties hereto shall consult with and cooperate with the others with respect to the content and timing of all press releases and other public announcements, and any oral or written statements to Transferred System Employees concerning this Agreement and the transactions contemplated hereby. Except as required by applicable Legal Requirements or by any national securities exchange or quotation system, no party hereto shall make any such release, announcement or statement without the prior written consent and approval of the other, which shall not be unreasonably withheld. The party receiving a request for a consent shall respond promptly to any such request for consent and approval.

(c) At Comcast's request, which shall be provided to TWC no later than thirty (30) days prior to the expected Closing Date (such date, the "Diligence Request Date"), TWC shall provide Comcast with (i) the most recent consolidated balance sheet for the TWC Affiliated Group (as defined in the Tax Matters Agreement) as of the Diligence Request Date, (ii) a reasonable good faith estimate of the aggregate number of Individual Subscribers of such TWC Affiliated Group (as defined in the Tax Matters Agreement) as of the Diligence Request Date; (iii) summary financial information with respect to any nonconsolidated investments of any member of the TWC Affiliated Group (as defined in the Tax Matters Agreement) as of the Diligence Request Date; and (iv) a reasonable good faith estimate of the aggregate number of Individual Subscribers of the Transferred Systems as of the Diligence Request Date.

**Section 7.5 Retransmission Consent Agreements.** On or prior to the date which is 45 days prior to the anticipated date of Closing, Time Warner Cable shall deliver to Comcast Trust and Comcast Subsidiary a list of all Local Retransmission Consent Agreements then in effect with respect to the Transferred Systems. By written notice delivered to Time Warner Cable at least 30 days prior to Closing, Comcast Subsidiary may, in its sole discretion, elect to have Holdco assume one or more of the Local Retransmission Consent Agreements, in which case Time Warner Cable shall use commercially reasonable efforts to obtain any required Authorizations for such assumption. The foregoing shall be subject to Section 2.1(d) to the extent any related Authorization is not obtained. Any Local Retransmission Consent Agreements which Comcast Subsidiary elects to have Holdco assume pursuant to this Section 7.5 shall be included in the Transferred Assets. To the extent the provisions of this Section 7.5 conflict with any other provision of this Agreement, the provisions of this Section 7.5 shall control.

**Section 7.6 Title Insurance Commitments.** Time Warner Cable shall use commercially reasonable efforts to provide to Comcast Subsidiary, within 90 days from the date Time Warner Cable receives the Title Commitment Notice, or, in the case of any Survey, such longer period of time as is necessary to obtain such Survey with the exercise of reasonable diligence, (a) commitments to issue to Holdco title insurance policies (“Title Commitments”) in amounts reasonably satisfactory to Comcast

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Subsidiary issued by a nationally recognized title insurance company (a “Title Company”) and containing, to the extent available, legible photocopies of all recorded items described as exceptions therein, committing to insure, subject only to Permitted Liens, fee or a valid leasehold title, as applicable, in Holdco to each parcel of Owned Property or Leased Property so designated by notice (the “Title Commitment Notice”) delivered to Time Warner Cable within 30 days from the date of this Agreement by ALTA extended coverage owner’s or leasehold policies of title insurance, or, if ALTA policies are not obtainable in any state, policies in another form reasonably satisfactory to Comcast Subsidiary, and (b) surveys of each parcel of Owned Property or Leased Property so designated in the Title Commitment Notice (“Surveys”), in such form as is reasonably necessary to obtain the title insurance to be issued pursuant to the related Title Commitments with the standard printed exceptions relating to survey matters deleted, certified to Holdco, Comcast Subsidiary and to the Title Company with respect to that Owned Property or Leased Property, provided that Time Warner Cable’s inability to provide Title Commitments satisfying the foregoing requirements shall not constitute a breach of the foregoing covenant if the Liens, or other matters relating to title, giving rise to such inability would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. In no event shall Time Warner Cable be obligated to procure a Title Commitment for any Leased Property with respect to which the Lease or a memorandum thereof has not been recorded in the land records of the county in which the Leased Property is located. The cost to obtain such Title Commitments and Surveys and other documents required by the Title Company to issue such policies and Surveys, as well as the cost of title policy premiums, shall be borne by Comcast Subsidiary, except for attorney’s fees and other incidental costs incurred by Time Warner Cable in connection with providing such Title Commitments and Surveys and otherwise complying with this Section 7.6. If Comcast Subsidiary notifies Time Warner Cable within 30 days following delivery to Comcast Subsidiary of both the Title Commitments and the Surveys of any Lien (other than a Permitted Lien or a Lien set forth in Schedule 6.4(a)) which prevents access to or which could prevent or impede in any material way the use or operation of any parcel of Owned Property or Leased Property for which a Title Commitment is required pursuant to this Section 7.6 for the purposes for which it is currently used or operated by Time Warner Cable (each a “Title Defect”), Time Warner Cable shall exercise commercially reasonable efforts, including paying attorney’s fees and other incidental costs associated with any such efforts, to (i) remove such Title Defect, or (ii) cause the Title Company to commit to insure over each such Title Defect prior to Closing at customary premium rates without additional premium or charge. If such Title Defect cannot be removed prior to Closing or the Title Company does not commit to insure over such Title Defect prior to Closing, Comcast Subsidiary and Time Warner Cable shall enter into a written agreement containing Time Warner Cable’s commitment to use commercially reasonable efforts for 180 days following Closing to remedy the Title Defect following Closing on terms satisfactory to Comcast Subsidiary, in its reasonable discretion. Notwithstanding anything to the contrary contained in this Agreement, in no event shall Time Warner Cable or its Affiliates be required to remove any Liens encumbering the Owned Property and Leased Property except as expressly set forth in this Section 7.6 or to expend any moneys (other than attorneys’ fees and other incidental costs as hereinabove set forth) or to incur any obligation in order to remove or

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cause the insuring over of any Liens (other than pursuant to customary short-form affidavits of title which do not in any event require Time Warner Cable or its Affiliates to make representations or incur obligations more onerous than those made or set forth elsewhere in this Agreement and customary gap indemnities covering Time Warner Cable’s or its Affiliates’ acts for the period between Closing and the recording of the applicable deed or assignment of lease with respect to such Owned Property or Leased Property), and in no event shall Time Warner Cable or its Affiliates be obligated to commence any Litigation to cause any Title Defects to be removed or insured over, and, without limiting the other provisions of this Section 7.6, in no event shall Time Warner Cable or its Affiliates be required to give a non-imputation affidavit to the title insurance company.

Section 7.7 [Intentionally Omitted].

Section 7.8 Post-Closing Obtaining of Consents. Subsequent to Closing, and subject to Section 2.1(d), Time Warner Cable shall and shall cause its Affiliates to continue to use commercially reasonable efforts to obtain in writing as promptly as possible any Authorization necessary or commercially advisable in connection with the transactions contemplated hereunder which was not obtained on or before Closing (a “Post-Closing Consent”) in form and substance reasonably satisfactory to Comcast Subsidiary. A true and complete copy of any such Post-Closing Consent shall be delivered to each of Comcast Subsidiary and Holdco promptly after it has been obtained.

Section 7.9 Transitional Services. Time Warner Cable shall provide to Holdco, upon written request from Comcast Subsidiary received by Time Warner Cable no later than 30 days prior to the anticipated date of Closing, such subscriber billing, high speed data, telephony and other services as may be reasonably requested by Comcast Subsidiary in connection with the operation of the Transferred Systems for a commercially reasonable period following Closing to be mutually agreed upon in good faith by Time Warner Cable and Comcast Subsidiary to allow for transition of existing services or establishment of replacement services (“Transitional Services”). Holdco shall promptly reimburse Time Warner Cable for the actual out-of-pocket cost to Time Warner Cable and its Affiliates of providing any Transitional Services. All other terms and conditions for the provision of Transitional Services shall be reasonably satisfactory to both Comcast Subsidiary and Time Warner Cable and subject to applicable Legal Requirements.

Section 7.10 Cooperation Upon Inquiries as to Rates. Comcast Subsidiary and Time Warner Cable agree as follows:

(a) For a period of 12 months after Closing, Time Warner Cable shall cooperate with and assist Holdco by providing, upon request, all information in Time Warner Cable’s or its Affiliates’ possession (and not previously provided to Comcast Subsidiary or Holdco) relating directly to the rates set forth in Schedule 6.8 or the then current rates with respect to any Transferred System, if different from the rates set forth on such Schedule, or the rates on any FCC Form 393,

1200, 1205, 1210, 1220, 1235, or 1240 that Holdco may reasonably require to justify such rates in response to any inquiry, order or requirement of any Governmental Authority or any Rate Regulatory Matter instituted before or after the date of this Agreement.

(b) If at any time prior to Closing, any Governmental Authority commences a Rate Regulatory Matter with respect to a Transferred System, Time Warner Cable shall (i) promptly notify Comcast Subsidiary, and (ii) keep Comcast Subsidiary informed as to the progress of any such proceeding. Without the prior written consent of Comcast Subsidiary, which consent shall not be unreasonably withheld or delayed, Time Warner Cable shall not settle any such Rate Regulatory Matter, either before or after Closing, if (A) Holdco or any of its Affiliates would have any obligation under such settlement, or (B) such settlement would reduce the rates permitted to be charged by Holdco or any of its Affiliates after Closing below the rates set forth on Schedule 6.8 or otherwise then in effect. Notwithstanding anything to the contrary herein, after Closing, Holdco shall have the right, at its own expense, to assume control of the defense of any pending Rate Regulatory Matter, to the extent, and only to the extent, that it relates to a Transferred System. If Holdco elects to assume control of the defense of any such Rate Regulatory Matter, Time Warner Cable shall have the right to participate, at its expense, in the defense of such matter. Notwithstanding the provisions set forth in Article 11 of this Agreement, Holdco may settle any such Rate Regulatory Matter only upon Time Warner Cable’s prior written consent, which consent shall not be unreasonably withheld or delayed, if Time Warner Cable would have any obligation with respect to such settlement in accordance with Article 11 hereof or otherwise.

(c) If at any time after Closing, any Governmental Authority commences a Rate Regulatory Matter with respect to a Transferred System involving any time period prior to Closing, Comcast Subsidiary shall cause Holdco to (i) promptly notify Time Warner Cable, and (ii) keep Time Warner Cable informed as to the progress of any such proceeding. Time Warner Cable shall have the right to participate, at its expense, in the defense of such matter. Notwithstanding the provisions set forth in Article 11 of this Agreement, Holdco may settle any such Rate Regulatory Matter only upon Time Warner Cable’s prior written consent, which consent shall not be unreasonably withheld or delayed, if Time Warner Cable would have any obligation with respect to such settlement in accordance with Article 11 hereof or otherwise.

(d) For purposes hereof, “Rate Regulatory Matter” means any proceeding or investigation with respect to a Transferred System arising out of or related to the Cable Act (other than those affecting the cable television industry generally) dealing with, limiting or affecting the rates which can be charged by such Transferred System for programming, equipment, installation, service or otherwise.

(e) If Time Warner Cable or any of its Affiliates is required following Closing pursuant to any Rate Regulatory Matter or any other Legal Requirement, settlement or otherwise to reimburse any Subscribers for any Subscriber

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payments previously made by it, including fees for cable television service, late fees and similar payments, Comcast Subsidiary shall cause Holdco, at Time Warner Cable's request, to make such reimbursement through Holdco's billing system on terms specified by Comcast Subsidiary. In such event, Time Warner Cable shall promptly pay to Holdco all such payments made by Holdco through its billing system. Without limiting the foregoing, Comcast Subsidiary shall cause Holdco to provide to Time Warner Cable all information in its possession that is reasonably required by Time Warner Cable in connection with such reimbursement.

#### Section 7.11 Updated Schedules.

(a) On one or more occasions, Time Warner Cable may, at least five Business Days prior to Closing: (i) supplement Schedule 6.5(a) to reflect leases, franchises, licenses, authorizations, consents, permits, Contracts or commitments which were entered into or obtained between the date hereof and the Closing Date not in violation of the terms of this Agreement and are required to be disclosed in Schedule 6.5(a) in order for the representation and warranty contained in Section 6.5(a) to be true, complete and correct or (ii) supplement any other Schedule to this Agreement (other than the Schedules to any of Section 6.1, 6.2, 6.15 or 6.18) or to the Tax Matters Agreement, with additional information to the extent that it reflects events, acts or omissions that first occurred between the date hereof and the Closing Date and that are not prohibited by this Agreement to be taken, and that would have been required to be included in one or more Schedules to this Agreement or the Tax Matters Agreement in order for the representations and warranties of Time Warner Cable contained in this Agreement or in the Tax Matters Agreement to be true, complete and correct as of the Closing. Any such supplement to a Schedule pursuant to clause (i) above shall specifically identify each license, Contract or other item being added to Schedule 6.5(a) and any supplement pursuant to clause (ii) above shall be made with reasonable specificity and shall identify, to Time Warner Cable's knowledge, the potential Liability associated with the relevant action, condition or event. For purposes of determining whether there is any liability on the part of Time Warner Cable following Closing for breaches of its representations and warranties under this Agreement, the Schedules to this Agreement shall be deemed to include only (a) the information contained therein on the date hereof and (b) information added to such Schedules by written supplements to this Agreement delivered in accordance with the first sentence of this Section 7.11; provided, that for purposes of determining the satisfaction of the condition set forth in Section 8.1(b), any update to the Schedules pursuant to clause (b) of this sentence shall be disregarded.

(b) In addition, if after the date that is the fifth Business Day prior to Closing, but before the Closing, Time Warner Cable first becomes aware of any event, act, occurrence or omission which, if known on the fifth day prior to Closing would have been permitted to be included in a supplement pursuant to clause (ii) of the foregoing paragraph, then Time Warner Cable may make such supplement as provided above (in which case such supplement shall be deemed to have been made pursuant to clause (ii) of the foregoing paragraph); provided that Time Warner Cable may only utilize the rights in this paragraph on one occasion and, if Comcast Subsidiary elects,

upon receipt of any such supplement pursuant to this paragraph, the date of Closing may be delayed until the end of the next succeeding month.

**Section 7.12 Commercially Reasonable Efforts; Further Assurances.** Subject to the terms and conditions of this Agreement, the parties hereto shall use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable to consummate the transactions contemplated by this Agreement as promptly as practicable. Each of the parties hereto agrees to, and, in the case of Time Warner Cable and Comcast Subsidiary, to cause its Affiliates to, execute and deliver such other documents, certificates, agreements and other writings (including completed transfer tax returns, showing in each case a purchase price or consideration reasonably acceptable to Comcast Subsidiary and Time Warner Cable) and to take such other commercially reasonable actions as may be necessary or desirable in order to evidence, consummate or implement expeditiously the transactions contemplated by this Agreement and to vest in Holdco the same title to the Transferred Assets that Time Warner Cable (together with its Affiliates) had with respect thereto immediately prior to the Transactions.

**Section 7.13 Post-Closing Access to Personnel Records.** After the Closing Date, Time Warner Cable shall, and shall cause its Affiliates to, provide Comcast Subsidiary and Holdco with access to, and the right to make copies or extracts of, pertinent information from the personnel files and records of Time Warner Cable and its Affiliates relating to Transferred System Employees (other than Retained Employees) in connection with litigation, administrative proceedings, payment of Applicable Taxes or any other valid business reason from time to time during normal business hours upon reasonable notice from Comcast Subsidiary or Holdco (i) with respect to matters other than matters relating to Applicable Taxes, for a period not to exceed one year from the Closing Date or (ii) with respect to matters relating to Applicable Taxes, until the expiration of the statute of limitations applicable to such Taxes, in each case except to the extent that Time Warner Cable is required by law to keep such files and records confidential.

Section 7.14 [Intentionally Omitted].

Section 7.15 Tax Returns with respect to Applicable Taxes.

(a) Time Warner Cable shall have exclusive and sole responsibility for the preparation and filing of all Applicable Tax Returns that are required to be filed with any Governmental Authority on or prior to the Closing Date.

(b) Holdco shall prepare and file all Applicable Tax Returns that are required to be filed with any Governmental Authority after the Closing Date. Holdco shall deliver any such Straddle Period Applicable Tax Returns to Time Warner Cable for its review at least 30 days prior to the date on which such Straddle Period Applicable Tax Return is required to be filed. Except as provided herein, all Straddle Period Applicable Tax Returns shall (unless required by a change in applicable Tax law or a good faith resolution of a contest) be prepared on a basis consistent with the

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elections, accounting methods, conventions, assumptions and principles of taxation on the most recently filed Applicable Tax Returns of Holdco or a previous owner of the Transferred Systems to the extent relevant to such Transferred Systems. Subject to the foregoing, Time Warner Cable and Holdco shall reasonably cooperate with each other in the preparation and filing of any Straddle Period Applicable Tax Returns.

Section 7.16 Environmental Reports. Following the date hereof, Comcast Subsidiary may upon reasonable advance written notice and during normal business hours, at Comcast Subsidiary's expense, perform any environmental site assessments of the Owned Property or Leased Property (subject to the final sentence of this Section 7.16) as Comcast Subsidiary determines, in its sole discretion, to have performed; provided that prior to taking any samples of soil or groundwater for testing, Comcast Subsidiary shall have a reasonable basis for determining that such sampling is appropriate. Time Warner Cable shall cooperate with all reasonable requests of Comcast Subsidiary and its consultants with respect to the conduct of such assessments or sampling. Any assessment performed pursuant to this Section 7.16 shall to the fullest extent practicable be designed so as not to disrupt the business and operations of the Transferred Systems. Any right to perform an assessment pursuant to this Section 7.16 at a Leased Property shall be subject to Time Warner Cable not being prohibited from performing such assessment pursuant to the lease for such Leased Property.

Section 7.17 Certain Notices. Prior to the Closing, Time Warner Cable, with respect to the Transferred Systems, shall cause to be timely filed a request for renewal under Section 626 of the Cable Act with the proper Governmental Authority with respect to Transferred System Franchises that shall expire within 36 months after any date between the date of this Agreement and Closing Date.

Section 7.18 Franchise Expirations. From the date hereof until Closing, Time Warner Cable shall, and shall cause its Affiliates to, use commercially reasonable efforts to obtain renewals or valid extensions of any Transferred Systems Franchises which expire on or before June 30, 2008, in the ordinary course of business. Neither Time Warner Cable nor any of its Affiliates shall agree or accede to any material modifications or amendments to or in connection with, or the imposition of any material condition to the renewal or extension of, any of the Transferred System Franchises that are not reasonably acceptable to Comcast Subsidiary. Time Warner Cable agrees, from the date hereof until Closing, upon reasonable prior written notice, to allow representatives of Comcast Subsidiary to attend meetings and hearings before applicable Governmental Authorities in connection with the renewal or extension of any Transferred Systems License or Transferred Systems Franchise.

Section 7.19 Insurance. Time Warner Cable will use commercially reasonable efforts to take such actions as are necessary to cause insurance policies of Time Warner Cable and its Affiliates that immediately prior to Closing provide coverage to or with respect to the Transferred Business, the Transferred Assets or the Transferred Systems to continue to provide such coverage with respect to acts, omissions, and events occurring prior to the Closing in accordance with their terms as if

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the Closing had not occurred; provided that to the extent Time Warner Cable takes any action with respect to its umbrella insurance policies that similarly affects all of the Time Warner Cable Retained Cable Systems but results in such insurance coverage no longer being available (other than a change denying coverage based upon a Person ceasing to be an Affiliate of Time Warner Cable), Time Warner Cable shall not be deemed to have breached this Section 7.19 and shall have no liability with respect thereto. Time Warner Cable will give Comcast Subsidiary written notice of the taking of any such action if done during the first 12 months after the Closing prior to or as soon as practicable thereafter. Time Warner Cable shall, and shall cause its Affiliates to, cooperate with and assist Holdco, if Holdco determines to make any claim under any such policy with respect to any pre-Closing act,

omission or event. Holdco shall use commercially reasonable efforts to promptly notify Time Warner Cable when it becomes aware of any such claim; provided, that the failure of Holdco to provide such notice shall not relieve Time Warner Cable of its obligations under this Section 7.19, except to the extent that Time Warner Cable's rights under the applicable insurance policy are prejudiced by such failure to give notice.

Section 7.20 Promotional Campaigns. Between the date hereof and the Closing, Time Warner Cable and its Affiliates shall not initiate any Subscriber campaigns or promotions on a local or regional level with respect to the Transferred Systems, other than (i) any such campaigns or promotions that are on the same terms and conditions (or on terms and conditions that are no less favorable to the Transferred Systems) as subscriber campaigns or promotions undertaken with respect to the relevant the Transferred Systems during the year ended December 31, 2004 in the relevant market, (ii) any such campaigns or promotions that are not materially less favorable to the Transferred Systems than campaigns and promotions being conducted with respect to Time Warner Cable Retained Cable Systems on an overall basis, (iii) any such campaigns or promotions that are not materially less favorable to the Transferred Systems than campaigns and promotions being conducted by Comcast and its Affiliates in the same DMA, and (iv) any such campaigns or promotions that are either (x) with respect to campaigns and promotions conducted in an overbuild area, not materially less favorable to the Transferred Systems than the campaigns and promotions being conducted by the applicable overbuilder or RBOC or (y) not materially less favorable to the Transferred Systems than those being conducted by any direct broadcast satellite providers in the same DMA (but only in the relevant market of the relevant campaign or promotion).

Section 7.21 Launch Support. At the Closing, Time Warner Cable shall deliver to Comcast Subsidiary a schedule of the services subject to Specified Launch Support Liabilities and, with respect to each such service, the remaining time period (which shall in no event be later than the fifth anniversary of the date hereof) in which an action in respect of any Transferred System could result in an obligation to make a payment in respect of a Specified Launch Support Liability.

Section 7.22 Additional Financial Information. Time Warner Cable shall use its commercially reasonable efforts, and shall cause its Affiliates to use its commercially reasonable efforts to, provide Comcast Subsidiary and its Affiliates with

financial statements and related information (collectively, "Financial Information") sufficient to permit any of them to fulfill their obligations to include financial disclosure relating to the Transferred Systems on a timely basis under the Exchange Act and, if any of them undertakes an offering of securities prior to Closing, the Securities Act. If some or all of the Financial Information is included in or incorporated by reference into a prospectus for an offering of securities by Comcast Subsidiary or any of its Affiliates prior to Closing, Time Warner Cable shall use commercially reasonable efforts to cause the independent auditors of Time Warner Cable to provide customary assistance to Comcast Subsidiary and its Affiliates and its underwriters in connection with such financing, including the provision of consent and comfort letters addressed to the Securities and Exchange Commission, comfort letters addressed to the underwriters, participation in due diligence matters with respect to such offering and assistance in responding to comments or questions from the Securities and Exchange Commission with respect to the Financial Information. Comcast Subsidiary shall reimburse Time Warner Cable for reasonable costs and expenses incurred by Time Warner Cable or its Affiliates pursuant to this Section 7.22, including reasonable out-of-pocket costs and expenses.

### Section 7.23 Section 338(h)(10) Election.

(a) Subject to Section 7.23(b), the parties agree jointly to make a timely election under Section 338(h)(10) of the Code and any corresponding or similar elections under state, local or foreign Tax Law (in the state, local or foreign jurisdictions as requested by Comcast) with respect to the TWC Redemption (any such election, a "338(h)(10) Election"); provided, that, for the purpose of making any 338(h)(10) Election, the Internal Revenue Service Forms 8023 and 8883 (or successor forms, or any corresponding forms under state, local or foreign Tax Law in the state, local or foreign jurisdiction requested by Comcast) filed in connection with such election shall state on the face of each such form that such election is being made as a "protective election" and shall contain the legend set forth in Exhibit C hereto.

(b) If, after the Closing Date but prior to the six month anniversary of the Closing Date, Comcast believes that there has been a change in Tax Law after the date hereof and that by reason of such change in Tax Law (x) the TWC Redemption should not qualify as a tax-free distribution governed by Section 355 of the Code, and (y) the TWC Redemption should constitute a "qualified stock purchase" within the meaning of Section 338(d)(3) of the Code (a "QSP") (any such conclusion, a "Determination"), Comcast shall provide written notice to Time Warner Cable of such Determination. If Time Warner Cable agrees with the Determination, Time Warner Cable shall provide Comcast with written notice of its agreement within 10 days (the "Determination Deadline") of receiving notice of the Determination (such agreement shall constitute a "Joint Determination"). If there has been no Joint Determination by the Determination Deadline, Time Warner Cable and Comcast agree jointly to appoint a law firm that is nationally recognized in matters relating to federal income taxation (any such law firm, a "Third Party Firm") within 7 Business Days of the Determination Deadline. If Time Warner Cable and Comcast cannot agree on the appointment of a Third Party Firm in accordance with the previous sentence, such parties shall request that the

President of the Association of the Bar of the City of New York appoint, within 7 days, a Third Party Firm other than a law firm that is regularly employed by either Time Warner Cable or Comcast or any of their respective Affiliates. The Third Party Firm shall be requested to deliver, within 21 days of its appointment, a letter setting forth whether, by reason of the change in Tax Law referred to above, it is its opinion that, (I) the TWC Redemption should not qualify as a tax-free distribution governed by Section 355 of the Code, and (II) the TWC Redemption should constitute a QSP (any affirmative opinion by such Third Party Firm that the items described in (I) and (II) of this sentence have been satisfied, an "Affirmative Third Party Firm Determination". The fees and expenses of the Third Party Firm shall be borne equally by Time Warner Cable and Comcast.

(c) If, at any time prior to the nine month anniversary of the Closing Date, there shall have been a Joint Determination or an Affirmative Third Party Determination, the parties hereby agree, notwithstanding any other provision of this Agreement or the Transaction Documents, for all Income Tax Purposes (unless required by subsequent change in applicable Tax Law or as a result of a good faith resolution of a contest), (i) not to treat the TWC Redemption as a tax-free distribution governed by Section 355 of the Code, (ii) to treat the TWC Redemption as a QSP, and (iii) that any 338(h)(10) Election shall be filed without regard to the protective election described in the proviso to Section 7.23(a).

**Section 7.24 Pre-Closing Access.** From the date hereof until the Closing, subject to applicable law, Time Warner Cable shall, and shall cause its Affiliates to, (i) afford Comcast Subsidiary, Comcast Trust and their respective authorized representatives reasonable access, during regular business hours, upon reasonable advance notice, to the Transferred Systems (including the Transferred Assets and employees), (ii) furnish, or cause to be furnished, to Comcast Subsidiary or Comcast Trust any financial and operating data and other information with respect to such Transferred Systems as Comcast Subsidiary or Comcast Trust from time to time reasonably requests, and (iii) instruct its employees, and its counsel and financial advisors to cooperate with Comcast Subsidiary and Comcast Trust in their reasonable investigation of the Transferred Systems; provided that, in each case, any such access shall be designed so as to not unreasonably disrupt the business and operations of Time Warner Cable or its Affiliates; provided further that in no event shall Comcast Subsidiary or Comcast Trust have access to (A) any information that would reasonably be expected to create Liability under applicable laws, including U.S. antitrust laws, or waive any material legal privilege (provided that, in such latter event, Time Warner Cable and Comcast Subsidiary or Comcast Trust, as the case may be, shall use commercially reasonable efforts to cooperate to permit disclosure of such information in a manner consistent with the preservation of such legal privilege), (B) documents containing competitively sensitive information, trade secrets or other sensitive information (to the extent necessary to protect the legitimate legal, business and/or confidentiality concerns of Time Warner Cable and its Affiliates, but taking into account Comcast Subsidiary's and Comcast Trust's need for such information in connection with the transactions contemplated hereby), (C) any information to the extent such disclosure would reasonably be expected to violate any obligation of Time Warner Cable or its Affiliates

with respect to confidentiality so long as, with respect to confidentiality, to the extent specifically requested by Comcast Subsidiary or Comcast Trust, Time Warner Cable has made commercially reasonable efforts to obtain a waiver regarding the possible disclosure from the third party to whom an obligation of confidentiality is owed or (D) any programming records; it being understood that Comcast Subsidiary and Comcast Trust shall conduct any environmental sampling solely in the manner contemplated by Section 7.16. All requests made pursuant to this Section 7.24 shall be directed to an executive officer of Time Warner Cable or such Person or Persons as may be designated by Time Warner Cable. All information received pursuant to this Section 7.24 shall, prior to the Closing, be governed by Section 7.4(a) and, to the extent applicable, the terms of the Confidentiality Agreement. No information or knowledge obtained in any investigation by Comcast Subsidiary, Comcast Trust or their respective Affiliates pursuant to this Section 7.24 shall affect or be deemed to modify any representation or warranty made by Time Warner Cable or its Affiliates hereunder or under any Transaction Document.

**Section 7.25 Adelphia Agreements.** Neither Comcast Parent nor Time Warner Cable shall, or shall permit any of their respective Affiliates to, terminate the Adelphia Agreement to which it or its Affiliate is party by mutual agreement with Adelphia without the other party's consent. Neither Time Warner Cable nor Comcast Parent shall, or shall permit any of their respective Affiliates to, without the consent of the other party, amend or grant any waiver under any Adelphia Agreement or any Ancillary Agreement (as defined in each Adelphia Agreement) to which such party or its Affiliate is a party (and, in the case of the TWC Adelphia Agreement, including the terms and conditions of the Interim Steps), in each case in a manner that (i) would reasonably be expected to delay the satisfaction of the conditions in Sections 8.1(a) or 8.2(a) or alter the rights or obligations of the parties hereunder or (ii) in the case of the TWC Adelphia Agreement, would alter the terms and conditions applicable to the Interim Steps in a manner that could reasonably be expected to be adverse to Comcast Trust, Comcast Subsidiary or their respective Affiliates.

**Section 7.26 Ordinary Course from Closing to Closing Time.** During the time between the Closing and the Closing Time, Comcast Subsidiary and its Affiliates shall operate or cause to be operated the Transferred Systems and Transferred Assets in the

usual, regular and ordinary course and shall not take any action for the purpose of changing the calculation of the Closing Adjustment Amount.

## ARTICLE 8 Conditions Precedent

Section 8.1 Conditions to the Comcast Parties' Obligations. The obligations of the Comcast Parties to consummate the transactions contemplated by this Agreement shall be subject to the following conditions, which may be waived by Comcast Subsidiary (provided, that the condition set forth in Section 8.1(n) shall not be waived without the prior written consent of Comcast Trust):

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(a) Conditions to Adelphia Transactions. Each of the conditions to the closing under the Adelphia Agreements (other than conditions to be satisfied at the closing under any such Adelphia Agreement that will be so satisfied) shall have been satisfied or waived and Comcast Subsidiary shall be reasonably satisfied that any conditions to be satisfied at the closing under any such Adelphia Agreement shall be so satisfied or waived promptly following the Closing; provided, that if the TWC Adelphia Agreement is amended pursuant to Section 5.15 of the TWC Adelphia Agreement, then this Section 8.1(a) shall be deemed to apply only to the conditions to the closing under the TWC Adelphia Agreement.

(b) Accuracy of Representations and Warranties. The representations and warranties of Time Warner Cable or any Transferring Person in this Agreement and in any Transaction Document to which Time Warner Cable or any Transferring Person is a party, if qualified by a reference to materiality or Material Adverse Effect, are true and, if not so qualified, are true in all material respects at and as of Closing with the same effect as if made at and as of Closing except to the extent a different date is specified therein, in which case such representation and warranty if qualified by a reference to materiality or Material Adverse Effect shall be true and correct as of such date and, if not so qualified, shall be true and correct in all material respects as of such date.

(c) Performance of Agreements. Time Warner Cable, Holdco and each Transferring Person has performed in all material respects all obligations and agreements and has complied in all material respects with all covenants in this Agreement and in any Transaction Document to which it is a party to be performed and complied with by it at or before Closing.

(d) Officer's Certificate. Comcast Subsidiary has received a certificate executed by an executive officer of Time Warner Cable, dated as of Closing, reasonably satisfactory in form and substance to Comcast Subsidiary, certifying that the conditions specified in Sections 8.1(b) and 8.1(c) have been satisfied, as of Closing.

(e) Legal Proceedings. There is no Legal Requirement, and no Judgment has been entered and not vacated by any Governmental Authority of competent jurisdiction in any Litigation or arising therefrom, which (i) enjoins, restrains, makes illegal or prohibits consummation of the transactions contemplated by this Agreement or by any Transaction Document (other than any such matter having only an immaterial effect and that does not impose criminal liability or penalties) or (ii) requires separation or divestiture by Comcast Trust, Comcast Subsidiary, Holdco or any of their Affiliates of all or any significant portion of the Transferred Assets after Closing or otherwise materially and adversely affects the operation of the Transferred Systems (other than applicable to the cable industry in general), and there is no Litigation pending which was commenced by any Governmental Authority (other than a Franchising Authority) seeking, or which if successful would have the effect of, any of the foregoing, provided that the failure to obtain a consent relating to a Transferred Systems Franchise shall not be considered to enjoin, restrain, make illegal or prohibit

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consummation of the transactions contemplated by this Agreement or by any Transaction Document.

(f) HSR Act Waiting Period. The waiting period under the HSR Act with respect to the transactions contemplated by this Agreement has expired or been terminated.

(g) Consents. Comcast Subsidiary has received evidence, in form and substance reasonably satisfactory to it, that all of the Time Warner Cable Required Consents (other than from the Transferred Systems Franchises which are addressed in Section 8.1(i)), have been obtained and are in effect.

(h) [Intentionally Omitted]

(i) Franchise Required Consents. The aggregate number of Individual Subscribers served by the Transferred Systems in the Service Areas that are, as of the Closing Time, Transferable Service Areas shall be at least 90% of Individual Subscribers served by the Transferred Systems at such time (the “Required Threshold”); provided that if any portion of the Transferred Systems containing headends are not within such Transferable Service Areas as of the Closing Time, then any other portion of the Transferred Systems served by such headends shall be deemed not to be included in such Transferable Service Areas.

(j) GP Redemption and Holdco Transaction. The GP Redemption and the Holdco Transaction shall have been consummated.

(k) Opinion of FCC Counsel. Comcast Subsidiary and Comcast Trust shall have received an opinion of Bryan Cave LLP, special FCC counsel to Time Warner Cable, dated as of Closing, in form and substance reasonably acceptable to Time Warner Cable and Comcast Subsidiary (the “Time Warner Cable FCC Counsel Opinion”).

(l) Documents and Records. Time Warner Cable shall have delivered to Holdco all Books and Records. Delivery of the foregoing shall be deemed made to the extent such lists, files and records are then located at any of the offices included in the Owned Property or Leased Property.

(m) Intentionally Omitted.

(n) FCC Approval. Either the transfer of the Holdco Shares to Comcast Subsidiary in the TWC Redemption or the Comcast Subsidiary Transfer shall be permitted under applicable FCC Trust Requirements.

(o) GP Redemption and Amendment Agreement. Each of the parties to the GP Redemption and Amendment Agreement (other than Comcast Trust I) shall have executed and delivered the GP Redemption and Amendment Agreement.

(p) Time Warner Cable Title Policies. Time Warner Cable shall have delivered to Comcast Subsidiary ALTA extended coverage owners’ policies of title insurance, or the local equivalent, dated as of the Closing Date and issued by the Title Company (the “Time Warner Cable Title Policies”), insuring, subject only to Permitted Liens, Holdco’s fee or leasehold title in each parcel of the Owned Property and Leased Property with respect to which a Title Commitment was required pursuant to Section 7.6 deleting or modifying to the reasonable satisfaction of Comcast Subsidiary the Schedule B standard printed exceptions (other than Permitted Liens, and other than the survey exception or any similar exception with respect to properties for which no survey is obtained, and other than any other exception the deletion of which would require Time Warner Cable to give any affidavit or undertaking which would make representations or impose obligations more onerous than those made or set forth elsewhere in this Agreement), including gap coverage, and deleting or insuring over, subject to Section 7.6, any Title Defects, or irrevocable Title Commitments of the Title Company to issue such Time Warner Cable Title Policies; provided, that Time Warner Cable’s inability or failure to provide the Title Policies (or Title Commitments to issue the same) shall not constitute a violation of the condition set forth in this Section 8.1(o) if the Liens, or other matters relating to title, giving rise to such inability would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(q) Tax Matters Agreement. Subject to any amendments pursuant to Section 7.11, Time Warner, Time Warner Cable and Holdco shall have executed and delivered the Tax Matters Agreement substantially in the form attached as Exhibit A.

(r) Schedule Update. Time Warner Cable shall not have exercised its right to update any Schedule to this Agreement pursuant to clause (ii) of the first sentence of Section 7.11.

(s) Financial Information. Time Warner Cable shall have delivered all of the Financial Information reasonably required to permit Comcast to comply with its obligations under Form 8-K under the Exchange Act with respect to the transactions provided for herein.

Section 8.2 Conditions to Time Warner Cable’s Obligations. The obligations of Time Warner Cable to consummate the transactions contemplated by this Agreement shall be subject to the following conditions, which may be waived by Time Warner Cable:

(a) Conditions to Adelphia Transactions. Each of the conditions to the closing under the Adelphia Agreements (other than conditions to be satisfied at the closing under any such Adelphia Agreement that will be so satisfied) shall have been satisfied or waived and Time Warner Cable shall be reasonably satisfied that any conditions to be satisfied at the closing under any such Adelphia Agreement shall be so satisfied or waived promptly following the Closing; provided, that if the TWC Adelphia Agreement is amended pursuant to Section 5.15 of the TWC

Adelphia Agreement, then this Section 8.2(a) shall be deemed to apply only to the conditions to the closing under the TWC Adelphia Agreement.

(b) Accuracy of Representations and Warranties. The representations and warranties of Comcast Trust and Comcast Subsidiary in this Agreement and in any Transaction Document to which Comcast Trust or Comcast Subsidiary is a party, if qualified by a reference to materiality, are true and, if not so qualified, are true in all material respects at and as of Closing with the same effect as if made at and as of Closing, except to the extent a different date is specified therein, in which case such representation and warranty if qualified by a reference to materiality shall be true and correct as of such date and, if not so qualified, shall be true and correct in all material respects as of such date.

(c) Performance of Agreements. Each of Comcast Trust and Comcast Subsidiary has performed in all material respects all obligations and agreements and has complied in all material respects with all covenants in this Agreement and in any Transaction Document to which it is a party to be performed and complied with by it at or before Closing.

(d) Officer's Certificate. (i) Time Warner Cable has received a certificate executed by the operating trustee of Comcast Trust, dated as of Closing, reasonably satisfactory in form and substance to Time Warner Cable, certifying that the conditions specified in Sections 8.2(b) and 8.2(c), in each case solely with respect to Comcast Trust, have been satisfied, as of Closing. (ii) Time Warner Cable has received a certificate executed by an executive officer of Comcast Subsidiary, dated as of Closing, reasonably satisfactory in form and substance to Time Warner Cable, certifying that the conditions specified in Sections 8.2(b) and 8.2(c), in each case solely with respect to Comcast Subsidiary, have been satisfied, as of Closing.

(e) Legal Proceedings. There is no Legal Requirement, and no Judgment has been entered and not vacated by any Governmental Authority of competent jurisdiction in any Litigation or arising therefrom, which enjoins, restrains, makes illegal or prohibits consummation of the transactions contemplated by this Agreement or by any Transaction Document (other than any such matter having only an immaterial effect and that does not impose criminal liability or penalties), and there is no Litigation pending which was commenced by any Governmental Authority (other than a Franchising Authority) seeking, or which if successful would have the effect of, any of the foregoing, provided that the failure to obtain a consent relating to a Transferred Systems Franchise shall not be considered to enjoin, restrain, make illegal or prohibit consummation of the transactions contemplated by this Agreement or by any Transaction Document.

(f) HSR Act Waiting Period. The waiting period under the HSR Act with respect to the transactions contemplated by this Agreement has expired or been terminated.

(g) No Material Adverse Effect. Since the date hereof, there have been no events, circumstances or conditions that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(h) Tax Matters Agreement. Subject to any amendments pursuant to Section 7.11, Comcast Parent and Comcast shall have executed and delivered the Tax Matters Agreement substantially in the form attached as Exhibit A.

(i) GP Redemption and Amendment Agreement. Comcast Trust I shall have executed and delivered the GP Redemption and Amendment Agreement.

## ARTICLE 9 Closing

Section 9.1 Closing; Time and Place. Subject to the final sentence of this Section 9.1, the closing of the transactions contemplated by Section 2.1(a) of this Agreement ("Closing") shall take place at a time and location mutually determined by Comcast Subsidiary and Time Warner Cable on the last Business Day of the calendar month in which all conditions set forth in Sections 8.1 and 8.2 have either been satisfied or waived in writing by the party entitled to the benefit of each such condition (except for conditions to be satisfied at Closing that will be satisfied at Closing and the conditions set forth in Section 8.1(a) and Section 8.2(a) but subject to satisfaction of such conditions in Sections 8.1(a) and 8.2(a)), unless such conditions have not been so satisfied or waived (except for conditions to be satisfied at Closing that will be satisfied at Closing) by the fifth Business Day preceding the last Business Day of such calendar month, in which case the Closing shall take place on the last Business Day of the next calendar month (or such later date as agreed by the parties). In no event shall the Closing occur earlier than July 1, 2005.

Section 9.2 Time Warner Cable's Obligations. At Closing, Time Warner Cable shall deliver or cause to be delivered to Holdco or Comcast Trust (or, in the case of item (a), to Comcast Subsidiary, if applicable), as applicable, the following:

(a) Holdco Shares. The Holdco Shares to Comcast Trust or Comcast Subsidiary, as the case may be, which shall be in definitive form, in proper form for transfer and, if requested by Comcast Trust (or Comcast Subsidiary, if applicable), Time Warner Cable shall execute, acknowledge and deliver a stock power or such other customary instruments of transfer as Comcast Trust (or Comcast Subsidiary, if applicable) may reasonably request.

(b) Bill of Sale and Assignment and the Instrument of Assumption. The executed Bill(s) of Sale and Assignment and Instrument of Assumption with respect to the Holdco Transaction in form and substance reasonably acceptable to Time Warner Cable and Comcast Subsidiary and the executed Bill of Sale and Assignment and Instrument of Assumption with respect to the GP Redemption in substantially the form attached to the GP Redemption and Amendment Agreement, and

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such other instruments of transfer or assignment as may be reasonably necessary to effect the transactions contemplated hereby (excluding those delivered pursuant to Section 9.2(f)).

(c) Lien Releases. Evidence reasonably satisfactory to Comcast Subsidiary that all Liens (other than Permitted Liens) affecting or encumbering the Transferred Assets have been terminated, released or waived or insured over as contemplated under (and only to the extent required under) Section 7.6 (in the case of the Real Property Interests), as appropriate, or original, executed instruments in form and substance reasonably satisfactory to Comcast Subsidiary effecting such terminations, releases or waivers; provided, that Time Warner Cable's inability or failure to obtain the termination, release, or waiver of any such Liens or to insure over any such Liens shall not constitute a failure to perform the obligations set forth in this Section 9.2(c) if the existence of the Liens would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(d) FIRPTA Certificate. FIRPTA Non-Foreign Seller Certificate certifying that Time Warner Cable is not a foreign person within the meaning of Section 1445 of the Code, reasonably satisfactory in form and substance to Comcast Subsidiary.

(e) Power of Attorney for Accounts Receivable. The limited, irrevocable right, in Time Warner Cable's and its Controlled Affiliates' name, place and stead, as Time Warner Cable's and its Controlled Affiliates' attorney-in-fact, to cash, deposit, endorse or negotiate checks received on or after the Closing Date made out to Time Warner Cable and its Controlled Affiliates' in payment for cable services provided by the Transferred Systems and written instructions to Time Warner Cable's and its Controlled Affiliates' lock-box service provider or similar agents to promptly forward to Holdco all such cash, deposits and checks representing accounts receivable of the Transferred Systems that it or they may receive. From and after the Closing, Time Warner Cable and its Controlled Affiliates shall not deposit but shall promptly remit to Holdco any payment received by Time Warner Cable or any of its Controlled Affiliates on or after the Closing Date in respect of any such account receivable.

(f) Deeds and Other Real Estate Transfer Documents. Special warranty deeds conveying to Holdco, subject only to the exceptions reflected on the Time Warner Cable Title Policies (if such Time Warner Cable Title Policies have been obtained, or, if such Time Warner Cable Title Policies have not been obtained, subject only to such exceptions as are consistent with the representation set forth in Section 6.4 hereof), each parcel of the Owned Property, assignments of leases of Real Property and such other documents as may be necessary to convey other Real Property Interests, in each case, in form and substance reasonably satisfactory to Comcast Subsidiary, provided that in no event shall the warranties in such deed create any greater liability or liability to any other Person on the part of the grantor in excess of that provided for under the other provisions of this Agreement.

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(g) Time Warner Cable Title Policies. Time Warner Cable Title Policies with such deletions or modifications as are required pursuant to Section 8.1(p).

(h) GP Redemption and Amendment Agreement. The executed GP Redemption and Amendment Agreement by all parties thereto (other than Comcast Trust I).

(i) Tax Matters Agreement. The executed Tax Matters Agreement by all parties thereto (other than Comcast Parent and Comcast).

(j) Officer's Certificate. The executed certificate required by Section 8.1(d).

(k) Other. Such other documents and instruments as may be reasonably necessary to effect the intent of this Agreement and consummate the transactions contemplated hereby.

Section 9.3 Comcast Trust's Obligations. At Closing, Comcast and/or Comcast Trust, as applicable, shall deliver or cause to be delivered to Time Warner Cable the following:

- (a) Redemption Securities Stock Certificates. Comcast Trust shall deliver to Time Warner Cable a stock certificate evidencing the Redemption Securities which shall be in definitive form and registered in the name of Comcast Trust, in proper form for transfer and, if requested by Time Warner Cable, execute, acknowledge and deliver a stock power or such other customary instruments of transfer as Time Warner Cable may reasonably request.
  - (b) GP Redemption and Amendment Agreement. The executed GP Redemption and Amendment Agreement by Comcast Trust I.
  - (c) Tax Matters Agreement. The executed Tax Matters Agreement by all parties thereto (other than Time Warner, Time Warner Cable and Holdco).
  - (d) Officer's Certificate. The executed certificate required by Section 8.2(d).
  - (e) Other. Such other documents and instruments as may be reasonably necessary to effect the intent of this Agreement and consummate the transactions contemplated hereby.
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## ARTICLE 10 Termination and Default

Section 10.1 Termination Events. This Agreement may be terminated prior to Closing and the transactions contemplated hereby may be abandoned:

- (a) by either Comcast Subsidiary or Time Warner Cable, at any time after the later of (i) the six-month anniversary of the Adelphia Closing and (ii) the Extended Outside Date (as defined in the TWC Adelphia Agreement and as such date may be amended under Section 5.15 of the TWC Adelphia Agreement) (the later of (i) and (ii), the "Outside Closing Date");
- (b) at any time, by the mutual agreement of Comcast Subsidiary and Time Warner Cable;
- (c) by either Comcast Subsidiary or Time Warner Cable, at any time upon written notice to the other, if the other is in material breach or default of its respective covenants, agreements, representations, or other obligations herein or in any Transaction Document to which such Person or its Affiliates is a party and such breach or default (i) has not been cured within 30 days after receipt of written notice or such longer period as may be reasonably required to cure such breach or default (provided, that the breaching or defaulting party shall be using commercially reasonable efforts to cure such breach or default) or (ii) would not reasonably be expected to be cured prior to the Outside Closing Date; provided, that if any covenant, agreement, representation or other obligation in this Agreement is qualified by a reference to materiality or Material Adverse Effect, such qualifier shall be taken into account without duplication;
- (d) by either Comcast Subsidiary or Time Warner Cable prior to the Closing at any time following termination of either Adelphia Agreement in accordance with its terms; provided, that if the TWC Adelphia Agreement is amended pursuant to Section 5.15 of the TWC Adelphia Agreement, then this Section 10.1(d) shall be deemed to apply only to the termination of the TWC Adelphia Agreement;
- (e) by Comcast Subsidiary as provided in Section 12.16; or
- (f) by Comcast Subsidiary on or after November 1, 2006; provided, that Comcast Subsidiary shall have (i) given Time Warner Cable at least 60 days prior written notice of its non-binding good faith intention to so terminate under this Section 10.1(f), (ii) expressly and irrevocably agreed in writing on or before the 60th day prior to such termination to waive the condition in Section 8.1(a) and its right for the succeeding 60 days to terminate this Agreement pursuant to Section 10.1(d) and (iii) complied in all material respects with its obligations herein, including in Section 7.12, to consummate the transactions contemplated hereby.

Section 10.2 Effect of Termination. If this Agreement is terminated pursuant to Sections 10.1 or 12.16, this Agreement shall become void and of

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no effect without liability of any party hereto (or any Affiliate, shareholder, director, officer, trustee, employee, agent, consultant or representative of such party) to the other parties hereto, except that (a) the agreements contained in Sections 1.1, 1.2, 2.1(a)(iv), 2.3, 7.4, 7.25 (but only clause (ii) of the second sentence), this Section 10.2 and Article 12 (other than Section 12.16) shall survive the termination hereof and (b) no such termination shall relieve any party hereto of any liability or damages resulting from any willful breach by such party of this Agreement.

## **ARTICLE 11** **Indemnification**

**Section 11.1 Indemnification by Time Warner Cable.** Subject to Section 11.4, from and after the Closing, Time Warner Cable shall indemnify and hold harmless Holdco from and against any and all Losses suffered by Holdco (which shall be deemed to include any Losses suffered by Holdco or its Affiliates, or by its or their respective officers, directors, trustees, employees, agents or representatives, or any Person claiming by or through any of them, as the case may be), from and against any and all Losses arising out of or resulting from:

- (a) any representations and warranties made by Time Warner Cable or any Transferring Person in this Agreement or in any Transaction Document (other than the Tax Matters Agreement) to which it is a party not being true and accurate in all respects, when made or at Closing (or, in the case of any representation or warranty made as of a specific date, as of such date) or any failure by Time Warner Cable to perform in all material respects pursuant to Sections 7.1(j) and 7.11;
- (b) any failure by Time Warner Cable, any Transferring Person or, prior to completion of the Closing, Holdco, to perform in all respects any of its covenants, agreements, or obligations in this Agreement (other than pursuant to Sections 7.1(j) and 7.11) or in any Transaction Document (other than the Tax Matters Agreement) to which it is a party;
- (c) the Excluded Liabilities;
- (d) the Excluded Assets; or
- (e) the Holdco Indemnified Liabilities.

If, by reason of the claim of any third party relating to any of the matters subject to such indemnification, a Lien is placed or made upon any of the properties or assets owned or leased by Holdco or any other Indemnitee under this Section, in addition to any indemnity obligation of Time Warner Cable under this Section, Time Warner Cable shall furnish a bond sufficient to obtain the prompt release thereof within 10 days after receipt from Holdco of notice thereof.

**Section 11.2 Indemnification by Holdco.** Subject to Section 11.4, from and after the Closing, Holdco shall indemnify and hold harmless Time Warner

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Cable from and against any and all Losses suffered by Time Warner Cable (which shall be deemed to include any Losses suffered by Time Warner Cable or its Affiliates, or by its or their respective officers, directors, employees, agents or representatives, or any Person claiming by or through any of them, as the case may be), from and against any and all Losses arising out of or resulting from:

- (a) any representations and warranties made by Comcast Trust or Comcast Subsidiary in this Agreement or in any Transaction Document (other than the Tax Matters Agreement) to which such Person is a party not being true and accurate in all respects, when made or at Closing (or, in the case of any representation or warranty made as of a specific date, as of such date);
- (b) any failure by Comcast Trust, Comcast Subsidiary or, after Closing, Holdco, to perform in all respects any of its covenants, agreements, or obligations in this Agreement or in any Transaction Document (other than the Tax Matters Agreement) to which such Person is a Party;
- (c) the Assumed Liabilities and the Holdco Transaction Liabilities;
- (d) other than with respect to the Excluded Liabilities, the ownership and operation of the Transferred Systems or the Transferred Assets after the Closing;
- (e) other than with respect to the Excluded Liabilities, any Transferred Asset or any claim or right or any benefit arising thereunder held by Time Warner Cable for the benefit of Holdco pursuant to Section 2.1(d).

If, by reason of the claim of any third party relating to any of the matters subject to such indemnification, a Lien is placed or made upon any of the properties or assets owned or leased by Time Warner Cable or any other Indemnitee under this Section, in addition to any indemnity obligation of Holdco under this Section, Holdco shall furnish a bond sufficient to obtain the prompt release thereof within 10 days after receipt from Time Warner Cable of notice thereof.

**Section 11.3 Procedure for Certain Indemnified Claims.** Promptly after receipt by a party entitled to indemnification hereunder (the “Indemnitee”) of written notice of the assertion or the commencement of any Litigation with respect to any matter referred to in Sections 11.1 or 11.2 or the assertion by any Governmental Authority of a claim of noncompliance under any Franchise relating, in whole or in part, to any pre-Closing period (a “Franchise Matter”), the Indemnitee shall give written notice thereof to the party from whom indemnification is sought pursuant hereto (the “Indemnitor”) and thereafter shall keep the Indemnitor reasonably informed with respect thereto; provided, that failure of the Indemnitee to give the Indemnitor notice and keep it reasonably informed as provided herein shall not relieve the Indemnitor of its obligations hereunder, except to the extent that such failure to give notice shall prejudice any defense or claim available to the Indemnitor. The Indemnitor shall be entitled to assume the

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defense of any such Litigation or Franchise Matter with counsel reasonably satisfactory to the Indemnitee, at the Indemnitor’s sole expense; provided that the Indemnitor shall not be entitled to assume or continue control of the defense of any Litigation or Franchise Matter if (i) the Litigation or Franchise Matter relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation; (ii) the Litigation or Franchise Matter seeks an injunction or equitable relief against the Indemnitee; or (iii) the Indemnitor has failed to defend or is failing to defend in good faith the Litigation or Franchise Matter. If the Indemnitor assumes the defense of any Litigation or Franchise Matter, (i) it shall not settle the Litigation or Franchise Matter unless the settlement shall include as an unconditional term thereof the giving by the claimant or the plaintiff of a release of the Indemnitee, reasonably satisfactory to the Indemnitee, from all liability with respect to such Litigation or Franchise Matter and (ii) it shall indemnify and hold the Indemnitee harmless from and against any and all Losses caused by or arising out of any settlement or judgment of such claim and may not claim that it does not have an indemnification obligation with respect thereto. If the Indemnitor does not assume the defense of any Litigation or Franchise Matter, the Indemnitee may defend against or settle such claim in such manner and on such terms as it in good faith deems appropriate and shall be entitled to indemnification in respect thereof in accordance with Section 11.1 or 11.2, as applicable. If the Indemnitor is not entitled to assume the defense or continue to control the defense of any Litigation or Franchise Matter as a result of the proviso in the second sentence of this Section 11.3, the Indemnitee shall not settle the Litigation or Franchise Matter in question if the Indemnitor shall have any obligation as a result of such settlement (whether monetary or otherwise) unless such settlement is consented to in writing by the Indemnitor, such consent not to be unreasonably withheld or delayed. In no event shall the Indemnitee settle any Litigation or Franchise Matter for which the defense thereof is controlled by the Indemnitor absent the consent of the Indemnitor (such consent not to be unreasonably withheld or delayed). Each party shall cooperate, and cause their respective Affiliates to cooperate, in the defense or prosecution of any Litigation or Franchise Matter and shall furnish or cause to be furnished such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be reasonably requested in connection therewith.

#### **Section 11.4 Determination of Indemnification Amounts and Related Matters.**

(a) Time Warner Cable shall have no liability under Section 11.1(a) unless the aggregate amount of Losses otherwise subject to its indemnification obligations thereunder exceeds \$20 million (the “Threshold Damage Requirement”), in which case Time Warner Cable shall be liable for the full amount of such Losses including the Losses incurred in reaching the Threshold Damage Requirement; provided, that for purposes of this subsection, the Threshold Damage Requirement shall not apply to any Losses resulting from or arising out of (i) the failure by Time Warner Cable to pay any copyright payments, including interest and penalties thereon, when due or any other breach of Time Warner Cable’s representations, warranties, covenants or agreements with respect to copyright payments contained in this Agreement, and (ii) breaches of the representations and warranties in Sections 6.1, 6.2, 6.3, 6.4(a), 6.13,

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6.15 and 6.18. The maximum liability of Time Warner Cable under Section 11.1(a) shall not exceed \$200 million (the “Cap”); provided, that the Cap shall not apply to breaches of the representations and warranties in Sections 6.1, 6.2, 6.3, 6.4(a)(i), 6.13, 6.15 and 6.18.

(b) Holdco shall have no liability under Section 11.2(a) unless the aggregate amount of Losses otherwise subject to its indemnification obligations thereunder exceeds the Threshold Damage Requirement, in which case Holdco shall be liable for the full amount of such Losses including the Losses incurred in reaching the Threshold Damage Requirement; provided, that for purposes of this subsection, the Threshold Damage Requirement shall not apply to any Losses resulting from or arising out of breaches of the representations and warranties in Sections 4.1, 4.2, 4.3, 4.5, 4.6, 5.1, 5.2, 5.3, or 5.5. The maximum liability of Holdco in the aggregate under Section 11.2(a) shall not exceed the Cap; provided, that the Cap shall not apply to breaches of the representations and warranties in Sections 4.1, 4.2, 4.3, 4.5, 4.6, 5.1, 5.2, 5.3, or 5.5.

(c) Amounts payable by the Indemnitor to the Indemnitee in respect of any Losses under Sections 11.1 or 11.2 shall be payable by the Indemnitor as incurred by the Indemnitee, and shall bear interest at the Base Interest Rate plus 2% from the date the Losses for which indemnification is sought were incurred by the Indemnitee until the date of payment of indemnification by the Indemnitor.

(d) If the facts and circumstances giving rise to the Loss for which indemnification is sought under Section 11.1(a) also resulted in a Loss to the Time Warner Cable Retained Cable Systems, the Loss for which indemnification is sought under Section 11.1(a) shall only be available (subject to the further limitations in Section 11.4(a)) to the extent such Loss is greater than the proportionate Loss suffered by the Time Warner Cable Retained Cable Systems and the Transferred Systems, where proportionality is based on the percentage that the Redemption Securities represent to the total number of outstanding shares of common stock of Time Warner Cable, in each case immediately prior to giving effect to the Closing; provided that the foregoing shall not apply to the extent the Loss for which indemnification is sought under Section 11.1(a) results from or arises out of a breach of any of the representations and warranties set forth in Sections 6.1, 6.2, 6.3, 6.4(a), 6.5(a), 6.6 (the penultimate sentence only), 6.10 (the first sentence only), 6.12(c), 6.13, 6.15 and 6.18. By way of example only, if the Redemption Securities represent 20% of the total number of outstanding shares of common stock of Time Warner Cable (immediately prior to giving effect to the Closing) and the Losses suffered by the Transferred Systems arising out of certain facts was \$X and the Losses suffered by the Time Warner Cable Retained Cable Systems arising out of those same facts was \$Y, then indemnification would be available under Section 11.1(a) but only in an amount equal to the excess (if any) of (i) \$X over (ii) the sum of \$X and \$Y multiplied by 0.2 (and subject to the further limitations contained in Section 11.4(a)).

(e) The Indemnitor shall not be obligated to indemnify the Indemnitee with respect to any Losses to the extent of any proceeds received in

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connection with any such Losses by the Indemnitee under any insurance policy of the Indemnitee in effect on the Closing Date (including under any rights under any insurance policies or proceeds that are part of the Transferred Assets). The Indemnitee will use commercially reasonable efforts to claim and recover under such insurance policies.

(f) In determining the amount of any Losses in connection with any inaccuracy of a representation and warranty (but not for purposes of determining whether any such inaccuracy has occurred), any materiality or Material Adverse Effect qualifier in such representation or warranty will be disregarded.

(g) Comcast Subsidiary shall have the right to enforce (on behalf and for the benefit of Holdco and any other Indemnitee pursuant to Section 11.1) the right to indemnification under Section 11.1. Notwithstanding anything to the contrary set forth in this Agreement, to the extent that any Indemnitee pursuant to Section 11.1 is or becomes a shareholder of Time Warner Cable or Time Warner or a limited partner of TWE, indemnification hereunder shall not include Losses suffered by such Indemnitee (or its Affiliates) in its shareholder or limited partner capacity by reason of (i) the indemnities being provided by Time Warner Cable hereunder or (ii) Losses suffered in such capacity in respect of any Excluded Assets, Excluded Liabilities or Holdco Indemnified Liabilities.

**Section 11.5 Time and Manner of Certain Claims.** The representations and warranties of Comcast Trust, Comcast Subsidiary, Time Warner Cable or any Transferring Person in this Agreement and any Transaction Document to which such Person is a party shall survive Closing for a period of 1 year; provided, that the representations in Sections 5.8 and 6.24 shall not survive Closing. Notwithstanding the foregoing: (a) the liability of the parties shall extend beyond the 1-year period following Closing with respect to any claim which has been asserted in a bona fide written notice before the expiration of such 1-year period specifying in reasonable detail the facts and circumstances giving rise to such right; and (b) (i) the representations and warranties of the parties in Sections 4.1, 4.2, 4.3, 4.5, 4.6, 5.1, 5.2, 5.3, 5.5, 6.1, 6.2, 6.3, 6.4(a)(i), 6.13, 6.15 and 6.18 shall survive Closing and shall continue in full force and effect without limitation and (ii) the representations and warranties of Time Warner Cable in Sections 6.22 and 6.23 shall survive until the expiration of the applicable statute of limitations (giving effect to any waiver, mitigation or extension thereof).

**Section 11.6 Other Indemnification.** The provisions of Sections 11.3, 11.4 and 11.5 shall be applicable to any claim for indemnification made under any other provision of this Agreement, and all references in Sections 11.3, 11.4 and 11.5 to Sections 11.1 and 11.2 shall be deemed to be references to such other provisions of this Agreement.

**Section 11.7 Exclusivity.** Except as specifically set forth in this Agreement or any Transaction Document and except for claims against a party for breach of any provision of this Agreement or any Transaction Document, each party waives any rights and claims it may have against the other parties to this Agreement, whether in law

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or in equity, relating to the transactions contemplated hereby. The rights and claims waived by each party include claims for contribution or other rights of recovery arising out of or relating to claims for breach of contract, breach of representation or warranty, negligent misrepresentation and all other claims for breach of duty. After Closing, Article 11 and the Transaction Documents shall provide the exclusive remedy for any misrepresentation or breach of warranty under this Agreement or any Transaction Document, other than any claims sounding in fraud.

#### Section 11.8 Release.

(a) Except as provided in Section 11.8(b), effective as of the Closing, each of Comcast, Comcast Subsidiary and Comcast Trust does hereby, for itself and each of its wholly owned Subsidiaries and their respective successors and assigns, and all Persons who at any time prior to the Closing have been shareholders, directors, officers, members, agents, trustees or employees of Comcast, Comcast Subsidiary or Comcast Trust or any of their respective Affiliates, predecessors, successors or assigns (in each case, in their respective capacities as such and to the extent it may legally do so) (collectively, the “Comcast Trust Releasing Parties”), remise, release and forever discharge Time Warner Cable and each of its Subsidiaries and Affiliates, their respective predecessors, successors and assigns, and all Persons who at any time prior to the Closing have been shareholders, directors, officers, members, agents, trustees or employees of Time Warner Cable or any of its respective Subsidiaries, Affiliates, predecessors, successors or assigns (in each case, in their respective capacities as such and to the extent it may legally do so), and their respective heirs, executors, administrators, predecessors, successors and assigns (collectively, the “Time Warner Cable Released Parties”), from any and all Liabilities whatsoever (other than Liabilities based on claims sounding in fraud), whether at law or in equity (including any right of contribution), whether arising under any Contract, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Closing, whether or not known as of the Closing, related to, arising out of or resulting from Comcast Trust’s ownership of the Redemption Securities. Comcast, Comcast Subsidiary and Comcast Trust agree, on behalf of their self and each of the other Comcast Trust Releasing Parties, that they will not assert any claims against any Time Warner Cable Released Party with respect to matters covered by the foregoing release.

(b) Nothing contained in Section 11.8(a) shall impair any right of any Person to enforce this Agreement or any other Transaction Document, in each case in accordance with its terms.

**Section 11.9 Indemnification for Income Taxes.** Notwithstanding any other provision of this Agreement, the provisions of Sections 11.1 through 11.8 shall not apply to any Liability for Income Taxes, which shall be governed exclusively by the Tax Matters Agreement. For the avoidance of doubt, rights under this Agreement shall provide the exclusive remedies for any breach of the representations and warranties provided in Section 5.8 and Section 6.24 hereof.

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#### Section 11.10 Tax Treatment of Indemnification Payments.

(a) For all Tax purposes (unless required by a change in applicable Tax law or a good faith resolution of a contest) the parties hereto agree to treat and to cause their respective affiliates to treat any payment (i) to Holdco by Time Warner Cable pursuant to an indemnification, reimbursement or refund obligation provided for in this Agreement (a “Time Warner Cable Indemnification Payment”), or (ii) to Time Warner Cable by Holdco pursuant to an indemnification, reimbursement or refund obligation provided for in this Agreement (a “Holdco Indemnification Payment” and collectively with any Time Warner Cable Indemnification Payment, an “Indemnification Payment”) as (x) with respect to a Time Warner Cable Indemnification Payment, a contribution by Time Warner Cable to Holdco occurring immediately prior to the Closing, and (y) with respect to a Holdco Indemnification Payment, an adjustment to the Cash Amount transferred by Time Warner Cable to Holdco pursuant to the Holdco Transaction occurring immediately prior to the Closing.

(b) Notwithstanding Section 11.10(a) above, any Indemnification Payments that represent interest payable under Section 11.4(c) hereof shall be treated for all Tax purposes (unless required by a change in applicable Tax law or a good faith resolution of a contest), as (i) deductible to the Indemnitor and (ii) taxable to the Indemnitee.

(c) The amount of any Loss for which indemnification is provided under this Agreement shall be (i) increased to take account of net Tax cost, if any, incurred by the Indemnitee arising from the receipt or accrual of an Indemnification Payment hereunder, (grossed up for such increase) and (ii) reduced to take account of the net Tax benefit, if any, realized by the Indemnitee arising from incurring or paying such indemnified amount. In computing the amount of any such Tax cost or benefit, (i) the term Indemnitee shall be deemed to include any member of any Affiliated Group of which the Indemnitee is a member, and (ii) the Indemnitee shall be deemed to recognize all other items of income, gain, loss, deduction or credit before recognizing any item arising from the receipt or accrual of any Indemnification Payment hereunder or incurring or paying any indemnified amount hereunder. Any Indemnification Payment hereunder shall initially be made without regard to this Section 11.10(c) and shall be increased or reduced

to reflect any such net Tax cost (including gross-up) or net Tax benefit only after the Indemnitee has Actually Realized such cost or benefit. The amount of any increase or reduction hereunder shall be adjusted to reflect any adjustment with respect to the Indemnitee's liability for Taxes, and payments between the parties hereto to reflect such adjustment shall be made. Notwithstanding the above, this Section 11.10(c) shall not apply to interest as described in Section 11.10(b).

#### Section 11.11 Guaranteed Obligations of Comcast.

(a) From and after the Closing, Comcast hereby agrees to fully and unconditionally guarantee to Time Warner Cable the due and punctual performance, compliance and payment of Holdco, Comcast Trust and Comcast

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Subsidiary (each, a "Guaranteed Party" and collectively, the "Guaranteed Parties") of each and every covenant, term, condition or other obligation to be performed or complied with by any such party for the benefit of Time Warner Cable (or any Affiliate thereof or any Indemnitee pursuant to Section 11.2) under this Agreement and any Transaction Document to which any Guaranteed Party is a party delivered in connection herewith, and to the extent that, any of the same shall become due and payable or performance of or compliance with any of the same shall be required (collectively, the "Guaranteed Obligations").

(b) Comcast hereby acknowledges and agrees that this guarantee constitutes an absolute, present, primary, continuing and unconditional guaranty of performance, compliance and payment by each of the Guaranteed Parties of the Guaranteed Obligations when due under this Agreement and any Transaction Document to which any Guaranteed Party is a party delivered in connection herewith and not of collection only and is in no way conditioned or contingent upon any attempt to enforce such performance, compliance or payment by a Guaranteed Party or upon any other condition or contingency. Comcast hereby waives any right to require a proceeding first against any of the Guaranteed Parties.

(c) The obligations of Comcast under this guarantee shall not be subject to any reduction, limitation, impairment or termination for any reason (other than by indefeasible payment or performance in full of any of the Guaranteed Obligations) and shall not be subject to (i) any discharge of any of the Guaranteed Parties from any of the Guaranteed Obligations in a bankruptcy or similar proceeding (except by indefeasible payment or performance in full of the Guaranteed Obligations) or (ii) any other circumstance whatsoever which constitutes, or might be construed to constitute an equitable or legal discharge of Comcast as guarantor under this Section 11.11.

(d) Comcast shall cause any transferee of or successor to all or substantially all of the assets of Comcast to assume Comcast's obligations under this Section 11.11.

### **ARTICLE 12 Miscellaneous Provisions**

**Section 12.1 Expenses.** Except as otherwise specifically provided in Section 3.4, 7.3 or 12.2 or elsewhere in this Agreement, each of the parties shall pay its own expenses and the fees and expenses of its counsel, accountants, and other experts in connection with this Agreement.

**Section 12.2 Attorneys' Fees.** If any Litigation between the parties hereto with respect to this Agreement, the Transaction Documents or the transactions contemplated hereby or thereby shall be resolved or adjudicated by a Judgment of any court, the party prevailing under such Judgment (as determined by the trier of fact based on all relevant facts, including, but not limited to, amounts demanded or sought in such litigation, amounts, if any, offered in settlement of such litigation and

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amounts, if any, awarded in such litigation) shall be entitled, as part of such Judgment, to recover from the other party its reasonable attorneys' fees and costs and expenses of litigation.

**Section 12.3 Waivers.** No action taken pursuant to this Agreement, including any investigation by or on behalf of any party hereto, shall be deemed to constitute a waiver by the party taking the action of compliance with any representation, warranty, covenant or agreement contained herein or in any Transaction Document. The waiver by any party hereto of any condition or of a breach of another provision of this Agreement or any Transaction Document shall be in writing and shall not operate or be construed as a waiver of any other condition or subsequent breach. The waiver by any party of any of the conditions precedent to its obligations under this Agreement shall not preclude it from seeking redress for breach of this Agreement other than with respect to the condition so waived.

**Section 12.4 Notices.** All notices, requests, demands, applications, services of process and other communications which are required to be or may be given under this Agreement or any Transaction Document shall be in writing and shall be deemed to have been duly given if sent by telecopy or facsimile transmission, upon answer back requested, or delivered by courier or mailed, certified first class mail, postage prepaid, return receipt requested, to the parties at the following addresses:

To Comcast or Holdco (after the Closing):

Comcast Cable Communications Holdings, Inc.  
1500 Market Street  
Philadelphia, PA 19102-2184  
ATTN: General Counsel  
Fax: (215) 981-7794

With a Required Copy to:

Davis Polk & Wardwell  
450 Lexington Avenue  
New York, NY 10017  
ATTN: Dennis S. Hersch  
William L. Taylor  
Fax: (212) 450-4800

To Comcast Subsidiary:

MOC Holdco II, Inc.  
1201 N. Market Street  
Suite 1405  
Wilmington, DE 19801  
ATTN: President  
Fax: (302) 658-1600

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With a Required Copy to:

Davis Polk & Wardwell  
450 Lexington Avenue  
New York, NY 10017  
ATTN: Dennis S. Hersch  
William L. Taylor  
Fax: (212) 450-4800

To Comcast Trust:

TWE Holdings II Trust  
c/o Edith E. Holiday  
801 West Street  
2<sup>nd</sup> Floor  
Wilmington, DE 19801  
Fax: (302) 428-1410

With a Required Copy to:

Hogan & Hartson  
111 South Calvert Street  
Baltimore, MD 21202  
ATTN: Michael J. Silver  
Fax: (410) 539-6981

To Time Warner Cable or Holdco (prior to the Closing):

c/o Time Warner Cable Inc.

290 Harbor Drive  
Stamford, CT 06902-6732  
ATTN: Chief Executive Officer  
Fax: (203) 328-3295

With Required Copies to:

Legal Department  
Time Warner Cable Inc.  
290 Harbor Drive  
Stamford, CT 06902-6732  
ATTN: General Counsel  
Fax: (203) 328-4094

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Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019  
ATTN: Kelley D. Parker  
Robert B. Schumer  
Fax: (212) 757-3990

or to such other address as any party shall have furnished to the other, by notice given in accordance with this Section. Such notice shall be effective, (i) if delivered in person or by courier, upon actual receipt by the intended recipient, (ii) if sent by telecopy or facsimile transmission, upon confirmation of transmission received, or (iii) if mailed, upon the date of delivery as shown by the return receipt therefor.

**Section 12.5 Entire Agreement; Prior Representations; Amendments.** This Agreement, the Confidentiality Agreements (subject to the last sentence of this Section 12.5) and the Transaction Documents executed concurrent herewith embody the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior representations, agreements and understandings, oral or written, with respect thereto. Notwithstanding any representations which may have been made by either party in connection with the transactions contemplated by this Agreement, each party acknowledges that it has not relied on any representation by the other party with respect to such transactions, the Transferred Assets, or the Transferred Systems except those contained in this Agreement, the Schedules or the Exhibits hereto. This Agreement may not be modified orally, but only by an agreement in writing signed by the party or parties against whom any waiver, change, amendment, modification or discharge may be sought to be enforced. The (i) Confidentiality Agreements, as each relates to any obligation to keep confidential information regarding the Transferred Assets, the Transferred Systems and/or the Assumed Liabilities are hereby terminated, and (ii) Parent Agreement, dated as of March 31, 2003, among Time Warner Cable, Time Warner and Comcast Trust, shall automatically, and without any further action on the part of any party thereto, terminate upon consummation of the Closing.

**Section 12.6 Specific Performance.** The parties recognize that their rights under this Agreement are unique and, accordingly, the parties shall, in addition to such other remedies as may be available to any of them at law or in equity, have the right to enforce their rights hereunder by actions for injunctive relief and specific performance to the extent permitted by applicable law so long as the party seeking such relief is prepared to consummate the transactions contemplated hereby. The parties agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach of the provisions of this Agreement and hereby agree to waive the defense in any action for specific performance that a remedy at law would be adequate. The parties waive any requirement for security or the posting of any bond or other surety in connection with any temporary or permanent award or injunctive, mandatory or other equitable relief.

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**Section 12.7 Jurisdiction.** Except as otherwise expressly provided in this Agreement, the parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement, the Transaction Documents or the transactions contemplated hereby or thereby may be brought in the United States District Court for the Southern District of New York or any other New York State court sitting in New York City, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action

or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 12.4 shall be deemed effective service of process on such party.

Section 12.8 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 12.9 Binding Effect; Benefits. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective heirs, legal representatives, successors, and permitted assigns. No party hereto shall assign this Agreement or delegate any of its duties hereunder to any other Person without the prior written consent of the other parties hereto, which consent shall not be unreasonably withheld or delayed; provided that Comcast Subsidiary may assign its rights and delegate its obligations under this Agreement (in whole or in part) to any Affiliate of Comcast Subsidiary, upon written notice to Time Warner Cable. For purposes of this Section, any change in control of Comcast, Comcast Trust, Comcast Subsidiary or Time Warner Cable shall not constitute an assignment by it of this Agreement. In no event shall any assignment of rights or delegation of obligations relieve any party of its obligations hereunder.

Section 12.10 Headings and Schedules. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. Reference to Schedules shall, unless otherwise indicated, refer to the Schedules attached to this Agreement, which shall be incorporated in and constitute a part of this Agreement by such reference.

Section 12.11 Counterparts. This Agreement may be executed in any number of counterparts (including by facsimile), each of which, when executed, shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

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Section 12.12 GOVERNING LAW. THE VALIDITY, PERFORMANCE, AND ENFORCEMENT OF THIS AGREEMENT AND ALL TRANSACTION DOCUMENTS, UNLESS EXPRESSLY PROVIDED TO THE CONTRARY, SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAW OF SUCH STATE.

Section 12.13 Severability. Any term or provision of this Agreement which is invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining rights of the Person intended to be benefited by such provision or any other provisions of this Agreement.

Section 12.14 Third Parties; Joint Ventures. This Agreement constitutes an agreement solely among the parties hereto, and, except as otherwise expressly provided herein, is not intended to and shall not confer any rights, remedies, obligations, or liabilities, legal or equitable, including any right of employment, on any Person other than the parties hereto and their respective successors, or assigns, or otherwise constitute any Person a third party beneficiary under or by reason of this Agreement except that Time Warner shall be an express third party beneficiary of Section 2.3. For the avoidance of doubt, no Person other than a party hereto shall have any right to enforce Section 3.1 or any other provision of this Agreement to the extent relating thereto. Nothing in this Agreement, expressed or implied, is intended to or shall constitute the parties hereto partners or participants in a joint venture.

Section 12.15 Construction. This Agreement has been negotiated by Comcast Trust, Comcast Subsidiary and Time Warner Cable and their respective legal counsel, and legal or equitable principles that might require the construction of this Agreement or any provision of this Agreement against the party drafting this Agreement shall not apply in any construction or interpretation of this Agreement.

Section 12.16 Risk of Loss; Governmental Taking.

(a) Time Warner Cable shall bear the risk of any loss or damage to the Transferred Assets resulting from fire, theft or other casualty (except reasonable wear and tear) at all times prior to the Closing. In the event any such loss or damage occurs, Time Warner Cable shall (at its expense) use its commercially reasonable efforts to replace or restore such lost or damaged property as soon as practicable and in any event prior to Closing (or, if such damaged property is not replaced or restored prior to Closing, Time Warner shall indemnify Holdco for any Losses arising out of such unrepaired damage or unrestored property). If any loss or damage is equal to or greater than \$100 million and is sufficiently substantial so as to preclude and prevent resumption of normal operations of any material portion of a Transferred System by the Outside Closing Date, Time Warner Cable shall, to the extent

ascertainable, and the insurance coverage related thereto), and Comcast Subsidiary, at any time within 10 days after receipt of such notice, may elect by written notice to Time Warner Cable, to either (i) waive such defect and proceed toward consummation in accordance with the terms of this Agreement (provided that any such waiver shall also be deemed to be a waiver of any right to indemnification pursuant to the first sentence of this Section 12.16(a) or pursuant to Section 11.1 for any breach of any (x) representation or warranty of Time Warner Cable set forth in Article 6 resulting from any such loss or damage or (y) covenant hereunder to the extent that compliance therewith is frustrated or made commercially impracticable as a result of such loss or damage) or (ii) terminate this Agreement, subject to Section 10.2. If Comcast Subsidiary elects to so terminate this Agreement, Time Warner Cable shall be discharged of any and all obligations hereunder, subject to Section 10.2. If Comcast Subsidiary elects to consummate the transactions contemplated by this Agreement notwithstanding such loss or damage and does so, there shall be no adjustment in the consideration payable to or by Transferee on account of such loss or damage, but all insurance proceeds received or receivable by Time Warner Cable or its Affiliates (determined on an effective after-tax basis as if TWE and TWE-A/N are, in each case, instead of being partnerships, stand-alone corporations) as a result of the occurrence of the event resulting in such loss or damage (to the extent not already expended by Time Warner Cable or its Affiliates to restore or replace the lost or damaged Transferred Assets), except for any proceeds from business interruption insurance relating to the loss of revenue for any period through and including the Closing Date, shall be delivered by Time Warner Cable or its Affiliates to Holdco, or the rights to such proceeds shall be assigned by Time Warner Cable or its Affiliates to Holdco if not yet received by Time Warner Cable or its Affiliates. Time Warner Cable shall pay any deductible required and/or the self-insured portion of any such loss with respect to all such insurance proceeds payable under any insurance policy held by Time Warner Cable or its Affiliates. Any amounts received or receivable hereunder shall not be included in the Closing Net Liabilities Amount.

(b) If, prior to Closing, any material part of or interest in the Transferred Assets is taken or condemned as a result of the exercise of the power of eminent domain, or if a Governmental Authority having such power informs Time Warner Cable or any of its Affiliates that it intends to condemn or take all or any of the Transferred Assets (such event being called, in either case, a “Taking”), then Comcast Subsidiary may terminate this Agreement. If Comcast Subsidiary does not elect to terminate this Agreement, (i) Comcast Subsidiary shall have the sole right, in the name of Time Warner Cable and its Affiliates, if Comcast Subsidiary so elects, to negotiate for, claim, contest and, subject to the Closing occurring, have Holdco receive all damages with respect to the Taking, (ii) Time Warner Cable shall be relieved of its obligation to convey to Holdco the Transferred Assets or interests that are the subject of the Taking if the Taking has occurred (but, subject to the Closing occurring, shall convey to Holdco any interest therein still held by Time Warner Cable or its Affiliates and any replacement property acquired by Time Warner Cable or its Affiliates), (iii) at Closing, Time Warner Cable and its Affiliates shall assign to Holdco all of Time Warner Cable’s and its Affiliates’ rights to all payments received or receivable by Time Warner Cable or its Affiliates (determined on an effective after-tax basis as if TWE and

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TWE-A/N are, in each case, instead of being partnerships, stand-alone corporations), with respect to such Taking and shall pay to Holdco all such payments previously paid to Time Warner Cable or any of its Affiliates with respect to the Taking (to the extent not already expended by Time Warner Cable or its Affiliates to restore or replace the taken Assets), and (iv) following Closing, Time Warner Cable and its Affiliates shall give Holdco such further assurances of such rights and assignment with respect to the Taking as Holdco may from time to time reasonably request. Any amounts received or receivable hereunder shall not be included in the Closing Net Liabilities Amount.

Section 12.17 Commercially Reasonable Efforts. For purposes of this Agreement, “commercially reasonable efforts” shall not, with regard to obtaining any consent, approval or authorization, be deemed to require a party to undertake extraordinary measures, including the initiation or prosecution of legal proceedings or the payment of amounts in excess of normal and usual filing fees and processing fees, if any.

Section 12.18 Time. Time is of the essence under this Agreement. If the last day for the giving of any notice or the performance of any act required or permitted under this Agreement is a day that is not a Business Day, the time for the giving of such notice or the performance of such act shall be extended to the next succeeding Business Day.

IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Agreement on the date first written above.

**COMCAST CABLE  
COMMUNICATIONS HOLDINGS, INC.**

By: /s/ Arthur R. Block

Name: Arthur R. Block  
Title: Senior Vice President

**MOC HOLDCO II, INC.**

By: /s/ James P. McCue

Name: James P. McCue  
Title: President

**TWE HOLDINGS II TRUST**

By: /s/ Edith E. Holiday

Name: Edith E. Holiday, solely in her capacity as  
Operating Trustee

**CABLE HOLDCO II INC.**

By: /s/ David E. O'Hayre

Name: David E. O'Hayre  
Title: Executive Vice President, Investments

**TIME WARNER CABLE INC.**

By: /s/ David E. O'Hayre

Name: David E. O'Hayre  
Title: Executive Vice President, Investments

Solely for purposes of Section 2.3, Section 7.25 and the last sentence  
of Section 12.5:

By: /s/ Arthur R. Block

---

Name: Arthur R. Block  
Title: Senior Vice President

Solely for purposes of Section 2.3 and the last sentence  
of Section 12.5:

**TIME WARNER INC.**

By: /s/ Robert D. Marcus

---

Name: Robert D. Marcus  
Title: Senior Vice President

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Solely for purposes of Section 2.1(a)(iv):

**TWE HOLDINGS I TRUST**

By: /s/ Edith E. Holiday

---

Name: Edith E. Holiday, solely in her  
capacity as Operating Trustee

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**EXECUTION COPY****REDEMPTION AGREEMENT****DATED AS OF APRIL 20, 2005****BY AND AMONG****COMCAST CABLE COMMUNICATIONS HOLDINGS, INC.,****MOC HOLDCO I, LLC,****TWE HOLDINGS I TRUST,****CABLE HOLDCO III LLC,****TIME WARNER ENTERTAINMENT COMPANY, L.P.****AND****THE OTHER PARTIES NAMED HEREIN****TABLE OF CONTENTS**

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## REDEMPTION AGREEMENT

This REDEMPTION AGREEMENT (this “Agreement”), dated as of April 20, 2005, is by and among Comcast Cable Communications Holdings, Inc., a Delaware corporation (“Comcast”), MOC Holdco I, LLC, a Delaware limited liability company (“Comcast Subsidiary”), TWE Holdings I Trust, a Delaware statutory trust (“Comcast Trust”), Comcast Corporation, a Pennsylvania corporation (“Comcast Parent”), but solely for purposes of Section 2.3, Section 7.23 and the last sentence of Section 13.5, Cable Holdco III LLC, a Delaware limited liability company (“Holdco”), Time Warner Entertainment Company, L.P., a Delaware limited partnership (“TWE”), Time Warner Cable Inc., a Delaware corporation (“Time Warner Cable”), but solely for purposes of Section 2.3, Section 7.23 and the last sentence of Section 13.5 and Time Warner Inc., a Delaware corporation (“Time Warner”), but solely for purposes of Section 2.3 and the last sentence of Section 13.5. Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article 1.

### **Recitals**

A. TWE indirectly through one or more of its Subsidiaries owns and operates the cable communications systems serving the communities identified on Schedule A (the “Transferred Systems”).

B. Comcast Trust has agreed to toll its right to exercise its Appraisal Right and Sale Right under the Partnership Interest Sale Agreement, TWE has agreed to transfer to Holdco the Transferred Assets, and TWE, Comcast Trust and Comcast Subsidiary have agreed that TWE will transfer all of the issued and outstanding securities of Holdco to Comcast Trust or Comcast Subsidiary in exchange for and in redemption of the Redemption Interest.

C. The parties intend that, for federal Income Tax purposes, the Holdco Transaction and TWE Redemption shall be governed by Section 731(a) of the Internal Revenue Code of 1986 (the “Code”).

### **Agreements**

In consideration of the mutual covenants and promises set forth in this Agreement, the parties hereto agree as follows:

### **ARTICLE 1**

#### **Definitions**

Section 1.1 Terms Defined in this Section. In addition to terms defined elsewhere in this Agreement, the following terms with initial capital letters, when used in this Agreement, shall have the meanings set forth below:

“Actually Realized” shall have the meaning set forth below. For purposes of this Agreement, (i) a Tax cost shall be treated as Actually Realized by any Person at

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the time at which the amount of Taxes payable by such Person is increased above the amount of Taxes that such Person would be required to pay (or the Refund to which such Person is entitled is reduced below the Refund to which such Person otherwise would have been entitled) but for such incremental Tax cost, and (ii) a Tax benefit shall be treated as Actually Realized by any Person at the time at which the amount of Taxes payable by such Person is reduced below the amount of Taxes that such Person would be required to pay (or the Refund to which such Person is entitled is increased above the Refund to which such Person otherwise would have been entitled) but for such incremental Tax benefit.

“Actuarial Amount” means an amount equal to the present value, as of the last day of the calendar month immediately prior to the Closing Date, of the aggregate actuarially determined cost of providing coverage (including administrative fees associated therewith) under the applicable long-term disability, retiree medical or retiree life plan as contemplated by Section 3.1(g)(v), less the portion of such amount (if any) that is provided by recipient contributions, calculated in good faith by TWE’s enrolled actuaries utilizing reasonable actuarial methods and assumptions consistent with GAAP, which calculation and assumptions shall be subject

to the review and approval by Comcast Subsidiary's designated actuaries, such approval not to be unreasonably withheld or delayed.

**"Adelphia"** means Adelphia Communications Corporation, a Delaware corporation.

**"Adelphia Agreement"** means the Comcast Adelphia Agreement or the TWC Adelphia Agreement.

**"Adelphia Closing"** means the "Closing" as defined in the TWC Adelphia Agreement

**"Adelphia Transactions"** means the Comcast Asset Purchase Transaction and the Time Warner Cable Asset Purchase Transaction, collectively.

**"Affiliate"** means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made; provided, that for purposes of this definition and the definition of "Controlled Affiliate", "control" (including with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other equity securities, by Contract or otherwise provided, further, that solely for purposes of the definitions of "Affiliate" and "Controlled Affiliate", Comcast Trust (and its Controlled Affiliates) will be deemed to be controlled by Comcast and any Person who controls Comcast. For purposes of this Agreement, (i) Comcast and Comcast Trust and Comcast Subsidiary, on the one hand, and TWE, on the other hand, shall not be deemed to be Affiliates of one another, (ii) after the Closing, TWE, on the

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one hand and Holdco, on the other hand, shall not be deemed to be Affiliates of one another and (iii) prior to the completion of the Closing, Comcast and its Affiliates, on the one hand, and Holdco, on the other hand, shall not be deemed to be Affiliates of one another.

**"Affiliated Group"** means any affiliated, consolidated, combined or unitary group for Tax purposes under any federal state, local or foreign law (including regulations promulgated thereunder) including (without limitation) any affiliated group within the meaning of Section 1504(a) of the Code.

**"Applicable Taxes"** means Taxes that are Assumed Liabilities.

**"Applicable Tax Return"** shall mean any Tax Return relating to Applicable Taxes.

**"Appraisal Right"** has the meaning specified in the Partnership Interest Sale Agreement.

**"Authorization"** means any waiver, amendment, consent, approval, license, franchise, permit (including construction permits), certificate, exemption, variance or authorization of, expiration or termination of any waiting period requirement (including pursuant to the HSR Act) or other action by, or notice, filing, registration, qualification, declaration or designation with, any Person (including any Governmental Authority).

**"Base Interest Rate"** means the rate of interest charged in respect of borrowings by Time Warner Cable under its senior bank credit facilities.

**"Business Day"** means any day other than a Saturday or Sunday or a day on which banks in New York, New York are authorized or required to be closed.

**"Cable Act"** means Title VI of the Communications Act, 47 U.S.C. § 521, *et seq.*

**"Cash Amount"** means an amount of cash equal to (i) \$133,000,000 plus (ii) an amount equal to the Estimated Closing Adjustment Amount (which may be a positive or a negative number) minus (iii) the Actuarial Amount (but only if Comcast Subsidiary or its Affiliate shall have made the request referred to in Section 3.1(g)(v)).

**"Closing Date"** means the date on which the Closing occurs.

**"Closing Time"** means, with respect to each Transferred System, 11:59 p.m., local time in the location of such Transferred System, on the Closing Date.

**"Comcast Adelphia Agreement"** means the Asset Purchase Agreement, dated as of the date hereof, between Comcast Parent and Adelphia, as amended from time to time, in accordance therewith and herewith.

**“Comcast Asset Purchase Transaction”** means the Transactions as defined in the Comcast Adelphia Agreement.

**“Comcast Benefit Plan”** means any plan, program, arrangement or agreement that is a pension, profit-sharing, savings, retirement, employment, consulting, severance pay, termination, executive compensation, incentive compensation, deferred compensation, bonus, stock purchase, stock option, phantom stock or other equity-based compensation, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life (including all individual life insurance policies as to which Comcast Subsidiary or any of its ERISA Affiliates is the owner, the beneficiary, or both), Code Section 125 “cafeteria” or “flexible” benefit, employee loan, educational assistance or fringe benefit plan, program, policy or arrangement whether written or oral, including, without limitation, any (i) “employee benefit plan” within the meaning of Section 3(3) of ERISA or (ii) other employee benefit plan, agreement, program, policy, arrangement or payroll practice, whether or not subject to ERISA (including any funding mechanism therefor now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise) which Comcast Subsidiary or any of its ERISA Affiliates maintains or contributes to or in respect of which Comcast Subsidiary or any of its ERISA Affiliates has any obligation to maintain or contribute, or have any direct or indirect liability, whether contingent or otherwise, with respect to which any employee or former employee of Comcast Subsidiary or any of its ERISA Affiliates has any present or future right to benefits.

**“Comcast Parties”** means Comcast, Comcast Subsidiary and Comcast Trust.

**“Communications Act”** means the Communications Act of 1934.

**“Confidentiality Agreements”** means (i) the letter agreement dated November 9, 2004, as amended, between Time Warner and Comcast Parent and (ii) the letter agreement dated August 26, 2004 between Time Warner Cable and Comcast, in each case regarding confidential information of Time Warner and its Affiliates.

**“Contract”** means any written agreement, contract, mortgage, deed of trust, bond, indenture, lease, license, note, franchise, certificate, option, warrant, right or other instrument, document, obligation or agreement, and any oral obligation, right or agreement.

**“Controlled Affiliate”** means, with respect to any Person, any Affiliate of such Person that is controlled by such Person.

**“Digital Subscriber”** means a paying customer who has been installed and receives any level of video service offered by a Transferred System and received via digital technology, including without limitation, the digital guide tier, the digital basic tier, digital sports tiers and digital movie tiers.

**“DMA”** means a geographic area established by Nielsen Media Research for the purpose of rating the viewership of commercial television stations.

**“Environmental Law”** means any Legal Requirement whether now or hereafter in effect concerning the environment, including Legal Requirements relating to emissions, discharges, releases or threatened releases of Hazardous Substances into the environment, air (including both ambient and within buildings and other structures), surface water, ground water or land or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, presence, disposal, transport or handling of Hazardous Substances.

**“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.

**“ERISA Affiliate”** means, as to any Person, any trade or business, whether or not incorporated, which together with such Person would be deemed a single employer within the meaning of Section 4001 of ERISA.

**“Excluded SMATV Acquisition”** means in respect to the Transferred Systems any SMATV Acquisition consummated after the date hereof and prior to the Closing Time in respect of which the Total SMATV Consideration (A) exceeds \$2,500,000 or (B) exceeds \$4,200,000 when aggregated with the Total SMATV Consideration paid in all previous such SMATV Acquisitions consummated after the date hereof and prior to Closing.

**“Excluded Tax Liabilities”** means all Income Taxes relating to or arising out of, or resulting from the ownership or operation of the Transferred Systems for taxable periods, or portions thereof, ending on or prior to the Closing, other than Income Taxes

suffered by Comcast or any of its Affiliates as a partner in TWE.

“FCC” means the Federal Communications Commission.

“FCC Trust Requirements” means rules, regulations, orders, requirements, or procedures adopted by the FCC in *Applications for Consent to the Transfer of Control of Licenses from Comcast Corporation and AT&T Corp., Transferors, to AT&T Comcast Corporation, Transferee*, Memorandum Opinion & Order, 17 FCC Rcd 23,246 (2002), and the trust agreements adopted pursuant to Section III of Appendix B of that order, including any related clarifications, amendments, modifications, and waivers authorized or approved by the FCC.

“Franchise” shall have the meaning assigned to such term in Section 602(9) of the Communications Act.

“Franchising Authority” shall have the meaning assigned to such term in Section 602(10) of the Communications Act.

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“GAAP” means generally accepted accounting principles in the United States in effect from time to time applied on a consistent basis.

“GAAP Adjustments” means with respect to the preparation of any relevant financial statement, the exclusion of the items described in the proviso to the second sentence of Section 6.11(a) (other than clauses (v), (vii), (xi) and (xii) of such proviso) in each case consistent with the practices used in preparation of the Transferred System Financial Statements.

“Governmental Authority” means (a) the United States of America, (b) any state, commonwealth, territory or possession of the United States of America and any political subdivision thereof (including counties, municipalities, provinces, parishes and the like), (c) any foreign (as to the United States of America) sovereign entity and any political subdivision thereof and (d) any court, quasi-governmental authority, tribunal, department, commission, board, bureau, agency, authority or instrumentality of any of the foregoing.

“Hazardous Substances” means (a) any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive or otherwise hazardous substance, waste or material, (b) any “hazardous waste” as defined by the Resource Conservation and Recovery Act of 1976 (RCRA) (42 U.S.C. §§ 6901 *et seq.*); (c) any “hazardous substance” as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) (42 U.S.C. §§ 9601, *et. seq.*); (d) any substance regulated by the Toxic Substances Control Act of 1976 (TSCA) (15 U.S.C. § 2601 *et seq.*); (e) asbestos or asbestos-containing material of any kind or character; (f) polychlorinated biphenyls; (g) any substance the presence, use, treatment, storage or disposal of which is prohibited by or regulated under any Legal Requirement; and (h) any other substance which by any Legal Requirement requires special handling, reporting or notification of or to any Governmental Authority in its collection, storage, use, treatment, presence or disposal.

“High Speed Data Subscriber” means a customer who subscribes to at least the lowest level of Internet service offered by a Transferred System, excluding courtesy accounts.

“Holdco Transaction Liabilities” means any and all Liabilities of Holdco arising under Section 3.4 or Article 12 of this Agreement.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

“Income Taxes” means any Tax which is based upon, measured by, or computed by reference to net income or profits (including alternative minimum Tax) and in the case of Time Warner Cable and its subsidiaries with respect to any payments in respect of Taxes that are governed by the Time Warner Tax Matters Agreement, Income Taxes shall mean any amounts payable by or to Time Warner Cable under the Time Warner Tax Matters Agreement.

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“Individual Subscriber” means, as of any given date, the aggregate of all of the following Subscribers (or Retained Subscribers, as the case may be): (a) private residential customer accounts that are billed by individual unit (regardless of whether such accounts are in single family homes or in individually billed units in apartment houses and other multi-unit buildings) (excluding “second connects” or “additional outlets,” as such terms are commonly understood in the cable industry), each of which shall be counted as one Individual Subscriber, (b) bulk bill residential accounts not billed by individual unit, such as apartment houses and multi-family

homes, provided each unit in such apartment house or multi-family home shall be counted as one Individual Subscriber and (c) commercial bulk accounts such as hotels, motels and restaurants, provided each commercial account shall count as one Individual Subscriber; provided that, in all such cases, Individual Subscribers shall not include any free accounts.

**“Judgment”** means any judgment, judicial decision, writ, order, injunction, award or decree of or by any Governmental Authority or any arbitration panel or authority whose decision is binding and enforceable.

**“Leased Property”** means the premises demised under the Leases.

**“Legal Requirement”** means applicable common law and any statute, ordinance, code, law, rule, regulation, order, technical or other written standard, requirement or procedure enacted, adopted, promulgated, applied or followed by, or any agreement entered into by, any Governmental Authority, including any Judgment.

**“Liabilities”** means any and all liabilities, losses, charges, indebtedness, demands, actions, damages, obligations, payments, costs and expenses, bonds, indemnities and similar obligations, covenants, and other liabilities, including all Contractual obligations, whether due or to become due, absolute or contingent, inchoate or otherwise, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, determined or determinable, whenever arising, and including those arising under any Legal Requirement, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person.

**“Lien”** means, with respect to any property or asset, any security agreement, financing statement filed with any Governmental Authority, conditional sale agreement, capital lease or other title retention agreement relating to such property or asset, any lease, consignment or bailment given for purposes of security, any right of first refusal, equitable interest, lien, mortgage, indenture, pledge, option, charge, encumbrance, adverse interest, constructive trust or other trust, claim, attachment, exception to or defect in title or other ownership interest (including reservations, rights of entry, possibilities of reverter, encroachments, survey defects, easements, rights-of-way, restrictive covenants, leases and licenses) of any kind, which otherwise constitutes an interest in or claim against property, whether arising pursuant to any Legal Requirement, any Contract or otherwise.

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**“Litigation”** means any claim, action, suit, proceeding, arbitration, investigation, hearing or other activity or procedure that could result in a Judgment, and any notice of any of the foregoing.

**“Local Retransmission Consent Agreement”** means any retransmission consent agreement that covers a signal carried by a Transferred System that does not also cover a signal carried by a Time Warner Cable Retained Cable System.

**“Losses”** means any claims, losses, damages, penalties, costs and expenses, including interest which may be imposed in connection therewith, expenses of investigation, reasonable fees and disbursements of counsel and other experts and the reasonable cost to any Person making a claim or seeking indemnification under this Agreement with respect to funds expended by such Person by reason of the occurrence of any event with respect to which indemnification is sought, but shall in no event include incidental, punitive or consequential damages except to the extent required to be paid to a third party. For the avoidance of doubt, an item that is included in the definition of “Losses” shall be included regardless of whether it arises as a result of the negligence, strict liability or any other liability under any theory of law or equity of, or violation of any Law.

**“Master Pre-Closing Liabilities”** means all Liabilities of TWE and its Affiliates arising out of, resulting from or associated with the use, ownership or operation of the Excluded Assets described in clauses (i), (ii), (vi), (vii), (viii), or (ix) (except, with respect to clause (ix), to the extent related to inventory included in the definition of “Excluded Assets” pursuant to clause (xiii) thereof) in each case to the extent such Liability primarily relates to goods or services provided to or used by the Transferred Business prior to Closing in the ordinary course of business consistent with past practice; provided that the amount of such Liabilities (in total and for each of the categories described above) is identified to Comcast Subsidiary in writing from TWE on or prior to the date that is 60 days after Closing.

**“Material Adverse Effect”** means a material adverse effect on the business, assets, operations or condition (financial or otherwise) of the Transferred Systems taken as a whole, excluding any such effect to the extent resulting from or arising in connection with: (i) except to the extent relating to Section 6.3, the execution of this Agreement and the announcement thereof; (ii) changes or conditions generally affecting the cable television industry; (iii) changes in the economy or financial markets in general; (iv) changes in general regulatory, political or national security (*e.g.*, changes resulting from military conflicts or acts of foreign or domestic terrorism) conditions; (v) changes in the business, operations or conditions of TWE that similarly affect the TWE Retained Cable Systems, taken as a whole; or (vi) as described on Schedule 1.1(b); provided, that solely for the purposes of Section 9.2(g) the foregoing references to “Transferred Systems” and “Time Warner Cable Retained Cable Systems” shall be switched in order of appearance so that the former becomes a reference to the latter and vice versa.

**“Partnership Interest Sale Agreement”** means the Partnership Interest Sale Agreement, dated March 31, 2003, among Time Warner Cable, Time Warner, Comcast Trust and, for certain limited purposes, Comcast Parent.

**“Party”** or **“party”** means either Comcast, Comcast Trust, Comcast Subsidiary, Holdco or TWE.

**“Percentage Interest”** shall have the meaning assigned to such term in the TWE Partnership Agreement.

**“Permitted Lien”** means (a) any Lien securing Taxes, assessments and governmental charges not yet due and payable or being contested in good faith (and for which adequate accruals or reserves have been established), (b) any zoning law or ordinance or any similar Legal Requirement, (c) any right reserved to any Governmental Authority, including any Franchising Authority, to regulate the affected property, (d) as to all Owned Property and Real Property Interests, any Lien (other than Liens securing indebtedness or arising out of the obligation to pay money) which does not individually or in the aggregate with one or more other Liens interfere in any material respect with the right or ability to own, use, enjoy or operate the Owned Property or Real Property Interests as they are currently being used or operated, or to convey good and indefeasible fee simple title to the same (with respect to Owned Property), (e) in the case of Leased Property, any right of any lessor or any Lien granted by any lessor of Leased Property or by any other party having an interest in such leased property which is superior to that which is demised under the applicable Lease (or to which the fee interest in Leased Property or any other interest superior to that which is demised under the applicable Lease is otherwise subject), (f) any materialmen’s, mechanic’s, workmen’s, repairmen’s or other like Liens arising in the ordinary course of business, (g) any Lien described on Schedule 1.1(c) and (h) non-material leases, subleases, licenses or sublicenses in favor of third parties; provided, that **“Permitted Liens”** shall not include any Lien (other than any Lien described in clause (e) above) (i) in the case of a non-monetary claim, which is reasonably likely to prevent or interfere in any material respect with the conduct of the business of the affected Transferred System as it is currently being conducted or (ii) in the case of a monetary claim or debt, including those described in clauses (a), (d) and (f) above, except to the extent the same is reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

**“Person”** means any human being, Governmental Authority, corporation, limited liability company, general or limited partnership, joint venture, trust, association or unincorporated entity of any kind.

**“Redemption Interest”** means the Trust I Partnership Interest (as defined in the TWE Partnership Agreement).

**“Refund”** shall mean, with respect to any Person, any refund of Income Taxes including any reduction in Income Tax liabilities by means of a credit, offset or otherwise.

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**“Retained Subscriber”** means a paying customer who subscribes to at least the lowest level of video programming offered by a TWE Retained Cable System.

**“Sale Right”** has the meaning specified in the Partnership Interest Sale Agreement.

**“Service Area”** means any geographic area in which the Transferred Systems are authorized to provide cable television service pursuant to a Transferred Systems Franchise or in which such Transferred Systems provide cable television service for which a Franchise or other Authorization is not required pursuant to applicable Legal Requirements.

**“SMATV Acquisition”** means any acquisition within or within close geographical proximity to the Service Area of a Transferred System, of multi-channel video subscribers from a private cable communications system operator (including any owner of a Dwelling, a **“SMATV Seller”**) in respect of any one or more apartment houses or multi-unit buildings, complexes or private communities, hotels or motels or similar facilities (each a **“Dwelling”**) pursuant to which any payment is required to be made to the SMATV Seller to transfer or terminate its existing cable service agreement with the owner or manager of such Dwelling or, if the SMATV Seller is the owner of the Dwelling, to terminate the owner’s provision of cable services to the Dwelling; provided that the payment, in the ordinary course of business, of door fees, commissions, revenue sharing and similar amounts to any owner or manager of any Dwelling in connection with the provision of multi-channel video service to such Dwelling shall not constitute a SMATV Acquisition.

**“SMATV Purchase Price Per Subscriber”** means, in respect of any SMATV Acquisition, the Total SMATV Consideration payable in respect of such SMATV Acquisition divided by the number of Individual Subscribers acquired pursuant to such SMATV Acquisition.

**“Specified Division”** means the division of TWE specified on Schedule 1.1(d).

**“Specified Launch Support Liabilities”** means any Liabilities of TWE and its Affiliates under agreements with third parties in effect (and on the terms in effect) as of the date hereof, to repay launch support payments received by TWE or its Affiliates prior to the date hereof, up to a maximum of \$2,743,000 in the aggregate, arising out of, resulting from or associated with any failure by the Transferred Systems to continue to carry after Closing any channels for which launch support payments were received by TWE or its Affiliates prior to the date hereof, but only to the extent such Liabilities result from either the deletion of the applicable channel, change in channel placement of the applicable channel, or the transfer of such channel to a different tier of service, in any such case prior to the fifth anniversary of the date hereof.

**“Straddle Period”** shall mean any taxable period that begins on or before, and ends after, the Closing Date.

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**“Subscriber”** means a paying customer who subscribes to at least the lowest level of video programming offered by a Transferred System.

**“Subsidiary”** means, with respect to any Person, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other body performing similar functions are at any time directly or indirectly owned by such Person.

**“Subsidiary Transfers”** means the transfers by the Transferring Persons of the Transferred Systems to TWE.

**“Taxes”** means all levies and assessments of any kind or nature imposed by any Governmental Authority, including all income, sales, use, ad valorem, value added, franchise, severance, net or gross proceeds, withholding, payroll, employment, F.I.C.A., excise or property taxes, levies, and any payment required to be made to any state abandoned property administrator or other public official pursuant to an abandoned property, escheat or similar law, together with any interest thereon and any penalties, additions to tax or additional amounts applicable thereto and, in the case of Time Warner any amounts payable by or to Time Warner Cable under the Time Warner Tax Matters Agreement.

**“Tax Return”** shall mean any report, return or other information (including any attached schedules or any amendments to such report, return or other information) required to be supplied to or filed with a Governmental Authority with respect to any Tax, including (without limitation) an information return, claim for refund, amended return, declaration, or estimated Tax return, in connection with the determination, assessment, collection or administration of any Tax.

**“Telephony Subscriber”** means a customer who subscribes to at least the lowest level of telephone service offered by a Transferred System, excluding courtesy accounts.

**“Time Warner Cable Asset Purchase Transaction”** means the transactions contemplated by the TWC Adelphia Agreement and the Ancillary Agreements (as defined in the TWC Adelphia Agreement), which shall include for the avoidance of doubt all transactions described in Section 5.3 of the Buyer Disclosure Schedule (as defined in the TWC Adelphia Agreement) or the agreements referenced on such Schedule (collectively, the **“Interim Steps”**).

**“Time Warner Cable Retained Cable Systems”** has the meaning set forth in the TWC Redemption Agreement.

**“Time Warner Tax Matters Agreement”** means the Tax Matters Agreement, by and between Time Warner and Time Warner Cable, dated as of March 31, 2003, as such agreement may be amended from time to time and any successor agreement; **provided**, however, that for purposes of this Agreement, no such amendment

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or successor agreement shall be taken into account unless it was made or entered into with the consent of Comcast Subsidiary, not to be unreasonably withheld or delayed.

**“Total SMATV Consideration”** means, in respect of any SMATV Acquisition, the total consideration payable to the SMATV Seller and its Affiliates in respect of such SMATV Acquisition plus the amount of any net liabilities assumed by the acquiror.

**“Transaction Documents”** means (i) the instruments and documents described in Sections 10.2 and 10.3 which are being executed and delivered by or on behalf of Comcast Trust, Comcast Subsidiary, Holdco or TWE, as the case may be, or any Affiliate of any of them in connection with this Agreement or the transactions contemplated hereby and (ii) the instruments and documents required to effect the Comcast Subsidiary Transfer, if applicable.

“Transactions” means the Subsidiary Transfers, the Holdco Transaction and the TWE Redemption.

“Transferable Service Area” means a Service Area with respect to which: (a) no Franchise or similar Authorization is required or issued for the provision of cable television service in such Service Area, (b) no Consent of a Franchising Authority is necessary for the transfer of any Transferred Systems Franchise for such Service Area in connection with the consummation of the transactions contemplated by this Agreement, (c) if Consent of a Franchising Authority is necessary for the transfer of any Transferred Systems Franchise for such Service Area in connection with the consummation of the transactions contemplated by this Agreement, an effective consent or approval (on terms reasonably satisfactory to Comcast Subsidiary) has been obtained (and is in effect) or (d) a if Consent of a Franchising Authority is necessary for the transfer of any Transferred Systems Franchise for such Service Area in connection with the consummation of the transactions contemplated by this Agreement, the applicable Franchising Authority does not expressly deny a request for approval to transfer such Systems Franchise within the 120-day review period provided under FCC regulation (plus such extensions of time as are mutually agreed upon by Comcast Subsidiary and TWE). Any Service Area in which a Person has a Transferred Systems Option that has not been waived in respect of the transactions contemplated by this Agreement and the Transaction Documents shall not be considered a Transferable Service Area.

“Transferred Business” means the businesses conducted with the Transferred Assets, including the operation of the Transferred Systems.

“Transferred System Employee” means any individual who, as of the consummation of the Holdco Transaction, either (a) (x) is then a current or former employee of (including any full-time, part-time, temporary employee or an individual in any other employment relationship with), or then on a leave of absence (including, without limitation, paid or unpaid leave, disability, medical, personal, or any other form of authorized leave) from, TWE or any of its Subsidiaries and (y) who is, or at the time of termination of employment was, primarily employed in connection with the Transferred

Systems by TWE or any of its Subsidiaries, or (b) has been designated by mutual written agreement of Comcast and TWE as a Transferred System Employee prior to the Closing Date. Unless the context clearly indicates otherwise, “Transferred System Employee” shall include any person claiming benefits or rights under or through any Transferred System Employee, including the dependents or beneficiaries of any Transferred System Employee.

“TWC Adelphia Agreement” means the Asset Purchase Agreement, dated as of the date hereof, between Time Warner NY Cable LLC and Adelphia, as such agreement may be amended in accordance therewith and herewith.

“TWC Redemption Agreement” means the Redemption Agreement dated as of April 20, 2005 by and among Comcast, Comcast Subsidiary, TWE Holdings II Trust, a Delaware statutory trust, Cable Holdco II Inc., a Delaware corporation, Time Warner Cable and the other parties named therein.

“TWE-A/N” means Time Warner Entertainment-Advance/Newhouse Partnership, a New York general partnership.

“TWE Benefit Plan” means any plan, program, arrangement or agreement that is a pension, profit-sharing, savings, retirement, employment, consulting, severance pay, termination, executive compensation, incentive compensation, deferred compensation, bonus, stock purchase, stock option, phantom stock or other equity-based compensation, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life (including all individual life insurance policies as to which TWE or any of its Affiliates is the owner, the beneficiary, or both), Code Section 125 “cafeteria” or “flexible” benefit, employee loan, educational assistance or fringe benefit plan, program, policy or arrangement whether written or oral, including, without limitation, any (i) “employee benefit plan” within the meaning of Section 3(3) of ERISA or (ii) other employee benefit plan, agreement, program, policy, arrangement or payroll practice, whether or not subject to ERISA (including any funding mechanism therefor now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise) which TWE or any of its Affiliates maintains or contributes to or in respect of which TWE or any of its Affiliates has any obligation to maintain or contribute, or have any direct or indirect liability, whether contingent or otherwise, with respect to which any Transferred System Employee has any present or future right to benefits.

“TWE Participant” means each Transferring Person and Holdco.

“TWE Partnership Agreement” means the Agreement of Limited Partnership, dated as of March 31, 2004, as amended from time to time, of TWE.

“TWE Required Consents” means (a) any and all consents, authorizations and approvals (other than any approval of any Franchising Authority) the failure to obtain in connection with the Subsidiary Transfers, the Holdco Transaction, TWE Redemption and/or Comcast Subsidiary Transfer would individually or in the aggregate, reasonably

be expected to have a Material Adverse Effect, and (b) any other consents, authorizations and approvals set forth on Schedule 6.3 and designated thereon as TWE Required Consents.

**“TWE Retained Cable Systems”** means all cable communications systems operated directly or indirectly by TWE and its Subsidiaries (in each case to the extent the results of such systems are included in the consolidated results of TWE) at the Closing other than the Transferred Systems and any systems acquired after the date hereof.

**“Variable Expense Item”** means the items identified as variable expense items on the Operating Budget.

“\$” means the U.S. dollar.

Section 1.2 Other Definitions. The following terms are defined in the Section or Exhibit indicated:

Term	Section or Exhibit
Accounting Referee	2.5(c)
Agreement	Preamble
Adjustment Payment	2.5(f)(i)
Assumed Liabilities	2.2
Books and Records	2.1(b)(vii)
Budgets	7.1(i)
Business	1.3
Cap	12.4(a)
Capital Budget	7.1(i)
CARS	2.1(b)(iv)
Closing	10.1
Closing Adjustment Amount	2.5(d)
Closing Net Liabilities Amount	2.5(g)
Closing Net Liabilities Adjustment Amount	2.5(g)
COBRA	3.1(i)
Code	Recitals
Comcast	Preamble
Comcast 401(k) Plan	3.1(e)
Comcast Balance Sheet	5.6
Comcast Health or Welfare Plan	3.1(g)(iii)

Comcast Parent	Preamble
Comcast Reimbursement Plan	3.1(h)
Comcast Statement	2.5(a)
Comcast Subsidiary	Preamble
Comcast Subsidiary Transfer	2.1(a)(iii)
Comcast Transferred System Employees	3.1(a)
Comcast Trust	Preamble
Comcast Trust Releasing Parties	12.8
Confidential Information	7.4(a)
Delayed Transferred Asset	2.1(d)(i)
Delivery Date	2.5(a)
Disclosure Letter	1.3
ERISA Group Liabilities	6.15(b)
Estimated Closing Adjustment Amount	2.4
Estimated Closing Net Liabilities	2.4
Adjustment Amount	
Estimated Subscriber Adjustment Amount	2.4
Exchange Act	4.3
Excluded Assets	2.1(c)
Excluded Liabilities	2.2
Excluded Transferred Cash	2.1(c)

Final Closing Adjustment Amount	2.5(d)
Financial Information	7.21
Franchise Matter	12.3
Guaranteed Parties	12.10(a)
Guaranteed Obligations	12.10(a)
Holdco	Preamble
Holdco Adjustment Payment	2.5(f)(i)
Holdco Indemnification Payment	12.9(a)
Holdco Indemnified Liabilities	6.15(b)
Holdco Interests	2.1(a)(ii)
Holdco Transaction	2.1(a)(i)

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Indemnification Payment	12.9(a)
Indemnitee	12.3
Indemnitor	12.3
Knowledge	1.3
Leases	6.10
Lock-Up Period	2.3(a)
Operating Budget	7.1(i)
Outside Closing Date	11.1(a)
Owned Property	2.1(b)(ii)
POFS	7.1(h)(ii)
Post-Closing Consent	7.8
Rate Regulatory Matter	7.10(d)
Real Property Interests	2.1(b)(ii)
Relative Percentage Amount	2.5(h)
Retained Base Subscriber Number	2.5(h)
Retained Closing Subscriber Number	2.5(h)
Retained Employee	3.1(a)
Retained Percentage	2.5(h)
Required Threshold	9.1(i)
Section	1.3
Securities Act	4.3
Selected Employees	3.1(g)(v)
Subscriber Adjustment Amount	2.5(h)
Surveys	7.6
Taking	13.16(b)
Tangible Personal Property	2.1(b)(i)
Termination Notice	2.3(a)
Threshold Damage Requirement	12.4(a)
Time Warner	Preamble
Time Warner Cable	Preamble
Time Warner Cable 401(k) Plan	3.1(e)
Time Warner Cable Pension Plans	3.1(f)

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Title Commitment Notice	7.6
Title Commitments	7.6
Title Company	7.6
Title Defect	7.6
Transferred Assets	2.1(b)
Transferred Base Subscriber Number	2.5(h)
Transferred Closing Subscriber Number	2.5(h)
Transferred Percentage	2.5(h)

Transferred Systems	Recitals
Transferred Systems Contracts	2.1(b)(v)
Transferred Systems Financial Statements	6.11(a)
Transferred Systems Franchises	2.1(b)(iii)
Transferred Systems Licenses	2.1(b)(iv)
Transferred Systems Option	6.19
Transferring Person	6.1
Transitional Services	7.9
TWE	Preamble
TWE Adjustment Payment	2.5(f)(i)
TWE FCC Counsel Opinion	9.1(k)
TWE Health or Welfare Plan	3.1(g)(i)
TWE Indemnification Payment	12.9(a)
TWE Marks	3.2
TWE Redemption	2.1(a)(ii)
TWE Reimbursement Plan	3.1(h)
TWE Released Parties	12.8(a)
TWE Statement	2.5(a)
TWE Title Policies	9.1(o)
WARN	3.1(j)

Section 1.3 Rules of Construction. References to one or more schedules or Schedules shall be references to schedules included in that separate disclosure letter (the “Disclosure Letter”) delivered by TWE to Comcast Trust and Comcast Subsidiary on the date hereof in connection with this Agreement, as such Schedules may be updated pursuant to Section 7.11 (but, in such case, subject to the

provisions of such Section). It is understood that the representations and warranties set forth in Articles 4 and 5 are qualified by the disclosure letter delivered by Comcast Subsidiary to TWE on the date hereof in connection with this Agreement. Unless otherwise expressly provided in this Agreement: (a) accounting terms used in this Agreement shall have the meaning ascribed to them under GAAP; (b) words used in this Agreement, regardless of the gender used, shall be deemed and construed to include any other gender, masculine, feminine, or neuter, as the context requires; (c) the word “include” or “including” is not limiting, and the word “or” is not exclusive; (d) the capitalized term “Section” refers to sections of this Agreement; (e) references to a particular Section include all subsections thereof, (f) references to a particular statute or regulation include all amendments thereto, rules and regulations thereunder and any successor statute, rule or regulation, or published clarifications or interpretations with respect thereto, in each case as from time to time in effect; (g) references to a Person include such Person’s successors and assigns to the extent not prohibited by this Agreement; and (h) references to a “day” or number of “days” (without the explicit qualification “Business”) shall be interpreted as a reference to a calendar day or number of calendar days. “Knowledge” (whether or not capitalized) and words of similar import, when used with reference to TWE, means the actual knowledge of a particular matter of any of the individuals listed on Schedule 1.3.

## ARTICLE 2 Redemption; Tolling

### Section 2.1 Redemption.

(a) Holdco Transaction; TWE Redemption. Subject to the terms and conditions set forth in this Agreement:

(i) Subject to Section 2.1(d), prior to the Holdco Transaction, the Subsidiary Transfers shall be effected. Subject to Section 2.1(d), prior to the consummation of the TWE Redemption, (a) TWE shall (or shall cause its Affiliates to) assign, transfer, convey and deliver to Holdco and Holdco shall accept from TWE (and its Affiliates), all of its (and their) right, title and interest in and to the Transferred Assets and (b) Holdco shall assume and agree to pay and discharge, as and when they become due, the Assumed Liabilities. The transactions contemplated by clauses (a) and (b) of the immediately preceding sentence are referred to together as the “Holdco Transaction” and shall be consummated pursuant to one or more Bills of Sale and Assignment and Instrument of Assumption in form and substance reasonably acceptable to TWE and Comcast Subsidiary, and such other instruments of transfer or assignment as may be reasonably necessary to effect the Holdco Transaction, in each case in form and substance satisfactory to Comcast Subsidiary. For the avoidance of doubt, the Holdco Transaction shall take place prior to the Closing.

(ii) At the Closing, (a) TWE shall transfer to Comcast Trust (or, if such transfer would be permitted under applicable FCC Trust Requirements, to Comcast Subsidiary) all outstanding securities of Holdco (the “Holdco Interests”) by execution and delivery of a Holdco Interest Instrument of Assignment in form and

substance reasonably acceptable to TWE and Comcast Subsidiary, in exchange for and in complete redemption of the Redemption Interest and (b) Comcast Trust shall deliver the Redemption Interest by the execution and delivery of a Redemption Interest Instrument of Assignment in form and substance reasonably acceptable to TWE and Comcast Subsidiary. The transactions contemplated by the preceding sentence are referred to as the “TWE Redemption.”

(iii) If the Holdco Interests are delivered to Comcast Trust (rather than Comcast Subsidiary) pursuant to Section 2.1(a)(ii), then immediately after such transaction, Comcast Trust will transfer the Holdco Interests to Comcast Subsidiary (the “Comcast Subsidiary Transfer”). For purposes of Section 2.1(d)(i) and all Authorizations required or obtained in connection with the transactions contemplated by this Agreement at the Closing, the Comcast Subsidiary Transfer will be considered as part of such transactions so that such Authorizations will allow such transfer.

(iv) Each of the parties hereto hereby agrees that its execution of this Agreement shall constitute its consent and approval of the Holdco Transaction, the TWE Redemption, the Comcast Subsidiary Transfer, if any, and the Time Warner Cable Asset Purchase Transaction, for all purposes.

(b) Transferred Assets. “Transferred Assets” means the Cash Amount , an amount of cash equal to the cash excluded from Excluded Assets pursuant to clause (iv) of the definition thereof (other than the Cash Amount) and all of TWE’s and its Affiliates’ right, title and interest in the assets and properties, real and personal, tangible and intangible, owned, held for use, leased, licensed or used by TWE or its Affiliates primarily in the operation of the Transferred Systems as of the Closing Time (that are not Excluded Assets), which Cash Amount and right, title and interest shall be owned by Holdco as of the Closing (other than as contemplated by Section 2.1(d)(i)). The Transferred Assets shall include the following types of assets and properties:

(i) Tangible Personal Property. All tangible personal property, including towers, tower equipment, aboveground and underground cable, distribution systems, headend equipment, line amplifiers, microwave equipment, converters, testing equipment, motor vehicles, office equipment, furniture, fixtures, supplies, inventory and other physical assets (the “Tangible Personal Property”), including the Tangible Personal Property described on Schedule 2.1(b)(i);

(ii) Real Property. All fee interests in real property (including improvements thereon) (the “Owned Property”), including the interests described as Owned Property on Schedule 2.1(b)(ii), and all leases, easements, rights of access and other interests (not including fee interests) in real property (the “Real Property Interests”), including the Real Property Interests described on Schedule 2.1(b)(ii);

(iii) Franchises. All franchises and similar authorizations or similar permits issued by any Governmental Authority, (the “Transferred Systems Franchises”), including the Transferred Systems Franchises described on Schedule 2.1(b)(iii);

(iv) Licenses. All cable television relay service (“CARS”), business radio and other licenses, authorizations, consents or permits issued by the FCC or any other Governmental Authority (other than the Transferred Systems Franchises) (the “Transferred Systems Licenses”), including the Transferred Systems Licenses described on Schedule 2.1(b)(iv);

(v) Contracts. All pole line or joint line agreements, underground conduit agreements, crossing agreements, bulk service, commercial service or multiple dwelling agreements, access agreements, system specific programming agreements or signal supply agreements, agreements with community groups, commercial leased access agreements, capacity license agreements, partnership, joint venture or other similar agreements or arrangements, advertising representation and interconnect agreements, and other Contracts (including all Contracts in respect of Real Property Interests) (the “Transferred Systems Contracts”), including the Transferred Systems Contracts described on Schedule 2.1(b)(v);

(vi) Accounts Receivable and Current Assets. All subscriber, trade and other accounts receivable (including advertising accounts receivable) and pre-paid expense items;

(vii) Books and Records. All engineering records, files, data, drawings, blueprints, schematics, reports, lists, plans and processes and all files of correspondence, lists, records and reports concerning subscribers and prospective subscribers of the Transferred Systems, signal and program carriage and dealings with Governmental Authorities, including all reports filed by or on behalf of TWE (or its Affiliates) with the FCC and statements of account filed by or on behalf of TWE (or its Affiliates) with the U.S. Copyright Office (the “Books and Records”); and

(viii) Insurance and Condemnation Proceeds. All rights to insurance and condemnation proceeds received or receivable after Closing in respect of any Assumed Liabilities, all insurance and condemnation proceeds (to the extent not already expended by TWE to restore or replace the lost, damaged or condemned asset, which replacement asset shall be a Transferred Asset) received or receivable in respect of any asset damaged, lost or condemned after December 31, 2004 and which if not so damaged, lost or condemned would have been a Transferred Asset and all insurance and condemnation proceeds received or receivable in respect of business interruption of the Transferred Systems to the extent relating to any period after Closing, in each case on an effective after-tax basis as if TWE and TWE-A/N are, in each case, stand-alone corporations;

in the case of each of the foregoing, if such property is owned, held for use, leased, licensed or used primarily in the operation of the Transferred Systems and then only to the extent of TWE's and its Affiliates' right, title and interest therein.

For the avoidance of doubt, and subject to Section 2.1(d), the parties intend that to the fullest extent permitted all record and beneficial ownership interests of TWE and its Affiliates in the Transferred Assets will be transferred to Holdco in the

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Holdco Transaction and if any Transferring Person holds beneficial ownership in assets of the type described above while another Transferring Person holds record ownership in such assets, all of such ownership interests would be transferred to Holdco in the Holdco Transaction.

(c) Excluded Assets. Notwithstanding anything to the contrary set forth herein, all right, title and interest of TWE and its Affiliates in, to and under the following (collectively, the "Excluded Assets"), in each case regardless of whether related to the Transferred Systems, shall not be transferred to Holdco pursuant to the Holdco Transaction and shall be retained directly or indirectly by TWE from and after the Closing: (i) any and all cable programming services agreements (including cable guide contracts but excluding system specific programming agreements listed on Schedule 2.1(b)(y)) and any payments received or to be received with respect thereto; (ii) any and all insurance policies and rights and claims thereunder other than the matters described in Section 2.1(b)(viii); (iii) letters of credit and any stocks, bonds (other than surety bonds), certificates of deposit and similar investments; (iv) any and all cash and cash equivalents (including cash received as advance payments by subscribers in the ordinary course of business and held by TWE or its Affiliates as of the Closing Time, but excluding cash in an amount equal to the amount of cash received as (A) subscriber deposits, (B) the cash insurance and condemnation proceeds described in Section 2.1(b)(viii), (C) petty cash on-hand, if any, (D) any cash referred to in Section 13.16, (E) cash received as advance payments from subscribers that are not received in the ordinary course of business, (F) cash proceeds (on an effective after-tax basis as if TWE and TWE-A/N are, in each case, stand-alone corporations) of any exercise of a Transferred System Option and (G) the Cash Amount (clauses (B) (except to the extent relating to an Assumed Liability), (D), (E), (F) and (G), the "Excluded Transferred Cash")); (v) any and all patents, copyrights, trademarks, trade names, service marks, service names, logos and similar proprietary rights, including the "Time Warner Entertainment", "Time Warner Cable" or "Road Runner" name and any derivations thereof (subject to Section 3.2 and excluding those items (other than those incorporating the "Time Warner Entertainment", "Time Warner Cable" or "Road Runner" name) owned, licensed, used or held for use exclusively in connection with the operation of the Transferred Systems); (vi) any and all Contracts for subscriber billing services and any equipment leased with respect to the provision of services under such Contracts (subject to Section 7.9); (vii) any and all Contracts relating to national advertising sales representation; (viii) any and all agreements with Road Runner Holdco LLC or any other Internet service provider; (ix) any and all Contracts pursuant to which TWE or any of its Affiliates procures goods or services for both the Transferred Systems and the Time Warner Cable Retained Cable Systems; (x) any and all retransmission consent agreements, except as provided in Section 7.5 with respect to certain Local Retransmission Consent Agreements as elected by Comcast Subsidiary; (xi) any and all agreements governing or evidencing an obligation of TWE or any of its Affiliates for borrowed money; (xii) the assets described on Schedule 2.1(c); (xiii) any surplus inventory in excess of amounts of inventory held consistent with TWE Retained Cable Systems practice; (xiv) any and all Authorizations of Governmental Authorities to provide telephony service held, directly or indirectly, by TWE or any of its Affiliates; (xv) any and all assets relating to the Time Warner Cable 401(k) Plan and the Time Warner Cable Pension Plans; (xvi) any and all account books

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of original entry, general ledgers, and financial records used in connection with the Transferred Systems; (xvii) any assets of the type that would be excluded from financial statements by reason of the GAAP Adjustments; and (xviii) any intercompany account receivable created to record cash swept from the Transferred Systems prior to Closing (except to the extent such cash would be excluded from the definition of "Excluded Assets" pursuant to clause (iv) above and such cash amount is not otherwise transferred to Holdco in the Holdco Transaction); provided, that TWE shall, at Comcast Subsidiary's request and expense, provide copies of, or information contained in, such books, records and ledgers referred to in clause (xvi) above (other than information pertaining to

programming agreements that are not Transferred System-specific programming or, to the extent necessary to protect the legitimate legal, business and/or confidentiality concerns of TWE but taking into account Holdco's and Comcast Subsidiary's need for such information, other information that is competitively sensitive, is subject to confidentiality restrictions or that contains trade secrets or other sensitive information) to the extent reasonably requested by Holdco or Comcast Subsidiary after the Closing Date.

**(d) Authorizations and Consents.**

(i) If and to the extent that the transfer or assignment to TWE or from TWE or any of its Affiliates to Holdco (or any successor thereof) of any Transferred Asset (or following such transfer or assignment, the transfer of Holdco Interests to Comcast Trust or Comcast Subsidiary, or from Comcast Trust to Comcast Subsidiary, as the case may be) would be a violation of applicable Legal Requirements with respect to such Transferred Asset, require any Authorization with respect to such Transferred Asset or otherwise adversely affect the rights of the applicable transferee thereunder then the transfer or assignment to Holdco of such Transferred Asset (each a "Delayed Transfer Asset") shall be automatically deemed deferred and any such purported transfer or assignment shall be null and void until such time as all legal impediments are removed and/or such Authorizations have been made or obtained. Notwithstanding the foregoing, any such Delayed Transfer Asset shall be deemed a Transferred Asset for purposes of determining whether any Liability is an Assumed Liability.

(ii) If the transfer or assignment of any Transferred Asset intended to be transferred or assigned hereunder is not consummated prior to or at the Closing, whether as a result of the provisions of Section 2.1(d) or for any other reason, then TWE (or its Affiliate) shall thereafter, directly or indirectly, hold such Transferred Asset for the use and benefit, insofar as reasonably possible and not prohibited under the terms of any applicable Contract, of Holdco (at the expense of Holdco). In addition, TWE shall take or cause to be taken such other actions as may be reasonably requested by Holdco in order to place Holdco, insofar as reasonably possible, in the same position as if such Transferred Asset had been transferred as contemplated hereby and so that all the benefits and burdens relating to such Transferred Assets including possession, use, risk of loss, potential for gain, and dominion, control and command over such Transferred Asset, are to inure from and after the Closing to Holdco. To the extent permitted by Legal Requirements and to the extent otherwise permissible in

light of any required Authorization, Holdco shall be entitled to, and shall be responsible for, the management of any Transferred Assets not yet transferred to it as a result of this Section 2.1(d) and the parties agree to use reasonable commercial efforts to cooperate and coordinate with respect thereto. For the avoidance of doubt, TWE will cause each Transferring Person to comply with the provisions hereof as if such Transferring Person were a party hereto to the extent any Transferred Asset was intended to be, but was not, transferred in the Subsidiary Transfers or the Holdco Transaction, as applicable.

(iii) If and when the Authorizations, the absence of which caused the deferral of transfer of any Transferred Asset pursuant to this Section 2.1(d), are obtained, the transfer of the applicable Transferred Asset to Holdco shall automatically and without further action be effected in accordance with the terms of this Agreement and the applicable Transaction Documents.

(iv) Neither TWE nor any Affiliate thereof shall be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced by Holdco, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by Holdco except as otherwise specifically provided in this Agreement, including for this purpose Section 3.4.

(v) Prior to the Holdco Transaction, TWE shall deliver to Holdco a list identifying, in reasonable detail and to TWE's knowledge, the Delayed Transfer Assets and the Authorizations required therefor.

(vi) The parties hereto further agree (A) that any Delayed Transferred Assets referred to in this Section 2.1(d) shall be treated for all Income Tax purposes as assets of Holdco (or any successor thereof) and (B) not to report or take any Tax position (on a Tax Return or otherwise) inconsistent with such treatment (unless required by a change in applicable Tax law or a good faith resolution of a contest).

**Section 2.2 Assumed Liabilities.** At the Closing and except as otherwise provided for herein, Holdco shall assume, and, from and after the Closing, Holdco shall pay, discharge and perform as and when due, all (a) Liabilities of TWE and its Affiliates to the extent arising out of, resulting from or associated with the ownership and operation of the Transferred Assets and/or the Transferred Business prior to Closing, or the transfer of such Transferred Assets and/or Transferred Business at Closing, including all Master Pre-Closing Liabilities, but in each case only to the extent such Liabilities are reflected in the Closing Net Liabilities Amount used to calculate the Final Closing Adjustment Amount and (b) all Liabilities to the extent relating to, arising out of or resulting from the ownership and operation of the Transferred Assets and/or the Transferred Business after the Closing, including all Specified Launch Support Liabilities (clauses (a) and (b) collectively, the "Assumed Liabilities"). The Assumed Liabilities shall not include (i) Excluded Tax Liabilities, (ii) Liabilities set forth on Schedule 2.2, (iii) Liabilities for long-term debt (including the current portion thereof), (iv) Liabilities to the extent arising out of, resulting from or associated with the use, ownership or operation of the Excluded Assets other than Master Pre-Closing Liabilities and Specified

Launch Support Liabilities, (v) any Liabilities of TWE or its Affiliates other than Assumed Liabilities, (vi) any Liabilities of the type that would be excluded from financial statements by reason of the GAAP Adjustments or (vii) any intercompany payable created to record cash lent to the Transferred Systems prior to Closing (clauses (i) through (vii) collectively, “Excluded Liabilities”).

### Section 2.3 Partnership Interest Sale Agreement.

(a) Comcast Trust hereby agrees on behalf of itself and its Controlled Affiliates that from the date hereof until the earlier of (i) the date upon which this Agreement is terminated in accordance with its terms (other than pursuant to Section 11.1(a) or 11.1(d)), (ii) the date upon which Comcast Subsidiary delivers a Termination Notice in accordance herewith and (iii) December 31, 2006 (such period, the “Lock-Up Period”) it shall not exercise (or cause to be exercised) (or make any request with respect thereto) its Appraisal Right or its Sale Right under the Partnership Interest Sale Agreement with respect to the Redemption Interest. From and after the date upon which Comcast Subsidiary would first be entitled to terminate this Agreement under Section 11.1(a) or 11.1(d), Comcast Subsidiary may deliver to TWE and Time Warner a notice of its intention to so terminate, which notice shall be deemed not to have been delivered for purposes of termination pursuant to Article 11 (and this Agreement shall continue in full force and effect) except as provided in clause (b) below (the “Termination Notice”) or as may be terminated under a provision other than Section 11.1(a) or 11.1(b). Delivery of such Termination Notice shall be deemed for purposes of the Partnership Interest Sale Agreement to constitute delivery of an Appraisal Notice with respect to the Redemption Interest, a waiver of Section 9.1(a) hereof and, for the period prior to termination of this Agreement under Section 11.1(a) or 11.1(d) that is effective under Section 2.3(b) hereof, a waiver of Comcast Subsidiary’s ability to again exercise its rights under Section 11.1(a) or 11.1(d). Time Warner shall have the right, at any time within 15 days of the delivery of the Termination Notice to deliver an “AOLTW Exercise Notice” (as defined in the Partnership Interest Sale Agreement).

(b) The Termination Notice shall be treated as having been delivered pursuant to Article 11 and this Agreement shall terminate if (i) if Time Warner delivers the AOLTW Exercise Notice as provided in Section 2.3(a) within 30 days of delivery of such Termination Notice or (ii) TWE shall not have notified Comcast Subsidiary of its election to waive its condition under Section 9.2(a) within 30 day of delivery of such Termination Notice. In the event of such termination, Comcast Trust, Time Warner and TWE shall continue to be bound by the terms of the Partnership Interest Sale Agreement. Nothing herein shall limit the ability of Comcast Subsidiary to terminate this Agreement under Section 11.1(f).

(c) Prior to such time as this Agreement is terminated in accordance with Article 11, and notwithstanding the delivery of an Appraisal Notice under the Partnership Interest Sale Agreement, the consummation of a purchase or sale pursuant thereto will not occur (or be required to occur) but the Appraisal Rights process will proceed. If this Agreement is terminated at a time when the Appraisal Rights process is ongoing, the sale under such Appraisal Rights process shall occur, subject to

the terms and conditions of the Partnership Interest Sale Agreement, promptly after termination but in no event prior to the time required as set forth in Section 3 of the Partnership Interest Sale Agreement. If the Closing occurs while the Appraisal Rights process is ongoing, such Appraisal Rights process shall cease and no person participating therein shall have any further liability with respect thereto.

(d) Comcast Trust hereby agrees on behalf of itself and its Controlled Affiliates that it shall not transfer (or cause to be transferred), dispose (or cause to be disposed of) or otherwise monetize, in any such case directly or indirectly, any of the Redemption Interest until after the expiration of the Lock-Up Period. Notwithstanding any other provision of this Section 2.3, Comcast Trust may, at any time, directly or indirectly transfer all or any of the Redemption Interest to Comcast Parent or any Subsidiary of Comcast Parent if such Person agrees in writing to be bound by, and entitled to the benefits of, this Section 2.3 as if a party hereto and delivers a written acknowledgment of the same to Time Warner Cable (including with respect to any subsequent transfers or dispositions).

(e) Following the expiration of the Lock-Up Period, the Partnership Interest Sale Agreement shall be deemed to have been amended (i) to remove Time Warner Cable’s right, in connection with any exercise of a Selling Partner’s Appraisal Right or Sale Right, to purchase any Offered Interest or any portion of any Offered Interest in exchange for Time Warner Cable Common Stock and (ii) to condition Time Warner’s right, in connection with the exercise of any Selling Partner’s Appraisal Right or Sale Right, to purchase any Offered Interest or any Portion of any Offered Interest in exchange for AOLTW Common Stock upon the following: (x) at the time of the Stock Election Notice, Time Warner shall certify that (A) it is using, and will continue to use, all commercially reasonable efforts to cause any AOLTW Common Stock to be delivered to be, at the time of delivery, immediately resellable under

an effective shelf registration statement under the Securities Act and (B) it reasonably believes that such AOLTW Common Stock will be so immediately resellable upon such delivery; (y) at the time of delivery of any AOLTW Common Stock, such AOLTW Common Stock is immediately resellable under an effective shelf registration statement under the Securities Act; and (z) the number of days between the date of delivery of such AOLTW Common Stock and November 18, 2007 minus the number of days that Time Warner shall be entitled to suspend sales of such AOLTW Common Stock under the registration rights agreement to be entered into in connection therewith in accordance with the Partnership Interest Sale Agreement shall not be less than 60 days. Capitalized terms used in this Section 2.3(e) and not defined have the meanings specified in the Partnership Interest Sale Agreement. The provisions of this Section 2.3 shall terminate upon the earlier of (i) November 18, 2007 and (ii) immediately after the time at which the Redemption Interest is no longer owned by Comcast Trust or any of its Affiliates.

(f) The reference to “the third anniversary of the date hereof” in Section 8.1 of the TWE Partnership Agreement shall be deemed amended to mean the later of March 31, 2006 or 30 days following the end of the Lock-Up Period.

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(g) The foregoing shall be deemed to amend, modify and supplement the Partnership Interest Sale Agreement and the TWE Partnership Agreement. In its capacity as a Party to the Partnership Interest Sale Agreement and the TWE Partnership Agreement and as the ultimate indirect beneficiary of the Comcast Trust, Comcast Parent hereby expressly acknowledges and approves of the agreement made by Comcast Trust in this Section 2.3. Each of Comcast Parent, Time Warner and Time Warner Cable hereby expressly acknowledges and approves the agreements made by their respective Affiliates pursuant to this Section 2.3, including the amendment, modification and supplement to the Partnership Interest Sale Agreement and the TWE Partnership Agreement set forth in this Section 2.3.

Section 2.4 Estimated Closing Adjustment Amount. No later than two Business Days prior to the Closing Date, TWE will deliver to Comcast Trust and Comcast Subsidiary a good faith estimate of the Subscriber Adjustment Amount (the “Estimated Subscriber Adjustment Amount”), if any, and a good faith estimate of the Closing Net Liabilities Adjustment Amount (the “Estimated Closing Net Liabilities Adjustment Amount”), if any, together with appropriate documentation supporting such estimates. The sum of the Estimated Subscriber Adjustment Amount and the Estimated Closing Net Liabilities Adjustment Amount is referred to herein as the “Estimated Closing Adjustment Amount” and may be a positive or a negative amount.

#### Section 2.5 Final-Closing Adjustment Amount.

(a) No later than ninety (90) days following the Closing Date (the “Delivery Date”), (i) Comcast Subsidiary will deliver to TWE (A) its determination of the Closing Net Liabilities Amount for Holdco and based on the foregoing, the Closing Net Liabilities Adjustment Amount, (B) its determination of the Transferred Closing Subscriber Number and the Transferred Base Subscriber Number and (C) appropriate documentation supporting such determinations (the “Comcast Statement”) and (ii) TWE will deliver to Comcast Subsidiary (A) its determination of the Retained Closing Subscriber Number and the Retained Base Subscriber Number and (B) appropriate documentation supporting such determinations (the “TWE Statement”). Each such statement shall be prepared in good faith in accordance with this Agreement based on the books and records of the Transferred Systems held by Holdco or the based on the books and records of the TWE Retained Cable Systems has held by TWE, as the case may be.

(b) If TWE disagrees with any item in the Comcast Statement delivered pursuant to Section 2.5(a)(i), TWE may, within ninety (90) days after the Delivery Date, deliver a notice to Comcast Subsidiary disagreeing with such item and setting forth TWE’s calculation of such item, together with appropriate documentation supporting such determination. Any such notice of disagreement shall specify those items or portions thereof as to which TWE disagrees, and TWE shall be deemed to have agreed with all other items and portions of items contained in the Comcast Statement delivered to it pursuant to Section 2.5(a)(i). If Comcast Subsidiary disagrees with any item in the TWE Statement delivered pursuant to Section 2.5(a)(ii), Comcast Subsidiary may, within one hundred and twenty (120) days after the Delivery Date, deliver a notice to TWE disagreeing with such item and setting forth TWE’s calculation of such item,

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together with appropriate documentation supporting such determination. Any such notice of disagreement shall specify those items or portions thereof as to which Comcast Subsidiary disagrees, and Comcast Subsidiary shall be deemed to have agreed with all other items and portions of items contained in the TWE Statement delivered to it pursuant to Section 2.5(a)(ii). Any such notice shall be prepared in good faith in accordance with this Agreement based on the books and records of the Transferred Systems held by Holdco or the TWE Retained Cable Systems, as the case may be.

(c) If a notice of disagreement shall be duly delivered pursuant to Section 2.5(b), TWE and Comcast Subsidiary shall, during the thirty (30) days following such delivery, use their commercially reasonable efforts to reach agreement on the disputed items and amounts. If during such period, TWE and Comcast Subsidiary are unable to reach such agreement, they shall promptly jointly retain a nationally recognized accounting firm that is not the principal independent accountant of either Comcast Parent or TWE's ultimate parent (the "Accounting Referee") to resolve the disputed items or amounts. In making its determinations of the propriety of items and amounts, the Accounting Referee shall consider only those items (or portions thereof) or amounts as to which TWE and Comcast Subsidiary disagree and, with respect to each item (or portion thereof) or amount, shall select a number within the range of the dispute between TWE and Comcast Subsidiary. The Accounting Referee shall deliver to TWE and Comcast Subsidiary, as promptly as practicable (but, in any event, within thirty (30) days after submission of the dispute to it), a report setting forth its resolution of the disputed items and amounts and based thereon (and on the items (or portions thereof) and amounts not in dispute) the Closing Adjustment Amount. Such report shall be final and binding upon TWE and Comcast Subsidiary. The costs of the Accounting Referee shall be shared equally by TWE and Comcast Subsidiary. Holdco and TWE will, and will cause their Affiliates and independent accountants to, cooperate and assist each other and the Accounting Referee in conducting their respective reviews of the amounts referred to in this Section 2.5, including without limitation, making available to the extent necessary any books, records, work papers and personnel.

(d) As used herein, the term "Final Closing Adjustment Amount" means, with respect to any determination of the Closing Adjustment Amount (as defined below): (1) if no notice of disagreement is delivered by either party in accordance with Section 2.5(b) with respect to the other party's determination of an element used to calculate the Closing Adjustment Amount, the Closing Adjustment Amount calculated based on the amounts in the Comcast Statement and the TWE Statement; (2) if either party delivers a notice of disagreement in accordance with Section 2.5(b) and the parties reach agreement on all disputed items within 30 days following such delivery, the Closing Adjustment Amount as determined in accordance with such agreement; or (3) if either party delivers a notice of disagreement in accordance with Section 2.5(b) and the parties fail to reach agreement within 30 days, the Closing Adjustment Amount as calculated based on the undisputed amounts in the Comcast Statement and TWE Statement and with respect to disputed items, as determined by the Accounting Referee. As used herein, the term "Closing Adjustment Amount" means the sum of the Subscriber Adjustment Amount and the Closing Net Liabilities Amount.

(e) If the Final Closing Adjustment Amount exceeds the Estimated Closing Adjustment Amount, TWE will pay to Holdco the amount of such excess. If the Estimated Closing Adjustment Amount exceeds the Final Closing Adjustment Amount, Holdco will pay to TWE the amount of such excess. Any payment pursuant to this Section 2.5(e) shall be made in cash at a mutually convenient time and place within three (3) days following the determination of the Final Closing Adjustment Amount. The amount of any payment to be made pursuant to this Section 2.5(e) shall bear interest from and including the Closing Date to and including the date of payment at the Base Interest Rate.

(f) Tax Treatment of Adjustment Payments and Interest.

(i) For all Tax purposes (unless required by a change in applicable Tax law or a good faith resolution of a contest) the parties hereto agree to treat and to cause their respective Affiliates to treat any payment pursuant to Section 2.5(e) to Holdco by TWE (a "TWE Adjustment Payment") or to TWE by Holdco (a "Holdco Adjustment Payment" and, each, an "Adjustment Payment") as (x) with respect to a TWE Adjustment Payment, a contribution by TWE to Holdco occurring immediately prior to the Closing, and (y) with respect to a Holdco Adjustment Payment, an adjustment to the Cash Amount transferred by TWE to Holdco pursuant to the Holdco Transaction occurring immediately prior to the Closing.

(ii) Notwithstanding Section 2.5(f)(i) above, any Adjustment Payments that represent interest payable under Section 2.5(e) hereof shall be treated for all Tax purposes (unless required by a change in applicable Tax law or a good faith resolution of a contest), as (1) deductible to the payor and (2) taxable to the payee.

(g) As used herein, the term "Closing Net Liabilities Adjustment Amount" means the excess, if any, of the Closing Net Liabilities Amount over \$18,700,000. The "Closing Net Liabilities Amount" shall equal the amount of all Liabilities of Holdco (other than the Holdco Transaction Liabilities) as of the Closing (after giving effect to the Closing), less the amount of all current assets (other than inventory and the Excluded Transferred Cash) of Holdco as of the Closing (after giving effect to the Closing), in each case as would be reflected on the face of a balance sheet (excluding any footnotes thereto) prepared in accordance with GAAP; provided that, if Comcast Subsidiary or one of its Affiliates shall have made the request provided in the first sentence of Section 3.1(g)(v), the Actuarial Amount shall be treated as a Liability on the face of such balance sheet prepared in accordance with GAAP for purposes of this calculation and if Comcast Subsidiary or any of its Affiliates has not made such request the Liabilities assumed by Comcast Subsidiary pursuant to the last sentence of Section 3.1(g)(v) shall be treated as a Liability on the face of such balance sheet prepared in accordance with GAAP for purposes of this calculation. The Closing Net Liabilities Amount shall be deemed to include (without duplication) assets or Liabilities of Comcast Subsidiary or its Affiliates or Holdco conveyed or assumed (as applicable) pursuant to Section 3.1, to the extent such assets or Liabilities would be reflected on the face of a balance sheet of the Transferred Business (excluding any footnotes thereto) prepared in accordance with GAAP as of the Closing Time, but without giving effect to the Closing.

Current assets shall include, but shall not be limited to, all cash and cash equivalents (including the cash paid to Comcast Subsidiary pursuant to Section 3.1(h) but excluding the Excluded Transferred Cash), prepaid expenses, funds on deposit with third parties, and accounts receivable other than (i) the portion of any account receivable resulting from cable, telephony, data or Internet service sales that is sixty (60) days or more past due as of the Closing Date, (ii) the portion of any national agency account receivable resulting from advertising sales that is one hundred and twenty (120) days or more past due as of the Closing Date, (iii) any non-national agency account receivable resulting from advertising sales any portion of which is ninety (90) days or more past due as of the Closing Date, (iv) accounts receivable from customers whose accounts are inactive as of the Closing Date or (v) any accounts receivable that have not arisen from a bona fide transaction in the ordinary course of business. For purposes of making the foregoing “past due” calculations, the billing statements of a Transferred System will be deemed to be due and payable consistent with ordinary accounting practice. Current Assets shall include the total SMATV Consideration paid in respect of any Excluded SMATV Transaction. For the avoidance of doubt, Liabilities shall include, but are not limited to, the Actuarial Amount (if Comcast Subsidiary or any of its Affiliates shall have made the request provided in the first sentence of Section 3.1(g)(v)), Specified Launch Support Liabilities, accounts payable, accrued expenses (including all accrued vacation time, sick days, other accrued paid time off, copyright fees, programming expenses, Applicable Taxes, franchise fees and other license fees or charges), capitalized lease obligations, Contract obligations that are due and payable (including lease obligations), due and payable obligations that are subject to materialmen’s, mechanic’s and similar Liens, Liabilities with respect to unearned income and advance payments (including subscriber prepayments and deposits for converters, encoders, cable television service and related sales) and interest, if any, required to be paid on advance payments.

(h) “Subscriber Adjustment Amount” means an amount (which may be positive or negative) equal to the product of (x) \$3,500 times (y) the Relative Percentage Amount times (z) the Transferred Base Subscriber Number. As used herein, the term “Relative Percentage Amount” means an amount (which shall be expressed as a percentage and may be positive or negative) equal to (i) the Retained Percentage (as defined below) minus (ii) the Transferred Percentage (as defined below). As used herein, the term “Retained Percentage” means a fraction (expressed as a percentage) the numerator of which is the number of Individual Subscribers of the TWE Retained Cable Systems as of the Closing Date (the “Retained Closing Subscriber Number”) and the denominator of which is the number of Individual Subscribers of the TWE Retained Cable Systems as of the date that is 12 months prior to the Closing Date (the “Retained Base Subscriber Number”). As used herein, the term “Transferred Percentage” means a fraction (expressed as a percentage) the numerator of which is (A) the number of Individual Subscribers of the Transferred Systems as of the Closing Date minus the number of Individual Subscribers of the Transferred Systems acquired pursuant to any Excluded SMATV Acquisition (the “Transferred Closing Subscriber Number”) and the denominator of which is the number of Individual Subscribers of such Transferred Systems as of the date that is 12 months prior to the Closing Date (the “Transferred Base Subscriber Number”).

## ARTICLE 3

### Related Matters

#### Section 3.1 Employees.

(a) Employees. Each Transferred System Employee who is an employee of TWE or one of its Subsidiaries as of immediately prior to the Holdco Transaction, including individuals on leave of absence, short-term disability and long-term disability, shall become an employee of Holdco as of the consummation of the Holdco Transaction. Employees who commence employment with Holdco in accordance with the preceding sentence shall be referred to herein as “Comcast Transferred System Employees.” For the avoidance of doubt, if any employee holding the job title as of the date hereof listed on Schedule 3.1(l)(i) (as previously identified by name to Comcast Subsidiary by TWE) remains employed by TWE or its Affiliates on the Closing Date as permitted by Section 3.1(l) hereof, such employee shall not be a Comcast Transferred System Employee. For purposes of this Article 3, “Transferred System Employees” shall not include those employees holding the job titles as of the date hereof listed on Schedule 3.1(a) (as previously identified by name to Comcast Subsidiary by TWE) (such employees, the “Retained Employees”) and none of Holdco, Comcast Subsidiary or any of their respective Affiliates shall have any obligation or Liability with respect to any of the Retained Employees. Holdco (or its Affiliates as of the Closing) shall take such actions as are reasonably necessary to effectuate the transfer of employment described in this Section 3.1(a), including, without limitation, making a general offer of employment to each such Transferred System Employee. The parties hereto shall not take any action that is not otherwise permitted under this Article 3 that would interfere with such employees becoming employed by Holdco as of the consummation of the Holdco Transaction. Immediately following the Closing, Comcast shall cause the Comcast Transferred System Employees to be paid base salary or wage rates no less than those rates provided to such employees immediately prior to the consummation of the Holdco Transaction

and to be provided benefit plan participation at levels no less favorable than those applicable to similarly situated employees of Comcast Subsidiary or its Affiliates at the time of the Closing. As of the Closing, Holdco shall have no employees other than employees who are primarily employed in connection with the Transferred Systems.

(i) Holdco shall recognize, as to each Comcast Transferred System Employee, the period of service (without duplication of benefits) with TWE and any of its Affiliates (other than Holdco) prior to the Closing under all TWE Benefit Plans to the extent so recognized by TWE and its Affiliates prior to the Holdco Transaction. In addition, Holdco shall recognize, as to each Comcast Transferred System Employee, all vacation, sick days and other paid time off accrued by such Comcast Transferred System Employee but unused as of the consummation of the Holdco Transaction, in each case to the extent such amounts are reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

(ii) Notwithstanding any provision in this Agreement to the contrary, the parties hereto agree that, except to the extent used in connection with the funding of any TWE Benefit Plan that is continued by TWE or any of its Affiliates (other

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than Holdco), as of the consummation of the Holdco Transaction the parties hereto shall cause to be transferred to or held for the benefit of Holdco their interests in all life, medical and other insurance policies to the extent relating to Transferred System Employees.

(iii) Subject to obtaining any necessary consents and except as provided in Section 7.2(h) or as otherwise provided in this Agreement, as of the consummation of the Holdco Transaction, TWE and its Affiliates (other than Holdco) shall assign to Holdco, and Holdco shall assume, (A) all rights, obligations and Liabilities of TWE and its Affiliates (other than Holdco) (x) under all employment agreements, unfunded compensation arrangements and employee related insurance policies and (y) for benefits accrued and payable now and in the future under all TWE Benefit Plans, and (B) all other employment-related rights, obligations and Liabilities, in each case to the extent relating to Transferred System Employees (other than Liabilities relating to or arising under the "Time Warner Cable 401(k) Plan", the "Time Warner Cable Pension Plans" (each as defined below), the Time Warner Cable Excess Benefit Pension Plan and any equity-based compensation plans maintained by TWE or its Affiliates) (such Liabilities shall be included in the meaning of Assumed Liabilities). With respect to the period prior to Closing, any such Liabilities shall only be assumed to the extent reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

(iv) The parties hereto agree that, except to the extent that sponsorship of a funded TWE Benefit Plan is continued by TWE or any of its Affiliates (other than Holdco) and except as provided in Section 7.2(h) or as otherwise provided in this Agreement, the Transferred Assets shall include any monies, contracts or other funds relating to the participation of any Transferred System Employees in any TWE Benefit Plan, in each case to the extent such amounts, monies, contracts or other funds are reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

(v) Subject to any required notification, as of the consummation of the Holdco Transaction, the parties agree to take such action, and to cause their Affiliates to take such action, as is necessary to cause Holdco to succeed to the rights and obligations of TWE and its Affiliates (other than Holdco), including its rights and obligations with respect to any "multiemployer plan" (as defined in Section 3(37) of ERISA), under any collective bargaining agreement (if any so exist) to the extent such agreement covers Transferred System Employees.

(b) Continued Employment with Holdco. Effective as of the Closing, all Comcast Transferred System Employees shall continue to be employees of Holdco and shall cease to be employees of Time Warner Cable or any of its Subsidiaries. Effective as of the Closing, TWE or its Affiliates shall discontinue providing benefits to Comcast Transferred System Employees under all TWE Benefit Plans except as otherwise required by law or as contemplated under this Agreement.

(c) Severance-Related Liabilities. Comcast Subsidiary and Holdco shall be responsible for all Liabilities with respect to any Comcast Transferred

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System Employee in connection with the termination of such employee's employment on or after the Closing, and any Liability for WARN and severance payments and benefits under the TWC Severance Pay Plan or any individual employment or severance arrangement, each, in accordance with its terms, applicable to a Transferred System Employee who rejects the general offer of employment made pursuant to Section 3.1(a). Notwithstanding the foregoing, Comcast Subsidiary and its Affiliates shall have no Liability with respect to the termination of employment of the employees holding the job titles as of the date hereof listed on

Schedule 3.1(l)(i), if any such employee is hired by TWE or any of its Affiliates as permitted by Section 3.1(l) in the 12 month period following the Closing.

(d) Participation in Benefit Plans. With respect to Comcast Transferred System Employees, compensation and service of such employees with TWE and its Affiliates prior to Closing shall be recognized under all applicable Comcast Benefit Plans to the extent so recognized under the corresponding TWE Benefit Plans prior to Closing, except to the extent that duplication of benefits would result or as otherwise provided in this Agreement.

(e) Tax-Qualified Defined Contribution Plans. As of and following the Closing, Transferred System Employees shall not be entitled to make contributions to or to benefit from matching or other contributions under the TWC Savings Plan (“Time Warner Cable 401(k) Plan”). None of Comcast Subsidiary, any of its Affiliates or Holdco shall have any Liability with respect to the Time Warner Cable 401(k) Plan, except as may be provided in any other agreement between TWE or any of its Affiliates, on the one hand, and Comcast Subsidiary or any of its Affiliates (other than Holdco), on the other. Comcast Transferred System Employees who were participants in the Time Warner Cable 401(k) Plan immediately prior to the Closing shall become participants in a defined contribution pension plan qualified under Section 401(a) of the Code and meeting the requirements of Section 401(k) of the Code established or maintained by Comcast Subsidiary or its Affiliates (the “Comcast 401(k) Plan”) as of the Closing; provided that any Comcast Transferred System Employee with less than 6 months of service with TWE or any of its Affiliates immediately prior to Closing will only become a participant in the Comcast 401(k) Plan after completing 6 months of combined continuous service with TWE or any of its Affiliates (other than Holdco) and Holdco or any of its Affiliates (other than TWE). Comcast Subsidiary or its Affiliates shall cause the Comcast 401(k) Plan to accept cash eligible rollover distributions (as defined in Section 402(c)(4) of the Code) by Comcast Transferred System Employees with respect to account balances distributed to them on or after the Closing Date by the Time Warner Cable 401(k) Plan.

(f) Tax-Qualified Defined Benefit Plans. As of the Closing, the Transferred System Employees shall cease accruing benefits under the Time Warner Cable Pension Plan, and the Time Warner Cable Union Pension Plan (collectively, the “Time Warner Cable Pension Plans”). None of Comcast Subsidiary, any of its Affiliates or Holdco shall have any Liability with respect to the Time Warner Cable Pension Plans or the Time Warner Cable Excess Benefit Pension Plan except as may be provided in any

other agreement between TWE or any of its Affiliates, on the one hand, and Comcast Subsidiary or any of its Affiliates (other than Holdco), on the other.

(g) Health and Welfare Plans.

(i) All Liabilities relating to, arising out of, or resulting from health and welfare coverage or claims incurred by or on behalf of each Transferred System Employee under any TWE Benefit Plan that is a health or welfare plan within the meaning of Section 3(1) of ERISA (each a “TWE Health or Welfare Plan”) prior to the Closing shall be Liabilities of Holdco or one of its Affiliates to the extent such Liabilities are reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

(ii) Other than as required by COBRA, each Transferred System Employee shall cease to participate in any TWE Health or Welfare Plan as of the Closing.

(iii) Each Comcast Transferred System Employee who, after the recognition of service provided for in Section 3.1(d) satisfies the eligibility requirements under the applicable Comcast Benefit Plan that is a health or welfare plan within the meaning of Section 3(1) of ERISA (each, a “Comcast Health or Welfare Plan”), shall be (A) entitled to enroll, effective as of the Closing, as a newly-eligible employee of Comcast Subsidiary or one of its Affiliates in the Comcast Health or Welfare Plans then available to similarly situated employees of Comcast Subsidiary or any of its Affiliates and (B) eligible to elect such coverage and benefit options as may then be available or provided under the terms of the Comcast Health or Welfare Plans to new employees of Comcast Subsidiary or any of its Affiliates. All compensation, benefit elections, deductible payments, payments toward the applicable out-of-pocket maximums and other benefit-affecting determinations affecting Comcast Transferred System Employees that, as of immediately prior to the Closing, were recognized under any TWE Health or Welfare Plan with respect to the plan year in which the Closing occurs shall receive full recognition, credit and validity and be taken into account under the corresponding Comcast Health or Welfare Plan as of the Closing with respect to that same plan year.

(iv) With respect to any Comcast Transferred System Employee and his or her dependents (if any) who were covered under any TWE Health or Welfare Plan immediately prior to the Closing, Comcast Subsidiary shall take, or cause to be taken, the appropriate actions reasonably necessary to ensure that the proof of insurability requirements (if any) and the preexisting condition exclusions (if any) applicable to new enrollees under the corresponding Comcast Health or Welfare Plan (if any) are waived with respect to such Comcast Transferred System Employee, to the extent that such requirements and exclusions were waived under any similar corresponding TWE Health Welfare Plan.

(v) Upon the written request of Comcast Subsidiary or one of its Affiliates delivered to TWE at least 60 days prior to the expected Closing Date, TWE shall, or shall cause its Affiliates to, permit those Transferred System Employees on long-term disability or who are receiving retiree life or retiree medical benefits at the time of the Closing and who are listed on a Schedule 3.1(g)(v) (the “Selected Employees”), such Schedule 3.1(g)(v) to be updated ten Business Days prior to the expected Closing Date, to continue to receive such coverage under the applicable long-term disability, retiree medical or retiree life plan, as applicable, sponsored or maintained by TWE or its Affiliates and the Actuarial Amount shall be determined and taken into account as provided in Section 1.1 in the definition of “Cash Amount” and as provided in Section 2.5(g) in the definition of “Closing Net Liabilities Amount”. If Comcast Subsidiary or one of its Affiliates makes the request provided in the first sentence of this Section 3.1(g)(v), except for the payment of the Actuarial Amount, any Liability associated with any long-term disability, retiree life or retiree medical benefits, as applicable, relating to or in connection with the Selected Employees shall not be an Assumed Liability and shall be included in the meaning of Excluded Liabilities. If Comcast Subsidiary or one of its Affiliates does not make the request provided in the first sentence of this Section 3.1(g)(v), Comcast Subsidiary shall assume all Liabilities associated with any long-term disability, retiree life or retiree medical benefits relating to or in connection with the Selected Employees and such Liabilities shall be reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

(h) Reimbursement Account Plans. To the extent any Comcast Transferred System Employee made contributions to any TWE Benefit Plan that is a reimbursement account plan, such as a health care or dependent care reimbursement plan (“TWE Reimbursement Plan”), during the calendar year in which the Closing occurs, such Comcast Transferred System Employee shall be permitted to file claims for reimbursement under a Comcast Benefit Plan that is a comparable reimbursement account plan (“Comcast Reimbursement Plan”) for qualifying expenses incurred during the calendar year in which the Closing occurs, including periods prior to the Closing, for a total amount not to exceed the amount elected by such Comcast Transferred System Employee for that year under such plan. Account balances, whether positive or negative, shall be transferred and assigned to the appropriate Comcast Reimbursement Plan by TWE or an Affiliate, as applicable. As soon as practicable following the Closing, TWE shall pay to Comcast Subsidiary a cash amount (which amount shall be deemed to constitute a current asset of Holdco for purposes of Section 2.5(g)) equal to the aggregate positive balances as of the Closing Date of each flexible spending account of each Comcast Transferred System Employee under the applicable TWE Reimbursement Plan. Comcast Subsidiary shall assume all obligations of TWE with respect to each Transferred System Employee under the applicable TWE Reimbursement Plan.

(i) COBRA. Comcast Subsidiary shall, or shall cause, each Comcast Transferred System Employee and each “qualified beneficiary” (as defined in Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and as codified in Section 4980B of the Code and ERISA Sections 601 through 608 (“COBRA”)) of each Comcast Transferred System Employee, who elects continued group health plan coverage under COBRA or incurs a “qualifying event” (as defined in

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COBRA) on or after the Closing, to be offered COBRA coverage on and after the Closing under a Comcast Health or Welfare Plan. TWE and its Affiliates (other than Holdco) shall retain all obligations and Liabilities with respect to Transferred System Employees who elected continued group plan coverage under COBRA or incurred a “qualifying event” prior to the Closing.

(j) WARN Compliance. Comcast Subsidiary and Holdco shall be responsible for any Liability arising under the Worker Adjustment and Retraining Notification Act and any similar state or local laws (collectively, “WARN”) with respect to the termination of employment of Comcast Transferred System Employees on or after the Closing. During the period prior to the Closing, the parties agree to cooperate with each other in order to comply with WARN, including, but not limited to, Holdco or its Affiliates providing to Transferred System Employees and any applicable governmental entities or other required persons (on behalf of itself and Comcast Subsidiary) any notice and other requirements under WARN.

(k) Workers’ Compensation Liabilities. Comcast Subsidiary and Holdco shall be responsible for all workers’ compensation Liabilities relating to, arising out of, or resulting from any claim incurred for a compensable injury sustained by a Comcast Transferred System Employee on or after the Closing and, to the extent reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount, before Closing.

(l) Non-Solicit Provisions.

(i) Except for the employees holding the job titles as of the date hereof listed on Schedule 3.1(l)(i) (as previously identified by name to Comcast Subsidiary by TWE) from the date hereof until the first anniversary of the Closing neither TWE nor any of its Subsidiaries will solicit any Transferred System Employees (other than for the benefit of the Transferred Systems or with the prior written consent of Comcast Subsidiary, in each case, prior to the Closing or to comply with the provisions set forth in Section 3.1(a)).

(ii) Except for the employees holding the job titles as of the date hereof listed on Schedule 3.1(l)(i) (as previously identified by name to Comcast Subsidiary by TWE) from the date hereof until the first anniversary of the Closing neither TWE nor any of its Subsidiaries will hire any Transferred System Employees (other than for the benefit of the Transferred Systems or with the prior written consent of Comcast Subsidiary, in each case, prior to the Closing or to comply with the provisions set forth in Section 3.1(a)).

(iii) Solely for purposes of this Section 3.1(l) "Transferred System Employee" shall be applied so as to include any individual who as of any relevant date (which shall include the period from the date hereof through the Closing Date) would be a Transferred System Employee if the Closing Date occurred on such date.

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(iv) Notwithstanding the foregoing, advertising through mass media in which an offer of employment, if any, is available to the general public, such as magazines, newspapers and sponsorships of public events shall not be prohibited by this Section 3.1(l). Solely for purposes of this Section 3.1(l), Transferred System Employees shall in no event include the beneficiary or dependent of any Transferred System Employee unless such beneficiary or dependent is otherwise a Transferred System Employee.

(v) From the Closing Date until the first anniversary of the Closing, neither Comcast Subsidiary nor any of its Affiliates will hire any Retained Employees.

(vi) TWE or its Affiliates shall make available to Comcast Subsidiary or its Affiliates for consultation and transitional services Retained Employees and those employees listed on Schedule 3.1(l)(i) (if hired or retained by TWE or its Affiliates as permitted by this Section 3.1(l)), as reasonably requested by Comcast Subsidiary or its Affiliates. The provision of any such services shall be in accordance with the terms of Section 7.9 hereof and shall not unreasonably interfere with the performance of any such employee's duties to TWE or its Affiliates.

(m) Confidentiality and Proprietary Information. No provision of this Section 3.1 shall be deemed to release any individual for any violation of a plan, policy, agreement or guideline regarding non-competition or pertaining to confidential or proprietary information of TWE or any of its Affiliates or otherwise relieve any individual of his or her obligations under such guideline or any such plan, program or arrangement.

(n) No Implied Rights or Third-Party Beneficiaries. The parties hereto hereby acknowledge and agree that no provision of this Agreement shall be construed to create any right, or accelerate entitlement, to any compensation or benefit whatsoever on the part of any Transferred System Employee, Retained Employee or other future, present, or former employee of Comcast Subsidiary, Holdco, TWE, or any of their respective Affiliates, under any Comcast Benefit Plan or TWE Benefit Plan or otherwise. Without limiting the generality of the foregoing: (i) except as expressly provided in this Agreement, nothing in this Agreement shall preclude Comcast Subsidiary or any of its Affiliates, at any time after the Closing, from amending, merging, modifying, terminating, eliminating, reducing or otherwise altering in any respect any Comcast Benefit Plan, any benefit under any such plan or any trust, insurance policy or funding vehicle related to any Comcast Benefit Plan; and (ii) except as expressly provided in this Agreement, nothing in this Agreement shall preclude TWE or any of its Affiliates, at any time from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any TWE Benefit Plan, any benefit under any such plan or any trust, insurance policy or funding vehicle related to any TWE Benefit Plan. Nothing in this Section 3.1 or elsewhere in this Agreement shall be deemed to make any employee of the parties a third party beneficiary of this Section 3.1 or any rights relating thereto.

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(o) Collective Bargaining. To the extent any provision of this Agreement is contrary to the provisions of any collective bargaining agreement to which TWE or any of its Subsidiaries is a party as of the date hereof that covers Transferred System Employees or Retained Employees, the terms of such collective bargaining agreement shall prevail. Should any provision of this Agreement be deemed to relate to a topic determined by an appropriate authority to be a mandatory subject of collective bargaining with respect to the Transferred System Employees, Comcast Subsidiary or TWE or any of their respective Subsidiaries may be obligated to bargain with the union representing affected employees concerning those subjects. Comcast Subsidiary and its Subsidiaries shall be responsible for Liabilities with respect to any obligations to any collective bargaining unit that represents as of the date hereof Transferred System Employees to the extent consistent with Comcast's rights and responsibilities under applicable labor law. If TWE or any of its Affiliates acquires a duty to bargain with any labor organization with respect to Transferred System Employees, then TWE or its Affiliates shall (i) give prompt written notice of such development to Comcast Subsidiary and (ii) not enter into any contract with such labor organization that contains a successor clause or otherwise purports to bind Comcast Trust,

Comcast Subsidiary, Holdco (after the Closing) or any of their Affiliates in any way, without the prior written consent of Comcast Subsidiary.

Section 3.2 Use of Names and Logos. For a period of 150 days after Closing, Holdco shall be entitled to use the trademarks, trade names, service marks, service names, logos and similar proprietary rights of TWE and its Affiliates to the extent incorporated in or on the Transferred Assets (collectively, the “TWE Marks”), provided, that (a) Comcast Subsidiary and Holdco acknowledge that the TWE Marks belong to TWE and its Affiliates, and that neither Comcast Subsidiary nor Holdco shall acquire any rights therein during or pursuant to such 150-day period; (b) all such Transferred Assets shall be used in a manner consistent with the use made by TWE and its Affiliates of such Transferred Assets prior to Closing; (c) Comcast Subsidiary shall exercise reasonable efforts to remove all TWE Marks from the Transferred Assets as soon as reasonably practicable following Closing; and (d) the use of the TWE Marks during such period shall inure to the benefit of TWE and, to the extent any goodwill in the TWE Marks is deemed to accrue during such period, to Holdco or its Affiliates, then Comcast Subsidiary agrees to cause Holdco to assign all such goodwill to TWE; provided, that Holdco shall indemnify and hold harmless TWE for any Liabilities arising from or otherwise relating to Holdco’s use of the TWE Marks. Upon expiration of such 150-day period, Comcast Subsidiary shall cause Holdco to remove all TWE Marks from the Transferred Assets and destroy all unused letterhead, checks, business-related forms, preprinted form contracts, product literature, sales literature, labels, packaging material and any other materials displaying the TWE Marks within ten Business Days and shall provide TWE with a written certification that it destroyed any and all such materials. Notwithstanding the foregoing, Comcast Subsidiary and Holdco shall not be required to remove or discontinue using any such proprietary rights that are affixed to converters or other items located in customer homes or properties such that prompt removal is impracticable for Comcast Subsidiary and Holdco; provided, that Comcast Subsidiary and Holdco shall remove or

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discontinue such proprietary rights promptly upon the return of such converters or other items to their possession.

Section 3.3 Transfer Laws. The parties hereto each waive compliance with Legal Requirements relating to bulk transfers applicable to the transactions contemplated hereby.

Section 3.4 Transfer Taxes and Fees. All sales, use, transfer and similar taxes or assessments, including transfer fees and similar assessments for Transferred System Franchises, Transferred System Licenses and Transferred System Contracts, arising from or payable by reason of or otherwise related to the Holdco Transaction, the Subsidiary Transfers and the TWE Redemption, shall be paid one-half by Holdco and one-half by TWE (it being understood and agreed that if any such payable is satisfied by a party or any Affiliate thereof, then, promptly after the later of (x) the Closing and (y) the demand of the paying party, the other party shall reimburse the paying party for one-half of any such amounts paid by the paying party).

## **ARTICLE 4** **Comcast Trust’s Representations and Warranties**

Comcast Trust represents and warrants to TWE, as of the date of this Agreement and as of Closing, as follows:

Section 4.1 Organization and Qualification of Comcast Trust. Comcast Trust is a statutory trust duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite trust power and authority to own the Redemption Interest.

Section 4.2 Authority. Subject to the FCC Trust Requirements, Comcast Trust has all requisite power and authority under the terms of its declaration of trust to execute, deliver and perform this Agreement and the Transaction Documents to be executed and delivered by Comcast Trust and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by Comcast Trust have been, and in the case of the Transaction Documents to be executed and delivered by Comcast Trust and the consummation of the transactions contemplated thereby, shall at Closing have been duly and validly authorized, subject to the FCC Trust Requirements, by all necessary trust action on the part of Comcast Trust. This Agreement has been duly and validly executed and delivered by Comcast Trust and is, and in the case of the Transaction Documents to be executed and delivered by Comcast Trust, when so executed and delivered shall be, subject to the FCC Trust Requirements, the valid and binding obligation of Comcast Trust, enforceable against Comcast Trust in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors’ rights generally or by principles governing the availability of equitable remedies.

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**Section 4.3 No Conflict; Required Consents.** Subject to compliance with the HSR Act, the FCC Trust Requirements, the Securities Act of 1933 (the “Securities Act”) and the Securities Exchange Act of 1934 (the “Exchange Act”) and except for Authorizations to be obtained by TWE or its Affiliates, the execution, delivery and performance by Comcast Trust of this Agreement and the Transaction Documents to be executed and delivered by Comcast Trust do not and shall not: (a) conflict with or violate any provision of the certificate of trust or declaration of trust of Comcast Trust; (b) to the knowledge of Comcast Trust’s operating trustee, violate any provision of any material Legal Requirement; (c) without regard to requirements of notice, lapse of time, elections of other Persons or any combination thereof, conflict with, violate, result in a breach of, constitute a default under or give rise to any third party’s right(s) of first refusal or similar right under any Contract to which Comcast Trust is a party relating to the Redemption Interest; or (d) to the knowledge of Comcast Trust’s operating trustee, require any material consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority or other Person.

**Section 4.4 Litigation.** (i) There is no Litigation pending or, to Comcast Trust’s knowledge, threatened, by or before any Governmental Authority or private arbitration tribunal, against or involving the assets of Comcast Trust or any of its Controlled Affiliates; and (ii) other than the FCC Trust Requirements, there is no Judgment requiring Comcast Trust or any of its Controlled Affiliates to take any action of any kind, in either case, which could adversely affect in any material respect the ability of Comcast Trust or any of its Controlled Affiliates to perform their respective obligations under this Agreement or the other Transaction Documents.

**Section 4.5 Ownership of Redemption Interest.** Comcast Trust owns of record and, subject to the terms of its declaration of trust, beneficially, and has good and valid title to, free and clear of any Liens (other than restrictions imposed by federal and state securities Laws, pursuant to the declaration of trust of Comcast Trust, under agreements with TWE or its Affiliates or by the FCC Trust Requirements) and Comcast Trust shall own immediately prior to Closing of record and, subject to the terms of its declaration of trust, beneficially, and will have good and valid title to, free and clear of any Liens (other than restrictions imposed by federal and state securities Laws, pursuant to the declaration of trust of Comcast Trust, under agreements with TWE or its Affiliates or by the FCC Trust Requirements) all of the Redemption Interest. In the TWE Redemption, Comcast Trust will transfer to TWE valid title to the Redemption Interest free and clear of any Liens, other than restrictions imposed by federal and state securities laws.

**Section 4.6 Brokers.** There is no investment banker, broker, finder or other intermediary who has been retained by or is authorized to act on behalf of Comcast Trust who might be entitled to any fee or commission from TWE or its Affiliates in connection with the transactions contemplated by this Agreement.

## **ARTICLE 5** **Comcast Subsidiary’s Representations and Warranties**

Comcast Subsidiary represents and warrants to TWE, as of the date of this Agreement and as of Closing, as follows:

**Section 5.1 Organization and Qualification of Comcast Subsidiary.** Comcast Subsidiary is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

**Section 5.2 Authority.** Comcast Subsidiary has all requisite limited liability company power and authority to execute, deliver and perform this Agreement and the Transaction Documents to be executed and delivered by Comcast Subsidiary and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by Comcast Subsidiary have been, and in the case of the Transaction Documents to be executed and delivered by Comcast Subsidiary and the consummation of the transactions contemplated thereby, shall at Closing have been duly and validly authorized by all necessary limited liability company action on the part of Comcast Subsidiary. This Agreement has been duly and validly executed and delivered by Comcast Subsidiary and is, and in the case of the Transaction Documents to be executed and delivered by Comcast Subsidiary, when so executed and delivered shall be, the valid and binding obligation of Comcast Subsidiary, enforceable against Comcast Subsidiary in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors’ rights generally or by principles governing the availability of equitable remedies.

**Section 5.3 No Conflict; Required Consents.** Subject to compliance with the HSR Act, the FCC Trust Requirements, the Securities Act and the Exchange Act and except for Authorizations to be obtained by TWE or its Affiliates, the execution, delivery and performance by Comcast Subsidiary and Comcast Trust of this Agreement and the Transaction Documents to be executed and delivered by Comcast Subsidiary and/or Comcast Trust do not and shall not: (a) conflict with or violate any provision of the certificate of formation or limited liability company agreement of Comcast Subsidiary or the certificate of trust or declaration of trust of Comcast Trust; (b) violate any provision of any material Legal Requirement; or (c) require any material consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority or other Person.

Section 5.4 Litigation. (i) There is no Litigation pending or, to Comcast Subsidiary's knowledge, threatened, by or before any Governmental Authority or private arbitration tribunal, against or involving the assets of Comcast Subsidiary or any of its Affiliates; and (ii) other than the FCC Trust Requirements, there is no Judgment requiring Comcast Subsidiary or any of its Affiliates to take any action of any kind, in either case, which could adversely affect in any material respect the ability of

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Comcast Subsidiary or any of its Affiliates to perform their respective obligations under this Agreement or any of the other Transaction Documents.

Section 5.5 Brokers. There is no investment banker, broker, finder or other intermediary who has been retained by or is authorized to act on behalf of Comcast and/or Comcast Subsidiary who might be entitled to any fee or commission from TWE or its Affiliates in connection with the transactions contemplated by this Agreement.

Section 5.6 Comcast Balance Sheet. Comcast has provided to TWE an internal unaudited consolidated balance sheet of Comcast and its Subsidiaries as of December 31, 2004 (the "Comcast Balance Sheet"). The Comcast Balance Sheet was prepared in accordance with GAAP (except for the absence of required footnotes) and fairly presents in all material respects the consolidated financial condition of Comcast and its Subsidiaries as of the date indicated therein, except that (i) the current and deferred income tax accounts were derived from the general ledgers of the Comcast unaudited consolidated balance sheet but do not reflect tax consolidation and allocation adjustments necessary to present Comcast's balance sheet on a stand alone basis and (ii) "due to related parties, net" is included as a component of stockholder's equity.

Section 5.7 Tolling. The FCC Trust Requirements do not prohibit, and no consent of any Governmental Authority is required with respect to, the agreements of Comcast Trust and of Comcast Parent pursuant to Section 2.3 (including the agreements made therein with respect to the Partnership Interest Sale Agreement).

## **ARTICLE 6** **TWE's Representations and Warranties**

TWE represents and warrants to Comcast Trust and Comcast Subsidiary, as of the date of this Agreement and as of Closing, as follows:

Section 6.1 Organization and Qualification of TWE. TWE is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware. TWE and each Affiliate of TWE that holds Transferred Assets or is otherwise a participant in any of the transactions referred to in Section 2.1(a)(i) (each, a "Transferring Person") has all requisite limited partnership or other entity power and authority to own and lease the Transferred Assets and to conduct the Transferred Business as currently conducted.

Section 6.2 Authority. Each of TWE and Holdco has all requisite limited partnership or limited liability company power and authority to execute, deliver and perform this Agreement and the Transaction Documents to be executed and delivered by it and to consummate the transactions contemplated hereby and thereby. Each Transferring Person has all requisite corporate or other power and authority to execute, deliver and perform the Transaction Documents to be executed and delivered by such Transferring Person and to consummate the transactions contemplated thereby. The execution, delivery and performance of this Agreement and the consummation of the

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transactions contemplated hereby by TWE and Holdco have been, and in the case of the Transaction Documents to be executed and delivered by TWE or any TWE Participant and the consummation of the transactions contemplated thereby, shall at Closing have been duly and validly authorized by all necessary corporate or other entity action on the part of TWE and each such TWE Participant. This Agreement has been duly and validly executed and delivered by TWE and Holdco and is, and in the case of the Transaction Documents to be executed and delivered by TWE or any TWE Participant, when so executed and delivered shall be, the valid and binding obligation of TWE or such TWE Participant, enforceable against TWE or such TWE Participant, as applicable, in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

Section 6.3 No Conflict; Required Consents. Except as described on Schedules 6.3 and 6.19, and subject to compliance with the HSR Act, the Securities Act and the Exchange Act and except for Authorizations required from, by or with the relevant Franchising

Authorities in respect of the Franchises for the Transferred Systems, Authorizations required from, by or with the FCC in connection with a change of control of the holder and/or assignment of the Transferred System Licenses, Authorizations from state public utility commissions having jurisdiction over the assets of Transferred Systems, and Authorizations to be obtained by Comcast Subsidiary or its Affiliates, the execution, delivery and performance by TWE and Holdco of this Agreement and the Transaction Documents to be executed and delivered by TWE and Holdco, and the execution, delivery and performance by each Transferring Person of the Transaction Documents to be executed and delivered by such Transferring Person, do not and shall not: (a) conflict with or violate any provision of TWE's certificate of limited partnership or the TWE Partnership Agreement or other organizational or governing documents of TWE, Holdco or any Transferring Person; (b) violate any provision of any material Legal Requirement; (c) without regard to requirements of notice, lapse of time, elections of other Persons or any combination thereof, conflict with, violate, result in a breach of, constitute a default under or give rise to any third party's right(s) of first refusal or similar right or right of cancellation or termination, or accelerate or permit the acceleration of the performance required by or adversely effect the rights or obligations of TWE, Holdco or any Transferring Person under any Transferred Systems Contract, Transferred Systems Franchise or Transferred Systems License; (d) result in the creation or imposition of any Lien against or upon any of the Transferred Assets other than a Permitted Lien; (e) require any material consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority; or (f) require any consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Person (other than any Governmental Authority), in the case of clauses (c), (d) and (f) with only such exceptions as would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect or materially delay or prevent the consummation of the transactions contemplated hereby.

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#### Section 6.4 Sufficiency of Assets; Title.

(a) Except for items included in the Excluded Assets or as described on Schedule 6.4(a), (i) the Transferred Assets are all of the assets of TWE or its Affiliates owned, used or held for use primarily in connection with the operation of the Transferred Systems, and (ii) the right, title and interest in the Transferred Assets conveyed to Holdco pursuant to the Holdco Transaction shall be sufficient to permit Holdco to operate the Transferred Systems substantially as they are being operated by TWE and its Affiliates immediately prior to the Holdco Transaction and in compliance with all material Legal Requirements and, except where the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, in compliance with all contractual requirements that comprise part of the Assumed Liabilities. At the Closing, Holdco will have good and marketable title to (or in the case of assets that are leased, valid leasehold interests in) the tangible Transferred Assets free and clear of any Liens, other than Permitted Liens (disregarding clause (d) of the definition thereof), except where the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Notwithstanding the foregoing, the representation contained in the immediately preceding sentence shall not apply with respect to any Owned Property or Leased Property with respect to which TWE has delivered a Title Policy, or a Title Commitment to deliver a Title Policy, as provided in Section 9.1.

(b) Except as described on Schedule 6.4(b), the Tangible Personal Property and improvements on Owned Property and real property subject to Real Property Interests are in all material respects adequate for their present uses.

#### Section 6.5 Transferred System Franchises, Transferred System Licenses, Transferred Systems Contracts, Owned Property and Real Property Interests.

(a) Except as described on Schedules 2.1(b)(ii), 2.1(b)(iii), 2.1(b)(iv), 2.1(b)(v) or Schedule 6.5(a) and except for the Excluded Assets, neither TWE nor any of its Affiliates is bound or affected by any of the following that relate wholly or primarily to the Transferred Assets or the Transferred Systems: (i) leases of real or material personal property; (ii) Franchises, and similar authorizations for the operation of Transferred Systems, or Contracts of substantially equivalent effect; (iii) other licenses, authorizations, consents or permits of the FCC or, to the extent material, any other Governmental Authority; (iv) all Authorizations of Governmental Authorities to provide telephony services held, directly or indirectly, by TWE or its Affiliates and used in connection with the operation of any Transferred Systems; (v) material crossing Contracts, easements, rights of way or access Contracts; (vi) pole line or joint line Contracts or underground conduit Contracts; (vii) bulk service, commercial service or multiple-dwelling unit access Contracts which individually provide for payments by or to TWE or its Affiliates in any twelve-month period exceeding \$50,000; (viii) system-specific programming Contracts, system-specific signal supply Contracts and Local Retransmission Consent Agreements; (ix) any Contract with the FCC or any other Governmental Authority relating to the operation or construction of the Transferred

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Systems that are not fully reflected in the Transferred Systems Franchises, or any Contracts with community groups or similar third parties restricting or limiting the types of programming that may be shown on any of the Transferred Systems; (x) any partnership, joint venture or other similar Contract or arrangement; (xi) any Contract with TWE or any of its Affiliates; (xii) any Contract that limits the freedom of the Transferred Systems to compete in any line of business or with any Person or in any area or which would so limit the freedom of Holdco, Comcast Subsidiary, Comcast Trust or any of their Affiliates after the Closing Date; (xiii) any Contract relating to the use by third parties of Transferred Assets to provide, or the provision by the Transferred Systems of, telephone, Internet or data services other than Contracts with subscribers of any such services; (xiv) any advertising representation or interconnect Contract; (xv) any Contract with any employee employed primarily in connection with the Transferred Systems; (xvi) any Contract granting any Person the right to use any portion of the cable television system plant included in the Transferred Assets; (xvii) any Contract that is not the subject of any other clause of this Section 6.5(a) that shall remain effective for more than one year after Closing (except those Contracts that may be terminated upon no more than 30 days' notice without penalty and subscription agreements with residential subscribers to provide cable service); or (xviii) any Contract other than those described in any other clause of this Section 6.5(a) which individually provides for payments by or to TWE in any twelve month period exceeding \$500,000 or is otherwise material to the Transferred Systems.

(b) TWE has prior to the date hereof provided or otherwise made available to Comcast Trust and Comcast Subsidiary true and complete copies of each of the Transferred Systems Franchises, Transferred Systems Licenses and Transferred Systems Contracts described on any of Schedules 2.1(b)(ii) (to the extent in the possession of TWE or its Affiliates), 2.1(b)(iii), 2.1(b)(iv), 2.1(b)(v) and Schedule 6.5(a) (excluding Local Retransmission Consent Agreements and system-specific programming contracts), together with true and complete copies of (i) any notices alleging continuing non compliance with the requirements of any Transferred Systems Franchise, (ii) in each case any amendments to any of the items on any such Schedule (in the case of the items in Schedule 2.1(b)(ii), to the extent in the possession of TWE or its Affiliates), (iii) in the case of oral Real Property Interests listed on Schedule 2.1(b)(ii) or oral Transferred Systems Contracts listed on Schedule 2.1(b)(v), true and complete written summaries thereof and (iv) each document in the possession of TWE or its Affiliates evidencing or insuring TWE's or its Affiliates' ownership of the Owned Property. Except as described in Schedule 6.5(b) and except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (i) TWE and each of its Affiliates are in compliance with each of the Transferred Systems Franchises, Transferred Systems Licenses and Transferred Systems Contracts; (ii) TWE and its Affiliates have fulfilled when due, or have taken all action necessary to enable them to fulfill when due, all of their obligations under each of the Transferred Systems Franchises, Transferred Systems Licenses and Transferred Systems Contracts; (iii) there has not occurred any default (without regard to lapse of time or to the giving of notice or both) by TWE or any of its Affiliates and, to the knowledge of TWE, there has not occurred any default (without regard to lapse of time or the giving of notice, or both) by any other Person, under any of the Transferred Systems Franchises, Transferred Systems

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Licenses and Transferred Systems Contracts; and (iv) the Transferred Systems Franchises, Transferred Systems Licenses and Transferred Systems Contracts are valid and binding agreements and are in full force and effect.

(c) Schedule 2.1(b)(iii) lists the date on which each Transferred Systems Franchise shall expire.

(d) Except as described on Schedules 2.1(b)(iii), 2.1(b)(iv) or Schedule 6.5(d), there are no applications relating to any Transferred Systems Franchise or Transferred Systems Licenses pending before any Governmental Authority that are material to any of such Transferred Systems. Except as described on Schedule 6.5(d), neither TWE nor any of its Affiliates has received, nor do any of them have notice that they shall receive, from any Governmental Authority a preliminary assessment that a Transferred Systems Franchise should not be renewed as provided in Section 626(c)(1) of the Communications Act. Except as described on Schedule 6.5(d), neither TWE, nor any of its Affiliates nor any Governmental Authority has commenced or requested the commencement of an administrative proceeding concerning the renewal of a Transferred Systems Franchise as provided in Section 626(c)(1) of the Communications Act. Except as described on Schedule 6.5(d), TWE and its Affiliates have timely filed notices of renewal in accordance with the Communications Act with all Governmental Authorities with respect to each Transferred Systems Franchise expiring within 30 months of the date of this Agreement. Except as described on Schedule 6.5(d), such notices of renewal have been filed pursuant to the formal renewal procedures established by Section(a) of the Communications Act. To TWE's knowledge, there exist no facts or circumstances that make it likely that any Transferred Systems Franchise shall not be renewed or extended on commercially reasonable terms. Except as described on Schedule 6.5(d), as of the date hereof, no Governmental Authority has commenced, or given notice that it intends to commence, a proceeding to revoke or suspend a Transferred Systems Franchise.

Section 6.6 Employee Benefits. A true and complete list of the TWE Cable Benefit Plans is set forth in Schedule 6.6. Except as set forth on Schedule 6.6, none of TWE, any of its ERISA Affiliates, any TWE Benefit Plan other than a multiemployer plan (as defined in Section 3(37) of ERISA), or to the knowledge of TWE, any TWE Benefit Plan that is a multiemployer plan (as defined in Section 3(37) of ERISA) is in material violation of any provision of ERISA with respect to a TWE Benefit Plan. No material "reportable event" (as defined in Sections 4043(c) of ERISA), "accumulated funding deficiency" (as defined in Section 302 of ERISA) or "withdrawal liability" (as determined under Section 4201 et seq. of ERISA) has occurred or exists and is continuing with respect to any TWE Benefit Plan other than a multiemployer plan (as defined in Section 3(37) of ERISA) or, to the knowledge

of TWE, any TWE Benefit Plan that is a multiemployer plan (as defined in Section 3(37) of ERISA). After the Closing, none of Holdco, Comcast Subsidiary or any of their respective ERISA Affiliates shall be required, under ERISA, the Code or any collective bargaining agreement, to establish, maintain or continue any TWE Benefit Plan currently maintained by TWE or any of its ERISA Affiliates. Except as set forth in Schedule 6.6, since December 31, 2004, there has been no change in the TWE Benefit Plans or level of compensation provided the

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Transferred System Employees that would materially increase the cost of operating the Transferred Systems.

Section 6.7 Litigation. Except as set forth in Schedule 6.7, (i) there is no Litigation pending or, to TWE's knowledge, threatened, by or before any Governmental Authority or private arbitration tribunal, against TWE or any of its Affiliates; and (ii) there is no Judgment requiring TWE or any of its Affiliates to take any action of any kind with respect to the Transferred Assets or the operation of the Transferred Systems, or to which TWE or any of its Affiliates (with respect to the Transferred Systems), the Transferred Systems or the Transferred Assets are subject or by which they are bound or affected, in the case of clauses (i) and (ii), which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or materially delay or prevent the consummation of the transactions contemplated by this Agreement and the other Transaction Documents. For the avoidance of doubt, this Section 6.7 shall have no application with respect to Taxes of TWE or any of its Affiliates.

Section 6.8 Transferred Systems Information. Schedule 6.8 sets forth a true and complete description in all material respects of the following information.

(a) as of December 31, 2004, the approximate number of miles of plant, aerial and underground and the technical capacity of such plant expressed in MHz, included in the Transferred Assets;

(b) as of the date set forth on such Schedule (which shall be no earlier than December 31, 2004), the number of Individual Subscribers, Digital Subscribers, Telephony Subscribers and High Speed Data Subscribers served by the Transferred Systems;

(c) as of the date set forth on such Schedule (which shall be no earlier than December 31, 2004), the approximate number of homes passed by each of the Transferred Systems as reflected in TWE's system records for such date;

(d) as of the date hereof, a description of basic and optional or tier services available from each of the Transferred Systems and the rates charged by TWE for each;

(e) as of the date hereof, the stations and signals carried by each of the Transferred Systems and the channel position of each such signal and station; and

(f) [Intentionally Omitted]

(g) the municipalities served by each of the Transferred Systems and the community identification numbers of such municipalities.

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Section 6.9 Compliance with Legal Requirements. Except as set forth on Schedule 6.9, the Transferred Assets include all material Authorizations of, by or with any Governmental Authority that are necessary for the lawful conduct of the Transferred Systems as currently conducted and each of the material Authorizations is in full force and effect in all material respects. Except as set forth on Schedule 6.9, the Transferred Systems are, and have been, operated in compliance in all material respects with all material Legal Requirements and Authorizations, and, to the knowledge of TWE, none of the Transferred Systems are under investigation with respect to or have been threatened to be charged with or given written notice of any material violation of any material Legal Requirement or Authorization.

Section 6.10 Real Property. Schedule 2.1(b)(ii) sets forth all leases included in the Real Property Interests (the "Leases", and each such lease, a "Lease") and all ownership interests in real property included in the Owned Property and all other material Real Property Interests. The Owned Property and Real Property Interests include all leases, fee interests, material easements, material access agreements and other material real property interests necessary to operate the Transferred Systems as currently conducted.

Section 6.11 Financial Statements; No Adverse Change; Telephony Budget.

(a) TWE has provided to Comcast Trust and Comcast Subsidiary internal unaudited financial statements for the Transferred Systems consisting of balance sheets and statements of operations as of and for the 12 months ended December 31, 2004 (the “Transferred Systems Financial Statements”). The Transferred Systems Financial Statements were prepared in accordance with GAAP (except for the absence of required footnotes) and fairly present in all material respects the financial condition and results of operations of the Transferred Systems as of the dates and for the periods indicated therein; provided that the Transferred System Financial Statements do not reflect the following items, which may have been recorded within the financial results of the Transferred Systems had the Transferred Systems been stand-alone entities during the periods presented: (i) an allocation of a portion of goodwill and identifiable intangible assets, and related amortization expense, arising from recent purchase business combinations, which is recorded at the Time Warner Cable or TWE corporate level; (ii) an allocation of debt and related interest expense recorded at the Time Warner Cable or TWE corporate level; (iii) an allocation of deferred Income Taxes, Income Taxes payable and Income Tax expense recorded at the Time Warner Cable corporate level; (iv) a management fee for services provided by Time Warner Cable corporate entities has not been recorded on the books of the non-TWE systems; (v) certain balance sheet reclasses within current assets and liabilities (e.g. reclassifying debit balances in liability accounts to assets and vice versa); (vi) an allocation of certain advertising revenue that was recorded at the Time Warner Cable or TWE corporate level; (vii) an allocation of music performance royalties paid or payable to BMI, ASCAP and SESAC and programming vendor marketing support receipts or receivables that were recorded at the Time Warner Cable or TWE corporate level; (viii) an allocation of variances between actual pension expense and budgeted pension expense (e.g. the financial results of the Transferred

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Systems reflect budgeted pension expense); (ix) an allocation of other Time Warner Cable corporate, TWE corporate and divisional overhead that is not specifically identified to a particular cable system; (x) an allocation of certain assets, including routers and other equipment located at regional data centers, related to Time Warner Cable’s high-speed data business; (xi) certain expense accruals that are paid by Time Warner Cable or TWE corporate on behalf of the Transferred Systems including the following: (1) programming accruals of approximately one month’s service would be reflected as a liability for the Transferred Systems and liabilities in excess of one month are transferred to Time Warner Cable or TWE corporate to be paid; (2) group insurance liabilities are recorded on the balance sheet at Time Warner Cable or TWE corporate; (3) casualty insurance, including workers compensation liabilities are recorded on the balance sheet at Time Warner Cable or TWE corporate; (4) certain property tax and sales and use tax liabilities are recorded on the balance sheet at Time Warner Cable or TWE corporate; and (6) other miscellaneous liabilities related to company-wide costs are recorded on the balance sheet at Time Warner Cable or TWE corporate, which are recorded net in the intercompany payables/receivables line items on the Transferred System trial balances; and (xii) third party and payroll payments made by Time Warner Cable and TWE corporate on behalf of the Transferred Systems after the monthly cut-off are not pushed down to the Transferred Systems until the following month (e.g. there is a lag between the time of payment of the liability by Time Warner Cable or Time Warner Cable and relieving the third-party liability at the Transferred Systems).

(b) Except as set forth in Schedule 6.11(b), since December 31, 2004, (i) there have been no events, circumstances or conditions that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect and (ii) the Transferred Systems and the Transferred Assets have been operated in all material respects only in the ordinary course of business consistent with past practices.

#### Section 6.12 Employees.

(a) Except as set forth on Schedule 6.12(a), there are no collective bargaining agreements applicable to any Transferred System Employees, and neither TWE nor any Affiliate of TWE, nor Holdco as of the Closing, has any duty to bargain with any labor organization with respect to any such persons. There are not pending any material unfair labor practice charges against TWE or any Affiliate of TWE, or any request or demand for recognition, or any petitions filed by a labor organization for representative status, with respect to any Transferred System Employees.

(b) Except as set forth on Schedule 6.12(b), TWE and its Affiliates have complied, and Holdco will be in compliance as of the Closing, in all material respects with all applicable Legal Requirements relating to the employment of labor, including WARN, ERISA, continuation coverage requirements with respect to group health plans and those relating to wages, hours, collective bargaining, unemployment insurance, worker’s compensation, equal employment opportunity, age, sex, race and disability discrimination, immigration control and the payment and withholding of Taxes except for any non-compliance which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as set

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forth on Schedule 6.12(b), neither TWE nor any of its Affiliates is, and Holdco will not be as of the Closing, a party to any material labor or employment dispute involving any of its employees who render services in connection with the Transferred Systems.

(c) Except as described on Schedule 6.12(c), neither TWE nor any of its Affiliates has any employment agreements, either written or oral, with any Transferred System Employees and none of the employment agreements listed on Schedule 6.12(c) require Comcast Subsidiary, Holdco or any of their Affiliates to employ any person after Closing.

**Section 6.13 Transactions with Affiliates.** Except for this Agreement and Transaction Documents to which it is a party, or as set forth on Schedule 6.13, immediately after the Closing, Holdco shall not be bound by any Contract or any other arrangement of any kind whatsoever with, or have any Liability to, TWE or any Affiliate thereof.

**Section 6.14 Undisclosed Material Liabilities.** The Assumed Liabilities will include no Liabilities, and there is no existing condition, situation or set of circumstances which would reasonably be expected to result in such a Liability, other than:

- (a) the Liabilities disclosed on Schedule 6.14;
- (b) the Liabilities disclosed in the Transferred Systems Financial Statements;
- (c) the Liabilities arising in the ordinary course of business since December 31, 2004 in amounts substantially consistent with past practices (subject to customary cost increases); and
- (d) other Liabilities which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

**Section 6.15 Holdco; TWE Holdings.**

(a) Holdco is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has all limited liability company powers required to carry on its business as now conducted. Holdco is (or at the Closing will be) duly registered as a foreign limited liability company in all jurisdictions in which the ownership or leasing of the Transferred Assets or the nature of its activities in connection with the Transferred Systems makes such qualification necessary, with only such exceptions as would not, individually or in the aggregate, result in a Material Adverse Effect. Time Warner Cable owns all of the issued and outstanding limited liability company interests of Holdco, free and clear of all Liens, other than restrictions imposed by applicable federal or state securities Laws. All of such limited liability company interests are duly authorized, validly issued, fully paid and non-assessable, and were issued in compliance in all material respects with all applicable Legal Requirements. There shall be no outstanding options, warrants, rights,

commitments, conversion rights, preemptive rights or agreements of any kind to which TWE or any of its Affiliates or Holdco is a party or by which any of them is bound which would obligate any of them to issue, deliver, purchase or sell any additional limited liability company interests, units, membership, or other equity or profit interests of any kind in Holdco or any security convertible into or exercisable or exchangeable for any of the foregoing. In the TWE Redemption, TWE will transfer to Comcast Trust or Comcast Subsidiary, as the case may be, valid title to the Holdco Interests free and clear of any Liens, other than restrictions imposed by federal and state securities laws.

(b) Prior to the Holdco Transaction, Holdco will have conducted no business or operations and will have no indebtedness and no Liabilities (excluding (i) any Liabilities for Taxes with respect to Holdco's limited liability company existence and (ii) any Liabilities with respect to any employee benefit arrangements ("ERISA Group Liabilities") arising either under the Code or ERISA solely as a result of Holdco having been, at any time on or prior to Closing, a member of a group described in Section 4001(b) of ERISA or Section 414(b), (c), (m) or (o) of the Code (collectively, the "Holdco Indemnified Liabilities"), other than under this Agreement and any Transaction Document to which Holdco is a party.

(c) Prior to the Holdco Transaction, Holdco will not have been party to any Contracts other than this Agreement and any Transaction Document to which Holdco is a party. Holdco has no Subsidiaries.

(d) No ERISA Group Liability has been incurred by Holdco and no ERISA Group Liability is reasonably expected to be asserted against Holdco for periods prior to the Closing.

(e) Prior to the Holdco Transaction, Holdco will not have, and will never have had, any employees, other than unpaid corporate officers with no entitlement to benefits or other compensation that was, is or will be a liability of Holdco.

(f) At the time of the TWE Redemption, Holdco will own the Transferred Assets, subject to the Assumed Liabilities and will have no other assets or Liabilities, except Holdco Indemnified Liabilities and Liabilities under this Agreement and any Transaction Document to which Holdco is a party.

Section 6.16 Insurance. Schedule 6.16 contains a list of all policies of property, fire, casualty, liability, life, workers' compensation, libel and slander, and other forms of insurance of any kind that relate to the Transferred Assets, the Transferred Systems or any of the employees, officers or directors of the Transferred Systems and are maintained by or on behalf of TWE or its Affiliates, in each case which are in force as of the date hereof. All such policies are in full force and effect, all premiums due thereon have been paid by or on behalf of TWE, and TWE is otherwise in compliance in all material respects with the terms and provisions of such policies (after

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giving effect to applicable grace or cure periods). After the Closing, the terms of such policies will continue to provide coverage with respect to acts, omissions and events occurring prior to the Closing in accordance with their terms as if the Closing had not occurred. TWE has no knowledge of any threatened termination of, material premium increase (other than with respect to customary annual premium increases) with respect to, or material alteration of coverage under, any of such policies.

Section 6.17 Intellectual Property. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or as set forth on Schedule 6.17, the Transferred Business, the Transferred Assets and the Transferred Systems do not infringe and have not infringed upon the intellectual property rights of any Person, or give rise to any rightful claim of any Person for copyright, trademark, service mark, patent, license or other intellectual property right infringement.

Section 6.18 Brokers. There is no investment banker, broker, finder or other intermediary who has been retained by or is authorized to act on behalf of TWE or any of its Affiliates who might be entitled to any fee or commission from Comcast Subsidiary or any of its Affiliates in connection with the transactions contemplated by this Agreement.

Section 6.19 Transferred Systems Options. Except as disclosed on Schedule 6.19, none of the Transferred Systems or any material Transferred Assets are subject to any purchase option, right of first refusal or similar arrangement which would be triggered by the sale, transfer or other disposition of such Transferred Systems or Transferred Assets ("Transferred Systems Option").

Section 6.20 Transferred Systems Proprietary Rights. Except as described on Schedule 6.20, there is no material trademark, trade name, service mark, service name or logo, or any application therefor, owned, licensed, used or held for use by TWE or any of its Affiliates primarily in connection with the operation of the Transferred Systems.

Section 6.21 Promotional Campaigns. After Closing, Holdco will not be obligated to continue to make promotional offers under any promotional or marketing campaigns or programs initiated or maintained by TWE or its Affiliates with respect to the Transferred Systems; provided that, for the avoidance of doubt, individual Subscribers who subscribed for services prior to the Closing and took advantage of any such campaign or promotional offers may be entitled to continue to receive the benefits offered under such campaign or promotion in accordance with its terms after Closing. After Closing, Holdco will not be obligated to pay for any advertisements run or to be run after the Closing under promotional or marketing campaigns or programs initiated or maintained by TWE or its Affiliates with respect to the Transferred Systems, other than campaigns initiated with the consent of Comcast Subsidiary.

## Section 6.22 Environmental.

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(a) Except as described on Schedule 6.22(a), to the knowledge of TWE, (i) neither TWE nor any of its Affiliates has received any notice, demand, request for information, citation, summons or order relating to any material evaluation or investigation, and (ii) neither TWE nor any of its Affiliates is the subject of any pending or threatened material investigation, action, claim, suit, review, complaint, penalty or proceeding of any Governmental Authority or other Person, in each case with respect to the Transferred Assets, the Transferred Systems or Holdco which relate to or arise out of any Environmental Law.

(b) Except as described on Schedule 6.22(b), to the knowledge of TWE, no Hazardous Substance has been discharged, disposed of, dumped, injected, pumped, deposited, spilled, leaked, emitted, or released at, on or under any Transferred Asset or in connection with the operation of any Transferred System or of Holdco, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Except as described on Schedule 6.22(c), neither TWE nor any of its Affiliates has received any written notice of, or has any knowledge of circumstances relating to, and, to the knowledge of TWE, there are no past events, facts, conditions, circumstances, activities, practices or incidents (including but not limited to the presence, use, generation, manufacture, disposal, release or

threatened release of any Hazardous Substances) relating to any Transferred Asset or in connection with the operation of any Transferred System or of Holdco, which could materially interfere with or prevent material compliance with, or which have resulted in or are reasonably likely to give rise to any material liability of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, arising under or relating to any Environmental Law.

(d) Except as set forth on Schedule 6.22(d), to TWE's knowledge, no Transferred Asset nor any property to which Hazardous Substances located on or resulting from the use of any Transferred Asset (or from the operation of the Transferred System or Holdco), have been transported, is listed or proposed for listing on the National Priorities List promulgated pursuant to CERCLA, or CERCLIS (as defined in CERCLA) or on any similar federal, state, local or foreign list of sites requiring investigation or cleanup.

(e) Prior to the date hereof, TWE has provided or made available to Comcast Trust and Comcast Subsidiary copies of all material environmental assessments, or other material environmental studies, audits, tests, reviews or other analyses of or relating to the Transferred Assets and/or Transferred Systems.

(f) None of the tangible Transferred Assets (excluding the Cash Amount) are located in New Jersey or Connecticut.

Section 6.23 Taxes. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or as set forth on Schedule 6.23:

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(a) All material Applicable Tax Returns have been duly and timely filed (taking into account extensions) or, where not so timely filed, are covered under a valid extension that has been obtained therefor and the information set forth on such Tax Returns is true, correct and complete in all material respects.

(b) All Applicable Taxes shown as due on the Applicable Tax Returns referred to in clause (a) have been paid in full.

(c) All deficiencies asserted or assessments made with respect to the Transferred Business as a result of the examinations of any of the Applicable Tax Returns referred to in clause (a) (together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties) have been paid in full.

(d) No issues with respect to the Transferred Business that have been raised in writing by the relevant Governmental Authority in connection with the examination of any of the Applicable Tax Returns referred to in clause (a) are pending.

(e) Schedule 6.23(e) sets forth a list of all jurisdictions (whether foreign or domestic) in which Holdco or any of the Transferred Systems currently file Applicable Tax Returns. No written claim with respect to Applicable Taxes has been made by any Governmental Authority in a jurisdiction where the Transferred Business does not file Applicable Tax Returns that it is or may be subject to taxation by that jurisdiction.

(f) There are no liens for Applicable Taxes upon the assets or properties of the Transferred Business, except for liens for Applicable Taxes not yet due and payable or being contested in good faith by appropriate proceedings.

## **ARTICLE 7** **Covenants**

Section 7.1 Certain Affirmative Covenants of TWE. Except as otherwise expressly contemplated hereunder (including with respect to each of the Transactions) or as Comcast Subsidiary may otherwise consent in writing, which if requested shall not be unreasonably withheld or delayed, between the date hereof and the Closing Time, TWE, with respect to each of the Transferred Systems and the Transferred Assets, shall, and shall cause its Affiliates to:

(a) operate or cause to be operated each Transferred System only in the usual, regular and ordinary course and in accordance with applicable material Legal Requirements (including completing line extensions, placing conduit or cable in new developments, fulfilling installation requests and continuing work on existing construction projects);

(b) perform all of its obligations under all of the Transferred Systems Franchises, Transferred Systems Licenses and Transferred Systems Contracts

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without material breach or default and pay its Liabilities in the ordinary course of business;

(c) (i) maintain or cause to be maintained (A) the Transferred Assets in adequate condition and repair for their current use, ordinary wear and tear excepted, and (B) in full force and effect policies of insurance with respect to the Transferred Assets and the operation of the Transferred Systems in such amounts and with respect to such risks as are customarily maintained with respect to the TWE Retained Cable Systems and (ii) enforce in good faith the rights under insurance policies referred to in (i)(B);

(d) deliver to Comcast Trust and Comcast Subsidiary reasonably promptly true and complete copies of all monthly trial balances, financial statements and Subscriber and other service recipient (including Individual Subscribers, Digital Subscribers, Telephony Subscribers and High Speed Data Subscribers) counts with respect to each Transferred System, management and operating reports and any written reports or data with respect to the operation of any Transferred System prepared by or for TWE or its Affiliates at any time from the date hereof until Closing;

(e) maintain or cause to be maintained its books, records and accounts with respect to the Transferred Assets and the operation of each Transferred System in the usual, regular and ordinary manner on a basis consistent with past practices;

(f) [Intentionally Omitted]

(g) use commercially reasonable efforts to renew any Transferred System Licenses which expire prior to the Closing Date;

(h) use its commercially reasonable efforts to obtain in writing as promptly as practicable the TWE Required Consents and any other consent, authorization or approval necessary or commercially advisable in connection with the transactions contemplated hereunder (and shall deliver to Comcast Trust and Comcast Subsidiary copies of any such TWE Required Consents and such other consents, authorizations or approvals as it obtains), in each case in form and substance reasonably satisfactory to Comcast Subsidiary; provided, that (i) TWE shall have no obligation to make any payment (other than customary filing fees) to, or agree to any concession to, any Person to obtain any such consent, authorization or approval; and (ii) TWE shall afford Comcast Subsidiary the opportunity to review and approve the form of TWE Required Consent and such other consents prior to delivery to the party whose consent is sought and TWE shall not accept or agree or accede to any modifications or amendments to or in connection with, or any conditions to the transfer of, any of the Transferred Systems Franchises, Transferred Systems Licenses or Transferred Systems Contracts of the Transferred Systems that are not approved in writing by Comcast Subsidiary, which approval shall not be unreasonably withheld or delayed. TWE agrees, upon reasonable prior notice, to allow representatives of Comcast Subsidiary to attend meetings and hearings before applicable Governmental Authorities in connection with the transfer of

any Transferred Systems License or Transferred Systems Franchise. Notwithstanding the foregoing, TWE shall not have any further obligation to obtain TWE Required Consents:

(i) with respect to Contracts relating to pole attachments where the licensing Person shall not consent to an assignment of such license agreement but requires that Holdco enter into a new agreement with such Person on overall terms which are no less favorable to Holdco than the original license agreement was to TWE, in which case TWE shall cooperate with and assist Comcast Subsidiary and Holdco in obtaining such agreements; and

(ii) for any business radio license or any private operational fixed service (“POFS”) microwave license which TWE Required Consent could reasonably be expected to be obtained within 120 days after Closing and so long as a conditional temporary authorization (for a business radio license) or a special temporary authorization (for a POFS license) is obtained by Holdco under FCC rules with respect thereto;

(i) (i) use its commercially reasonable efforts to preserve the current business organization of each Transferred System intact, including preserving existing relationships with Governmental Authorities, suppliers, customers and others having business dealings with each Transferred System, unless Comcast Subsidiary requests otherwise, (ii) use commercially reasonable efforts to keep available the services of its employees providing services in connection with each Transferred System, (iii) continue normal marketing, advertising and promotional expenditures with respect to each Transferred System and (iv) prior to January 1, 2006, (A) make capital expenditures in accordance with the 2005 capital budget of each Transferred System set forth on Schedule 7.1(i)(A) (the “Capital Budget”), (B) make aggregate expenditures (other than Variable Expense Items) in accordance with the 2005 operating budget for each Transferred System set forth on Schedule 7.1(i)(B) (the “Operating Budget”, and together with the Capital Budget, the “Budgets”), (C) until January 1, 2006, with respect to Transferred Systems included in the Specified Division, make telephony capital and telephony operating expenditures with respect to the Transferred Systems on a non-discriminatory basis as compared to the Specified Division; provided, however, that, in each case, deviations (positive or negative) in any such expenditures by no more than 5% of the aggregate budgeted amount shall be deemed to be in accordance with the Budgets and (D) until January 1, 2006, make capital and operating expenditures with respect to the Jackson cable systems on a non-discriminatory basis as compared to the Monroe cable systems; provided, further, that, in any event, deviations (positive or negative) in any expenditures contemplated by the telephony budgets included in any Budget shall be deemed to be in accordance with such Budget so long as TWE shall have used commercially reasonable efforts to operate in accordance with such telephony budgets;

(j) except as otherwise provided in this Agreement, TWE will use commercially reasonable efforts to promptly notify Comcast Trust and Comcast Subsidiary of any circumstance, event or action by TWE or any of its Subsidiaries or otherwise, that becomes known to TWE, (i) which, if known at the date of this Agreement, would have been required to be disclosed in or pursuant to this Agreement or

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(ii) the existence, occurrence or taking of which would result in any of its representations and warranties in this Agreement or in any Transaction Document to which it or any Transferring Person is a party not being true and correct in all material respects (or if qualified by materiality or Material Adverse Effect, in all respects) when made or at Closing (unless and to the extent that any such representation or warranty speaks specifically as of an earlier date, in which case, at such earlier date); provided, that any notification provided by TWE solely pursuant to this subsection shall not be deemed to update the Schedules to this Agreement under Section 7.11 hereof unless TWE expressly specifies that such notification is intended as an update pursuant to Section 7.11;

(k) give or cause to be given to Comcast Subsidiary, and its counsel, accountants and other representatives, (i) as soon as reasonably possible, but in any event prior to the date of submission to the appropriate Governmental Authority, copies of all FCC Forms 1200, 1205, 1210, 1215, 1220 and 1240, and simultaneous with, or as soon as reasonably possible after submission to the appropriate Government Authority, any other FCC Forms required under the regulations of the FCC promulgated under the Cable Act that are prepared with respect to any of the Transferred Systems and (ii) as soon as reasonably possible after filing, copies of all copyright returns filed in connection with any Transferred System; provided, that in the case of clause (i), before any such FCC Forms 1200, 1205, 1210, 1215, 1220 or 1240 are filed, TWE and Comcast Subsidiary shall consult in good faith concerning the contents of such forms;

(l) use commercially reasonable efforts to implement all rate changes provided for in the Operating Budget and, with respect to periods after January 1, 2006, rate changes in the ordinary course of business; and

(m) maintain inventory sufficient for the operation of the Transferred Systems in the ordinary course of business for a period of time consistent with the period of time such inventory is maintained for the TWE Retained Cable Systems.

Section 7.2 Certain Negative Covenants of TWE. Except as otherwise expressly contemplated hereunder (including with respect to the Holdco Transaction) or as Comcast Subsidiary may otherwise consent in writing, which if requested shall not be unreasonably withheld or delayed, between the date hereof and the Closing, TWE shall not, and shall cause its Affiliates not to, with respect to any of the Transferred Systems or the Transferred Assets (and, in the case of Section 7.2(d) (and, to the extent relating thereto, Section 7.2(r), the transactions contemplated hereby):

(a) modify, terminate, renew, suspend or abrogate any material Transferred Systems Contract other than in the ordinary course of business;

(b) modify in any material respect, terminate, renew, suspend or abrogate any Transferred Systems Franchise or material Transferred Systems License;

(c) except as set forth on Schedule 7.2(c), and except for Contracts in respect of SMATV Acquisitions (other than any SMATV Acquisition in

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which the SMATV Purchase Price Per Subscriber exceeds \$3,500) and renewals and extensions of leases, in each case entered into in the ordinary course of business, enter into any Contract or commitment of any kind relating to the Transferred Systems which would be binding on Holdco after Closing and which (i) would involve an aggregate expenditure or receipt in excess of \$500,000 after Closing; (ii) would have a term in excess of one year after Closing unless terminable without payment or penalty upon 30 days' (or fewer) notice (other than with respect to bulk service, commercial service or multiple dwelling unit access Contracts); (iii) is not being entered into in the usual regular and ordinary course and in accordance with past practices; (iv) would limit the freedom of Holdco, Comcast or any Affiliate of Comcast to compete in any line of business or with any Person or in any area; (v) relates to the use of the Transferred Assets by third parties to provide, telephone or high speed data services; (vi) is not on arm's-length terms; or (vii) is with TWE or an Affiliate of TWE and is not terminated prior to the Closing without penalty and without liability on the part of Holdco or its Affiliates from and after Closing;

(d) enter into any transaction or take any action that would result in any of its representations and warranties in this Agreement or in any Transaction Document to which it or any of its Affiliates is a party not being true and correct in all material respects (or if

qualified by materiality or Material Adverse Effect, in all respects) when made or at Closing (unless and to the extent that any such representation or warranty speaks specifically as of an earlier date, in which case, at such earlier date);

(e) engage in any marketing, subscriber installation or collection practices other than in the ordinary course of business;

(f) except for rate increases provided for in the Operating Budget or with respect to periods after January 1, 2006, rate changes in the ordinary course of business, change the rate charged for any level of cable television service;

(g) except as required by applicable Legal Requirements and except as set forth on Schedule 7.2(g), add any channels to any Transferred System, or change the channel lineup in any Transferred System or commit to do so in the future (provided that deletions of channels shall not be considered a change in channel lineup);

(h) except for “staying” or “sticking” bonuses to induce such employees to remain with the Transferred Systems and which shall be paid for by TWE on or prior to Closing, grant or agree to grant to any employee of the Transferred Systems any increase in (i) wages or bonuses except in the ordinary course of business and consistent with past practices or (ii) any severance, profit sharing, retirement, deferred compensation, insurance or other compensation or benefits, except in the ordinary course of business and consistent with past practices; provided, however, that the foregoing shall not apply to any Retained Employees;

(i) engage in any hiring practices that are materially inconsistent with past practices;

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(j) transfer the employment duties of any employee of a Transferred System from such Transferred System to a different business unit or Subsidiary of TWE or any of its Affiliates; provided, however, that the foregoing shall not apply to any Retained Employees;

(k) sell, assign, transfer or otherwise dispose of any Transferred Assets except in the ordinary course of business and except for (i) the disposition of obsolete or worn-out equipment, (ii) dispositions with respect to which such Transferred Assets are replaced with assets of at least equal value, (iii) the Holdco Transaction, or (iv) transfers solely among TWE and its Affiliates (whereupon any such transferee would become a “Transferring Person” hereunder); provided, for the avoidance of doubt, that the foregoing clause shall not permit the disposition of any Transferred System other than pursuant to the Transactions;

(l) mortgage, pledge or subject to any material Lien that would survive the Closing, any of the Transferred Assets or the Transferred Systems other than Permitted Liens;

(m) enter into any Transferred System specific programming agreement (other than Local Retransmission Consent Agreements) relating to the Transferred Assets or the Transferred Systems that is not terminated prior to the Closing without penalty and without liability on the part of Holdco or its Affiliates from and after Closing;

(n) make any cost-of-service or hardship election under the Rules and Regulations adopted under the Cable Act;

(o) make any material change to any method of accounting except for any such change required by reason of a concurrent (including any transition period) change in GAAP or applicable law or any change respecting the TWE Retained Cable Systems made in accordance with GAAP; provided, that no such change shall affect the calculation of the Closing Net Liabilities Amount;

(p) make or change in any material respect any Tax election, change any annual Tax accounting period or adopt or change any method of Tax accounting, file any amended Tax Returns enter into any closing agreement, settle any Tax claim or assessment, surrender any right to claim a Tax Refund, offset or any other reduction in Tax liability or consent to any extension or waiver of the limitations period applicable to any Tax claim or assessment, in each case, in a manner that is inconsistent with the Tax treatment applicable to the TWE Retained Cable Systems; provided that (i) in no event shall TWE or any of its Affiliates take any action that would cause TWE to be treated as an entity other than a partnership for U.S. federal Income Tax purposes and (ii) in no event shall TWE or any of its Affiliates take any action that would cause Holdco to be treated as an entity that is separate and apart from TWE for U.S. federal Income Tax purposes.

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(q) convert any billing systems used by the Transferred Systems (other than the conversion described on Schedule 7.2(q)); or

(r) announce an intention, commit or agree to do any of the foregoing.

### Section 7.3 Certain Additional Covenants Regarding Required Consents; HSR Act Filing.

(a) By no later than 45 days after the date hereof, Comcast Trust, Comcast Subsidiary and TWE shall provide each other with all necessary documentation to allow filing of FCC Forms 394 with respect to the Transferred Systems Franchises. Comcast Trust, Comcast Subsidiary and TWE shall use commercially reasonable efforts to cooperate with one another and file with the applicable Governmental Authority FCC Forms 394 for each of the Transferred System Franchises which requires the consent of such Governmental Authority in connection with the transactions contemplated by this Agreement, no later than 60 days after the date hereof.

(b) Subject to Section 7.1(h), from and after the date hereof, the parties shall use their commercially reasonable efforts to cooperate with each other in obtaining the TWE Required Consents and any other consent, Authorization or approval, including with the relevant franchising authorities in respect of the Transferred Systems Franchises, necessary or commercially advisable with respect to the transactions contemplated hereunder including, to the extent commercially reasonable, the attendance of representatives of Comcast Trust and Comcast Subsidiary at meetings and hearings before applicable Governmental Authorities in connection with the transfer of any Transferred Systems License or Transferred Systems Franchise and by providing appropriate financial statements, insurance certificates and surety bonds required to obtain such TWE Required Consents.

(c) The parties shall as soon as practicable after the date hereof, but in any event no later than 20 Business Days after the date hereof, complete and file, or cause to be completed and filed, any notification and report required to be filed under the HSR Act with respect to the transactions contemplated by this Agreement and each such filing shall request early termination of the waiting period imposed by the HSR Act. The parties shall use commercially reasonable efforts to respond as promptly as reasonably practicable to any inquiries or requests received from a Governmental Authority for additional information or documentation in connection with antitrust matters. The parties shall use commercially reasonable efforts to overcome any objections which may be raised by any Governmental Authority having jurisdiction over antitrust matters. Each party shall cooperate to prevent inconsistencies between their respective filings and between their respective responses to all such inquiries and requests, and shall furnish to each other such necessary information and reasonable assistance as the other may request in connection with its preparation of necessary filings or submissions under the HSR Act. Notwithstanding the foregoing or anything else in the Agreement to the contrary, neither party shall be required to enter into any consent decree with any Governmental Authority relating to antitrust matters or to sell or hold

separate any assets or make any change in operations or activities of the business (or any material assets employed therein) of such party or its Affiliates, if a party determines in good faith that such change would be adverse to the operations or activities of the business (or any material assets employed therein) of such party or any of its Affiliates having significant assets, net worth or revenue. The cost of any filing fees in connection with any required filing pursuant to the HSR Act shall be borne equally by Comcast Subsidiary and TWE.

(d) The parties understand and agree that as part of the FCC Trust Requirements the declaration of trust of Comcast Trust may be required to be amended in order to permit the TWE Redemption or the Comcast Subsidiary Transfer, and any such amendment would require approval of the FCC. If such amendment is required, Comcast Trust and Comcast Subsidiary agree to use commercially reasonable efforts to obtain such approval prior to Closing, and if such approval is obtained, Comcast Trust and Comcast Subsidiary will amend the declaration of trust of Comcast Trust to permit the consummation of the transactions contemplated by this Agreement.

### Section 7.4 Confidentiality and Publicity.

(a) Unless and until Closing occurs, any non-public information that any party may obtain from the other in connection with this Agreement shall be confidential, and following Closing, each party shall keep confidential any non-public information that such party may receive from another party in connection with this Agreement unrelated to the Transferred Systems or Transferred Assets and TWE and its Affiliates shall keep confidential any non-public information in their possession related to the Transferred Systems and Transferred Assets (any such information that a party is required to keep confidential pursuant to this sentence shall be referred to as "Confidential Information"). No party shall disclose any Confidential Information to any other Person (other than its Affiliates and its and its Affiliates' directors, officers and employees, and representatives of its advisers and lenders, in each case, whose knowledge thereof is necessary in order to facilitate the consummation of the transactions contemplated hereby, in which case such party shall be responsible for any breach by any such Person) or use such information to the detriment of the other; provided, that (i) such party may use and disclose any such information once it has been publicly disclosed (other than by such party in breach of its obligations under this Section) or which, to its knowledge, rightfully has come into the possession of such party (other than from the other party), and (ii) to the extent that such party may, in the reasonable judgment of its counsel, be compelled by Legal Requirements to disclose any of such information, such party may disclose such information if it has used commercially reasonable efforts, and has afforded the other the opportunity, to obtain an appropriate protective order, or other satisfactory assurance of confidential treatment, for the information compelled to be disclosed and (iii) such party may use and disclose such information to the extent reasonably necessary to permit such party to file Tax Returns, defend any dispute relating to Taxes, claim any Refund or otherwise provide information to a Governmental Authority in connection with any other Tax

its Affiliates having securities listed on a national securities exchange or quotation system. In the event of termination of this Agreement, (A) the obligation set forth in this Section shall continue for a period of two years after such termination, and (B) each party shall use commercially reasonable efforts to cause to be delivered to the other, and to retain no copies of, any documents, work papers or other materials obtained by such party or on its behalf from the other, whether so obtained before or after the execution of this Agreement. For the avoidance of doubt, Comcast Trust may disclose any Confidential Information to Comcast Subsidiary and its Affiliates and their respective representatives.

(b) Each of the parties hereto shall consult with and cooperate with the others with respect to the content and timing of all press releases and other public announcements, and any oral or written statements to Transferred System Employees concerning this Agreement and the transactions contemplated hereby. Except as required by applicable Legal Requirements or by any national securities exchange or quotation system, no party hereto shall make any such release, announcement or statement without the prior written consent and approval of the other, which shall not be unreasonably withheld. The party receiving a request for a consent shall respond promptly to any such request for consent and approval.

**Section 7.5 Retransmission Consent Agreements.** On or prior to the date which is 45 days prior to the anticipated date of Closing, TWE shall deliver to Comcast Trust and Comcast Subsidiary a list of all Local Retransmission Consent Agreements then in effect with respect to the Transferred Systems. By written notice delivered to TWE at least 30 days prior to Closing, Comcast Subsidiary may, in its sole discretion, elect to have Holdco assume one or more of the Local Retransmission Consent Agreements, in which case TWE shall use commercially reasonable efforts to obtain any required Authorizations for such assumption. The foregoing shall be subject to Section 2.1(d) to the extent any related Authorization is not obtained. Any Local Retransmission Consent Agreements which Comcast Subsidiary elects to have Holdco assume pursuant to this Section 7.5 shall be included in the Transferred Assets. To the extent the provisions of this Section 7.5 conflict with any other provision of this Agreement, the provisions of this Section 7.5 shall control.

**Section 7.6 Title Insurance Commitments.** TWE shall use commercially reasonable efforts to provide to Comcast Subsidiary, within 90 days from the date TWE receives the Title Commitment Notice, or, in the case of any Survey, such longer period of time as is necessary to obtain such Survey with the exercise of reasonable diligence, (a) commitments to issue to Holdco title insurance policies (“Title Commitments”) in amounts reasonably satisfactory to Comcast Subsidiary issued by a nationally recognized title insurance company (a “Title Company”) and containing, to the extent available, legible photocopies of all recorded items described as exceptions therein, committing to insure, subject only to Permitted Liens, fee or a valid leasehold title, as applicable, in Holdco to each parcel of Owned Property or Leased Property so designated by notice (a “Title Commitment Notice”) within 30 days from the date of this Agreement by ALTA extended coverage owner’s or leasehold policies of title insurance, or, if ALTA policies are not obtainable in any state, policies in another form reasonably

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satisfactory to Comcast Subsidiary, and (b) surveys of each parcel of Owned Property or Leased Property so designated in the Title Commitment Notice (“Surveys”), in such form as is reasonably necessary to obtain the title insurance to be issued pursuant to the related Title Commitments with the standard printed exceptions relating to survey matters deleted, certified to Holdco, Comcast Subsidiary and to the Title Company with respect to that Owned Property or Leased Property, provided that TWE’s inability to provide Title Commitments satisfying the foregoing requirements shall not constitute a breach of the foregoing covenant if the Liens, or other matters relating to title, giving rise to such inability would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. In no event shall TWE be obligated to procure a Title Commitment for any Leased Property with respect to which the Lease or a memorandum thereof has not been recorded in the land records of the county in which the Leased Property is located. The cost to obtain such Title Commitments and Surveys and other documents required by the Title Company to issue such policies and Surveys, as well as the cost of title policy premiums, shall be borne by Comcast Subsidiary, except for attorney’s fees and other incidental costs incurred by Time Warner Cable in connection with providing such Title Commitments and Surveys and otherwise complying with this Section 7.6. If Comcast Subsidiary notifies TWE within 30 days following delivery to Comcast Subsidiary of both the Title Commitments and the Surveys of any Lien (other than a Permitted Lien or a Lien set forth in Schedule 6.4(a)) which prevents access to or which could prevent or impede in any material way the use or operation of any parcel of Owned Property or Leased Property for which a Title Commitment is required pursuant to this Section 7.6 for the purposes for which it is currently used or operated by TWE (each a “Title Defect”), TWE shall exercise commercially reasonable efforts, including paying attorney’s fees and other incidental costs associated with any such efforts, to (i) remove such

Title Defect, or (ii) cause the Title Company to commit to insure over each such Title Defect prior to Closing at customary premium rates without additional premium or charge. If such Title Defect cannot be removed prior to Closing or the Title Company does not commit to insure over such Title Defect prior to Closing, Comcast Subsidiary and TWE shall enter into a written agreement containing TWE's commitment to use commercially reasonable efforts for 180 days following Closing to remedy the Title Defect following Closing on terms satisfactory to Comcast Subsidiary, in its reasonable discretion. Notwithstanding anything to the contrary contained in this Agreement, in no event shall TWE or its Affiliates be required to remove any Liens encumbering the Owned Property and Leased Property except as expressly set forth in this Section 7.6 or to expend any moneys (other than attorneys' fees and other incidental costs as hereinabove set forth) or to incur any obligation in order to remove or cause the insuring over of any Liens (other than pursuant to customary short-form affidavits of title which do not in any event require TWE or its Affiliates to make representations or incur obligations more onerous than those made or set forth elsewhere in this Agreement and customary gap indemnities covering TWE's or its Affiliates' acts for the period between Closing and the recording of the applicable deed or assignment of lease with respect to such Owned Property or Leased Property), and in no event shall TWE or its Affiliates be obligated to commence any Litigation to cause any Title Defects to be removed or insured over, and, without limiting the other provisions of this Section 7.6, in no event

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shall TWE or its Affiliates be required to give a non-imputation affidavit to the title insurance company.

Section 7.7 [Intentionally Omitted].

Section 7.8 Post-Closing Obtaining of Consents. Subsequent to Closing, and subject to Section 2.1(d), TWE shall and shall cause its Affiliates to continue to use commercially reasonable efforts to obtain in writing as promptly as possible any Authorization necessary or commercially advisable in connection with the transactions contemplated hereunder which was not obtained on or before Closing (a "Post-Closing Consent") in form and substance reasonably satisfactory to Comcast Subsidiary. A true and complete copy of any such Post-Closing Consent shall be delivered to each of Comcast Subsidiary and Holdco promptly after it has been obtained.

Section 7.9 Transitional Services. TWE shall provide to Holdco, upon written request from Comcast Subsidiary received by TWE no later than 30 days prior to the anticipated date of Closing, such subscriber billing, high speed data, telephony and other services as may be reasonably requested by Comcast Subsidiary in connection with the operation of the Transferred Systems for a commercially reasonable period following Closing to be mutually agreed upon in good faith by TWE and Comcast Subsidiary to allow for transition of existing services or establishment of replacement services ("Transitional Services"). Holdco shall promptly reimburse TWE for the actual out-of-pocket cost to TWE and its Affiliates of providing any Transitional Services. All other terms and conditions for the provision of Transitional Services shall be reasonably satisfactory to both Comcast Subsidiary and TWE and subject to applicable Legal Requirements.

Section 7.10 Cooperation Upon Inquiries as to Rates. Comcast Subsidiary and TWE agree as follows:

(a) For a period of 12 months after Closing, TWE shall cooperate with and assist Holdco by providing, upon request, all information in TWE's or its Affiliates' possession (and not previously provided to Comcast Subsidiary or Holdco) relating directly to the rates set forth in Schedule 6.8 or the then current rates with respect to any Transferred System, if different from the rates set forth on such Schedule, or the rates on any FCC Form 393, 1200, 1205, 1210, 1220, 1235, or 1240 that Holdco may reasonably require to justify such rates in response to any inquiry, order or requirement of any Governmental Authority or any Rate Regulatory Matter instituted before or after the date of this Agreement.

(b) If at any time prior to Closing, any Governmental Authority commences a Rate Regulatory Matter with respect to a Transferred System, TWE shall (i) promptly notify Comcast Subsidiary, and (ii) keep Comcast Subsidiary informed as to the progress of any such proceeding. Without the prior written consent of Comcast Subsidiary, which consent shall not be unreasonably withheld or delayed, TWE shall not settle any such Rate Regulatory Matter, either before or after Closing, if (A) Holdco or any of its Affiliates would have any obligation under such settlement, or (B) such

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settlement would reduce the rates permitted to be charged by Holdco or any of its Affiliates after Closing below the rates set forth on Schedule 6.8 or otherwise then in effect. Notwithstanding anything to the contrary herein, after Closing, Holdco shall have the right, at its own expense, to assume control of the defense of any pending Rate Regulatory Matter, to the extent, and only to the extent, that it relates to a Transferred System. If Holdco elects to assume control of the defense of any such Rate Regulatory Matter, TWE shall have the right to participate, at its expense, in the defense of such matter. Notwithstanding the provisions set forth in

Article 12 of this Agreement, Holdco may settle any such Rate Regulatory Matter only upon TWE's prior written consent, which consent shall not be unreasonably withheld or delayed, if TWE would have any obligation with respect to such settlement in accordance with Article 12 hereof or otherwise.

(c) If at any time after Closing, any Governmental Authority commences a Rate Regulatory Matter with respect to a Transferred System involving any time period prior to Closing, Comcast Subsidiary shall cause Holdco to (i) promptly notify TWE, and (ii) keep TWE informed as to the progress of any such proceeding. TWE shall have the right to participate, at its expense, in the defense of such matter. Notwithstanding the provisions set forth in Article 12 of this Agreement, Holdco may settle any such Rate Regulatory Matter only upon TWE's prior written consent, which consent shall not be unreasonably withheld or delayed, if TWE would have any obligation with respect to such settlement in accordance with Article 12 hereof or otherwise.

(d) For purposes hereof, "Rate Regulatory Matter" means any proceeding or investigation with respect to a Transferred System arising out of or related to the Cable Act (other than those affecting the cable television industry generally) dealing with, limiting or affecting the rates which can be charged by such Transferred System for programming, equipment, installation, service or otherwise.

(e) If TWE or any of its Affiliates is required following Closing pursuant to any Rate Regulatory Matter or any other Legal Requirement, settlement or otherwise to reimburse any Subscribers for any Subscriber payments previously made by it, including fees for cable television service, late fees and similar payments, Comcast Subsidiary shall cause Holdco, at TWE's request, to make such reimbursement through Holdco's billing system on terms specified by Comcast Subsidiary. In such event, TWE shall promptly pay to Holdco all such payments made by Holdco through its billing system. Without limiting the foregoing, Comcast Subsidiary shall cause Holdco to provide to TWE all information in its possession that is reasonably required by TWE in connection with such reimbursement.

#### Section 7.11 Updated Schedules.

(a) On one or more occasions, TWE may, at least five Business Days prior to Closing: (i) supplement Schedule 6.5(a) to reflect leases, franchises, licenses, authorizations, consents, permits, Contracts or commitments which were entered into or obtained between the date hereof and the Closing Date not in violation of the

terms of this Agreement and are required to be disclosed in Schedule 6.5(a) in order for the representation and warranty contained in Section 6.5(a) to be true, complete and correct or (ii) supplement any other Schedule to this Agreement (other than the Schedules to any of Section 6.1, 6.2, 6.15 or 6.18), with additional information to the extent that it reflects events, acts or omissions that first occurred between the date hereof and the Closing Date and that are not prohibited by this Agreement to be taken, and that would have been required to be included in one or more Schedules to this Agreement in order for the representations and warranties of TWE contained in this Agreement to be true, complete and correct as of the Closing. Any such supplement to a Schedule pursuant to clause (i) above shall specifically identify each license, Contract or other item being added to Schedule 6.5(a) and any supplement pursuant to clause (ii) above shall be made with reasonable specificity and shall identify, to TWE's knowledge, the potential Liability associated with the relevant action, condition or event. For purposes of determining whether there is any liability on the part of TWE following Closing for breaches of its representations and warranties under this Agreement, the Schedules to this Agreement shall be deemed to include only (a) the information contained therein on the date hereof and (b) information added to such Schedules by written supplements to this Agreement delivered in accordance with the first sentence of this Section 7.11; provided, that for purposes of determining the satisfaction of the condition set forth in Section 9.1(b), any update to the Schedules pursuant to clause (b) of this sentence shall be disregarded.

(b) In addition, if after the date that is the fifth Business Day prior to Closing, but before the Closing, TWE first becomes aware of any event, act, occurrence or omission which, if known on the fifth day prior to Closing would have been permitted to be included in a supplement pursuant to clause (ii) of the foregoing paragraph, then TWE may make such supplement as provided above (in which case such supplement shall be deemed to have been made pursuant to clause (ii) of the foregoing paragraph); provided that TWE may only utilize the rights in this paragraph on one occasion and, if Comcast Subsidiary elects, upon receipt of any such supplement pursuant to this paragraph, the date of Closing may be delayed until the end of the next succeeding month.

#### Section 7.12 Commercially Reasonable Efforts; Further Assurances.

(a) Subject to the terms and conditions of this Agreement, the parties hereto shall use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable to consummate the transactions contemplated by this Agreement as promptly as practicable. Each of the parties hereto agrees to, and, in the case of TWE and Comcast Subsidiary, to cause its Affiliates to, execute and deliver such other documents, certificates, agreements and other writings (including completed transfer tax returns, showing in each case a purchase price or consideration reasonably acceptable to Comcast Subsidiary and TWE) and to take such other commercially reasonable actions as may be necessary or desirable in order to evidence, consummate or implement expeditiously the transactions contemplated by this Agreement and to vest in Holdco the same title to the Transferred Assets that TWE

(together with its Affiliates) had with respect thereto immediately prior to the Transactions.

**Section 7.13 Post-Closing Access to Personnel Records.** After the Closing Date, TWE shall, and shall cause its Affiliates to, provide Comcast Subsidiary and Holdco with access to, and the right to make copies or extracts of, pertinent information from the personnel files and records of TWE and its Affiliates relating to Transferred System Employees in connection with litigation, administrative proceedings, payment of Applicable Taxes or any other valid business reason from time to time during normal business hours upon reasonable notice from Comcast Subsidiary or Holdco (i) with respect to matters other than matters relating to Applicable Taxes, for a period not to exceed one year from the Closing Date or (ii) with respect to matters relating to Applicable Taxes, until the expiration of the statute of limitations applicable to such Taxes, in each case except to the extent that TWE is required by law to keep such files and records confidential.

#### **Section 7.14 [Intentionally Omitted]**

**Section 7.15 Environmental Reports.** Following the date hereof, Comcast Subsidiary may upon reasonable advance written notice and during normal business hours, at Comcast Subsidiary's expense, perform any environmental site assessments of the Owned Property or Leased Property (subject to the final sentence of this Section 7.15) as Comcast Subsidiary determines, in its sole discretion, to have performed; provided that prior to taking any samples of soil or groundwater for testing, Comcast Subsidiary shall have a reasonable basis for determining that such sampling is appropriate. TWE shall cooperate with all reasonable requests of Comcast Subsidiary and its consultants with respect to the conduct of such assessments or sampling. Any assessment performed pursuant to this Section 7.15 shall to the fullest extent practicable be designed so as not to disrupt the business and operations of the Transferred Systems. Any right to perform an assessment pursuant to this Section 7.15 at a Leased Property shall be subject to TWE not being prohibited from performing such assessment pursuant to the lease for such Leased Property.

**Section 7.16 Certain Notices.** Prior to the Closing, TWE, with respect to the Transferred Systems, shall cause to be timely filed a request for renewal under Section 626 of the Cable Act with the proper Governmental Authority with respect to Transferred System Franchises that shall expire within 36 months after any date between the date of this Agreement and Closing Date.

**Section 7.17 Franchise Expirations.** From the date hereof until Closing, TWE shall, and shall cause its Affiliates to, use commercially reasonable efforts to obtain renewals or valid extensions of any Transferred Systems Franchises which expire on or before June 30, 2008, in the ordinary course of business. Neither TWE nor any of its Affiliates shall agree or accede to any material modifications or amendments to or in connection with, or the imposition of any material condition to the renewal or extension of, any of the Transferred System Franchises that are not reasonably acceptable to Comcast Subsidiary. TWE agrees, from the date hereof until Closing, upon reasonable

prior written notice, to allow representatives of Comcast Subsidiary to attend meetings and hearings before applicable Governmental Authorities in connection with the renewal or extension of any Transferred Systems License or Transferred Systems Franchise.

**Section 7.18 Insurance.** TWE will use commercially reasonable efforts to take such actions as are necessary to cause insurance policies of TWE and its Affiliates that immediately prior to Closing provide coverage to or with respect to the Transferred Business, the Transferred Assets or the Transferred Systems to continue to provide such coverage with respect to acts, omissions, and events occurring prior to the Closing in accordance with their terms as if the Closing had not occurred; provided that to the extent TWE takes any action with respect to its umbrella insurance policies that similarly effects all of the TWE Retained Cable Systems but results in such insurance coverage no longer being available (other than a change denying coverage based upon a Person ceasing to be an Affiliate of TWE), TWE shall not be deemed to have breached this Section 7.18 and shall have no liability with respect thereto. TWE will give Comcast Subsidiary written notice of the taking of any such action if done during the first 12 months after the Closing prior to or as soon as practicable thereafter. TWE shall, and shall cause its Affiliates to, cooperate with and assist Holdco, if Holdco determines to make any claim under any such policy with respect to any pre-Closing act, omission or event. Holdco shall use commercially reasonable efforts to promptly notify TWE when it becomes aware of any such claim; provided, that the failure of Holdco to provide such notice shall not relieve TWE of its obligations under this Section 7.18, except to the extent that TWE's rights under the applicable insurance policy are prejudiced by such failure to give notice.

**Section 7.19 Promotional Campaigns.** Between the date hereof and the Closing, TWE and its Affiliates shall not initiate any Subscriber campaigns or promotions on a local or regional level with respect to the Transferred Systems, other than (i) any such campaigns or promotions that are on the same terms and conditions (or on terms and conditions that are no less favorable to the

Transferred Systems) as subscriber campaigns or promotions undertaken with respect to the relevant the Transferred Systems during the year ended December 31, 2004 in the relevant market, (ii) any such campaigns or promotions that are not materially less favorable to the Transferred Systems than campaigns and promotions being conducted with respect to TWE Retained Cable Systems on an overall basis, (iii) any such campaigns or promotions that are not materially less favorable to the Transferred Systems than campaigns and promotions being conducted by Comcast and its Affiliates in the same DMA, and (iv) any such campaigns or promotions that are either (x) with respect to campaigns and promotions conducted in an overbuild area, not materially less favorable to the Transferred Systems than the campaigns and promotions being conducted by the applicable overbuilder or RBOC or (y) not materially less favorable to the Transferred Systems than being conducted by any direct broadcast satellite providers in the same DMA (but only in the relevant market of the relevant campaign or promotion).

**Section 7.20 Launch Support.** At the Closing, TWE shall deliver to Comcast Subsidiary a schedule of the services subject to Specified Launch Support

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Liabilities and, with respect to each such service, the remaining time period (which shall in no event be later than the fifth anniversary of the date hereof) in which an action in respect of any Transferred System could result in an obligation to make a payment in respect of a Specified Launch Support Liability.

**Section 7.21 Additional Financial Information.** TWE shall use its commercially reasonable efforts, and shall cause its Affiliates to use its commercially reasonable efforts to, provide Comcast Subsidiary and its Affiliates with financial statements and related information (collectively, “Financial Information”) sufficient to permit any of them to fulfill their obligations to include financial disclosure relating to the Transferred Systems on a timely basis under the Exchange Act and, if any of them undertakes an offering of securities prior to Closing, the Securities Act. If some or all of the Financial Information is included in or incorporated by reference into a prospectus for an offering of securities by Comcast Subsidiary or any of its Affiliates prior to Closing, TWE shall use commercially reasonable efforts to cause the independent auditors of TWE to provide customary assistance to Comcast Subsidiary and its Affiliates and its underwriters in connection with such financing, including the provision of consent and comfort letters addressed to the Securities and Exchange Commission, comfort letters addressed to the underwriters, participation in due diligence matters with respect to such offering and assistance in responding to comments or questions from the Securities and Exchange Commission with respect to the Financial Information. Comcast Subsidiary shall reimburse TWE for reasonable costs and expenses incurred by TWE or its Affiliates pursuant to this Section 7.21, including reasonable out-of-pocket costs and expenses.

**Section 7.22 Pre-Closing Access.** From the date hereof until the Closing, subject to applicable law, TWE shall, and shall cause its Affiliates to, (i) afford Comcast Subsidiary, Comcast Trust and their respective authorized representatives reasonable access, during regular business hours, upon reasonable advance notice, to the Transferred Systems (including the Transferred Assets and employees), (ii) furnish, or cause to be furnished, to Comcast Subsidiary or Comcast Trust any financial and operating data and other information with respect to such Transferred Systems as Comcast Subsidiary or Comcast Trust from time to time reasonably requests, and (iii) instruct its employees, and its counsel and financial advisors to cooperate with Comcast Subsidiary and Comcast Trust in their reasonable investigation of the Transferred Systems; provided that, in each case, any such access shall be designed so as to not unreasonably disrupt the business and operations of TWE or its Affiliates; provided further that in no event shall Comcast Subsidiary or Comcast Trust have access to (A) any information that would reasonably be expected to create Liability under applicable laws, including U.S. antitrust laws, or waive any material legal privilege (provided that, in such latter event, TWE and Comcast Subsidiary or Comcast Trust, as the case may be, shall use commercially reasonable efforts to cooperate to permit disclosure of such information in a manner consistent with the preservation of such legal privilege), (B) documents containing competitively sensitive information, trade secrets or other sensitive information (to the extent necessary to protect the legitimate legal, business and/or confidentiality concerns of TWE and its Affiliates, but taking into account Comcast Subsidiary’s and Comcast Trust’s need for such information in connection with the

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transactions contemplated hereby), (C) any information to the extent such disclosure would reasonably be expected to violate any obligation of TWE or its Affiliates with respect to confidentiality so long as, with respect to confidentiality, to the extent specifically requested by Comcast Subsidiary or Comcast Trust, TWE has made commercially reasonable efforts to obtain a waiver regarding the possible disclosure from the third party to whom an obligation of confidentiality is owed or (D) any programming records; it being understood that Comcast Subsidiary and Comcast Trust shall conduct any environmental sampling solely in the manner contemplated by Section 7.15. All requests made pursuant to this Section 7.22 shall be directed to an executive officer of TWE or such Person or Persons as may be designated by TWE. All information received pursuant to this Section 7.22 shall, prior

to the Closing, be governed by Section 7.4(a) and, to the extent applicable, the terms of the Confidentiality Agreements. No information or knowledge obtained in any investigation by Comcast Subsidiary, Comcast Trust or their respective Affiliates pursuant to this Section 7.22 shall affect or be deemed to modify any representation or warranty made by TWE or its Affiliates hereunder or under any Transaction Document.

**Section 7.23 Adelphia Agreements.** Neither Comcast Parent nor Time Warner Cable shall, or shall permit any of their respective Affiliates to, terminate the Adelphia Agreement to which it or its Affiliate is party by mutual agreement with Adelphia without the other party's consent. Neither Time Warner Cable nor Comcast Parent shall, or shall permit any of their respective Affiliates to, without the consent of the other party, amend or grant any waiver under any Adelphia Agreement or any Ancillary Agreement (as defined in each Adelphia Agreement) to which such party or its Affiliate is a party (and, in the case of the TWC Adelphia Agreement, including the terms and conditions of the Interim Steps), in each case in a manner that (i) would reasonably be expected to delay the satisfaction of the conditions in Sections 9.1(a) or 9.2(a) or alter the rights or obligations of the parties hereunder or (ii) in the case of the TWC Adelphia Agreement, would alter the terms and conditions applicable to the Interim Steps in a manner that could reasonably be expected to be adverse to Comcast Trust, Comcast Subsidiary or their respective Affiliates.

**Section 7.24 Ordinary Course from Closing to Closing Time.** During the time between the Closing and the Closing Time, Comcast Subsidiary and its Affiliates shall operate or cause to be operated the Transferred Systems and Transferred Assets in the usual, regular and ordinary course and shall not take any action for the purpose of changing the calculation of the Closing Adjustment Amount.

**Section 7.25 TWE Partnership Agreement.** From and after the Closing, Comcast Trust and its Affiliates shall not be entitled to any distribution under, or in respect of, the TWE Partnership Agreement; provided, however, that Comcast Trust shall be entitled to distributions pursuant to Section 5.3 of the TWE Partnership Agreement (subject to its obligation under Section 5.3 to make contributions to TWE of any excess distributions pursuant to such Section) determined by reference to the Fiscal Years (as defined in the TWE Partnership Agreement) or portions thereof ending on the Closing.

## **ARTICLE 8** **Tax Matters**

**Section 8.1 Allocation of Profits and Losses.** All items of TWE's income, gain, loss deduction and other tax items with respect to the portion of the partnership taxable year ending on the Closing Date shall be allocated for Income Tax purposes based on an actual Closing of TWE's books as of the Closing Date.

**Section 8.2 Consistent Reporting.** The parties intend and agree to treat the TWE Redemption as a partnership distribution as described in Section 731(a) of the Code for all Income Tax purposes (unless required by a change in applicable Tax law or a good faith resolution of a contest).

**Section 8.3 Survival of Article IX of TWE Partnership Agreement.** Notwithstanding anything in this Agreement or any other Agreement to the contrary, Article IX (other than Sections 9.3(a) and (b), which shall not survive after the Closing Date) of the TWE Partnership Agreement shall survive after the Closing Date in respect of taxable years of TWE ending before the Closing Date or portions of any taxable years ending after, but including, the Closing Date. Without limiting the generality of the foregoing, Comcast Subsidiary shall continue to have the right after the Closing Date to obtain from TWE information and documents, and to participate in any tax audit, tax litigation and other proceedings as contemplated by the TWE Partnership Agreement as in effect immediately prior to the Closing.

**Section 8.4 Cooperation.** The parties agree to cooperate in good faith to minimize the amount of income, if any, recognized by any of them and/or by TWE as a result of any actual or deemed distribution of TWE's assets or liabilities for federal Income Tax purposes in connection with the TWE Redemption, including, without limitation, pursuant to an agreement similar to that described in Treas. Reg. Section 1.751 -1(g), Example 3(c) specifying the particular items of property, if any, deemed exchanged.

### **Section 8.5 Tax Returns with respect to Applicable Taxes.**

(a) TWE shall have exclusive and sole responsibility for the preparation and filing of all Applicable Tax Returns that are required to be filed with any Governmental Authority on or prior to the Closing Date.

(b) Holdco shall prepare and file all Applicable Tax Returns that are required to be filed with any Governmental Authority after the Closing Date. Holdco shall deliver any such Straddle Period Applicable Tax Returns to TWE for its review at least 30 days prior to the date on which such Straddle Period Applicable Tax Return is required to be filed. Except as provided herein, all Straddle Period Applicable Tax Returns shall (unless required by a change in applicable Tax law or a good faith resolution of a contest) be prepared on a basis consistent with the elections, accounting methods, conventions, assumptions and principles of taxation on the most recently filed Applicable Tax Returns of Holdco or a previous owner of the Transferred Systems to the

extent relevant to such Transferred Systems. Subject to the foregoing, TWE and Holdco shall reasonably cooperate with each other in the preparation and filing of any Straddle Period Applicable Tax Returns.

## ARTICLE 9 Conditions Precedent

**Section 9.1 Conditions to the Comcast Parties' Obligations.** The obligations of the Comcast Parties to consummate the transactions contemplated by this Agreement shall be subject to the following conditions, which may be waived by Comcast Subsidiary (provided, that the condition set forth in Section 9.1(n) shall not be waived without the prior written consent of Comcast Trust):

(a) **Conditions to Adelphia Transactions.** Each of the conditions to the closing under the Adelphia Agreements (other than conditions to be satisfied at the closing under any such Adelphia Agreement that will be so satisfied) shall have been satisfied or waived and Comcast Subsidiary shall be reasonably satisfied that any conditions to be satisfied at the closing under any such Adelphia Agreement shall be so satisfied or waived promptly following the Closing; provided, that if the TWC Adelphia Agreement is amended pursuant to Section 5.15 of the TWC Adelphia Agreement, then this Section 9.1(a) shall be deemed to apply only to the conditions to the closing under the TWC Adelphia Agreement.

(b) **Accuracy of Representations and Warranties.** The representations and warranties of TWE or any Transferring Person in this Agreement and in any Transaction Document to which TWE or any Transferring Person is a party, if qualified by a reference to materiality or Material Adverse Effect, are true and, if not so qualified, are true in all material respects at and as of Closing with the same effect as if made at and as of Closing except to the extent a different date is specified therein, in which case such representation and warranty if qualified by a reference to materiality or Material Adverse Effect shall be true and correct as of such date and, if not so qualified, shall be true and correct in all material respects as of such date.

(c) **Performance of Agreements.** TWE, Holdco and each Transferring Person has performed in all material respects all obligations and agreements and has complied in all material respects with all covenants in this Agreement and in any Transaction Document to which it is a party to be performed and complied with by it at or before Closing.

(d) **Officer's Certificate.** Comcast Subsidiary has received a certificate executed by an executive officer of TWE, dated as of Closing, reasonably satisfactory in form and substance to Comcast Subsidiary, certifying that the conditions specified in Sections 9.1(b) and 9.1(c) have been satisfied, as of Closing.

(e) **Legal Proceedings.** There is no Legal Requirement, and no Judgment has been entered and not vacated by any Governmental Authority of competent jurisdiction in any Litigation or arising therefrom, which (i) enjoins, restrains, makes

illegal or prohibits consummation of the transactions contemplated by this Agreement or by any Transaction Document (other than any such matter having only an immaterial effect and that does not impose criminal liability or penalties) or (ii) requires separation or divestiture by Comcast Trust, Comcast Subsidiary, Holdco or any of their Affiliates of all or any significant portion of the Transferred Assets after Closing or otherwise materially and adversely affects the operation of the Transferred Systems (other than applicable to the cable industry in general), and there is no Litigation pending which was commenced by any Governmental Authority (other than a Franchising Authority) seeking, or which if successful would have the effect of, any of the foregoing, provided that the failure to obtain a consent relating to a Transferred Systems Franchise shall not be considered to enjoin, restrain, make illegal or prohibit consummation of the transactions contemplated by this Agreement or by any Transaction Document.

(f) **HSR Act Waiting Period.** The waiting period under the HSR Act with respect to the transactions contemplated by this Agreement has expired or been terminated.

(g) **Consents.** Comcast Subsidiary has received evidence, in form and substance reasonably satisfactory to it, that all of the TWE Required Consents (other than from the Transferred Systems Franchises which are addressed in Section 9.1(i)), have been obtained and are in effect.

(h) [Intentionally Omitted].

(i) Franchise Required Consents. The aggregate number of Individual Subscribers served by the Transferred Systems in the Service Areas that are, as of the Closing Time, Transferable Service Areas shall be at least 90% of Individual Subscribers served by the Transferred Systems at such time (the “Required Threshold”); *provided* that if any portion of the Transferred Systems containing headends are not within such Transferable Service Areas as of the Closing Time, then any other portion of the Transferred Systems served by such headends shall be deemed not to be included in such Transferable Service Areas.

(j) Holdco Transaction. The Holdco Transaction shall have been consummated.

(k) Opinion of FCC Counsel. Comcast Subsidiary and Comcast Trust shall have received an opinion of Bryan Cave LLP, special FCC counsel to TWE, dated as of Closing, in form and substance reasonably acceptable to TWE and Comcast Subsidiary (the “TWE FCC Counsel Opinion”).

(l) Documents and Records. TWE shall have delivered to Holdco all Books and Records. Delivery of the foregoing shall be deemed made to the extent such lists, files and records are then located at any of the offices included in the Owned Property or Leased Property.

(m) [Intentionally Omitted].

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(n) FCC Approval. Either the transfer of the Holdco Interests to Comcast Subsidiary in the TWE Redemption or the Comcast Subsidiary Transfer shall be permitted under applicable FCC Trust Requirements.

(o) TWE Title Policies. TWE shall have delivered to Comcast Subsidiary ALTA extended coverage owners’ policies of title insurance, or the local equivalent, dated as of the Closing Date and issued by the Title Company (the “TWE Title Policies”), insuring, subject only to Permitted Liens, Holdco’s fee or leasehold title in each parcel of the Owned Property and Leased Property with respect to which a Title Commitment was required pursuant to Section 7.6 deleting or modifying to the reasonable satisfaction of Comcast Subsidiary the Schedule B standard printed exceptions (other than Permitted Liens, and other than the survey exception or any similar exception with respect to properties for which no survey is obtained, and other than any other exception the deletion of which would require TWE to give any affidavit or undertaking which would make representations or impose obligations more onerous than those made or set forth elsewhere in this Agreement), including gap coverage, and deleting or insuring over, subject to Section 7.6, any Title Defects, or irrevocable Title Commitments of the Title Company to issue such TWE Title Policies; *provided*, that TWE’s inability or failure to provide the Title Policies (or Title Commitments to issue the same) shall not constitute a violation of the condition set forth in this Section 9.1(o) if the Liens, or other matters relating to title, giving rise to such inability would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(p) Schedule Update. TWE shall not have exercised its right to update any Schedule to this Agreement pursuant to clause (ii) of the first sentence of Section 7.11.

(q) Financial Information. TWE shall have delivered all of the Financial Information reasonably required to permit Comcast to comply with its obligations under Form 8-K under the Exchange Act with respect to the transactions provided for herein.

Section 9.2 Conditions to TWE’s Obligations. The obligations of TWE to consummate the transactions contemplated by this Agreement shall be subject to the following conditions, which may be waived by TWE:

(a) Conditions to Adelphia Transactions. Each of the conditions to the closing under the Adelphia Agreements (other than conditions to be satisfied at the closing under any such Adelphia Agreement that will be so satisfied) shall have been satisfied or waived and TWE shall be reasonably satisfied that any conditions to be satisfied at the closing under any such Adelphia Agreement shall be so satisfied or waived promptly following the Closing; *provided*, that if the TWC Adelphia Agreement is amended pursuant to Section 5.15 of the TWC Adelphia Agreement, then this Section 9.2(a) shall be deemed to apply only to the conditions to the closing under the TWC Adelphia Agreement.

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(b) Accuracy of Representations and Warranties. The representations and warranties of Comcast Trust and Comcast Subsidiary in this Agreement and in any Transaction Document to which Comcast Trust or Comcast Subsidiary is a party, if qualified by a reference to materiality, are true and, if not so qualified, are true in all material respects at and as of Closing with the same effect as if made at and as of Closing, except to the extent a different date is specified therein, in which case such representation and

warranty if qualified by a reference to materiality shall be true and correct as of such date and, if not so qualified, shall be true and correct in all material respects as of such date.

(c) **Performance of Agreements.** Each of Comcast Trust and Comcast Subsidiary has performed in all material respects all obligations and agreements and has complied in all material respects with all covenants in this Agreement and in any Transaction Document to which it is a party to be performed and complied with by it at or before Closing.

(d) **Officer's Certificate.** (i) TWE has received a certificate executed by the operating trustee of Comcast Trust, dated as of Closing, reasonably satisfactory in form and substance to TWE, certifying that the conditions specified in Sections 9.2(b) and 9.2(c), in each case solely with respect to Comcast Trust, have been satisfied, as of Closing. (ii) TWE has received a certificate executed by an executive officer of Comcast Subsidiary, dated as of Closing, reasonably satisfactory in form and substance to TWE, certifying that the conditions specified in Sections 9.2(b) and 9.2(c), in each case solely with respect to Comcast Subsidiary, have been satisfied, as of Closing.

(e) **Legal Proceedings.** There is no Legal Requirement, and no Judgment has been entered and not vacated by any Governmental Authority of competent jurisdiction in any Litigation or arising therefrom, which enjoins, restrains, makes illegal or prohibits consummation of the transactions contemplated by this Agreement or by any Transaction Document (other than any such matter having only an immaterial effect and that does not impose criminal liability or penalties), and there is no Litigation pending which was commenced by any Governmental Authority (other than a Franchising Authority) seeking, or which if successful would have the effect of, any of the foregoing, provided that the failure to obtain a consent relating to a Transferred Systems Franchise shall not be considered to enjoin, restrain, make illegal or prohibit consummation of the transactions contemplated by this Agreement or by any Transaction Document.

(f) **HSR Act Waiting Period.** The waiting period under the HSR Act with respect to the transactions contemplated by this Agreement has expired or been terminated.

(g) **No Material Adverse Effect.** Since the date hereof, there have been no events, circumstances or conditions that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

## **ARTICLE 10** **Closing**

Section 10.1 **Closing; Time and Place.** Subject to the final sentence of this Section 10.1, the closing of the transactions contemplated by Section 2.1(a) of this Agreement (“Closing”) shall take place at a time and location mutually determined by Comcast Subsidiary and TWE on the last Business Day of the calendar month in which all conditions set forth in Sections 9.1 and 9.2 have either been satisfied or waived in writing by the party entitled to the benefit of each such condition (except for conditions to be satisfied at Closing that will be satisfied at Closing and the conditions set forth in Section 9.1(a) and Section 9.2(a) but subject to satisfaction of such conditions in Sections 9.1(a) and 9.2(a)), unless such conditions have not been so satisfied or waived (except for conditions to be satisfied at Closing that will be satisfied at Closing) by the fifth Business Day preceding the last Business Day of such calendar month, in which case the Closing shall take place on the last Business Day of the next calendar month (or such later date as agreed by the parties). In no event shall the Closing occur earlier than July 1, 2005.

Section 10.2 **TWE's Obligations.** At Closing, TWE shall deliver or cause to be delivered to Holdco or Comcast Trust (or, in the case of item (a), to Comcast Subsidiary, if applicable), as applicable, the following:

(a) **Holdco Interest Instrument of Assignment.** An executed Holdco Interest Instrument of Assignment in form and substance reasonably acceptable to TWE and Comcast Subsidiary.

(b) **Bill of Sale and Assignment and the Instrument of Assumption.** The executed Bill(s) of Sale and Assignment and Instrument of Assumption with respect to the Holdco Transaction in form and substance reasonably acceptable to TWE and Comcast Subsidiary and such other instruments of transfer or assignment as may be reasonably necessary to effect the transactions contemplated hereby (excluding those delivered pursuant to Section 10.2(f)).

(c) **Lien Releases.** Evidence reasonably satisfactory to Comcast Subsidiary that all Liens (other than Permitted Liens) affecting or encumbering the Transferred Assets have been terminated, released or waived or insured over as contemplated under (and only to the extent required under) Section 7.6 (in the case of the Real Property Interests), as appropriate, or original, executed instruments in form and substance reasonably satisfactory to Comcast Subsidiary effecting such terminations, releases or waivers; provided, that TWE's inability or failure to obtain the termination, release, or waiver of any such Liens or to insure over any such Liens shall not constitute a failure to perform the obligations set forth in this Section 10.2(c) if the existence of the Liens would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 1445 of the Code, reasonably satisfactory in form and substance to Comcast Subsidiary.

(e) **Power of Attorney for Accounts Receivable.** The limited, irrevocable right, in TWE's and its Controlled Affiliates' name, place and stead, as TWE's and its Controlled Affiliates' attorney-in-fact, to cash, deposit, endorse or negotiate checks received on or after the Closing Date made out to TWE and its Controlled Affiliates' in payment for cable services provided by the Transferred Systems and written instructions to TWE's and its Controlled Affiliates' lock-box service provider or similar agents to promptly forward to Holdco all such cash, deposits and checks representing accounts receivable of the Transferred Systems that it or they may receive. From and after the Closing, TWE and its Controlled Affiliates shall not deposit but shall promptly remit to Holdco any payment received by TWE or any of its Controlled Affiliates on or after the Closing Date in respect of any such account receivable.

(f) **Deeds and Other Real Estate Transfer Documents.** Special warranty deeds conveying to Holdco, subject only to the exceptions reflected on the TWE Title Policies (if such TWE Title Policies have been obtained, or, if such TWE Title Policies have not been obtained, subject only to such exceptions as are consistent with the representation set forth in Section 6.4 hereof), each parcel of the Owned Property, assignments of leases of Real Property and such other documents as may be necessary to convey other Real Property Interests, in each case, in form and substance reasonably satisfactory to Comcast Subsidiary, provided that in no event shall the warranties in such deed create any greater liability or liability to any other Person on the part of the grantor in excess of that provided for under the other provisions of this Agreement.

(g) **TWE Title Policies.** TWE Title Policies with such deletions or modifications as are required pursuant to Section 9.1(o) .

(h) **Officer's Certificate.** The executed certificate required by Section 9.1(d) .

(i) **Other.** Such other documents and instruments as may be reasonably necessary to effect the intent of this Agreement and consummate the transactions contemplated hereby.

Section 10.3 **Comcast Trust's Obligations.** At Closing, Comcast and/or Comcast Trust, as applicable, shall deliver or cause to be delivered to TWE the following:

(a) **Redemption Interest Instrument of Assignment.** The executed Redemption Interest Instrument of Assignment in form and substance reasonably acceptable to TWE and Comcast Subsidiary.

(b) **Other.** Such other documents and instruments as may be reasonably necessary to effect the intent of this Agreement and consummate the transactions contemplated hereby.

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## **ARTICLE 11** **Termination and Default**

Section 11.1 **Termination Events.** This Agreement may be terminated prior to Closing and the transactions contemplated hereby may be abandoned:

(a) by either Comcast Subsidiary or TWE, at any time after the later of (i) the six-month anniversary of the Adelphia Closing and (ii) the Extended Outside Date (as defined in the TWC Adelphia Agreement and as such date may be amended under Section 5.15 of the TWC Adelphia Agreement) (the later of (i) and (ii), the "Outside Closing Date");

(b) at any time, by the mutual agreement of Comcast Subsidiary and TWE;

(c) by either Comcast Subsidiary or TWE, at any time upon written notice to the other, if the other is in material breach or default of its respective covenants, agreements, representations, or other obligations herein or in any Transaction Document to which such Person or its Affiliates is a party and such breach or default (i) has not been cured within 30 days after receipt of written notice or such longer period as may be reasonably required to cure such breach or default (provided, that the breaching or defaulting party shall be using commercially reasonable efforts to cure such breach or default) or (ii) would not reasonably be

expected to be cured prior to the Outside Closing Date; provided, that if any covenant, agreement, representation or other obligation in this Agreement is qualified by a reference to materiality or Material Adverse Effect, such qualifier shall be taken into account without duplication;

(d) by either Comcast Subsidiary or TWE prior to the Closing at any time following termination of either Adelphia Agreement in accordance with its terms; provided, that if the TWC Adelphia Agreement is amended pursuant to Section 5.15 of the TWC Adelphia Agreement, then this Section 11.1(d) shall be deemed to apply only to the termination of the TWC Adelphia Agreement;

(e) by Comcast Subsidiary as provided in Section 13.16; or

(f) by Comcast Subsidiary on or after the earlier of June 1, 2007 and the date that is nine months following delivery of a Termination Notice pursuant to Section 2.3; provided, that Comcast Subsidiary shall have (i) given TWE at least 60 days prior written notice of its non-binding good faith intention to so terminate under this clause (f), (ii) delivered an Appraisal Notice (as defined in the Partnership Interest Sale Agreement) on or before the 120th day prior to such termination and (iii) complied in all material respects with its obligations herein, including in Section 7.12, to consummate the transactions contemplated hereby.

Section 11.2 Effect of Termination. If this Agreement is terminated pursuant to Sections 11.1 or 13.16, this Agreement shall become void and of no effect without liability of any party hereto (or any Affiliate, shareholder, director,

officer, trustee, employee, agent, consultant or representative of such party) to the other parties hereto, except that (a) the agreements contained in Sections 1.1, 1.2, 2.1(a)(iv), 2.3, 7.4 and 7.23 (but only clause (ii) of the second sentence), this Section 11.2 and Article 13 (other than Section 13.16) shall survive the termination hereof and (b) no such termination shall relieve any party hereto of any liability or damages resulting from any willful breach by such party of this Agreement.

## **ARTICLE 12 Indemnification**

Section 12.1 Indemnification by TWE. Subject to Section 12.4, from and after the Closing, TWE shall indemnify and hold harmless Holdco from and against any and all Losses suffered by Holdco (which shall be deemed to include any Losses suffered by Holdco or its Affiliates, or by its or their respective officers, directors, trustees, employees, agents or representatives, or any Person claiming by or through any of them, as the case may be), from and against any and all Losses arising out of or resulting from:

(a) any representations and warranties made by TWE or any Transferring Person in this Agreement or in any Transaction Document to which it is a party not being true and accurate in all respects, when made or at Closing (or, in the case of any representation or warranty made as of a specific date, as of such date) or any failure by TWE to perform in all material respects pursuant to Sections 7.1(j) and 7.11;

(b) any failure by TWE, any Transferring Person or, prior to completion of the Closing, Holdco, to perform in all respects any of its covenants, agreements, or obligations in this Agreement (other than pursuant to Sections 7.1(j) and 7.11) or in any Transaction Document to which it is a party;

(c) the Excluded Liabilities;

(d) the Excluded Assets; or

(e) the Holdco Indemnified Liabilities.

If, by reason of the claim of any third party relating to any of the matters subject to such indemnification, a Lien is placed or made upon any of the properties or assets owned or leased by Holdco or any other Indemnitee under this Section, in addition to any indemnity obligation of TWE under this Section, TWE shall furnish a bond sufficient to obtain the prompt release thereof within 10 days after receipt from Holdco of notice thereof.

Section 12.2 Indemnification by Holdco. Subject to Section 12.4, from and after the Closing, Holdco shall indemnify and hold harmless TWE from and against any and all Losses suffered by TWE (which shall be deemed to include any Losses suffered by TWE or its Affiliates, or by its or their respective officers, directors,

employees, agents or representatives, or any Person claiming by or through any of them, as the case may be), from and against any and all Losses arising out of or resulting from:

- (a) any representations and warranties made by Comcast Trust or Comcast Subsidiary in this Agreement or in any Transaction Document to which such Person is a party not being true and accurate in all respects, when made or at Closing (or, in the case of any representation or warranty made as of a specific date, as of such date);
- (b) any failure by Comcast Trust, Comcast Subsidiary or, after Closing, Holdco, to perform in all respects any of its covenants, agreements, or obligations in this Agreement or in any Transaction Document to which such Person is a Party;
- (c) the Assumed Liabilities and the Holdco Transaction Liabilities;
- (d) other than with respect to the Excluded Liabilities, the ownership and operation of the Transferred Systems or the Transferred Assets after the Closing;
- (e) other than with respect to the Excluded Liabilities, any Transferred Asset or any claim or right or any benefit arising thereunder held by TWE for the benefit of Holdco pursuant to Section 2.1(d).

If, by reason of the claim of any third party relating to any of the matters subject to such indemnification, a Lien is placed or made upon any of the properties or assets owned or leased by TWE or any other Indemnitee under this Section, in addition to any indemnity obligation of Holdco under this Section, Holdco shall furnish a bond sufficient to obtain the prompt release thereof within 10 days after receipt from TWE of notice thereof.

**Section 12.3 Procedure for Certain Indemnified Claims.** Promptly after receipt by a party entitled to indemnification hereunder (the “Indemnitee”) of written notice of the assertion or the commencement of any Litigation with respect to any matter referred to in Sections 12.1 or 12.2 or the assertion by any Governmental Authority of a claim of noncompliance under any Franchise relating, in whole or in part, to any pre-Closing period (a “Franchise Matter”), the Indemnitee shall give written notice thereof to the party from whom indemnification is sought pursuant hereto (the “Indemnitor”) and thereafter shall keep the Indemnitor reasonably informed with respect thereto; provided, that failure of the Indemnitee to give the Indemnitor notice and keep it reasonably informed as provided herein shall not relieve the Indemnitor of its obligations hereunder, except to the extent that such failure to give notice shall prejudice any defense or claim available to the Indemnitor. The Indemnitor shall be entitled to assume the defense of any such Litigation or Franchise Matter with counsel reasonably satisfactory to the Indemnitee, at the Indemnitor’s sole expense; provided that the Indemnitor shall not be entitled to assume or continue control of the defense of any Litigation or Franchise Matter if (i) the Litigation or Franchise Matter relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation; (ii) the Litigation or

Franchise Matter seeks an injunction or equitable relief against the Indemnitee; or (iii) the Indemnitor has failed to defend or is failing to defend in good faith the Litigation or Franchise Matter. If the Indemnitor assumes the defense of any Litigation or Franchise Matter, (i) it shall not settle the Litigation or Franchise Matter unless the settlement shall include as an unconditional term thereof the giving by the claimant or the plaintiff of a release of the Indemnitee, reasonably satisfactory to the Indemnitee, from all liability with respect to such Litigation or Franchise Matter and (ii) it shall indemnify and hold the Indemnitee harmless from and against any and all Losses caused by or arising out of any settlement or judgment of such claim and may not claim that it does not have an indemnification obligation with respect thereto. If the Indemnitor does not assume the defense of any Litigation or Franchise Matter, the Indemnitee may defend against or settle such claim in such manner and on such terms as it in good faith deems appropriate and shall be entitled to indemnification in respect thereof in accordance with Section 12.1 or 12.2, as applicable. If the Indemnitor is not entitled to assume the defense or continue to control the defense of any Litigation or Franchise Matter as a result of the proviso in the second sentence of this Section 12.3, the Indemnitee shall not settle the Litigation or Franchise Matter in question if the Indemnitor shall have any obligation as a result of such settlement (whether monetary or otherwise) unless such settlement is consented to in writing by the Indemnitor, such consent not to be unreasonably withheld or delayed. In no event shall the Indemnitee settle any Litigation or Franchise Matter for which the defense thereof is controlled by the Indemnitor absent the consent of the Indemnitor (such consent not to be unreasonably withheld or delayed). Each party shall cooperate, and cause their respective Affiliates to cooperate, in the defense or prosecution of any Litigation or Franchise Matter and shall furnish or cause to be furnished such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be reasonably requested in connection therewith.

#### Section 12.4 Determination of Indemnification Amounts and Related Matters.

(a) TWE shall have no liability under Section 12.1(a) unless the aggregate amount of Losses otherwise subject to its indemnification obligations thereunder exceeds \$6,000,000 (the “Threshold Damage Requirement”), in which case TWE shall be liable for the full amount of such Losses including the Losses incurred in reaching the Threshold Damage Requirement; provided, that for purposes of this subsection, the Threshold Damage Requirement shall not apply to any Losses resulting from or arising out of (i) the failure by TWE to pay any copyright payments, including interest and penalties thereon, when due or any other breach of

TWE's representations, warranties, covenants or agreements with respect to copyright payments contained in this Agreement, and (ii) breaches of the representations and warranties in Sections 6.1, 6.2, 6.3, 6.4(a), 6.13, 6.15 and 6.18. The maximum liability of TWE under Section 12.1(a) shall not exceed \$60,000,000 (the "Cap"); provided, that the Cap shall not apply to breaches of the representations and warranties in Sections 6.1, 6.2, 6.3, 6.4(a)(i), 6.13, 6.15 and 6.18.

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(b) Holdco shall have no liability under Section 12.2(a) unless the aggregate amount of Losses otherwise subject to its indemnification obligations thereunder exceeds the Threshold Damage Requirement, in which case Holdco shall be liable for the full amount of such Losses including the Losses incurred in reaching the Threshold Damage Requirement; provided, that for purposes of this subsection, the Threshold Damage Requirement shall not apply to any Losses resulting from or arising out of breaches of the representations and warranties in Sections 4.1, 4.2, 4.3, 4.5, 4.6, 5.1, 5.2, 5.3, or 5.5. The maximum liability of Holdco in the aggregate under Section 12.2(a) shall not exceed the Cap; provided, that the Cap shall not apply to breaches of the representations and warranties in Sections 4.1, 4.2, 4.3, 4.5, 4.6, 5.1, 5.2, 5.3, or 5.5.

(c) Amounts payable by the Indemnitor to the Indemnitee in respect of any Losses under Sections 12.1 or 12.2 shall be payable by the Indemnitor as incurred by the Indemnitee, and shall bear interest at the Base Interest Rate plus 2% from the date the Losses for which indemnification is sought were incurred by the Indemnitee until the date of payment of indemnification by the Indemnitor.

(d) If the facts and circumstances giving rise to the Loss for which indemnification is sought under Section 12.1(a) also resulted in a Loss to the TWE Retained Cable Systems, the Loss for which indemnification is sought under Section 12.1(a) shall only be available (subject to the further limitations in Section 12.4(a)) to the extent such Loss is greater than the proportionate Loss suffered by the TWE Retained Cable Systems and the Transferred Systems, where proportionality is based on the Percentage Interest represented by the Redemption Interest immediately prior to giving effect to the Closing; provided that the foregoing shall not apply to the extent the Loss for which indemnification is sought under Section 12.1(a) results from or arises out of a breach of any of the representations and warranties set forth in Sections 6.1, 6.2, 6.3, 6.4(a), 6.5(a), 6.6 (the penultimate sentence only), 6.10 (the first sentence only), 6.12(c), 6.13, 6.15 and 6.18. By way of example only, if the Redemption Interest represents a 4.7% Percentage Interest (immediately prior to giving effect to the Closing) and the Losses suffered by the Transferred Systems arising out of certain facts was \$X and the Losses suffered by the TWE Retained Cable Systems arising out of those same facts was \$Y, then indemnification would be available under Section 12.1(a) but only in an amount equal to the excess (if any) of (i) \$X over (ii) the sum of \$X and \$Y multiplied by 0.047 (and subject to the further limitations contained in Section 12.4(a)).

(e) The Indemnitor shall not be obligated to indemnify the Indemnitee with respect to any Losses to the extent of any proceeds received in connection with any such Losses by the Indemnitee under any insurance policy of the Indemnitee in effect on the Closing Date (including under any rights under any insurance policies or proceeds that are part of the Transferred Assets). The Indemnitee will use commercially reasonable efforts to claim and recover under such insurance policies.

(f) In determining the amount of any Losses in connection with any inaccuracy of a representation and warranty (but not for purposes of determining whether any such inaccuracy has occurred), any materiality or Material Adverse Effect qualifier in such representation or warranty will be disregarded.

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(g) Comcast Subsidiary shall have the right to enforce (on behalf and for the benefit of Holdco and any other Indemnitee pursuant to Section 12.1) the right to indemnification under Section 12.1. Notwithstanding anything to the contrary set forth in this Agreement, to the extent that any Indemnitee pursuant to Section 12.1 is or becomes a shareholder of Time Warner Cable or Time Warner or a limited partner of TWE, indemnification hereunder shall not include Losses suffered by such Indemnitee (or its Affiliates) in its shareholder or limited partner capacity by reason of (i) the indemnities being provided by TWE hereunder or (ii) Losses suffered in such capacity in respect of any Excluded Assets, Excluded Liabilities or Holdco Indemnified Liabilities.

**Section 12.5 Time and Manner of Certain Claims.** The representations and warranties of Comcast Trust, Comcast Subsidiary, TWE or any Transferring Person in this Agreement and any Transaction Document to which such Person is a party shall survive Closing for a period of 1 year. Notwithstanding the foregoing: (a) the liability of the parties shall extend beyond the 1-year period following Closing with respect to any claim which has been asserted in a bona fide written notice before the expiration of such 1-year period specifying in reasonable detail the facts and circumstances giving rise to such right; and (b) (i) the representations and warranties of the parties in Sections 4.1, 4.2, 4.3, 4.5, 4.6, 5.1, 5.2, 5.3, 5.5, 6.1, 6.2, 6.3, 6.4(a)(i), 6.13, 6.15 and 6.18 shall survive Closing and shall continue in full force and effect without limitation and (ii) the representations and warranties of TWE in Sections

6.22 and 6.23 shall survive until the expiration of the applicable statute of limitations (giving effect to any waiver, mitigation or extension thereof).

**Section 12.6 Other Indemnification.** The provisions of Sections 12.3, 12.4 and 12.5 shall be applicable to any claim for indemnification made under any other provision of this Agreement, and all references in Sections 12.3, 12.4 and 12.5 to Sections 12.1 and 12.2 shall be deemed to be references to such other provisions of this Agreement.

**Section 12.7 Exclusivity.** Except as specifically set forth in this Agreement or any Transaction Document and except for claims against a party for breach of any provision of this Agreement or any Transaction Document, each party waives any rights and claims it may have against the other parties to this Agreement, whether in law or in equity, relating to the transactions contemplated hereby. The rights and claims waived by each party include claims for contribution or other rights of recovery arising out of or relating to claims for breach of contract, breach of representation or warranty, negligent misrepresentation and all other claims for breach of duty. After Closing, Article 12 and the Transaction Documents shall provide the exclusive remedy for any misrepresentation or breach of warranty under this Agreement or any Transaction Document, other than any claims sounding in fraud.

#### Section 12.8 Release.

(a) Except as provided in Section 12.8(b), effective as of the Closing, each of Comcast, Comcast Subsidiary and Comcast Trust does hereby, for itself and each of its wholly owned Subsidiaries and their respective successors and assigns,

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and all Persons who at any time prior to the Closing have been shareholders, directors, officers, members, agents, trustees or employees of Comcast, Comcast Subsidiary or Comcast Trust or any of their respective Affiliates, predecessors, successors or assigns (in each case, in their respective capacities as such and to the extent it may legally do so) (collectively, the “Comcast Trust Releasing Parties”), remise, release and forever discharge TWE and each of its Subsidiaries and Affiliates, their respective predecessors, successors and assigns, and all Persons who at any time prior to the Closing have been limited partners, general partners, shareholders, directors, officers, members, agents, trustees or employees of TWE or any of its respective Subsidiaries, Affiliates, predecessors, successors or assigns (in each case, in their respective capacities as such and to the extent it may legally do so), and their respective heirs, executors, administrators, predecessors, successors and assigns (collectively, the “TWE Released Parties”), from any and all Liabilities whatsoever (other than Liabilities based on claims sounding in fraud), whether at law or in equity (including any right of contribution), whether arising under any Contract, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Closing, whether or not known as of the Closing, related to, arising out of or resulting from Comcast Trust’s ownership of the Redemption Interest. Comcast, Comcast Subsidiary and Comcast Trust agree, on behalf of their self and each of the other Comcast Trust Releasing Parties, that they will not assert any claims against any TWE Released Party with respect to matters covered by the foregoing release.

(b) Nothing contained in Section 12.8(a) shall impair any right of any Person to enforce this Agreement or any other Transaction Document, in each case in accordance with its terms.

#### Section 12.9 Tax Treatment of Indemnification Payments.

(a) For all Tax purposes (unless required by a change in applicable Tax law or a good faith resolution of a contest) the parties hereto agree to treat and to cause their respective affiliates to treat any payment (i) to Holdco by TWE pursuant to an indemnification, reimbursement or refund obligation provided for in this Agreement (a “TWE Indemnification Payment”), or (ii) to TWE by Holdco pursuant to an indemnification, reimbursement or refund obligation provided for in this Agreement (a “Holdco Indemnification Payment” and collectively with any TWE Indemnification Payment, an “Indemnification Payment”) as (x) with respect to a TWE Indemnification Payment, a contribution by TWE to Holdco occurring immediately prior to the Closing, and (y) with respect to a Holdco Indemnification Payment, an adjustment to the Cash Amount transferred by TWE to Holdco pursuant to the Holdco Transaction occurring immediately prior to the Closing.

(b) Notwithstanding Section 12.9(a) above, any Indemnification Payments that represent interest payable under Section 12.4(c) hereof shall be treated for all Tax purposes (unless required by a change in applicable Tax law or a good faith resolution of a contest), as (i) deductible to the Indemnitor and (ii) taxable to the Indemnitee.

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(c) The amount of any Loss for which indemnification is provided under this Agreement shall be (i) increased to take account of net Tax cost, if any, incurred by the Indemnitee arising from the receipt or accrual of an Indemnification Payment hereunder, (grossed up for such increase) and (ii) reduced to take account of the net Tax benefit, if any, realized by the Indemnitee arising from incurring or paying such indemnified amount. In computing the amount of any such Tax cost or benefit, (i) the term Indemnitee shall be deemed to include any member of any Affiliated Group of which the Indemnitee is a member and in the case of TWE or TWE-A/N, its partners, and (ii) the Indemnitee shall be deemed to recognize all other items of income, gain, loss, deduction or credit before recognizing any item arising from the receipt or accrual of any Indemnification Payment hereunder or incurring or paying any indemnified amount hereunder. Any Indemnification Payment hereunder shall initially be made without regard to this Section 12.9(c) and shall be increased or reduced to reflect any such net Tax cost (including gross-up) or net Tax benefit only after the Indemnitee has Actually Realized such cost or benefit. The amount of any increase or reduction hereunder shall be adjusted to reflect any adjustment with respect to the Indemnitee's liability for Taxes, and payments between the parties hereto to reflect such adjustment shall be made. Notwithstanding the above, this Section 12.9(c) shall not apply to interest as described in Section 12.9(b).

#### Section 12.10 Guaranteed Obligations of Comcast.

(a) From and after the Closing, Comcast hereby agrees to fully and unconditionally guarantee to TWE the due and punctual performance, compliance and payment of Holdco, Comcast Trust and Comcast Subsidiary (each, a "Guaranteed Party" and collectively, the "Guaranteed Parties") of each and every covenant, term, condition or other obligation to be performed or complied with by any such party for the benefit of TWE (or any Affiliate thereof or any Indemnitee pursuant to Section 12.2) under this Agreement and any Transaction Document to which any Guaranteed Party is a party delivered in connection herewith when, and to the extent that, any of the same shall become due and payable or performance of or compliance with any of the same shall be required (collectively, the "Guaranteed Obligations").

(b) Comcast hereby acknowledges and agrees that this guarantee constitutes an absolute, present, primary, continuing and unconditional guaranty of performance, compliance and payment by each of the Guaranteed Parties of the Guaranteed Obligations when due under this Agreement and any Transaction Document to which any Guaranteed Party is a party delivered in connection herewith and not of collection only and is in no way conditioned or contingent upon any attempt to enforce such performance, compliance or payment by a Guaranteed Party or upon any other condition or contingency. Comcast hereby waives any right to require a proceeding first against any of the Guaranteed Parties.

(c) The obligations of Comcast under this guarantee shall not be subject to any reduction, limitation, impairment or termination for any reason (other than by indefeasible payment or performance in full of any of the Guaranteed Obligations) and shall not be subject to (i) any discharge of any of the Guaranteed Parties

from any of the Guaranteed Obligations in a bankruptcy or similar proceeding (except by indefeasible payment or performance in full of the Guaranteed Obligations) or (ii) any other circumstance whatsoever which constitutes, or might be construed to constitute an equitable or legal discharge of Comcast as guarantor under this Section 12.10.

(d) Comcast shall cause any transferee of or successor to all or substantially all of the assets of Comcast to assume Comcast's obligations under this Section 12.10.

### **ARTICLE 13 Miscellaneous Provisions**

**Section 13.1 Expenses.** Except as otherwise specifically provided in Section 3.4, 7.3 or 13.2 or elsewhere in this Agreement, each of the parties shall pay its own expenses and the fees and expenses of its counsel, accountants, and other experts in connection with this Agreement.

**Section 13.2 Attorneys' Fees.** If any Litigation between the parties hereto with respect to this Agreement, the Transaction Documents or the transactions contemplated hereby or thereby shall be resolved or adjudicated by a Judgment of any court, the party prevailing under such Judgment (as determined by the trier of fact based on all relevant facts, including, but not limited to, amounts demanded or sought in such litigation, amounts, if any, offered in settlement of such litigation and amounts, if any, awarded in such litigation) shall be entitled, as part of such Judgment, to recover from the other party its reasonable attorneys' fees and costs and expenses of litigation.

**Section 13.3 Waivers.** No action taken pursuant to this Agreement, including any investigation by or on behalf of any party hereto, shall be deemed to constitute a waiver by the party taking the action of compliance with any representation, warranty, covenant or agreement contained herein or in any Transaction Document. The waiver by any party hereto of any condition or of a breach of another provision of this Agreement or any Transaction Document shall be in writing and shall not operate or be construed as a waiver of any other condition or subsequent breach. The waiver by any party of any of the conditions precedent to

its obligations under this Agreement shall not preclude it from seeking redress for breach of this Agreement other than with respect to the condition so waived.

**Section 13.4 Notices.** All notices, requests, demands, applications, services of process and other communications which are required to be or may be given under this Agreement or any Transaction Document shall be in writing and shall be deemed to have been duly given if sent by telecopy or facsimile transmission, upon answer back requested, or delivered by courier or mailed, certified first class mail, postage prepaid, return receipt requested, to the parties at the following addresses:

---

To Comcast or Holdco (after the Closing):

Comcast Cable Communications Holdings, Inc.  
1500 Market Street  
Philadelphia, PA 19102-2184  
ATTN: General Counsel  
Fax: (215) 981-7794

With a Required Copy to:

Davis Polk & Wardwell  
450 Lexington Avenue  
New York, NY 10017  
ATTN: Dennis S. Hersch  
William L. Taylor  
Fax: (212) 450-4800

To Comcast Subsidiary:

MOC Holdco I, LLC  
1201 N. Market Street  
Suite 1405  
Wilmington, DE 19801  
ATTN: President  
Fax: (302) 658-1600

With a Required Copy to:

Davis Polk & Wardwell  
450 Lexington Avenue  
New York, NY 10017  
ATTN: Dennis S. Hersch  
William L. Taylor  
Fax: (212) 450-4800

To Comcast Trust:

TWE Holdings I Trust  
c/o Edith E. Holiday  
801 West Street  
2<sup>nd</sup> Floor  
Wilmington, DE 19801  
Fax: (302) 428-1410

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With a Required Copy to:

Hogan & Hartson  
111 South Calvert Street  
Baltimore, MD 21202  
ATTN: Michael J. Silver  
Fax: (410) 539-6981

To TWE or Holdco (prior to the Closing):

c/o Time Warner Cable Inc.  
290 Harbor Drive  
Stamford, CT 06902-6732  
ATTN: Chief Executive Officer  
Fax: (203) 328-3295

With Required Copies to:

Legal Department  
Time Warner Cable Inc.  
290 Harbor Drive  
Stamford, CT 06902-6732  
ATTN: General Counsel  
Fax: (203) 328-4094

Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019  
ATTN: Kelley D. Parker  
Robert B. Schumer  
Fax: (212) 757-3990

or to such other address as any party shall have furnished to the other, by notice given in accordance with this Section. Such notice shall be effective, (i) if delivered in person or by courier, upon actual receipt by the intended recipient, (ii) if sent by telecopy or facsimile transmission, upon confirmation of transmission received, or (iii) if mailed, upon the date of delivery as shown by the return receipt therefor.

**Section 13.5 Entire Agreement; Prior Representations; Amendments.** This Agreement, the Confidentiality Agreements (subject to the last sentence of this Section 13.5) and the Transaction Documents executed concurrent herewith embody the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior representations, agreements and understandings, oral or written, with respect thereto. Notwithstanding any representations which may have been made by either party in connection with the transactions contemplated by this Agreement, each party acknowledges that it has not relied on any representation by the other party with respect to such transactions, the

Transferred Assets, or the Transferred Systems except those contained in this Agreement, the Schedules or the Exhibits hereto. This Agreement may not be modified orally, but only by an agreement in writing signed by the party or parties against whom any waiver, change, amendment, modification or discharge may be sought to be enforced. The Confidentiality Agreements, as each relates to any obligation to keep confidential information regarding the Transferred Assets, the Transferred Systems and/or the Assumed Liabilities, are hereby terminated.

**Section 13.6 Specific Performance.** The parties recognize that their rights under this Agreement are unique and, accordingly, the parties shall, in addition to such other remedies as may be available to any of them at law or in equity, have the right to enforce their rights hereunder by actions for injunctive relief and specific performance to the extent permitted by applicable law so long as the party seeking such relief is prepared to consummate the transactions contemplated hereby. The parties agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach of the provisions of this Agreement and hereby agree to waive the defense in any action for specific performance that a remedy at law would be adequate. The parties waive any requirement for security or the posting of any bond or other surety in connection with any temporary or permanent award or injunctive, mandatory or other equitable relief.

**Section 13.7 Jurisdiction.** Except as otherwise expressly provided in this Agreement, the parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement, the Transaction Documents or the transactions contemplated hereby or thereby may be brought in the United States

District Court for the Southern District of New York or any other New York State court sitting in New York City, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 13.4 shall be deemed effective service of process on such party.

**Section 13.8 WAIVER OF JURY TRIAL.** EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

**Section 13.9 Binding Effect; Benefits.** This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective

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heirs, legal representatives, successors, and permitted assigns. No party hereto shall assign this Agreement or delegate any of its duties hereunder to any other Person without the prior written consent of the other parties hereto, which consent shall not be unreasonably withheld or delayed; provided that Comcast Subsidiary may assign its rights and delegate its obligations under this Agreement (in whole or in part) to any Affiliate of Comcast Subsidiary, upon written notice to TWE. For purposes of this Section, any change in control of Comcast, Comcast Trust, Comcast Subsidiary or TWE shall not constitute an assignment by it of this Agreement. In no event shall any assignment of rights or delegation of obligations relieve any party of its obligations hereunder.

**Section 13.10 Headings and Schedules.** The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. Reference to Schedules shall, unless otherwise indicated, refer to the Schedules attached to this Agreement, which shall be incorporated in and constitute a part of this Agreement by such reference.

**Section 13.11 Counterparts.** This Agreement may be executed in any number of counterparts (including by facsimile), each of which, when executed, shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

**Section 13.12 GOVERNING LAW.** THE VALIDITY, PERFORMANCE, AND ENFORCEMENT OF THIS AGREEMENT AND ALL TRANSACTION DOCUMENTS, UNLESS EXPRESSLY PROVIDED TO THE CONTRARY, SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAW OF SUCH STATE.

**Section 13.13 Severability.** Any term or provision of this Agreement which is invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining rights of the Person intended to be benefited by such provision or any other provisions of this Agreement.

**Section 13.14 Third Parties; Joint Ventures.** This Agreement constitutes an agreement solely among the parties hereto, and, except as otherwise expressly provided herein, is not intended to and shall not confer any rights, remedies, obligations, or liabilities, legal or equitable, including any right of employment, on any Person other than the parties hereto and their respective successors, or assigns, or otherwise constitute any Person a third party beneficiary under or by reason of this Agreement except that Time Warner shall be an express third party beneficiary of Section 2.3. For the avoidance of doubt, no Person other than a party hereto shall have any right to enforce Section 3.1 or any other provision of this Agreement to the extent relating thereto. Nothing in this Agreement, expressed or implied, is intended to or shall constitute the parties hereto partners or participants in a joint venture.

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**Section 13.15 Construction.** This Agreement has been negotiated by Comcast Trust, Comcast Subsidiary and TWE and their respective legal counsel, and legal or equitable principles that might require the construction of this Agreement or any provision of this Agreement against the party drafting this Agreement shall not apply in any construction or interpretation of this Agreement.

**Section 13.16 Risk of Loss; Governmental Taking.**

(a) TWE shall bear the risk of any loss or damage to the Transferred Assets resulting from fire, theft or other casualty (except reasonable wear and tear) at all times prior to the Closing. In the event any such loss or damage occurs, TWE shall (at its expense) use its commercially reasonable efforts to replace or restore such lost or damaged property as soon as practicable and in any event prior to Closing (or, if such damaged property is not replaced or restored prior to Closing, Time Warner shall indemnify Holdco for any Losses arising out of such unrepairs damage or unrestored property). If any loss or damage is equal to or greater than \$50 million and is sufficiently substantial so as to preclude and prevent resumption of normal operations of any material portion of a Transferred System by the Outside Closing Date, TWE shall, to the extent reasonably practical, immediately notify Comcast Subsidiary in writing of that fact (which notice shall, to the extent reasonably practical, specify with reasonable particularity the loss or damage incurred, the cause thereof if known or reasonably ascertainable, and the insurance coverage related thereto), and Comcast Subsidiary, at any time within 10 days after receipt of such notice, may elect by written notice to TWE, to either (i) waive such defect and proceed toward consummation in accordance with the terms of this Agreement (provided that any such waiver shall also be deemed to be a waiver of any right to indemnification pursuant to the first sentence of this Section 13.16(a) or pursuant to Section 12.1 for any breach of any (x) representation or warranty of TWE set forth in Article 6 resulting from any such loss or damage or (y) covenant hereunder to the extent that compliance therewith is frustrated or made commercially impracticable as a result of such loss or damage) or (ii) terminate this Agreement, subject to Section 11.2. If Comcast Subsidiary elects to so terminate this Agreement, TWE shall be discharged of any and all obligations hereunder, subject to Section 11.2. If Comcast Subsidiary elects to consummate the transactions contemplated by this Agreement notwithstanding such loss or damage and does so, there shall be no adjustment in the consideration payable to or by Transferee on account of such loss or damage, but all insurance proceeds received or receivable by TWE or its Affiliates (determined on an effective after-tax basis as if TWE and TWE-A/N are, in each case, stand-alone corporations) as a result of the occurrence of the event resulting in such loss or damage (to the extent not already expended by TWE or its Affiliates to restore or replace the lost or damaged Transferred Assets), except for any proceeds from business interruption insurance relating to the loss of revenue for any period through and including the Closing Date, shall be delivered by TWE or its Affiliate to Holdco, or the rights to such proceeds shall be assigned by TWE or its Affiliates to Holdco if not yet received by TWE or its Affiliates. TWE shall pay any deductible required and/or the self-insured portion of any such loss with respect to all such insurance proceeds payable under any insurance policy held by TWE or its Affiliates. Any amounts received or receivable hereunder shall not be included in the Closing Net Liabilities Amount.

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(b) If, prior to Closing, any material part of or interest in the Transferred Assets is taken or condemned as a result of the exercise of the power of eminent domain, or if a Governmental Authority having such power informs TWE or any of its Affiliates that it intends to condemn or take all or any of the Transferred Assets (such event being called, in either case, a "Taking"), then Comcast Subsidiary may terminate this Agreement. If Comcast Subsidiary does not elect to terminate this Agreement, (i) Comcast Subsidiary shall have the sole right, in the name of TWE and its Affiliates, if Comcast Subsidiary so elects, to negotiate for, claim, contest and, subject to the Closing occurring, have Holdco receive all damages with respect to the Taking, (ii) TWE shall be relieved of its obligation to convey to Holdco the Transferred Assets or interests that are the subject of the Taking if the Taking has occurred (but, subject to the Closing occurring, shall convey to Holdco any interest therein still held by TWE or its Affiliates and any replacement property acquired by TWE or its Affiliates), (iii) at Closing, TWE and its Affiliates shall assign to Holdco all of TWE's and its Affiliates' rights to all payments received or receivable by TWE or its Affiliates (determined on an effective after-tax basis as if TWE and TWE-A/N are, in each case, stand-alone corporations), with respect to such Taking and shall pay to Holdco all such payments previously paid to TWE or any of its Affiliates with respect to the Taking (to the extent not already expended by TWE or its Affiliates to restore or replace the taken Assets), and (iv) following Closing, TWE and its Affiliates shall give Holdco such further assurances of such rights and assignment with respect to the Taking as Holdco may from time to time reasonably request. Any amounts received or receivable hereunder shall not be included in the Closing Net Liabilities Amount.

**Section 13.17 Commercially Reasonable Efforts.** For purposes of this Agreement, "commercially reasonable efforts" shall not, with regard to obtaining any consent, approval or authorization, be deemed to require a party to undertake extraordinary measures, including the initiation or prosecution of legal proceedings or the payment of amounts in excess of normal and usual filing fees and processing fees, if any.

**Section 13.18 Time.** Time is of the essence under this Agreement. If the last day for the giving of any notice or the performance of any act required or permitted under this Agreement is a day that is not a Business Day, the time for the giving of such notice or the performance of such act shall be extended to the next succeeding Business Day.

**[Remainder Of Page Intentionally Left Blank]**

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IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Agreement on the date first written above.

**COMCAST CABLE  
COMMUNICATIONS HOLDINGS,  
INC.**

By: /s/ Arthur R. Block

---

Name: Arthur R. Block  
Title: Senior Vice President

**MOC HOLDCO I, LLC**

By: /s/ James P. McCue

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Name: James P. McCue  
Title: President

**TWE HOLDINGS I TRUST**

By: /s/ Edith E. Holiday

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Name: Edith E. Holiday, solely in her capacity as  
Operating Trustee

**CABLE HOLDCO III LLC**

By: /s/ David E. O'Hayre

---

Name: David E. O'Hayre  
Title: Executive Vice President, Investments

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**TIME WARNER ENTERTAINMENT  
COMPANY, L.P.**

By: /s/ David E. O'Hayre

---

Name: David E. O'Hayre  
Title: Executive Vice President, Investments

Solely for purposes of Section 2.3, Section 7.23 and the last sentence of Section 13.5:

**COMCAST CORPORATION**

By: /s/ Arthur R. Block

---

Name: Arthur R. Block

Title: Senior Vice President

**TIME WARNER CABLE INC.**

By: /s/ David E. O'Hayre

---

Name: David E. O'Hayre

Title: Executive Vice President, Investments

Solely for purposes of Section 2.3 and the last sentence of Section 13.5:

**TIME WARNER INC.**

By: /s/ Robert D. Marcus

---

Name: Robert D. Marcus

Title: Senior Vice President

---

**EXECUTION COPY****EXCHANGE AGREEMENT****DATED AS OF APRIL 20, 2005****BY AND AMONG****COMCAST CORPORATION,****TIME WARNER CABLE INC.,****TIME WARNER NY CABLE LLC****and****THE OTHER PARTIES NAMED HEREIN****TABLE OF CONTENTS**

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Exhibit E	TWC/Adelphia Systems
Exhibit F	Comcast/Adelphia Systems

**EXCHANGE AGREEMENT**

THIS EXCHANGE AGREEMENT (“Agreement”) is made and entered into as of April 20, 2005 among Comcast Corporation, a Pennsylvania corporation (“Comcast”), Comcast Cable Communications Holdings, Inc., a Delaware corporation (“Comcast Cable”), Comcast of Georgia, Inc., a Colorado corporation (“Comcast Georgia”), and TCI Holdings, Inc., a Delaware corporation (“TCI,” and together with Comcast Cable and Comcast Georgia, the “Comcast Transferors”; the Comcast Transferors and Comcast are referred to herein collectively as the “Comcast Parties”), Time Warner Cable Inc., a Delaware corporation (“Time Warner Cable” or “TWC”), Time Warner NY Cable LLC, a Delaware limited liability company (“TW NY”), and Urban Cable Works of Philadelphia, L.P., a Delaware limited partnership (“Urban”, and together with TW NY, the “TWC Transferors; the TWC Transferors and TWC are referred to herein collectively as the “TWC Parties”).

A. Comcast and its Affiliates own and operate (i) the cable communications systems serving the communities identified in Exhibit A hereto (the “Comcast Dallas Native Systems”), (ii) the cable communications systems serving the communities identified in Exhibit B hereto (the “Comcast LA Native Systems”), and (iii) the cable communications systems serving the communities identified in Exhibit C hereto (the “Comcast Ohio Native Systems”, and together with the Comcast Dallas Native Systems and the Comcast LA Native Systems, the “Comcast Native Systems”).

B. TWC and its Affiliates operate the cable communications system serving the communities set forth on Exhibit D hereto (the “TWC Native System”).

C. TW NY is party to that certain Asset Purchase Agreement dated as of the date hereof (as amended from time to time in accordance therewith and herewith, the “TWC/Adelphia Purchase Agreement”) between Adelphia Communications Corporation, a Delaware corporation (“Adelphia”), and TW NY, a true and complete copy of which has been provided to Comcast.

D. Comcast is party to that certain Asset Purchase Agreement dated of the date hereof (as amended from time to time in accordance therewith and herewith, the “Comcast/Adelphia Purchase Agreement”) between Adelphia and Comcast, a true and complete copy of which has been provided to TWC.

E. Subject to the terms and conditions in the TWC/Adelphia Purchase Agreement, at the Adelphia Closing, among other things, the TWC Newcos (as defined below), will acquire ownership of the cable communications systems serving the communities identified in Exhibit E hereto (the “TWC/Adelphia Systems” and, together with the TWC Native System, the “TWC Transferred Systems”).

F. Subject to the terms and conditions in the Comcast/Adelphia Purchase Agreement, at the Adelphia Closing, among other things, Comcast and its

Affiliates will acquire ownership of the Transferred Joint Venture Entities (as defined below), which own and operate the cable communications systems serving the communities identified in Exhibit F hereto (the “Comcast/Adelphia Systems” and, together with the Comcast Native Systems, the “Comcast Transferred Systems”).

G. Urban is managed by TWC, and TWC has agreed with third parties to purchase 100% ownership of Urban subject to specified terms and conditions and Urban’s rights and obligations hereunder are conditioned upon the consummation of such purchase (the “Urban Purchase”).

H. This Agreement sets forth the terms and conditions on which Comcast and its Affiliates shall convey, or cause to be conveyed directly or indirectly, to TWC and its Affiliates substantially all of the assets of the Comcast Transferred Systems, and TWC and its Affiliates shall convey, or cause to be conveyed directly or indirectly, to Comcast and its Affiliates substantially all of the assets of the TWC Transferred Systems, in such a manner as to effect exchanges of property of a like-kind within the meaning of Section 1031 of the Internal Revenue Code (the “Code”).

## **Agreements**

In consideration of the mutual covenants and promises set forth in this Agreement, the Comcast Parties and the TWC Parties agree as follows:

### **ARTICLE 1**

#### **Definitions**

Section 1.1 Terms Defined in this Section. In addition to terms defined elsewhere in this Agreement, the following terms with initial capital letters, when used in this Agreement, shall have the meanings set forth below:

“Adelphia Assets” means the Comcast/Adelphia Assets and/or the TWC/Adelphia Assets, as the context requires.

“Adelphia Assumed Liabilities” means the TWC/Adelphia Assumed Liabilities and/or the Comcast/Adelphia Assumed Liabilities, as the context requires.

“Adelphia Basic Subscriber” means a Basic Subscriber, as defined in the relevant Adelphia Purchase Agreement.

“Adelphia Business” means the Comcast/Adelphia Business and/or the TWC/Adelphia Business, as the context requires.

“Adelphia Closing” means the closing of the transactions contemplated by the TWC/Adelphia Purchase Agreement and/or the closing of the transactions contemplated by the Comcast/Adelphia Purchase Agreement (for the avoidance of doubt, other than pursuant to Section 5.15 of the TWC/Adelphia Purchase Agreement), as the context requires.

**“Adelphia Closing Documents”** means the Ancillary Agreements (as defined in the relevant Adelphia Purchase Agreement).

**“Adelphia Employee”** means any individual who, immediately prior to the Adelphia Closing, was then an employee of Adelphia or its Subsidiaries, and who became a “Transferred Employee” (for this purpose only, as such term is defined in the relevant Adelphia Purchase Agreement) on the Adelphia Closing.

**“Adelphia Newcos”** means the Comcast/Adelphia Newcos and/or the TWC/Adelphia Newcos, as the context requires.

**“Adelphia Purchase Agreements”** means the TWC/Adelphia Purchase Agreement and/or the Comcast/Adelphia Purchase Agreement, as the context requires.

**“Adelphia Subscriber Reduction Threshold”** means, with respect to each Adelphia Newco, (i) the Initial Adelphia Subscriber Number for such Adelphia Newco *multiplied by* (ii) the product of 0.25% *multiplied by* a fraction, the numerator of which is the number of days from and including the day immediately following the relevant Adelphia Closing through and including the Closing Date, and the denominator of which is 30 (provided that such fraction shall be rounded up to the nearest whole number).

**“Adelphia Systems”** means the TWC/Adelphia Systems and/or the Comcast/Adelphia Systems, as the context requires.

**“Affiliate”** means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made, and “Affiliated” shall have a correlative meaning; provided, that for purposes of this definition and the definition of “Controlled Affiliate”, “control” (including with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other Equity Securities, by Contract or otherwise. For purposes of this Agreement, (i) each Transferred Joint Venture Entity shall be deemed an Affiliate of Adelphia prior to completion of the Adelphia Closing under the Comcast/Adelphia Purchase Agreement and an Affiliate of Comcast after the Adelphia Closing under the Comcast/Adelphia Purchase Agreement, (ii) each Comcast Newco shall be deemed an Affiliate of Comcast prior to completion of the Closing and an Affiliate of TWC after the Closing and (iii) each TWC Newco shall be deemed an Affiliate of TWC prior to completion of the Closing and an Affiliate of Comcast after the Closing.

**“Affiliated Group”** means any affiliated, consolidated, combined or unitary group for Tax purposes under any federal, state, local or foreign law (including regulations promulgated thereunder) including (without limitation) any affiliated group within the meaning of Section 1504(a) of the Code.

**“Applicable Taxes”** means Taxes that are Comcast/Adelphia Assumed Liabilities, Comcast Native Assumed Liabilities, TWC/Adelphia Assumed Liabilities or TWC Native Assumed Liabilities, as the context requires.

**“Applicable Tax Return”** means any Tax Return relating to Applicable Taxes.

**“Authorization”** means any waiver, amendment, consent, approval, license, franchise, permit (including construction permits), certificate, exemption, variance or authorization of, expiration or termination of any waiting period requirement (including pursuant to the HSR Act) or other action by, or notice, filing, registration, qualification, declaration or designation with, any Person (including any Governmental Authority).

**“Benefit Plan”** means a Comcast Benefit Plan or a TWC Benefit Plan, as the context requires.

**“Budgeted Subscriber Number”** means, with respect to each Native Newco, the number of Individual Subscribers of the Native Systems of such Native Newco corresponding to the month in which the Closing occurs, as set forth on Schedule 1.1A.

**“Business Day”** means any day other than a Saturday or Sunday or a day on which banks in New York, New York are authorized or required to be closed.

**“Cable Act”** means Title VI of the Communications Act, 47 USC § 521, *et seq.*

“Capital Expenditure Adjustment Amount” means:

(i) with respect to each Comcast/Adelphia Newco, the portion of the Capital Expenditure Adjustment Amount (as defined in the Comcast/Adelphia Purchase Agreement and as determined pursuant to Section 2.8 of the Comcast/Adelphia Purchase Agreement for purposes of determining the Final Adjustment Amount (as defined therein) thereunder) attributable to the portion of the Group 1 Business held by such Comcast/Adelphia Newco after giving effect to the Comcast/Adelphia Newco Transaction *multiplied by* (i) 133 $\frac{1}{3}$ % to the extent attributable to the Century Business, (ii) 150% to the extent attributable to the Parnassos Business or the Western Business and (iii) 100% to the extent attributable to the Group 1 Remainder Business (expressed as a positive, if positive, or a negative, if negative); and

(ii) with respect to each TWC/Adelphia Newco, the portion of the Capital Expenditure Adjustment Amount (as defined in the TWC/Adelphia Purchase Agreement and as determined pursuant to Section 2.6 of the TWC/Adelphia Purchase Agreement for purposes of

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determining the Final Adjustment Amount (as defined therein) thereunder) attributable to the portion of the Group 1 Business held by such TWC/Adelphia Newco after giving effect to the TWC/Adelphia Newco Transaction referred to in the third sentence of Section 2.1(a) (expressed as a positive, if positive, or as a negative, if negative).

“Century Business” has the meaning set forth in the Comcast/Adelphia Purchase Agreement.

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and any rules or regulations promulgated thereunder (42 U.S.C. §§ 9601 *et seq.*).

“Closing Adjustment Amount” means:

(i) with respect to each Adelphia Newco, the sum (expressed as a positive, if positive, or as a negative, if negative) of (A) the Net Liabilities Adjustment Amount for such Adelphia Newco *minus* (B) the Subscriber Adjustment Amount for such Adelphia Newco *minus* (C) the Capital Expenditure Adjustment Amount for such Adelphia Newco; and

(ii) with respect to each Native Newco, the sum (expressed as a positive, if positive, or a negative, if negative) of (A) the Net Liabilities Adjustment Amount for such Native Newco *minus* (B) the Subscriber Adjustment Amount for such Native Newco.

“Closing Date” means the date on which the Closing occurs.

“Closing Subscriber Number” means (i) with respect to each Adelphia Newco, the number of Adelphia Basic Subscribers of the Adelphia Systems of such Adelphia Newco as of the Closing Time and (ii) with respect to each Native Newco, (A) the number of Individual Subscribers of the Native Systems of such Native Newco as of the Closing Time *minus* (B) the number of Individual Subscribers of the Native Systems of such Native Newco acquired pursuant to any Excluded SMATV Acquisition.

“Closing Time” means, with respect to each Transferred System, 11:59 p.m., local time in the location of such Transferred System, on the Closing Date.

“Comcast/Adelphia Assets” means (i) all of the Assets (as such term is defined in the Comcast/Adelphia Purchase Agreement) of each of the Transferred Joint Venture Entities as of immediately following the Adelphia Closing, (ii) the Transferred Assets (as such term is defined in the Comcast/Adelphia Purchase Agreement) of the Group 1 Remainder Business (together with clause (i), the “Initial Comcast/Adelphia Assets”), (iii) all right, title and interest in all assets and properties, real and personal, tangible and intangible, acquired or received by any Comcast Group Member following the Adelphia Closing and owned, held for use, leased, licensed or used by any Comcast Group Member primarily in the operation of the Comcast/Adelphia Systems as of the

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Closing (but subject to Section 2.1(f)(viii) *mutatis mutandis*, to the extent relating to insurance claims and proceeds and condemnation proceeds), and (iv) all of the rights and interests of the Comcast Group under the Comcast/Adelphia Purchase Agreement and the Ancillary Agreements (as defined in the Comcast/Adelphia Purchase Agreement) to the extent relating to the Group 1 Business; provided that the Comcast/Adelphia Assets shall not include any Comcast/Adelphia Excluded Assets.

**“Comcast/Adelphia Assumed Liabilities”** means (i) all Liabilities of the Transferred Joint Venture Entities as of immediately following the Adelphia Closing, (ii) the Assumed Liabilities (as such term is defined in the Comcast/Adelphia Purchase Agreement) of the Group 1 Remainder Business, (iii) all Liabilities of the Comcast Group to the extent arising out of, resulting from or associated with the ownership and operation of the Comcast/Adelphia Assets and/or the Comcast/Adelphia Business between the Adelphia Closing and the Closing, the transfer of the Comcast/Adelphia Assets or the Comcast/Adelphia Business to the Comcast/Adelphia Newcos pursuant to Section 2.1(c) or the Exchanges relating to such Comcast/Adelphia Newcos, but in each case only to the extent such Liabilities are reflected in the Net Liabilities Adjustment Amount used to calculate the Final Closing Adjustment Amount, (iv) all Liabilities to the extent relating to, arising out of or resulting from the ownership and operation of the Comcast/Adelphia Assets and/or the Comcast/Adelphia Business after the Closing, and (v) all of the Liabilities of the Comcast Group arising under the Comcast/Adelphia Purchase Agreement and the Ancillary Agreements (as defined in the Comcast/Adelphia Purchase Agreement) to the extent relating to the Group 1 Business; provided that the Comcast/Adelphia Assumed Liabilities shall not include any Comcast/Adelphia Excluded Liabilities.

**“Comcast/Adelphia Business”** means the business conducted with the Comcast/Adelphia Assets, including the operation of the Comcast/Adelphia Systems.

**“Comcast/Adelphia Escrow Agreement”** means the Escrow Agreement, as defined in the Comcast/Adelphia Purchase Agreement.

**“Comcast/Adelphia Excluded Assets”** means (i) any Initial Comcast/Adelphia Assets or other assets or properties that are sold or otherwise disposed of after the Adelphia Closing by the Comcast Group in the ordinary course of business (to the extent not sold or otherwise disposed of in violation of Section 6.1 or 6.2), (ii) all rights and interests in the Palm Beach Joint Venture (and its assets and Liabilities) and in any other Equity Securities, and under any related JV Documents or Investment Documents, other than rights and interests in those Equity Securities set forth on Schedule 1.1B and any related Investment Documents, (iii) the Comcast/Adelphia Retained Rights, and (iv) all assets and properties acquired or received by any Comcast Group Member following the Adelphia Closing (other than pursuant to the Comcast/Adelphia Purchase Agreement to the extent relating to the Group 1 Business) that would be Native Excluded Assets applying the provisions of Section 2.1(g) *mutatis mutandis* (except that for this purpose the reference in Section 2.1(g)(xiii) to “Retained

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System” will be deemed to be a reference to “Comcast/Adelphia System” and disregarding Section 2.1(g)(xix)).

**“Comcast/Adelphia Excluded Liabilities”** means (i) any Comcast/Adelphia Assumed Liabilities to the extent discharged or released prior to the Closing, (ii) any Liabilities to the extent related to the ownership of the interests in the Palm Beach Joint Venture (and its assets and Liabilities) or any other Equity Securities (other than, in the case of such other Equity Securities, any such Liabilities to the extent arising as a result of being a general partner of the issuer of such Equity Securities, or any such Liabilities arising under veil piercing or other similar legal or equitable theories), and any Liabilities under any related JV Documents or any Investment Documents, other than those Equity Securities set forth on Schedule 1.1B and any related Investment Documents, (iii) any Liability in respect of Transfer Taxes (as defined in the Comcast/Adelphia Purchase Agreement) pursuant to Section 5.4(c) of the Comcast/Adelphia Purchase Agreement, (iv) Excluded Tax Liabilities (but only to the extent relating to any period after the Adelphia Closing), (v) Liabilities for long-term debt (including the current portion thereof) to the extent arising after the Adelphia Closing and prior to the Closing, (vi) Liabilities to the extent arising out of, resulting from or associated with the use, ownership or operation of any Comcast/Adelphia Excluded Asset, (vii) any Liabilities of any Comcast Group Member other than Comcast/Adelphia Assumed Liabilities, (viii) any Liabilities arising after the Adelphia Closing of the type that would be excluded from financial statements by reason of the GAAP Adjustments, (ix) any intercompany payable created to record cash lent to the Comcast/Adelphia Newcos or Comcast/Adelphia Systems by any Comcast Group Member after the Adelphia Closing and prior to Closing and (x) the Comcast/Adelphia Retained Obligations.

**“Comcast/Adelphia Purchase Price Per Subscriber”** means \$3,275.

**“Comcast/Adelphia Retained Obligations”** means (i) all obligations of the Comcast Group under Section 2.8 of the Comcast/Adelphia Purchase Agreement (and, to the extent related thereto, any other provisions of the Comcast/Adelphia Purchase Agreement and the Comcast/Adelphia Escrow Agreement), including all payments to be made thereunder (subject to Section 6.20(d)), (ii) the Liabilities of the Comcast Group under the Comcast/Adelphia Purchase Agreement and the Ancillary Agreements (as defined in the Comcast/Adelphia Purchase Agreement) referred to in Section 6.20(j), if applicable, and (iii) all Liabilities of the Comcast Group arising under the Comcast/Adelphia Purchase Agreement and the Ancillary Agreements (as defined in the

Comcast/Adelphia Purchase Agreement) to the extent relating to (A) the Group 2 Business (as defined in the Comcast/Adelphia Purchase Agreement) or (B) any breach of any such agreement by any Comcast Group Member prior to the Closing.

**“Comcast/Adelphia Retained Rights”** means (i) all rights and interests under Section 2.8 of the Comcast/Adelphia Purchase Agreement (and, to the extent related thereto, any other provisions of the Comcast/Adelphia Purchase Agreement and the Comcast/Adelphia Escrow Agreement), including all payments to be received thereunder (subject to Section 6.20(d)), (ii) the rights and interests under the

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Comcast/Adelphia Purchase Agreement and the Ancillary Agreements (as defined in the Comcast/Adelphia Purchase Agreement) referred to in Section 6.20(j), if applicable, (iii) the Retained Claims (as defined in the Comcast/Adelphia Purchase Agreement), (iv) all rights and interests under the Comcast/Adelphia Purchase Agreement and the Ancillary Agreements (as defined in the Comcast/Adelphia Purchase Agreement) to the extent relating to any Equity Securities or any related JV Documents or Investment Documents, other than those Equity Securities set forth on Schedule 1.1B and any related Investment Documents, (v) all rights and interests under Article VII of the Comcast/Adelphia Purchase Agreement (and any related provisions of the Comcast/Adelphia Escrow Agreement) to the extent relating to any breach by Adelphia of (A) any of the representations and warranties contained in Section 3.9(d), Section 3.9(e), Section 3.9(f), Section 3.9(h) or Section 3.9(i) thereof or (B) the covenants and agreements contained in Section 5.4(f) thereof, (vi) all rights with respect to the determination of the Buyer Discharge Amount (as defined in the Comcast/Adelphia Purchase Agreement) and (vii) all rights and interests of the Comcast Group under the Comcast/Adelphia Purchase Agreement and the Ancillary Agreements (as defined in the Comcast/Adelphia Purchase Agreement), including in respect of any breach by Adelphia, to the extent relating to the Group 2 Business (as defined in the Comcast/Adelphia Purchase Agreement).

**“Comcast Benefit Plan”** means any plan, program, arrangement or agreement that is a pension, profit-sharing, savings, retirement, employment, consulting, severance pay, termination, executive compensation, incentive compensation, deferred compensation, bonus, stock purchase, stock option, phantom stock or other equity-based compensation, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life (including all individual life insurance policies as to which Comcast or any of its ERISA Affiliates is the owner, the beneficiary, or both), Code Section 125 “cafeteria” or “flexible” benefit, employee loan, educational assistance or fringe benefit plan, program, policy or arrangement whether written or oral, including, without limitation, any (i) “employee benefit plan” within the meaning of Section 3(3) of ERISA or (ii) other employee benefit plan, agreement, program, policy, arrangement or payroll practice, whether or not subject to ERISA (including any funding mechanism therefor now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise) which Comcast or any of its ERISA Affiliates maintains or contributes to or in respect of which Comcast or any of its ERISA Affiliates has any obligation to maintain or contribute, or have any direct or indirect liability, whether contingent or otherwise, with respect to which any Comcast Native Employee has any present or future right to benefits.

**“Comcast Excluded Assets”** means the Comcast Native Excluded Assets and/or the Comcast/Adelphia Excluded Assets, as the context requires.

**“Comcast Excluded Liabilities”** means the Comcast Native Excluded Liabilities and/or the Comcast/Adelphia Excluded Liabilities, as the context requires.

**“Comcast Group”** means Comcast and its Affiliates.

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**“Comcast Group Member”** means Comcast or any of its Affiliates.

**“Comcast Leased Property”** means the Comcast Native Leased Property and/or all leases of real property included in the Comcast/Adelphia Assets, as the context requires.

**“Comcast Native Business”** means the business conducted with the Comcast Native Assets, including the operation of the Comcast Native Systems.

**“Comcast Native Employee”** means any individual who, as of the Closing Date, either (a)(x) is then a current employee of (including any full-time, part-time, or temporary employee or an individual in any other employment relationship with), or is then on a leave of absence (including, without limitation, paid or unpaid leave, short-term disability, medical, personal, or any other form of authorized leave, but excluding individuals on long-term disability) from, a Comcast Group Member and (y) who is primarily employed by a Comcast Group Member in connection with a Comcast Native System, or with respect to any individual hired after the Adelphia Closing, a Comcast/Adelphia System, or (b) has been designated by mutual written agreement of Comcast and TWC as a Comcast Native Employee. Unless the context clearly indicates otherwise, “Comcast Native Employee” shall include any person claiming benefits or rights under or through any Comcast Native Employee, including the dependents or beneficiaries of any Comcast Native Employee.

**“Comcast Native Leased Property”** means the premises demised under the Comcast Native Leases.

**“Comcast Owned Property”** means the Comcast Native Owned Property and/or all fee interests in real property included in the Comcast/Adelphia Assets, as the context requires.

**“Comcast Required Consents”** means (a) any and all consents, authorizations and approvals (other than any approval of any Franchising Authority) the failure to obtain in connection with the transactions contemplated hereby would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect and (b) any other consents, authorizations and approvals set forth on Schedule 4.3 and designated thereon as Comcast Required Consents.

**“Comcast Retained Systems”** means all cable communications systems operated directly or indirectly by the Comcast Group (in each case to the extent the results of such systems are included in the consolidated results of Comcast) at the Closing other than the Comcast Transferred Systems and any cable communications systems acquired after the date hereof.

**“Comcast Transferred Assets”** means the Comcast/Adelphia Assets and/or the Comcast Native Assets, as the context requires.

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**“Comcast Transferred Books and Records”** means (i) the Comcast Native Books and Records and (ii) the Books and Records (as defined in the Comcast/Adelphia Purchase Agreement) to the extent relating to the Comcast/Adelphia Systems and delivered by Adelphia at the Adelphia Closing (other than Tax Returns of any Transferred Joint Venture Entity, except to the extent related to Applicable Taxes), and all books, records and other documents relating to the Comcast/Adelphia Systems that are created, amended, supplemented or updated following the Adelphia Closing to the extent such books, records and other documents would be Comcast Native Books and Records applying the provisions of Section 2.1(f)(vii) *mutatis mutandis*.

**“Comcast Transferred Business”** means the Comcast Native Business and/or the Comcast/Adelphia Business, as the context requires.

**“Comcast Transferred Contracts”** means the Comcast Native Contracts and/or the Contracts included in the Comcast/Adelphia Assets, as the context requires.

**“Comcast Transferred Franchises”** means the Comcast Native Franchises and/or the Franchises included in the Comcast/Adelphia Assets, as the context requires.

**“Comcast Transferred Licenses”** means the Comcast Native Licenses and/or the Licenses included in the Comcast/Adelphia Assets, as the context requires.

**“Communications Act”** means the Communications Act of 1934.

**“Confidentiality Agreements”** means (i) the letter agreement dated November 9, 2004 between TWX and Comcast, as amended, regarding confidential information of the TWC Group and (ii) the letter agreement dated November 9, 2004 between Comcast and TWX, as amended, regarding confidential information of the Comcast Group.

**“Contract”** means any written agreement, contract, mortgage, deed of trust, bond, indenture, lease, license, note, franchise, certificate, option, warrant, right or other instrument, document, obligation or agreement, and any oral obligation, right or agreement.

**“Controlled Affiliate”** means, with respect to any Person, any Affiliate of such Person that is controlled by such Person.

**“Current Assets”** means:

(i) with respect to each Comcast/Adelphia Newco, if the Closing occurs on the same date as the Adelphia Closing, the Current Assets (as defined in the Comcast/Adelphia Purchase Agreement and as determined pursuant to Section 2.8 of the

Comcast/Adelphia Newco after giving effect to the Comcast/Adelphia Newco Transaction;

(ii) with respect to each TWC/Adelphia Newco, if the Closing occurs on the same date as the Adelphia Closing, the Current Assets (as defined in the TWC/Adelphia Purchase Agreement and as determined pursuant to Section 2.6 of the TWC/Adelphia Purchase Agreement for purposes of determining the Final Adjustment Amount (as defined therein) thereunder) attributable to the portion of the Group 1 Business held by such TWC/Adelphia Newco after giving effect to the TWC/Adelphia Newco Transaction referred to in the third sentence of Section 2.1(a); and

(iii) with respect to each Native Newco and, if the Closing occurs on any date after the date of the Adelphia Closing, with respect to each Adelphia Newco, the amount of all current assets (other than inventory and the Excluded Transferred Cash) of such Newco as of the Closing Time (after giving effect to the relevant Exchange), as would be reflected on the face of a balance sheet (excluding any footnotes thereto) prepared in accordance with GAAP; provided that, Current Assets shall include, but shall not be limited to, all cash and cash equivalents (including the cash paid to the relevant Transferee pursuant to Section 3.1(g) but excluding the Excluded Transferred Cash), prepaid expenses, funds on deposit with third parties, and accounts receivable other than (A) the portion of any account receivable resulting from cable, telephony, data or Internet service sales that is sixty (60) days or more past due as of the Closing Date, (B) the portion of any national agency account receivable resulting from advertising sales that is one hundred and twenty (120) days or more past due as of the Closing Date, (C) any non-national agency account receivable resulting from advertising sales any portion of which is ninety (90) days or more past due as of the Closing Date, (D) accounts receivable from customers whose accounts are inactive as of the Closing Date or (E) any accounts receivable that have not arisen from a bona fide transaction in the ordinary course of business; provided further that, for purposes of making the foregoing “past due” calculations, the billing statements of any Transferred System will be deemed to be due and payable consistent with ordinary accounting practice. Current Assets shall include the Total SMATV Consideration paid in respect of any Excluded SMATV Acquisition.

**“Digital Subscribers”** means, as of any given date, the aggregate of all of the following digital subscribers:

(a) with respect to the TWC Transferred Systems, a paying customer who has been installed and receives any level of video service offered by a TWC Transferred System and received via digital technology, including without limitation, the digital guide tier, the digital basic tier, digital sports tiers and digital movie tiers; and

(b) with respect to any Comcast Transferred System, the aggregate of all of the following customers who have been installed and who subscribe to at least the lowest level of video programming offered by such Transferred System and received via

digital technology: (i) private residential customer accounts that are billed by individual unit (regardless of whether such accounts are in single family homes or in individually billed units in apartment houses and other multi-unit buildings) (excluding “second connects” or “additional outlets,” as such terms are commonly understood in the cable industry and excluding courtesy accounts), each of which shall be counted as one Digital Subscriber, and (ii) bulk billed residential and commercial accounts not billed by individual unit, such as apartment houses, multi-family homes, hotels, motels and restaurants (provided that the number of Digital Subscribers served by each such account referred to in this clause (ii) shall equal the quotient of (x) the aggregate monthly revenue from the provision of such bulk digital service (excluding any revenue associated with analog basic or analog tier video service), for the last billing period ending on or preceding the date of determination, divided by (y) the applicable rate for the franchise area in which such establishment is located, determined in accordance with past practice).

**“Disregarded Entities”** means, with respect to each of the Comcast Transferors and TWC Transferors (or, as applied in Section 6.8(d), each of Comcast and TWC), a single member Delaware limited liability company (or, in the case of Comcast Native Newco 2 and Comcast Native Newco 3, a Delaware business trust) that (i) is wholly-owned by the applicable Transferor (or, as applied in Section 6.8(d), by one Person that is a Comcast Group Member or TWC Group Member, as applicable), (ii) has not elected to be taxed as a corporation and (iii) subject to Section 2.5(c), is newly formed by such Transferor (or, as applied in Section 6.8(d), such

Comcast Group Member or TWC Group Member) for the purpose of the applicable Newco Transaction (or any transaction contemplated by Section 6.8(d)) to which it is party.

“DMA” means a geographic area established by Nielsen Media Research for the purpose of rating the viewership of commercial television stations.

“Environmental Law” means any Legal Requirement, whether now or hereafter in effect, concerning the environment, including Legal Requirements relating to emissions, discharges, releases or threatened releases of Hazardous Substances into the environment, air (including both ambient and within buildings and other structures), surface water, ground water or land or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, presence, disposal, transport or handling of Hazardous Substances.

“Equity Security” has the meaning ascribed to such term in Rule 405 promulgated under the Securities Act as in effect on the date hereof and, in any event, shall also include (i) any capital stock of a corporation, any partnership interest, any limited liability company interest, trust interest and any other equity interest, (ii) any security or right convertible into, exchangeable for, or evidencing the right to subscribe for any such stock, equity or trust interest or security referred to in clause (i), (iii) any stock appreciation right, contingent value right or similar security or right that is derivative of any such stock, equity or trust interest or security referred to in clause (i) or (ii), and (iv) any contract to grant, issue, award, convey or sell any of the foregoing.

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“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” means, as to any Person, any trade or business, whether or not incorporated, which together with such Person would be deemed a single employer within the meaning of Section 4001 of ERISA.

“Excluded Rights and Obligations” means, as applicable, (i) the Comcast/Adelphia Retained Rights (other than clause (i) thereof) and the Comcast/Adelphia Retained Obligations (other than clause (i) thereof) or (ii) the TWC/Adelphia Retained Rights (other than clause (i) thereof) and the TWC/Adelphia Retained Obligations (other than clause (i) thereof), in each case as the context requires.

“Excluded SMATV Acquisition” means (i) in respect of the Comcast Native Systems, any SMATV Acquisition consummated after the date hereof and prior to the Closing Time in respect of which the Total SMATV Consideration (A) exceeds \$2,500,000 or (B) exceeds \$20,000,000 when aggregated with the Total SMATV Consideration paid in all previous SMATV Acquisitions consummated after the date hereof and prior to the Closing Time (other than the SMATV Acquisition contemplated by the Asset Purchase Agreement dated as of March 24, 2005 referred to on Schedule 4.5(a)) and (ii) in respect of the TWC Native System, any SMATV Acquisition consummated after the date hereof and prior to the Closing Time in respect of which the Total SMATV Consideration (A) exceeds \$1,100,000 or (B) exceeds \$1,100,000 when aggregated with the Total SMATV Consideration paid in all previous SMATV Acquisitions consummated after the date hereof and prior to the Closing Time.

“Excluded Tax Liabilities” means all Liabilities for Income Taxes relating to or arising out of, or resulting from the ownership or operation of the Comcast/Adelphia Assets, the Comcast Native Assets, the TWC/Adelphia Assets or the TWC Native Assets, as the context requires, for taxable periods, or portions thereof, ending on or prior to the Closing, other than Income Taxes suffered by Comcast or any of its Affiliates as a partner in TWE.

“FCC” means the Federal Communications Commission.

“Final Closing Adjustment Amount” means, with respect to each Newco, the Closing Adjustment Amount as set forth in the Transferee’s Statement for such Newco and, in the event of an Objection Notice, as adjusted by either the agreement of Transferor and Transferee, or by the Accounting Referee, acting pursuant to Section 2.4.

“Financial Statements” means the TWC Native Financial Statements or the Comcast Native Financial Statements, as the context requires.

“Franchise” shall have the meaning assigned to such term in Section 602(9) of the Communications Act.

“Franchising Authority” shall have the meaning assigned to such term in Section 602(10) of the Communications Act.

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**"GAAP"** means generally accepted accounting principles in the United States in effect from time to time applied on a consistent basis.

**"GAAP Adjustments"** means, as the context requires, with respect to the preparation of any relevant financial statement, (i) with respect to the Comcast Group, the exclusion of the items described in the proviso to the second sentence of Section 4.11(a) (other than clauses (A)(v) and (vi) and (B)(i), (iii) and (iv) of such proviso) in each case consistent with the practices used in preparation of the Comcast Native Financial Statements, and (ii) with respect to the TWC Group, the exclusion of the items described in the proviso to the second sentence of Section 5.11(a) (other than clauses (v), (vii), (xi) and (xii) of such proviso) in each case consistent with the practices used in preparation of the TWC Native Financial Statements.

**"Governmental Authority"** means (i) the United States of America, (ii) any state, commonwealth, territory or possession of the United States of America and any political subdivision thereof (including counties, municipalities, provinces, parishes and the like), (iii) any foreign (as to the United States of America) sovereign entity and any political subdivision thereof and (iv) any court, quasi-governmental authority, tribunal, department, commission, board, bureau, agency, authority or instrumentality of any of the foregoing.

**"Group"** means the Comcast Group or the TWC Group, as the context requires.

**"Group 1 Business"** means the Group 1 Business as defined in the relevant Adelphia Purchase Agreement, as the context requires.

**"Group 1 Remainder Business"** means the Group 1 Remainder Business as defined in the Comcast/Adelphia Purchase Agreement.

**"Group Member"** means a member of a Group.

**"Hazardous Substances"** means (i) any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive or otherwise hazardous substance, waste or material, (ii) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (RCRA) (42 U.S.C. §§ 6901 *et seq.*); (iii) any "hazardous substance" as defined by CERCLA; (iv) any substance regulated by the Toxic Substances Control Act of 1976 (TSCA) (15 U.S.C. § 2601 *et seq.*); (v) asbestos or asbestos-containing material of any kind or character; (vi) polychlorinated biphenyls; (vii) any substance the presence, use, treatment, storage or disposal of which is prohibited by or regulated under any Legal Requirement; and (viii) any other substance which by any Legal Requirement requires special handling, reporting or notification of or to any Governmental Authority in its collection, storage, use, treatment, presence or disposal.

**"High Speed Data Subscriber"** means, with respect to any Transferred System, a customer who subscribes to at least the lowest level of internet service offered by such Transferred System, excluding courtesy accounts.

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**"HSR Act"** means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

**"Income Taxes"** means any Tax which is based upon, measured by, or computed by reference to net income or profits (including alternative minimum Tax) or, in the case of Time Warner Cable and its Subsidiaries, with respect to any payments in respect of Taxes that are governed by the Time Warner Tax Matters Agreement, Income Taxes shall mean any amounts payable by or to Time Warner Cable under the Time Warner Tax Matters Agreement.

**"Individual Subscribers"** means, as of any given date, the aggregate of all of the following Subscribers:

(a) with respect to the TWC Transferred Systems, (i) private residential customer accounts that are billed by individual unit (regardless of whether such accounts are in single family homes or in individually billed units in apartment houses and other multi-unit buildings) (excluding "second connects" or "additional outlets," as such terms are commonly understood in the cable industry), each of which shall be counted as one Individual Subscriber, (ii) bulk bill residential accounts not billed by individual unit, such as apartment houses and multi-family homes, provided, each unit in such apartment house or multi-family home shall be counted as one Individual Subscriber, and (iii) commercial bulk accounts such as hotels, motels and restaurants, provided, each commercial account shall count as one Individual Subscriber; provided, that in all such cases, Individual Subscribers shall not include any free accounts; and

(b) with respect to the Comcast Transferred Systems, (i) private residential customer accounts that are billed by individual unit (regardless of whether such accounts are in single family homes or in individually billed units in apartment houses and other multi-unit buildings) (excluding “second connects” or “additional outlets,” as such terms are commonly understood in the cable industry and excluding courtesy accounts), each of which shall be counted as one Individual Subscriber, and (ii) bulk billed residential and commercial accounts not billed by individual unit, such as apartment houses, hotels, motels and restaurants (provided that the number of Individual Subscribers served by each such account referred to in this clause (ii) shall equal the quotient of (x) the aggregate monthly revenue from the provision of basic service and any applicable analog bulk tier service for the last billing period ending on or preceding the date of determination, *divided by* (y) the applicable rate for the franchise area in which such establishment is located, determined in accordance with past practice).

“Initial Adelphia Subscriber Number” means, with respect to each Adelphia Newco, the number of Adelphia Basic Subscribers of the Adelphia Systems of such Adelphia Newco as of the Adelphia Closing.

“Investment Documents” means the documents governing any Equity Securities or any investment therein.

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“Judgment” means any judgment, judicial decision, writ, order, injunction, award or decree of or by any Governmental Authority or any arbitration panel or authority whose decision is binding and enforceable.

“JV Documents” means the documents governing the management, operations and rights of joint venture partners or other equity holders in the Transferred Joint Venture Entities (including all certificates of incorporation, bylaws, partnership agreements and operating agreements), including all amendments or supplements thereto.

“Legal Requirement” means applicable common law and any statute, ordinance, code, law, rule, regulation, order, technical or other written standard, requirement or procedure enacted, adopted, promulgated, applied or followed by, or any agreement entered into by, any Governmental Authority, including any Judgment.

“LFA Approvals” means all consents, approvals or waivers required to be obtained from any Governmental Authority with respect to the transfer or change in control of Transferred Franchises in connection with the transactions contemplated hereby. For purposes hereof, the waiver of a Transferred Systems Option of any Person shall be considered to be a required LFA Approval.

“Liability” or “Liabilities” means any and all liabilities, losses, charges, indebtedness, demands, actions, damages, obligations, payments, costs and expenses, bonds, indemnities and similar obligations, covenants, and other liabilities, including all Contractual obligations, whether due or to become due, absolute or contingent, inchoate or otherwise, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, determined or determinable, whenever arising, and including those arising under any Legal Requirement, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person.

“Lien” means, with respect to any property or asset, any security agreement, financing statement filed with any Governmental Authority, conditional sale agreement, capital lease or other title retention agreement relating to such property or asset, any lease, consignment or bailment given for purposes of security, any right of first refusal, equitable interest, lien, mortgage, indenture, pledge, option, charge, encumbrance, adverse interest, constructive trust or other trust, claim, attachment, exception to or defect in title or other ownership interest (including reservations, rights of entry, possibilities of reverter, encroachments, survey defects, easements, rights-of-way, restrictive covenants, leases and licenses) of any kind, which otherwise constitutes an interest in or claim against property, whether arising pursuant to any Legal Requirement, any Contract or otherwise.

“Litigation” means any claim, action, suit, proceeding, arbitration, investigation, hearing or other activity or procedure that could result in a Judgment, and any notice of any of the foregoing.

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“Local Retransmission Consent Agreement” means any retransmission consent agreement that covers a signal carried by a Group’s Transferred System that does not also cover a signal carried by a Retained System of such Group.

**“Losses”** means any claims, losses, damages, penalties, costs and expenses, including interest which may be imposed in connection therewith, expenses of investigation, reasonable fees and disbursements of counsel and other experts and the reasonable cost to any Person making a claim or seeking indemnification under this Agreement with respect to funds expended by such Person by reason of the occurrence of any event with respect to which indemnification is sought, but shall in no event include incidental, punitive or consequential damages except to the extent required to be paid to a third party. For the avoidance of doubt, an item that is included in the definition of “Losses” shall be included regardless of whether it arises as a result of the negligence, strict liability or any other liability under any theory of law or equity of, or violation of any Law.

**“Material Adverse Effect”** means, as applicable, (a) (i) a material adverse effect on the business, condition (financial or otherwise), assets or results of operations of (A) for all purposes other than Section 7.2(a) and Section 7.2(h), any Comcast Transferred Business, and (B) for purposes of Section 7.2(a) and Section 7.2(h), the Comcast Transferred Businesses taken as a whole, provided that in each case any such effect with respect to the Comcast/Adelphia Business shall only include effects to the extent arising from events, circumstances or conditions occurring after the Adelphia Closing, or (ii) a material impairment or delay of the ability of any Comcast Party to effect the Closing or to perform its obligations under this Agreement or any Transaction Documents to which it is a party; or (b) (i) a material adverse effect on the business, condition (financial or otherwise), assets or results of operations of (A) for all purposes other than Section 7.1(a) and Section 7.1(h), any TWC Transferred Business, and (B) for purposes of Section 7.1(a) and Section 7.1(h), the TWC Transferred Businesses taken as a whole, provided that in each case any such effect with respect to the TWC/Adelphia Business shall only include effects to the extent arising from events, circumstances or conditions occurring after the Adelphia Closing, or (ii) a material impairment or delay of the ability of any TWC Party to effect the Closing or to perform its obligations under this Agreement or any Transaction Documents to which it is a party; provided, however, that none of the following (or the results thereof) shall be taken into account in either clause (a) or (b) above: (A) any change in law or accounting standards or interpretations thereof that is of general application; (B) any change in general economic or business conditions or industry wide or financial market conditions generally; (C) except with respect to Sections 4.3 and 5.3, any adverse effect as a result of the execution or announcement of this Agreement, the Transaction Documents and the transactions contemplated hereunder or thereunder; and (D) any loss of Subscribers or failure to obtain LFA Approvals with respect to any Transferred System.

**“Native Assets”** means the TWC Native Assets and/or the Comcast Native Assets, as the context requires.

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**“Native Assumed Liabilities”** means the Comcast Native Assumed Liabilities and/or the TWC Native Assumed Liabilities, as the context requires.

**“Native Business”** means the Comcast Native Business and/or the TWC Native Business, as the context requires.

**“Native Employee”** means a Comcast Native Employee or a TWC Native Employee, as the context requires.

**“Native Leased Property”** means the Comcast Native Leased Property and/or the TWC Native Leased Property, as the context requires.

**“Native Newcos”** means the Comcast Native Newcos and/or the TWC Native Newco, as the context requires.

**“Native Owned Property”** means the Comcast Native Owned Property and/or the TWC Native Owned Property, as the context requires.

**“Native Purchase Price Per Subscriber”** means \$3,730.

**“Native Real Property Interests”** means the Comcast Native Real Property Interests and/or the TWC Native Real Property Interests, as the context requires.

**“Native Systems”** means the TWC Native System and/or the Comcast Native Systems, as the context requires.

**“Net Liabilities Adjustment Amount”** means, with respect to each Newco, the Current Assets of such Newco *minus* the Total Liabilities of such Newco, expressed as a positive, if positive, or as a negative, if negative.

**“Newcos”** means the Comcast Newcos and the TWC Newcos.

**“Palm Beach Joint Venture”** means Palm Beach Group Cable Joint Venture, a Florida general partnership.

**“Parent”** means Comcast or Time Warner Cable, as the context requires.

**“Parnassos Business”** has the meaning set forth in the Comcast/Adelphia Purchase Agreement.

“Party” or “party” means any Comcast Party or TWC Party.

“Permitted Lien” means (a) any Lien securing Taxes, assessments and governmental charges not yet due and payable or being contested in good faith (and for which adequate accruals or reserves have been established), (b) any zoning law or ordinance or any similar Legal Requirement, (c) any right reserved to any Governmental Authority, including any Franchising Authority, to regulate the affected property, (d) as to all Transferred Owned Property and Transferred Real Property Interests, any Lien

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(other than Liens securing indebtedness or arising out of the obligation to pay money) which does not individually or in the aggregate with one or more other Liens interfere in any material respect with the right or ability to own, use, enjoy or operate the Transferred Owned Property or Transferred Real Property Interests as they are currently being used or operated, or to convey good and indefeasible fee simple title to the same (with respect to Transferred Owned Property), (e) in the case of Transferred Leased Property, any right of any lessor or any Lien granted by any lessor of Transferred Leased Property or by any other party having an interest in such leased property which is superior to that which is demised under the applicable Lease (or to which the fee interest in Transferred Leased Property or any other interest superior to that which is demised under the applicable lease is otherwise subject), (f) any materialmen’s, mechanic’s, workmen’s, repairmen’s or other like Liens arising in the ordinary course of business, (g) any Lien described on Schedule 1.1D and (h) nonmaterial leases, subleases, licenses or sublicenses in favor of third parties; provided, that “Permitted Liens” shall not include any Lien (other than any Lien described in clause (e) above) (i) in the case of a non-monetary claim, which is reasonably likely to prevent or interfere in any material respect with the conduct of the business of the affected Transferred System as it is currently being conducted or (ii) in the case of a monetary claim or debt, including those described in clauses (a), (d) and (f) above, except to the extent such monetary claim or debt is reflected in the Net Liabilities Adjustment Amount used in calculating the Final Closing Adjustment Amount.

“Person” means any human being, Governmental Authority, corporation, limited liability company, general or limited partnership, joint venture, trust, association or unincorporated entity of any kind.

“Prime Rate” means the prime rate of interest, as announced from time to time, of The Bank of New York in New York City.

“Refund” shall mean, with respect to any Person, any refund of Income Taxes including any reduction in Income Tax liabilities by means of a credit, offset or otherwise.

“Required Consents” means the Comcast Required Consents or the TWC Required Consents, as the context requires.

“Retained System” means a Comcast Retained System or a TWC Retained System, as the context requires.

“Service Area” means any geographic area in which the Transferred Systems are authorized to provide cable television service pursuant to a Transferred Franchise or in which such Transferred Systems provide cable television service for which a Franchise or other Authorization is not required pursuant to applicable Legal Requirements.

“Shared Assets and Liabilities” has the meaning attributed thereto in the Adelphia Purchase Agreements.

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“SMATV Acquisition” means any acquisition, within or within close geographical proximity to the Service Area of a Native System, of multi-channel video subscribers from a private cable communications system operator (including any owner of a Dwelling, a “SMATV Seller”) in respect of any one or more apartment houses or multi-unit buildings, complexes or private communities, hotels or motels or similar facilities (each a “Dwelling”) pursuant to which any payment is required to be made to the SMATV Seller to transfer or terminate its existing cable service agreement with the owner or manager of such Dwelling or, if the SMATV Seller is the owner of the Dwelling, to terminate the owner’s provision of cable services to the Dwelling; provided that the payment in the ordinary course of business of door fees, commissions, revenue sharing and similar amounts to any owner or manager of any Dwelling in connection with the provision of multi-channel video service to such Dwelling shall not constitute a SMATV Acquisition.

“SMATV Purchase Price Per Subscriber” means, in respect of any SMATV Acquisition, the Total SMATV Consideration payable in respect of such SMATV Acquisition divided by the number of Individual Subscribers acquired pursuant to such SMATV

“Subscriber” means, with respect to any Transferred System, a customer who has been installed and who subscribes to at least the lowest level of video programming offered by such Transferred System.

“Subscriber Adjustment Amount” means:

(i) with respect to each Comcast/Adelphia Newco, (A) if the Closing occurs on the same date as the Adelphia Closing, the portion of the Subscriber Adjustment Amount (as defined in the Comcast/Adelphia Purchase Agreement and determined pursuant to Section 2.8 of the Comcast/Adelphia Purchase Agreement for purposes of determining the Final Adjustment Amount (as defined therein) thereunder) attributable to the portion of the Group 1 Business held by such Comcast/Adelphia Newco *multiplied by* (x) 133 $\frac{1}{3}$ % to the extent attributable to the Century Business and (y) 150% to the extent attributable to the Parnassos Business or the Western Business, and (B) if the Closing occurs on any date after the Adelphia Closing, an amount equal to the sum of (x) the amount determined in respect of such Comcast/Adelphia Newco pursuant to clause (A) above *plus* (y) the product of the Comcast/Adelphia Purchase Price Per Subscriber *multiplied by* the amount (if any) by which the Subscriber Change for such Comcast/Adelphia Newco exceeds the Adelphia Subscriber Reduction Threshold for such Comcast/Adelphia Newco, in each case expressed as a positive, if positive, or a negative, if negative;

(ii) with respect to each TWC/Adelphia Newco, (A) if the Closing occurs on the same date as the Adelphia Closing, the portion of the Subscriber Adjustment Amount (as defined in the TWC/Adelphia

Purchase Agreement and determined pursuant to Section 2.6 of the TWC/Adelphia Purchase Agreement for purposes of determining the Final Adjustment Amount (as defined therein) thereunder) attributable to the portion of the Group 1 Business held by such TWC/Adelphia Newco, and (B) if the Closing occurs on any date after the Adelphia Closing, an amount equal to the sum of (x) the amount determined in respect of such TWC/Adelphia Newco pursuant to clause (A) above *plus* (y) the product of the TWC/Adelphia Purchase Price Per Subscriber *multiplied by* the amount (if any) by which the Subscriber Change for such TWC/Adelphia Newco exceeds the Adelphia Subscriber Reduction Threshold for such TWC/Adelphia Newco, in each case expressed as a positive, if positive, or a negative, if negative; and

(iii) with respect to each Native Newco, the product of (A) the Native Purchase Price Per Subscriber *multiplied by* (B) the Subscriber Change for such Native Newco, expressed as a positive, if positive, or as a negative, if negative.

“Subscriber Change” means:

(i) with respect to each Adelphia Newco, the Initial Adelphia Subscriber Number for such Adelphia Newco *minus* the Closing Subscriber Number for such Adelphia Newco (provided that if such amount is a negative number, the Subscriber Change shall be deemed to be zero); and

(ii) with respect to each Native Newco, the Budgeted Subscriber Number for such Native Newco *minus* the Closing Subscriber Number for such Native Newco (expressed as a positive, if positive, or as a negative, if negative).

“Subsidiary” means, with respect to any Person, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other body performing similar functions are at any time directly or indirectly owned by such Person.

“Tangible Personal Property” means the Comcast Native Tangible Personal Property or the TWC Native Tangible Personal Property, as the context requires.

“Taxes” means all levies and assessments of any kind or nature imposed by any Governmental Authority, including all income, sales, use, *ad valorem*, value added, franchise, severance, net or gross proceeds, withholding, payroll, employment, F.I.C.A., excise or property taxes, levies, and any payment required to be made to any state abandoned property administrator or other public official pursuant to an abandoned property, escheat or similar law, together with any interest thereon and any penalties, additions to tax or additional amounts applicable thereto.

**"Tax Return"** shall mean any report, return or other information (including any attached schedules or any amendments to such report, return or other information) required to be supplied to or filed with a Governmental Authority with respect to any Tax, including (without limitation) an information return, claim for refund, amended return, declaration, or estimated Tax return, in connection with the determination, assessment, collection or administration of any Tax.

**"Telephony Subscriber"** means with respect to a Transferred System, a customer who subscribes to at least the lowest level of telephone service offered by such Transferred System, excluding courtesy accounts.

**"Time Warner Tax Matters Agreement"** means the Tax Matters Agreement, by and between Time Warner Inc. and Time Warner Cable, dated as of March 31, 2003, as such agreement may be amended from time to time and any successor agreement; provided that for purposes of this Agreement, no such amendment or successor agreement shall be taken into account unless it was made or entered into with the prior written consent of Comcast, not to be unreasonably withheld or delayed.

**"Total Liabilities"** means:

- (i) with respect to each Comcast/Adelphia Newco, if the Closing occurs on the same date as the Adelphia Closing, the Total Liabilities (as defined in the Comcast/Adelphia Purchase Agreement and as determined pursuant to Section 2.8 of the Comcast/Adelphia Purchase Agreement for purposes of determining the Final Adjustment Amount (as defined therein) thereunder) attributable to the portion of the Group 1 Business held by such Comcast/Adelphia Newco;
- (ii) with respect to each TWC/Adelphia Newco, if the Closing occurs on the same date as the Adelphia Closing, the Total Liabilities (as defined in the TWC/Adelphia Purchase Agreement and as determined pursuant to Section 2.6 of the TWC/Adelphia Purchase Agreement for purposes of determining the Final Adjustment Amount (as defined therein) thereunder) attributable to the portion of the Group 1 Business held by such TWC/Adelphia Newco; and
- (iii) with respect to each Native Newco and, if the Closing occurs on any date after the date of the Adelphia Closing, with respect to each Adelphia Newco, the amount of all Liabilities of such Newco as of the Closing Time (after giving effect to the Exchanges), as would be reflected on the face of a balance sheet (excluding any footnotes thereto) prepared in accordance with GAAP; provided that, for purposes of this clause (iii), Total Liabilities shall include Liabilities of the relevant Newco or the relevant Transferee or its Affiliates under Section 3.1 to the extent such Liabilities would be reflected on the face of a balance sheet (excluding any footnotes).

thereto) of the relevant Native Business or Adelphia Business, as the case may be, prepared in accordance with GAAP as of the Closing Time, but without giving effect to the Closing. For purposes of this definition, in the case of each Adelphia Newco, Liabilities with respect to sale bonuses due and payable at or after the Closing Time to Adelphia Employees under the Adelphia Communications Corporation Sale Bonus Program to the extent reflected in the Closing Net Liabilities Amount (as defined in the relevant Adelphia Purchase Agreement and as determined pursuant to Section 2.8 of the Comcast/Adelphia Purchase Agreement or Section 2.6 of the TWC/Adelphia Purchase Agreement, as applicable, for purposes of determining the Final Adjustment Amount thereunder) attributable to the portion of the Group 1 Business held by such Adelphia Newco shall be deemed to be a Liability of such Adelphia Newco on the face of a balance sheet prepared in accordance with GAAP as of the Closing Time. For the avoidance of doubt, Liabilities shall include, but are not limited to, accounts payable, accrued expenses (including all accrued vacation time, sick days, other accrued paid time off, copyright fees, Applicable Taxes, franchise fees and other license fees or charges), capitalized lease obligations, Contract obligations that are due and payable (including lease obligations), due and payable obligations that are subject to materialmen's, mechanic's and similar Liens, Liabilities with respect to unearned income and advance payments (including subscriber prepayments and deposits for converters, encoders, cable television service and related sales) and interest, if any, required to be paid on advance payments. For the avoidance of doubt, Total Liabilities shall exclude the Total SMATV Consideration due and payable at or after the Closing Time in respect of any SMATV Acquisition not prohibited by Section 6.2(c)(i).

**"Total SMATV Consideration"** means, in respect of any SMATV Acquisition, the total consideration payable to the SMATV Seller and its Affiliates in respect of such SMATV Acquisition, plus the amount of any net liabilities assumed by the acquiror.

**"Transaction Documents"** means the instruments and documents described in Sections 8.2 and 8.3, which are being executed and delivered by or on behalf of any Comcast Group Member or TWC Group Member, as the case may be, in connection with this Agreement or the transactions contemplated hereby.

**“Transferable Service Area”** means a Service Area with respect to which (a) no Franchise or similar Authorization is required or issued for the provision of cable television service in such Service Area, (b) no LFA Approval is necessary for the transfer of any Transferred Franchise for such Service Area in connection with the consummation

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of the transactions contemplated by this Agreement, (c) if any LFA Approval is necessary for the transfer of any Transferred Franchise for such Service Area in connection with the consummation of the transactions contemplated by this Agreement, such LFA Approval has been obtained (and is in effect), or (d) if any LFA Approval is necessary for the transfer of any Transferred Franchise for such Service Area in connection with the consummation of the transactions contemplated by this Agreement, the applicable Franchising Authority does not expressly deny a request for approval to transfer such Transferred Franchise within the 120-day review period provided under FCC regulation (plus such extensions of time as are mutually agreed upon by Comcast and TWC). Any Service Area in which any Person has a Transferred Systems Option that has not been waived in respect of the transactions contemplated by this Agreement and the Transaction Documents shall not be considered a Transferable Service Area.

**“Transferee”** means, with respect to each Exchange, the Comcast Group Member or TWC Group Member, as applicable, that receives Equity Securities from the Transferor in such Exchange.

**“Transferee Parent”** means TWC or Comcast, as the context requires, in its capacity as the parent entity of a Transferee.

**“Transferor”** means with respect to each Exchange, the Comcast Group Member or TWC Group Member, as applicable, that transfers the Equity Securities of the relevant Newco to the Transferee in such Exchange.

**“Transferor Parent”** means TWC or Comcast, as the context requires, in its capacity as the parent entity of a Transferor.

**“Transferred Asset”** means any Comcast Transferred Asset or TWC Transferred Asset.

**“Transferred Business”** means the Comcast Transferred Business and/or the TWC Transferred Business, as the context requires.

**“Transferred Franchise”** means any Native Franchise or any Franchise included in the Comcast/Adelphia Assets or in the TWC/Adelphia Assets.

**“Transferred Joint Venture Entity”** has the meaning ascribed thereto in the Comcast/Adelphia Purchase Agreement.

**“Transferred Joint Venture Parent”** has the meaning ascribed thereto in the Comcast/Adelphia Purchase Agreement.

**“Transferred Leased Property”** means the Comcast Leased Property and/or the TWC Leased Property, as the context requires.

**“Transferred Owned Property”** means the Comcast owned Property and/or the TWC Owned Property, as the context requires.

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**“Transferred Real Property Interests”** means the Comcast Native Real Property Interests, the TWC Native Real Property Interests and/or the leases, easements, rights of access and other interests (not including fee interests) in real property included in the Comcast/Adelphia Assets or the TWC/Adelphia Assets, as the context requires.

**“Transferred Systems”** means the Comcast Transferred Systems and/or the TWC Transferred Systems, as the context requires.

**“Transferred Systems Option”** means, with respect to any Transferred System or Transferred Asset, any purchase option, right of first refusal or similar arrangement which would be triggered by the sale, transfer or other disposition of such Transferred System or Transferred Asset.

**“TWC/Adelphia Assets”** means (i) the Transferred Assets (as defined in the TWC/Adelphia Purchase Agreement) of the Group 1 Business (the “Initial TWC/Adelphia Assets”), (ii) all right, title and interest in all assets and properties, real and personal, tangible and intangible, acquired or received by any TWC Group Member following the Adelphia Closing and owned, held for use, leased, licensed or used by any TWC Group Member primarily in the operation of the TWC/Adelphia Systems as of the Closing

(but subject to Section 2.1(f)(viii) *mutatis mutandis*, to the extent relating to insurance claims and proceeds and condemnation proceeds), and (iii) all of the rights and interests of the TWC Group under the TWC/Adelphia Purchase Agreement and the Ancillary Agreements (as defined in the TWC/Adelphia Purchase Agreement) to the extent relating to the Group 1 Business; provided that the TWC/Adelphia Assets shall not include any TWC/Adelphia Excluded Assets.

“TWC/Adelphia Assumed Liabilities” means (i) the Assumed Liabilities (as defined in the TWC/Adelphia Purchase Agreement) of the Group 1 Business, (ii) all Liabilities of the TWC Group to the extent arising out of, resulting from or associated with the ownership and operation of the TWC/Adelphia Assets and/or the TWC/Adelphia Business between the Adelphia Closing and the Closing, the transfer of the TWC/Adelphia Assets or the TWC/Adelphia Business to the TWC/Adelphia Newcos pursuant to Section 2.1(a) or the Exchanges relating to such TWC/Adelphia Newcos, but in each case only to the extent such Liabilities are reflected in the Net Liabilities Adjustment Amount used to calculate the Final Closing Adjustment Amount, (iii) all Liabilities to the extent relating to, arising out of or resulting from the ownership and operation of the TWC/Adelphia Assets and/or the TWC/Adelphia Business after the Closing, and (iv) all of the Liabilities of the TWC Group arising under the TWC/Adelphia Purchase Agreement and the Ancillary Agreements (as defined in the TWC/Adelphia Purchase Agreement) to the extent relating to the Group 1 Business; provided that the TWC/Adelphia Assumed Liabilities shall not include any TWC/Adelphia Excluded Liabilities.

“TWC/Adelphia Business” means the business conducted with the TWC/Adelphia Assets, including the operation of the TWC/Adelphia Systems.

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“TWC/Adelphia Escrow Agreement” means the Escrow Agreement, as defined in the TWC/Adelphia Purchase Agreement.

“TWC/Adelphia Excluded Assets” means (i) any Initial TWC/Adelphia Assets or other assets or properties that are sold or otherwise disposed of after the Adelphia Closing by the TWC Group in the ordinary course of business (to the extent not sold or otherwise disposed of in violation of Section 6.1 or 6.2), (ii) all rights and interests in any Equity Securities and under any related Investment Documents, other than rights and interests in those Equity Securities set forth on Schedule 1.1E and under any related Investment Documents, (iii) the TWC/Adelphia Retained Rights, and (iv) all assets and properties acquired or received by any TWC Group Member following the Adelphia Closing (other than pursuant to the TWC/Adelphia Purchase Agreement to the extent relating to the Group 1 Business) that would be Native Excluded Assets applying the provisions of Section 2.1(g) *mutatis mutandis* (except that for this purpose the reference in Section 2.1(g)(xiii) to “Retained System” will be deemed to be a reference to “TWC/Adelphia System” and disregarding Section 2.1(g)(xix)).

“TWC/Adelphia Excluded Liabilities” means (i) any TWC/Adelphia Assumed Liabilities to the extent discharged or released prior to the Closing, (ii) any Liabilities to the extent related to the ownership of any Equity Securities and Liabilities under any related Investment Documents, other than those Equity Securities set forth on Schedule 1.1E and any related Investment Documents, (iii) any Liability in respect of Transfer Taxes (as defined in the TWC/Adelphia Purchase Agreement) pursuant to Section 5.7(c) of the TWC/Adelphia Purchase Agreement, (iv) Excluded Tax Liabilities (but only to the extent relating to any period after the Adelphia Closing), (v) Liabilities for long-term debt (including the current portion thereof) to the extent arising after the Adelphia Closing and prior to the Closing, (vi) Liabilities to the extent arising out of, resulting from or associated with the use, ownership or operation of any TWC/Adelphia Excluded Asset, (vii) any Liabilities of any TWC Group Member other than TWC/Adelphia Assumed Liabilities, (viii) any Liabilities arising after the Adelphia Closing of the type that would be excluded from financial statements by reason of the GAAP Adjustments, (ix) any intercompany payable created to record cash lent to the TWC/Adelphia Newcos or TWC/Adelphia Systems by any TWC Group Member after the Adelphia Closing and prior to Closing and (x) the TWC/Adelphia Retained Obligations.

“TWC/Adelphia Purchase Price Per Subscriber” means \$3,810.

“TWC/Adelphia Retained Obligations” means (i) all obligations of the TWC Group under Section 2.6 of the TWC/Adelphia Purchase Agreement (and, to the extent related thereto, any other provisions of the TWC/Adelphia Purchase Agreement and the TWC/Adelphia Escrow Agreement), including all payments to be made thereunder (subject to Section 6.20(d)) and (ii) all Liabilities of the TWC Group arising under the TWC/Adelphia Purchase Agreement and the Ancillary Agreements (as defined in the TWC/Adelphia Purchase Agreement) to the extent relating to (A) the Group 2 Business (as defined in the TWC/Adelphia Purchase Agreement), (B) any breach of any

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such agreement by any TWC Group Member prior to the Closing, (C) the Parent Class A Common Stock or Excluded Claims (each as defined in the TWC/Adelphia Purchase Agreement) or (D) Section 5.19 of the TWC/Adelphia Purchase Agreement.

**TWC/Adelphia Retained Rights** means (i) all rights and interests under Section 2.6 of the TWC/Adelphia Purchase Agreement (and, to the extent related thereto, other provisions of the TWC/Adelphia Purchase Agreement and TWC/Adelphia Escrow Agreement), including all payments to be received thereunder (subject to Section 6.20(d)) and (ii) all rights and interests of the TWC Group under the TWC/Adelphia Purchase Agreement and the Ancillary Agreements (as defined in the TWC/Adelphia Purchase Agreement), including in respect of any breach by Adelphia, to the extent relating to the Group 2 Business (as defined in the TWC/Adelphia Purchase Agreement).

**TWC Benefit Plan** means any plan, program, arrangement or agreement that is a pension, profit-sharing, savings, retirement, employment, consulting, severance pay, termination, executive compensation, incentive compensation, deferred compensation, bonus, stock purchase, stock option, phantom stock or other equity-based compensation, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life (including all individual life insurance policies as to which TWC or any of its Affiliates is the owner, the beneficiary, or both), Code Section 125 “cafeteria” or “flexible” benefit, employee loan, educational assistance or fringe benefit plan, program, policy or arrangement whether written or oral, including, without limitation, any (i) “employee benefit plan” within the meaning of Section 3(3) of ERISA or (ii) other employee benefit plan, agreement, program, policy, arrangement or payroll practice, whether or not subject to ERISA (including any funding mechanism therefor now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise) which TWC or any of its Affiliates maintains or contributes to or in respect of which TWC or any of its Affiliates has any obligation to maintain or contribute, or have any direct or indirect liability, whether contingent or otherwise, with respect to which any TWC Native Employee has any present or future right to benefits.

**TWC Excluded Assets** means the TWC Native Excluded Assets and/or the TWC/Adelphia Excluded Assets, as the context requires.

**TWC Excluded Liabilities** means the TWC Native Excluded Liabilities and/or the TWC/Adelphia Excluded Liabilities, as the context requires.

**TWC Group** means TWC and its Affiliates.

**TWC Group Member** means TWC or any of its Affiliates.

**TWC Leased Property** means the TWC Native Leased Property and/or all leases of real property included in the TWC/Adelphia Assets, as the context requires.

**TWC Native Business** means the business conducted with the TWC Native Assets, including the operation of the TWC Native System.

**TWC Native Employee** means any individual who, as of the Closing Date, either (a)(x) is then a current employee of (including any full-time, part-time, or temporary employee or an individual in any other employment relationship with), or is then on a leave of absence (including, without limitation, paid or unpaid leave, short-term disability, medical, personal, or any other form of authorized leave, but excluding individuals on long-term disability) from, a TWC Group Member and (y) who is primarily employed by a TWC Group Member in connection with a TWC Native System or, with respect to any individual hired after the Adelphia Closing, a TWC/Adelphia System, or (b) has been designated by mutual written agreement of Comcast and TWC as a TWC Native Employee. Unless the context clearly indicates otherwise, “TWC Native Employee” shall include any person claiming benefits or rights under or through any TWC Native Employee, including the dependents or beneficiaries of any TWC Native Employee.

**TWC Native Leased Property** means the premises demised under the TWC Native Leases.

**TWC Owned Property** means the TWC Native Owned Property and/or all fee interests in real property included in the TWC/Adelphia Assets, as the context requires.

**TWC Required Consents** means (a) any and all consents, authorizations and approvals (other than any approval of any Franchising Authority) the failure to obtain in connection with the transactions contemplated hereby would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect and (b) any other consents, authorizations and approvals set forth on Schedule 5.3 and designated thereon as TWC Required Consents.

**TWC Retained Systems** means all cable communications systems operated directly or indirectly by the TWC Group (in each case to the extent the results of such systems are included in the consolidated results of TWC) at the Closing other than the TWC Transferred Systems, the cable communications systems to be transferred directly or indirectly by TWC to Comcast or its Affiliates under the Friendco Parent Redemption Agreement and the TWE Redemption Agreement (as such terms are defined in the Comcast/Adelphia Purchase Agreement) and any cable communications systems acquired after the date hereof.

**TWC Transferred Assets** means the TWC Native Assets and/or the TWC/Adelphia Assets, as the context requires.

**TWC Transferred Books and Records** means (i) the TWC Native Books and Records and (ii) the Books and Records (as defined in the TWC/Adelphia Purchase Agreement) to the extent relating to the TWC/Adelphia Systems and delivered by Adelphia at the Adelphia Closing, and all books, records and other documents relating to the TWC/Adelphia Systems that are created, amended, supplemented or updated following the Adelphia Closing to the extent such books, records and other documents would be TWC Native Books and Records applying the provisions of Section 2.1(f)(vii) *mutatis mutandis*.

**TWC Transferred Business** means the TWC Native Business and/or the TWC/Adelphia Business, as the context requires.

**TWC Transferred Contracts** means the TWC Native Contracts and/or the Contracts included in the TWC/Adelphia Assets, as the context requires.

**TWC Transferred Franchises** means the TWC Native Franchises and/or the Franchises included in the TWC/Adelphia Assets, as the context requires.

**TWC Transferred Licenses** means the TWC Native Licenses and/or the Licenses included in the TWC/Adelphia Assets, as the context requires.

**TWE** means Time Warner Entertainment Company, L.P., a Delaware limited partnership.

**TWX** means Time Warner Inc., a Delaware corporation.

**Variable Expense Item** means, with respect to any Native System, the items identified as variable expense items on the 2005 Operating Budget or on Schedule 1.1F.

**Western Business** has the meaning set forth in the Comcast/Adelphia Purchase Agreement.

**\$** means the U.S. dollar.

Section 1.2 Other Definitions. The following terms are defined in the Sections indicated:

Term	Section
2005 Budgets	Section 6.1(a)
2005 Capital Budget	Section 6.1(a)
2005 Operating Budget	Section 6.1(a)
Accounting Referee	Section 2.4(d)
Adelphia	Recitals
Agreement	Preamble
Business	Section 1.3
Cable Pension Plans	Section 3.1(e)
CARS	Section 2.1(f)(iv)
Cash Reconciliation	Section 6.20(e)
Class 1 Comcast Representations and Warranties	Section 7.2(a)
Class 1 TWC Representations and Warranties	Section 7.1(a)
Class 2 Comcast Representations and Warranties	Section 7.2(a)
Class 2 TWC Representations and Warranties	Section 7.1(a)
Closing	Section 8.1
COBRA	Section 3.1(h)
Code	Recitals

<b>Term</b>	<b>Section</b>
Comcast	Preamble
Comcast Assumed Liabilities	Section 2.3
Comcast Cable	Preamble
Comcast Dallas Native Systems	Recitals
Comcast FCC Counsel Opinion	Section 7.2(e)
Comcast Financial Information	Section 6.22(a)
Comcast Georgia	Preamble
Comcast LA Native Systems	Recitals
Comcast Native Assets	Section 2.1(f)
Comcast Native Assumed Liabilities	Section 2.3
Comcast Native Books and Records	Section 2.1(f)(vii)
Comcast Native Cap	Section 10.4(d)
Comcast Native Contracts	Section 2.1(f)(v)
Comcast Native Excluded Assets	Section 2.1(g)
Comcast Native Excluded Liabilities	Section 2.3
Comcast Native Financial Statements	Section 4.11(a)
Comcast Native Franchises	Section 2.1(f)(iii)
Comcast Native Lease	Section 4.10
Comcast Native Leases	Section 4.10
Comcast Native Licenses	Section 2.1(f)(iv)
Comcast Native Minimum Damage Requirement	Section 10.4(c)
Comcast Native Newco 1	Section 2.1(d)
Comcast Native Newco 2	Section 2.1(d)
Comcast Native Newco 3	Section 2.1(d)
Comcast Native Newco Transaction	Section 2.1(d)
Comcast Native Newcos	Section 2.1(d)
Comcast Native Owned Property	Section 2.1(f)(ii)
Comcast Native Real Property Interests	Section 2.1(f)(ii)
Comcast Native Systems	Recitals
Comcast Native Tangible Personal Property	Section 2.1(f)(i)
Comcast Native Title Policies	Section 7.2(h)
Comcast Newco Indemnified Liabilities	Section 4.23(b)
Comcast Newco Transaction	Section 2.1(d)
Comcast Newcos	Section 2.1(d)
Comcast Ohio Native Systems	Recitals
Comcast Participant	Section 4.1
Comcast Parties	Preamble
Comcast Required Threshold	Section 7.2(j)
Comcast Transferors	Preamble
Comcast Transferred Systems	Recitals
Comcast/Adelphia Cap	Section 10.4(d)
Comcast/Adelphia Century Newco 1	Section 2.1(c)
Comcast/Adelphia Century Newco 2	Section 2.1(c)
Comcast/Adelphia Employee	Section 3.1(o)(i)
Comcast/Adelphia Minimum Damage Requirement	Section 10.4(c)

<b>Term</b>	<b>Section</b>
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Comcast/Adelphia Newco Transaction	Section 2.1(c)
Comcast/Adelphia Newcos	Section 2.1(c)
Comcast/Adelphia Parnassos Newco	Section 2.1(c)
Comcast/Adelphia Purchase Agreement	Recitals
Comcast/Adelphia Systems	Recitals
Confidential Information	Section 6.4(a)
Delayed Transfer Asset	Section 2.1(h)(i)
Delivery Date	Section 2.4(b)
Disclosure Letter	Section 1.3
ERISA Group Liabilities	Section 4.23(b)
Estimated Closing Adjustment Amount	Section 2.4(a)
Exchange	Section 2.1(e)(i)
Exchange Act	Section 4.3
Exchanges	Section 2.1(e)(i)
Excluded Transferred Cash	Section 2.1(g)
Franchise Matter	Section 10.3
Guaranteed Obligations	Section 10.9(a)
Guaranteed Parties	Section 10.9(a)
Guaranteed Party	Section 10.9(a)
Indemnification Payment	Section 10.4(j)
Indemnitee	Section 10.3
Indemnitor	Section 10.3
Knowledge	Section 1.3
Native Excluded Assets	Section 2.1(g)
Newco Transactions	Section 2.1(d)
Objection Notice	Section 2.4(c)
Outside Closing Date	Section 9.1(a)
Palm Beach Indemnification Payment	Section 6.20(j)
POFS	Section 6.1(f)(ii)
Post-Closing Consent	Section 6.7
Proprietary Rights	Section 3.2
Rate Regulatory Matter	Section 6.9(d)
Retained Native Employees	Section 3.1(a)
Securities Act	Section 4.3
Specified Price	Section 6.8(d)
Specified System	Section 6.8(d)
Surveys	Section 6.5
Taking	Section 11.16(b)
TCI	Preamble
Time Warner Cable	Preamble
Time Warner Cable Financial Information	Section 6.22(b)
Title Commitment Notice	Section 6.5
Title Commitments	Section 6.5
Title Company	Section 6.5
Title Defect	Section 6.5
Transferee Health or Welfare Plans	Section 3.1(f)(ii)

Term	Section
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Transferee Reimbursement Plan	Section 3.1(g)
Transferee 401(k) Plan	Section 3.1(d)
Transferee's Statement	Section 2.4(b)
Transferor Benefit Plan	Section 3.1(a)(ii)
Transferor Health or Welfare Plan	Section 3.1(f)(i)
Transferor Reimbursement Plan	Section 3.1(g)
Transferor 401(k) Plan	Section 3.1(d)
Transferor's Statement	Section 2.4(a)
Transferred Native Employees	Section 3.1(a)
Transition Closing	Section 6.8(d)

TW NY	Preamble
TWC	Preamble
TWC Assumed Liabilities	Section 2.2
TWC FCC Counsel Opinion	Section 7.1(e)
TWC Native Assumed Liabilities	Section 2.2
TWC Native Books and Records	Section 2.1(f)(vii)
TWC Native Cap	Section 10.4(b)
TWC Native Contracts	Section 2.1(f)(v)
TWC Native Excluded Assets	Section 2.1(g)
TWC Native Excluded Liabilities	Section 2.2
TWC Native Financial Statements	Section 5.11(a)
TWC Native Franchises	Section 2.1(f)(iii)
TWC Native Lease	Section 5.10
TWC Native Leases	Section 5.10
TWC Native Licenses	Section 2.1(f)(iv)
TWC Native Minimum Damage Requirement	Section 10.4(a)
TWC Native Newco	Section 2.1(b)
TWC Native Newco Transaction	Section 2.1(b)
TWC Native Owned Property	Section 2.1(f)(ii)
TWC Native Real Property Interests	Section 2.1(f)(ii)
TWC Native System	Recitals
TWC Native Tangible Personal Property	Section 2.1(f)(i)
TWC Native Title Policies	Section 7.1(h)
TWC Newco Indemnified Liabilities	Section 5.23(b)
TWC Newco Transaction	Section 2.1(b)
TWC Newcos	Section 2.1(b)
TWC Participant	Section 5.1
TWC Parties	Preamble
TWC Required Threshold	Section 7.1(j)
TWC Transferors	Preamble
TWC Transferred Systems	Recitals
TWC Native Assets	Section 2.1(f)
TWC/Adelphia Cap	Section 10.4(b)
TWC/Adelphia Employee	Section 3.1(o)(i)
TWC/Adelphia Minimum Damage Requirement	Section 10.4(a)

Term	Section
TWC/Adelphia Newco 1	Section 2.1(a)
TWC/Adelphia Newco 2	Section 2.1(a)
TWC/Adelphia Newco 3	Section 2.1(a)
TWC/Adelphia Newco 4	Section 2.1(a)
TWC/Adelphia Newco 5	Section 2.1(a)
TWC/Adelphia Newco Transaction	Section 2.1(a)
TWC/Adelphia Newcos	Section 2.1(a)
TWC/Adelphia Purchase Agreement	Recitals
TWC/Adelphia Systems	Recitals
Unallocated Items	Section 6.21(a)
Urban	Preamble
Urban Purchase	Recitals
Urban Removal Date	Section 2.1(e)(iii)
WARN	Section 3.1(i)

Section 1.3 Rules of Construction. References to one or more schedules or Schedules shall be references to schedules included in those separate disclosure letters (each a “Disclosure Letter”) delivered by TWC to Comcast and by Comcast to TWC on the date hereof in connection with this Agreement, as such Schedules may be updated pursuant to Section 6.10 (but, in such case, subject to the provisions of such Section). Unless otherwise expressly provided in this Agreement: (a) accounting terms used in this

Agreement shall have the meaning ascribed to them under GAAP; (b) words used in this Agreement, regardless of the gender used, shall be deemed and construed to include any other gender, masculine, feminine, or neuter, as the context requires; (c) the word “include” or “including” is not limiting, and the word “or” is not exclusive; (d) the capitalized term “Section” refers to sections of this Agreement, except as the context otherwise requires; (e) references to a particular Section include all subsections thereof, (f) references to a particular statute or regulation include all amendments thereto, rules and regulations thereunder and any successor statute, rule or regulation, or published clarifications or interpretations with respect thereto, in each case as from time to time in effect; (g) references to a Person include such Person’s successors and assigns to the extent not prohibited by this Agreement; (h) references to a “day” or number of “days” (without the explicit qualification “Business”) shall be interpreted as a reference to a calendar day or number of calendar days. “Knowledge” (whether or not capitalized) and words of similar import, when used with reference to TWC, means the actual knowledge of a particular matter of any of the individuals listed on Schedule 1.3(A), and, when used with reference to Comcast, means the actual knowledge of a particular matter of any of the individuals listed on Schedule 1.3(B); and (i) “transactions contemplated hereby” (or words of similar import) in this Agreement shall not be deemed to include the transactions contemplated by the Adelphia Agreements.

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## ARTICLE 2 Exchange

### Section 2.1 Newco Transactions and Exchanges.

(a) TWC/Adelphia Newco Transaction. Prior to the Adelphia Closing, TW NY shall assign to five Disregarded Entities, referred to herein as “TWC/Adelphia Newco 1”, “TWC/Adelphia Newco 2”, “TWC/Adelphia Newco 3”, “TWC/Adelphia Newco 4”, and “TWC/Adelphia Newco 5”, respectively, and collectively as the “TWC/Adelphia Newcos”, the rights and obligations to purchase the TWC/Adelphia Assets and to assume from Adelphia and its Affiliates the TWC/Adelphia Assumed Liabilities, in each case as set forth opposite the name of such TWC/Adelphia Newco on Schedule 2.1(a). The rights and obligations to purchase or assume any TWC/Adelphia Assets or TWC/Adelphia Assumed Liabilities that are not allocated to any TWC/Adelphia Newco pursuant to Schedule 2.1(a) shall be assigned to one or more TWC/Adelphia Newcos designated by TWC at the time of such assignment. At the Adelphia Closing, TWC shall cause each TWC/Adelphia Newco to purchase such TWC/Adelphia Assets and assume such TWC/Adelphia Assumed Liabilities pursuant to the terms of the TWC/Adelphia Purchase Agreement and this Section 2.1(a). Following the Adelphia Closing and immediately prior to the Exchanges, (i) TWC shall, or shall cause its Affiliates to, assign, transfer, convey and deliver to the applicable TWC/Adelphia Newcos, and the applicable TWC/Adelphia Newcos shall accept from TWC and its Affiliates, all of its and their respective right, title and interest in and to any TWC/Adelphia Assets not held by the applicable TWC/Adelphia Newcos at such time, and (ii) each TWC/Adelphia Newco shall assume and agree to pay and discharge, as and when they become due, any applicable TWC/Adelphia Assumed Liabilities arising after the Adelphia Closing that such TWC/Adelphia Newco has not assumed and is not otherwise subject to at such time. The transactions contemplated by this Section 2.1(a) are referred to collectively as the “TWC/Adelphia Newco Transaction” and shall be consummated pursuant to one or more Bills of Sale and Assignment and Instruments of Assumption in form and substance reasonably satisfactory to TWC and Comcast, and such other instruments of transfer or assignment as may be reasonably necessary to effect the TWC/Adelphia Newco Transaction.

(b) TWC Native Newco Transaction. Immediately prior to the Exchanges, (i) TWC shall, and shall cause its Affiliates to, assign, transfer, convey and deliver to a Disregarded Entity referred to herein as the “TWC Native Newco” (and together with the TWC/Adelphia Newcos, the “TWC Newcos”), and the TWC Native Newco shall accept from TWC and its Affiliates, all of its and their respective right, title and interest in and to the TWC Native Assets, and (ii) the TWC Native Newco shall assume and agree to pay and discharge, as and when they become due, the TWC Native Assumed Liabilities. The transactions contemplated by this Section 2.1(b) are referred to collectively as the “TWC Native Newco Transaction” (and, together with the TWC/Adelphia Newco Transaction, the “TWC Newco Transaction”) and shall be consummated pursuant to one or more Bills of Sale and Assignment and Instruments of Assumption in form and substance reasonably satisfactory to TWC and Comcast, and

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such other instruments of transfer or assignment as may be reasonably necessary to effect the TWC Native Newco Transaction.

(c) Comcast/Adelphia Newco Transaction. Immediately prior to the Exchanges, (i) Comcast shall, and shall cause each Transferred Joint Venture Entity and each other Affiliate of Comcast to, assign, transfer, convey and deliver to three Disregarded Entities, referred to as “Comcast/Adelphia Century Newco 1”, “Comcast/Adelphia Century Newco 2” and “Comcast/Adelphia

Parnassos Newco", respectively and collectively as the "Comcast/Adelphia Newcos", and the Comcast/Adelphia Newcos shall accept from each such Person, all of its (and their) right, title and interest in and to the Comcast/Adelphia Assets set forth opposite the name of such Comcast/Adelphia Newco on Schedule 2.1(c), and (ii) each of the Comcast/Adelphia Newcos shall assume and agree to pay and discharge, as and when they become due, the Comcast/Adelphia Assumed Liabilities set forth opposite the name of such Comcast/Adelphia Newco on Schedule 2.1(c). Any Comcast/Adelphia Assets or Comcast/Adelphia Assumed Liabilities that are not allocated to any Comcast/Adelphia Newco pursuant to Schedule 2.1(c) shall be assigned, transferred, conveyed and delivered to, or assumed by, one or more Comcast/Adelphia Newcos designated by Comcast at the time of such transaction. The transactions contemplated by this Section 2.1(c) are referred to collectively as the "Comcast/Adelphia Newco Transaction" and shall be consummated pursuant to one or more Bills of Sale and Assignment and Instruments of Assumption in form and substance reasonably satisfactory to TWC and Comcast, and such other instruments of transfer or assignment as may be reasonably necessary to effect the Comcast/Adelphia Newco Transaction.

(d) Comcast Native Newco Transaction. Immediately prior to the Exchanges, (i) Comcast shall, and shall cause its Affiliates to, assign, transfer, convey and deliver to three Disregarded Entities, referred to as "Comcast Native Newco 1", "Comcast Native Newco 2" and "Comcast Native Newco 3", respectively, and collectively as the "Comcast Native Newcos", (and together with the Comcast/Adelphia Newcos, the "Comcast Newcos"), and the Comcast Native Newcos shall accept from Comcast and its Affiliates, all of its and their respective right, title and interest in and to the Comcast Native Assets set forth opposite the name of such Comcast Native Newco on Schedule 2.1(d), and (ii) each Comcast Native Newco shall assume and agree to pay and discharge, as and when they become due, the Comcast Native Assumed Liabilities set forth opposite the name of such Comcast Native Newco on Schedule 2.1(d). Any Comcast Native Assets or Comcast Native Assumed Liabilities that are not allocated to any Comcast Native Newco pursuant to Schedule 2.1(d) shall be assigned, transferred, conveyed and delivered to, or assumed by, one or more Comcast Native Newcos designated by Comcast at the time of such transaction. The transactions contemplated by this Section 2.1(d) are referred to collectively as the "Comcast Native Newco Transaction" (and, together with the Comcast/Adelphia Newco Transaction, the "Comcast Newco Transaction", and together with the TWC Newco Transaction, the "Newco Transactions") and shall be consummated pursuant to one or more Bills of Sale and Assignment and Instruments of Assumption in form and substance reasonably satisfactory to TWC and Comcast, and such other instruments of transfer or assignment as may be reasonably necessary to effect the Comcast Native Newco Transaction.

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(e) Exchange Covenant. Subject to the terms and conditions set forth in this Agreement, at Closing, following the TWC/Adelphia Newco Transaction and immediately following consummation of the TWC Native Newco Transaction and the Comcast Newco Transaction:

(i) Subject to Section 2.1(e)(iii), each Transferor shall cause the following exchanges of Equity Securities (collectively, the "Exchanges" and each an "Exchange"):

(A) 100% of the outstanding Equity Securities of TWC/Adelphia Newco 1 shall be exchanged for 100% of the outstanding Equity Securities of Comcast/Adelphia Century Newco 1, in each case free and clear of all Liens other than applicable securities laws.

(B) 100% of the outstanding Equity Securities of TWC Native Newco shall be exchanged for 100% of the outstanding Equity Securities of Comcast/Adelphia Century Newco 2, in each case free and clear of all Liens other than applicable securities laws.

(C) 100% of the outstanding Equity Securities of TWC/Adelphia Newco 2 shall be exchanged for 100% of the outstanding Equity Securities of Comcast/Adelphia Parnassos Newco, in each case free and clear of all Liens other than applicable securities laws.

(D) 100% of the outstanding Equity Securities of TWC/Adelphia Newco 3 shall be exchanged for 100% of the outstanding Equity Securities of Comcast Native Newco 1, in each case free and clear of all Liens other than applicable securities laws.

(E) 100% of the outstanding Equity Securities of TWC/Adelphia Newco 4 shall be exchanged for 100% of the outstanding Equity Securities of Comcast Native Newco 2, in each case free and clear of all Liens other than applicable securities laws.

(F) 100% of the outstanding Equity Securities of TWC/Adelphia Newco 5 shall be exchanged for 100% of the outstanding Equity Securities of Comcast Native Newco 3, in each case free and clear of all Liens other than applicable securities laws.

(ii) If the Estimated Closing Adjustment Amount calculated with respect to any Newco is a positive number, such amount shall be payable at the Closing by the Transferee of such Newco to the Transferor of such Newco. If the Estimated Closing Adjustment Amount calculated with respect to any Newco is a negative number, such amount shall be payable at the Closing by the Transferor of such Newco to the Transferee of such Newco. The amounts payable pursuant to this clause (ii) (and the amount payable pursuant to Section 2.1(e)(iii)(B), if applicable) in respect of any Exchange shall be netted against each other such that only one payment in cash is made in respect of each Exchange. The payment to be made pursuant to this clause

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(ii) shall be paid by wire transfer of immediately available funds to the accounts designated by each of Transferor Parent and Transferee Parent by written notice to the other at least five Business Days prior to Closing (or, in the case of Section 2.1(e)(iii)(B), designated by Comcast by written notice to TWC at least two Business Day prior to Closing).

(iii) If the Urban Purchase has not been consummated by the Business Day preceding the Closing Date (the “Urban Removal Date”), then:

(A) the Exchange contemplated by Section 2.1(e)(i)(B) shall not occur at the Closing;

(B) subject to the terms and conditions set forth in this Agreement, at the Closing, following the TWC/Adelphia Newco Transaction and immediately following consummation of the Comcast Newco Transaction, the relevant Comcast Transferor shall sell, convey, transfer and deliver to TWC, and TWC shall purchase from such Comcast Transferor, 100% of the outstanding Equity Securities of Comcast/Adelphia Century Newco 2, free and clear of all Liens other than applicable securities laws, for an amount of cash equal to (x) the Native Purchase Price Per Subscriber multiplied by (y) the Budgeted Subscriber Number for the TWC Native Newco (and such transaction shall be deemed to be an Exchange for purposes of this Agreement);

(C) all representations and warranties, covenants, conditions and other provisions contained in this Agreement (other than, for the avoidance of doubt, this Section 2.1(e)(iii) and Section 6.26) shall, to the extent relating to the TWC Native Business, the TWC Native Assets, the TWC Native System, the TWC Native Employees (other than those individuals primarily employed in connection with a TWC/Adelphia System referred to in clause (a)(y) of the definition of TWC Native Employee) and the TWC Native Newco, be of no further force or effect, and the TWC Native Business, the TWC Native Assets, the TWC Native System, such TWC Native Employees and the TWC Native Newco shall not be considered a Transferred Business, Transferred Assets, a Transferred System, Transferred Employees or a Newco, respectively, in each case from and after the Urban Removal Date; and

(D) Urban shall be deemed removed as a party hereto and shall have no rights or obligations hereunder from and after the Urban Removal Date.

(f) Composition of Native Asset Groups. “Comcast Native Assets” means all of the Comcast Group’s right, title and interest in the assets and properties, real and personal, tangible and intangible, owned, held for use, leased, licensed or used by any Comcast Group Member primarily in the operation of the Comcast Native Systems as of the Closing (that are not Comcast Native Excluded Assets), which right, title and interest shall be owned by the Comcast Native Newcos as of the Closing (other than as contemplated by Section 2.1(h)(i)) . “TWC Native Assets”

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means all of the TWC Group’s right, title and interest in the assets and properties, real and personal, tangible and intangible, owned, held for use, leased, licensed or used by any TWC Group Member primarily in the operation of the TWC Native System as of the Closing (that are not TWC Native Excluded Assets), which right, title and interest shall be owned by the TWC Native Newco as of the Closing (other than as contemplated by Section 2.1(h)(i)) . The Comcast Native Assets and the TWC Native Assets, respectively, shall include the following types of assets and properties:

(i) Tangible Personal Property. All tangible personal property, including towers, tower equipment, aboveground and underground cable, distribution systems, headend equipment, line amplifiers, microwave equipment, converters, testing equipment, motor vehicles, office equipment, furniture, fixtures, supplies, inventory and other physical assets (the “Comcast Native Tangible Personal Property” or the “TWC Native Tangible Personal Property,” as applicable), including with respect to the Comcast Native Tangible Personal Property, the items described on Schedule 2.1(f)(i)(A), and with respect to the TWC Native Tangible Personal Property, the items described on Schedule 2.1(f)(i)(B);

(ii) Real Property. All fee interests in real property (including improvements thereon) (the “Comcast Native Owned Property” or the “TWC Native Owned Property,” as applicable), including the interests described as Comcast Native Owned Property on Schedule 2.1(f)(ii)(A) or as TWC Native Owned Property on Schedule 2.1(f)(ii)(B), and all leases, easements, rights of access and other interests (not including fee interests) in real property (the “Comcast Native Real Property Interests” or the “TWC Native Real Property Interests,” as applicable), including with respect to the Comcast Native Real Property Interests, those described on Schedule 2.1(f)(ii)(A), and with respect to the TWC Native Real Property Interests, those described on Schedule 2.1(f)(ii)(B);

(iii) Franchises. All franchises and similar authorizations or similar permits issued by any Governmental Authority (the “Comcast Native Franchises” or the “TWC Native Franchises,” as applicable), including with respect to the Comcast Native Franchises, those described on Schedule 2.1(f)(iii)(A), and with respect to the TWC Native Franchises, those described on Schedule 2.1(f)(iii)(B);

(iv) Licenses. All cable television relay service (“CARS”), business radio and other licenses, authorizations, consents or permits issued by the FCC or any other Governmental Authority (other than the Comcast Native Franchises and the TWC Native Franchises) (the “Comcast Native Licenses” or the “TWC Native Licenses,” as applicable), including with respect to the Comcast Native Licenses, those described on Schedule 2.1(f)(iv)(A), and with respect to the TWC Native Licenses, those described on Schedule 2.1(f)(iv)(B);

(v) Contracts. All pole line or joint line agreements, underground conduit agreements, crossing agreements, bulk service, commercial service or multiple dwelling agreements, access agreements, system specific programming agreements or signal supply agreements, agreements with community groups,

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commercial leased access agreements, capacity license agreements, partnership, joint venture or other similar agreements or arrangements, advertising representation and interconnect agreements, and other Contracts (including all Contracts in respect of Native Real Property Interests) (the “Comcast Native Contracts” or the “TWC Native Contracts,” as applicable), including with respect to the Comcast Native Contracts, those described on Schedule 2.1(f)(y)(A), and with respect to the TWC Native Contracts, those described on Schedule 2.1(f)(y)(B);

(vi) Accounts Receivable and Current Assets. All subscriber, trade and other accounts receivable (including advertising accounts receivable) and pre-paid expense items;

(vii) Books and Records. All engineering records, files, data, drawings, blueprints, schematics, reports, lists, plans and processes and all files of correspondence, lists, records and reports concerning subscribers and prospective subscribers of the Comcast Native Systems or the TWC Native System, signal and program carriage and dealings with Governmental Authorities, including all reports filed by or on behalf of any Comcast Group Member or TWC Group Member, as applicable, with the FCC and statements of account filed by or on behalf of any Comcast Group Member or TWC Group Member, as applicable, with the U.S. Copyright Office (the “Comcast Native Books and Records” or the “TWC Native Books and Records”, as applicable); and

(viii) Insurance and Condemnation Proceeds. All rights to insurance and condemnation proceeds receivable after Closing in respect of any Comcast Native Assumed Liabilities or TWC Native Assumed Liabilities, all insurance and condemnation proceeds (to the extent not already expended by the applicable Transferor Parent or its Affiliates to restore or replace the lost, damaged or condemned asset, which replacement asset shall be a Transferred Asset) received or receivable in respect of any asset damaged, lost or condemned after December 31, 2004 and which if not so damaged, lost or condemned would have been a Comcast Native Asset or a TWC Native Asset, as applicable, and all insurance and condemnation proceeds received or receivable in respect of business interruption of the Comcast Native Systems or the TWC Native System, as applicable, to the extent relating to any period after Closing;

in the case of each of the foregoing, if such property is owned, held for use, leased, licensed or used primarily in the operation of the Comcast Native Systems or the TWC Native System, as applicable, and then only to the extent of the Comcast Group’s or the TWC Group’s (as applicable) right, title and interest therein.

For the avoidance of doubt, and subject to Section 2.1(h), the parties intend that to the fullest extent permitted all record and beneficial ownership interests of the Comcast Group in the Comcast Transferred Assets, and all record and beneficial ownership

interests of the TWC Group in the TWC Transferred Assets, will be transferred to the applicable Newcos in the Newco Transactions, and if any Group Member holds beneficial ownership in assets of the type described above while another

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Group Member holds record ownership in such assets, all of such ownership interests would be transferred to the applicable Newcos in the Newco Transactions.

(g) Native Excluded Assets. Notwithstanding anything to the contrary set forth herein, all right, title and interest of the TWC Group in, to and under the following (collectively, the “TWC Native Excluded Assets”), and all right, title and interest of the Comcast Group in, to and under the following (collectively, the “Comcast Native Excluded Assets” and together with the TWC Native Excluded Assets, the “Native Excluded Assets”) in each case regardless of whether related to the Native Systems, shall not be Native Assets under this Agreement and, except with respect to the Native Excluded Assets described in clause (xix), shall be retained directly or indirectly by the TWC Group or the Comcast Group, as the case may be, from and after the Closing: (i) any and all cable programming services agreements (including cable guide contracts but excluding system specific programming agreements listed on Schedule 2.1(f)(v)(A) with respect to the Comcast Group and Schedule 2.1(f)(v)(B) with respect to the TWC Group) and any payments received or to be received with respect thereto; (ii) any and all insurance policies and rights and claims thereunder other than the matters described in Section 2.1(f)(viii); (iii) letters of credit and any stocks, bonds (other than surety bonds), certificates of deposit and similar investments; (iv) any and all cash and cash equivalents (including cash received as advance payments by subscribers in the ordinary course of business and held by the Comcast Group or the TWC Group, as applicable, as of the Closing, but excluding cash in an amount equal to the amount of cash received as (A) the cash insurance and condemnation proceeds described in Section 2.1(f)(viii), (B) petty cash on-hand, if any, (C) any cash referred to in Section 11.16 and (D) cash proceeds of any exercise of a Transferred Systems Option (clauses (A) (except to the extent relating to a Native Assumed Liability), (C) and (D), the “Excluded Transferred Cash”); (v) any and all patents, copyrights, trademarks, trade names, service marks, service names, logos and similar proprietary rights, including, as appropriate, the “Comcast” name, the “Time Warner” or “Road Runner” names and any derivations thereof (subject to Section 3.2 and excluding those items (other than those incorporating the “Comcast” or “Time Warner” or “Road Runner” name) owned, licensed, used or held for use exclusively in connection with the operation of the Native Systems); (vi) any and all Contracts for subscriber billing services and any equipment leased with respect to the provision of services under such Contracts (subject to Section 6.8); (vii) any and all Contracts relating to national advertising sales representation; (viii) any and all agreements with any Internet service provider, including with respect to the TWC Group, Road Runner Holdco LLC; (ix) any and all Contracts pursuant to which the TWC Group or the Comcast Group, as applicable, procures goods or services for both Native Systems and Retained Systems; (x) any and all retransmission consent agreements, except as provided in Section 6.19 with respect to certain Local Retransmission Consent Agreements; (xi) any and all agreements governing or evidencing an obligation of any TWC Group Member or Comcast Group Member, as the case may be, for borrowed money; (xii) the assets described on Schedule 2.1(g)(xii)(A) with respect to the Comcast Group and Schedule 2.1(g)(xii)(B) with respect to the TWC Group; (xiii) any surplus inventory in excess of amounts of inventory held consistent with Retained System practice; (xiv) any and all Authorizations of Governmental Authorities to provide telephony service held, directly

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or indirectly, by any TWC Group Member or Comcast Group Member; (xv) any and all assets relating to any Transferor 401(k) Plan or any tax-qualified defined benefit plan maintained by any Group Member; (xvi) any and all account books of original entry, general ledgers, and financial records used in connection with the Native Systems; (xvii) any assets of the type that would be excluded from financial statements by reason of the GAAP Adjustments; (xviii) any intercompany account receivable created to record cash swept from the Native Systems prior to Closing (except to the extent such cash would be excluded from the definition of “Excluded Assets” pursuant to clause (iv) above and such cash amount is not otherwise transferred to the TWC Native Newco in the TWC Native Newco Transaction or to a Comcast Native Newco in the Comcast Native Newco Transaction, as applicable); (xix) any TWC/Adelphia Assets or Comcast/Adelphia Assets; or (xx) any other assets of the Comcast Group or the TWC Group, as applicable, other than Native Assets; provided, that Transferor shall, at Transferee’s request and expense, provide copies of, or information contained in, such books, records and ledgers referred to in clause (xvi) above (other than information pertaining to programming agreements that are not Native System-specific programming or, to the extent necessary to protect the legitimate legal, business and/or confidentiality concerns of Transferor or its Affiliates but taking into account Transferee’s and its Affiliates’ need for such information, other information that is competitively sensitive, is subject to confidentiality restrictions or that contains trade secrets or other sensitive information) to the extent reasonably requested by Transferee after the Closing Date.

(h) Authorizations and Consents.

(i) If and to the extent that the transfer or assignment of any asset to the applicable Newco or, following such transfer or assignment, the transfer of the Equity Securities of any Newco (or any successor thereof), in each case in accordance with this Section 2.1, would in any case be a violation of applicable Legal Requirements with respect to such asset, require any Authorization with respect to such asset or otherwise adversely affect the rights of the applicable Newco or Transferee thereunder, then the transfer or assignment of each such asset to the applicable Newco (each a “Delayed Transfer Asset”) shall be automatically deemed deferred and any such purported transfer or assignment shall be null and void until such time as all legal impediments are removed and/or such Authorizations have been made or obtained. Notwithstanding the foregoing, any such Delayed Transfer Asset shall be deemed a Transferred Asset for purposes of determining whether any Liability is a Native Assumed Liability or Adelphia Assumed Liability, as applicable.

(ii) If the transfer or assignment of any Transferred Asset intended to be transferred or assigned directly or indirectly hereunder is not consummated prior to or at the Closing, whether as a result of the provisions of this Section 2.1(h) or for any other reason, then the Group Member responsible for transferring or assigning such Transferred Asset shall thereafter, directly or indirectly, hold such Delayed Transfer Asset for the use and benefit, insofar as reasonably possible and not prohibited under the terms of any applicable Contract, of the applicable Newco (at the expense of such Newco). In addition, the Group

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Member responsible for directly or indirectly transferring or assigning such Transferred Asset shall take or cause to be taken such other actions as may be reasonably requested by the applicable Newco in order to place such Newco, insofar as reasonably possible, in the same position as if such Delayed Transfer Asset had been transferred as contemplated hereby and so that all the benefits and burdens relating to such Delayed Transfer Asset including possession, use, risk of loss, potential for gain, and dominion, control and command over such Delayed Transfer Asset, are to inure from and after the Closing to such Newco. To the extent permitted by Legal Requirements and to the extent otherwise permissible in light of any required Authorization, the applicable Newco shall be entitled to, and shall be responsible for, the management of any Delayed Transfer Assets not yet transferred to it as a result of this Section 2.1(h) and the parties agree to use reasonable commercial efforts to cooperate and coordinate with respect thereto.

(iii) If and when the Authorizations, the absence of which caused the deferral of transfer of any Delayed Transfer Asset pursuant to this Section 2.1(h), are obtained, the transfer of the applicable Delayed Transfer Asset to the applicable Newco shall automatically and without further action be effected in accordance with the terms of this Agreement and the applicable Transaction Documents.

(iv) No party or any Affiliate thereof shall be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced by the applicable Newco or its Affiliates, other than reasonable out-of-pocket expenses, attorneys’ fees and recording or similar fees, all of which shall be promptly reimbursed by such Newco except as otherwise specifically provided in this Agreement, including for this purpose Section 3.4.

(v) Prior to the Closing, each party shall deliver to the other party a list identifying, in reasonable detail and to their respective knowledge, the Delayed Transfer Assets and the Authorizations required therefor.

(vi) The parties hereto further agree (A) that any Delayed Transfer Assets referred to in this Section 2.1(h) shall be treated for all Income Tax purposes as assets of the applicable Newco (or any successor thereof) and (B) not to report or take any Tax position (on a Tax Return or otherwise) inconsistent with such treatment (unless required by a change in applicable Tax law or a good faith resolution of a contest).

(vii) The parties agree that the treatment of any Delayed Transfer Asset (as defined in the TWC/Adelphia Purchase Agreement) shall be governed by the terms of the TWC/Adelphia Purchase Agreement to the extent inconsistent herewith.

(viii) Each Transferee shall cause its applicable Newco to perform its obligations under this Section 2.1(h) .

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**Section 2.2 TWC Native Assumed Liabilities.** At the Closing, and except as otherwise provided for herein, each TWC Native Newco being assigned TWC Native Assets pursuant to Section 2.1(b) shall assume, and, from and after the Closing, such TWC Native Newco or its Affiliates shall pay, discharge and perform as and when due, its applicable portion of all (a) Liabilities of the TWC Group to the extent arising out of, resulting from or associated with the ownership and operation of the TWC Native Assets and/or the TWC Native Business prior to Closing, or the transfer of such TWC Native Assets or such portion of the TWC Native Business to the TWC Native Newco pursuant to Section 2.1(b) or the Exchanges, but in each case only to the extent such Liabilities are reflected in the Net Liabilities Adjustment Amount used to calculate the Final Closing Adjustment Amount, and (b) all Liabilities to the extent relating to, arising out of or resulting from the ownership and operation of the TWC Native Assets and/or the TWC Native Business after the Closing (clauses (a) and (b) collectively, the “TWC Native Assumed Liabilities” and, together with the TWC/Adelphia Assumed Liabilities, the “TWC Assumed Liabilities”). The TWC Native Assumed Liabilities shall not include, with respect to any TWC Native Assets or TWC Native Business, (i) Excluded Tax Liabilities, (ii) Liabilities set forth on Schedule 2.2, (iii) Liabilities for long-term debt (including the current portion thereof), (iv) Liabilities to the extent arising out of, resulting from or associated with the use, ownership or operation of the TWC Excluded Assets, (v) any Liabilities of any TWC Group Member other than TWC Native Assumed Liabilities, (vi) any Liabilities of the type that would be excluded from financial statements by reason of the GAAP Adjustments or (vii) any intercompany payable created to record cash lent to the TWC Native System prior to Closing (clauses (i) through (vii) collectively, “TWC Native Excluded Liabilities”).

**Section 2.3 Comcast Native Assumed Liabilities.** At the Closing, and except as otherwise provided for herein, each Comcast Native Newco being assigned Comcast Native Assets pursuant to Section 2.1(d) shall assume, and, from and after the Closing, such Comcast Native Newco or its Affiliates shall pay, discharge and perform as and when due, its applicable portion of all (a) Liabilities of the Comcast Group to the extent arising out of, resulting from or associated with the ownership and operation of the Comcast Native Assets and/or the Comcast Native Business prior to Closing, or the transfer of such Comcast Native Assets or such portion of the Comcast Native Business to the Comcast Native Newcos pursuant to Section 2.1(d) or the Exchanges, but in each case only to the extent such Liabilities are reflected in the Net Liabilities Adjustment Amount used to calculate the Final Closing Adjustment Amount and (b) all Liabilities to the extent relating to, arising out of or resulting from the ownership and operation of the Comcast Native Assets and/or the Comcast Native Business after the Closing (clauses (a) and (b) collectively, the “Comcast Native Assumed Liabilities” and, together with the Comcast/Adelphia Assumed Liabilities, the “Comcast Assumed Liabilities”). The Comcast Native Assumed Liabilities shall not include, with respect to any Comcast Native Assets or Comcast Native Business, (i) Excluded Tax Liabilities, (ii) Liabilities set forth on Schedule 2.3, (iii) Liabilities for long-term debt (including the current portion thereof), (iv) Liabilities to the extent arising out of, resulting from or associated with the use, ownership or operation of the Comcast Excluded Assets, (v) any Liabilities of any Comcast Group Member other than Comcast Native Assumed Liabilities, (vi) any

Liabilities of the type that would be excluded from financial statements by reason of the GAAP Adjustments or (vii) any intercompany payable created to record cash lent to the Comcast Native Systems prior to Closing (clauses (i) through (vii) collectively, “Comcast Native Excluded Liabilities”).

#### **Section 2.4 Closing Adjustments.**

(a) No later than five Business Days prior to the Closing Date, each Transferor in an Exchange shall prepare, or cause to be prepared, and deliver to the Transferee in such Exchange, a statement (each, a “Transferor’s Statement”), which shall set forth such Transferor’s good faith estimate of the Closing Adjustment Amount for the Newco being directly or indirectly transferred by it in such Exchange which shall be determined in accordance with this Agreement (the “Estimated Closing Adjustment Amount”), together with appropriate documentation supporting such estimate. Each Transferor’s Statement shall be prepared in good faith in accordance with this Agreement based on the books and records of the Transferred Systems held by such Newco.

(b) As soon as practicable but in any event prior to the date which is the later of (i) 90 days following the Closing and (ii) 10 days after the Final Adjustment Amounts (as defined in the Adelphia Purchase Agreements) have been determined pursuant to the Adelphia Purchase Agreements (the “Delivery Date”), each Transferee in an Exchange shall prepare, or cause to be prepared, and deliver to the Transferor in such Exchange, with respect to the Newco directly or indirectly transferred by such Transferor in such Exchange, a statement (each, a “Transferee’s Statement”) of the actual Closing Adjustment Amount, as of the Closing Date, which shall be determined in accordance with this Agreement, together with appropriate documentation supporting such determination. Each Transferee’s Statement shall be prepared in good faith in accordance with this Agreement based on the books and records of the Transferred Systems held by such Newco.

(c) If the Transferor in any Exchange disagrees with any item in the Transferee’s Statement relating to such Exchange, such Transferor may, within 90 days after the Delivery Date, deliver a notice (an “Objection Notice”) to the relevant Transferee disagreeing with such item and setting forth such Transferor’s calculation of such item, together with appropriate documentation

supporting such determination. Any such Objection Notice shall specify those items or portions thereof as to which such Transferor disagrees, and such Transferor shall be deemed to have agreed with all other items and portions of items contained in the Transferee's Statement.

(d) If an Objection Notice shall be duly delivered pursuant to Section 2.4(c), Transferor and Transferee shall, during the thirty (30) days following such delivery, use their commercially reasonable efforts to reach agreement on the disputed items and amounts. If during such period, Transferor and Transferee are unable to reach such agreement, they shall promptly jointly retain a nationally recognized accounting firm that is not the principal independent accountant of either Comcast, TWC or TWX (the "Accounting Referee") to resolve the disputed items or amounts. In making its determinations of the propriety of items and amounts, the Accounting Referee shall

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consider only those items (or portions thereof) or amounts as to which Transferor and Transferee disagree and, with respect to each item (or portion thereof) or amount, shall select a number within the range of the dispute between Transferor and Transferee. The Accounting Referee shall deliver to Transferor and Transferee, as promptly as practicable (but, in any event, within thirty (30) days after submission of the dispute to it), a report setting forth its resolution of the disputed items and amounts, and based thereon (and on the items (or portions thereof) and amounts not in dispute) the Closing Adjustment Amount. Such report shall be final and binding upon Transferor, Transferee and their respective Affiliates. The costs of the Accounting Referee shall be shared equally by Transferor and Transferee. Transferor and Transferee will, and will cause their Affiliates and independent accountants to, cooperate and assist each other and the Accounting Referee in conducting their respective reviews of the amounts referred to in this Section 2.4, including without limitation, making available to the extent necessary any books, records, work papers and personnel.

(e) Upon satisfaction of the applicable procedures of this Section 2.4, within two Business Days after the date on which the Final Closing Adjustment Amount has been finally determined, each Transferor or Transferee shall pay the relevant Transferee or Transferor, respectively, an amount sufficient so that when added to the net payment made by each of such parties under Section 2.1(e)(ii), each such party has paid or received the amount of cash it would have been obligated to pay or entitled to receive under Section 2.1(e)(ii) had the Estimated Closing Adjustment Amount been equal to the Final Closing Adjustment Amount, provided that any payment made pursuant to this Section 2.4(e) shall be made together with interest thereon at the Prime Rate, from and including the Closing Date to but excluding the date of payment. All payments to be made pursuant to this Section 2.4 shall be paid by wire transfer of immediately available funds to the accounts designated by the recipient by written notice to the party owing such payment.

## Section 2.5 Like-Kind Exchange Covenants.

(a) The parties intend that, and, subject to Section 2.5(b), agree to use commercially reasonable efforts to structure each Exchange in such a way that to the maximum extent possible, such Exchange will be an exchange of property that is (i) of equivalent value and (ii) of like-kind within the meaning of Section 1031 of the Code. The parties will cooperate in good faith to minimize any adverse Tax effect resulting from a Newco Transaction or Exchange, including, but not limited to (x) cooperating to match property transferred in each Exchange into "Exchange Groups" (as defined under Treasury Regulation Section 1.1031(j)-1(b)(2)) and (y) using commercially reasonable efforts to restructure one or more Newco Transactions or Exchanges so as to minimize the expected payments pursuant to Section 2.1(e)(ii) or any other expected adverse Tax consequences of any such Newco Transaction or Exchange (including but not limited to cooperating with respect to (A) the assignment of the parties' rights under this Agreement to a "qualified intermediary" engaged by one or more of the parties to effect a deferred exchange and (B) transfer taxes as set forth in Section 2.5(c)).

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(b) Time Warner Cable and Comcast shall each use commercially reasonable efforts to reach agreement as to the value of the Comcast Transferred Assets and the TWC Transferred Assets in each Exchange (including agreement as to the value to any Exchange Groups transferred in an Exchange and the value of the assets comprising any such Exchange Group), with an understanding that, to the greatest extent possible, the fair market value of the Comcast Transferred Assets and the TWC Transferred Assets in each Exchange, are equivalent. Each of Time Warner Cable and Comcast shall file, and shall cause all members of its Affiliated Group to file, all Tax Returns and schedules thereto, including those Tax Returns and forms required under Sections 1031 and 1060 (if applicable) of the Code, consistent with any such agreed-upon allocations, unless otherwise required by a change in tax law or a good faith resolution of a contest. In the event the parties do not reach agreement on such

allocations, each of Time Warner Cable and Comcast and their respective Affiliated Groups shall reflect the Transferred Assets acquired by the Transferee members of such Affiliated Group in accordance with such party's own determination of such allocations.

(c) The parties shall consult and reasonably cooperate with each other so as to minimize any state and local transfer taxes arising as a result of the Newco Transactions and the Exchange, including by identifying appropriate immaterial Subsidiaries of one or more Transferors that would qualify as a Disregarded Entity (but for clause (ii) of such definition) to serve as one or more of the Newcos and negotiating in good faith appropriate indemnification arrangements to put the Transferee in substantially the same position as if clause (ii) of such definition were satisfied with respect to such Subsidiary.

## ARTICLE 3 Related Matters

### Section 3.1 Employees.

(a) Each Native Employee who is an employee of Transferor Parent or its Affiliates as of immediately prior to the Closing Date shall become an employee of Transferee Parent or its Affiliates on the Closing Date. Native Employees who commence employment with Transferee Parent (or its Affiliates as of the Closing) in accordance with the preceding sentence shall be referred to herein as "Transferred Native Employees." For the avoidance of doubt, if any employee holding the job title as of the date hereof (as previously identified by name to the Comcast Group by the TWC Group) listed on Schedule 3.1(k)(i) remains employed by the TWC Group, or if any employee holding the job title as of the date hereof (as previously identified by name to the TWC Group by the Comcast Group) listed on Schedule 3.1(k)(ii) remains employed by the Comcast Group, in each case on the Closing Date as permitted by Section 3.1(k) hereof, such employee shall not be a Transferred Native Employee. For purposes of this Article 3, "Transferred Native Employees" shall not include those employees holding the job titles as of the date hereof to be retained by a TWC Group Member, on the one hand, or a Comcast Group Member, on the other hand, (as previously identified by name to the Comcast Group by the TWC Group or to the TWC Group by the Comcast Group, as applicable) listed on Schedule 3.1(a)(i) in the case of the TWC Group, or

Schedule 3.1(a)(ii) in the case of the Comcast Group (such employees, the "Retained Native Employees"). TWC Group shall have no obligation or Liability with respect to those Retained Native Employees to be retained by a Comcast Group Member and Comcast Group shall have no obligation or Liability with respect to those Retained Native Employees to be retained by a TWC Group Member. Transferor Parent shall take or cause to be taken such actions as are reasonably necessary to effectuate the transfer of employment described in this Section 3.1(a), including, without limitation, making a general offer of employment to such Native Employees. The parties hereto shall not take any action that is not otherwise permitted under this Article 3 that would interfere with such employees (other than the Retained Native Employees) becoming employed by Transferee Parent or its Affiliates as of the Closing.

(i) If the Closing does not occur on the same date as the Adelphia Closing, for purposes of the remainder of this Section 3.1, to the extent not inconsistent with the relevant Adelphia Purchase Agreement, or to the extent not otherwise explicitly provided in Section 3.1(o), "Transferred Native Employees" shall include Adelphia Employees who are primarily employed in connection with the Adelphia Systems. If the Closing occurs on the same date as the Adelphia Closing, the treatment of Adelphia Employees shall be governed by Section 3.1(o)(i).

(ii) At the Closing, Comcast Group shall terminate or cause to be terminated the employment of all the Comcast Native Employees and the TWC Group shall terminate or cause to be terminated the employment of all the TWC Native Employees, in each case other than Retained Native Employees. Effective as of the Closing, Transferor Parent shall discontinue providing benefits to Transferred Native Employees under all Benefit Plans maintained by Transferor Parent or its Affiliates (each, a "Transferor Benefit Plan") and each Transferred Native Employee shall cease to participate in each Transferor Benefit Plan, except as otherwise required by law or as explicitly required by this Agreement. From and after the Closing Date, Transferor Parent and its Affiliates shall remain solely responsible for any and all Liabilities in respect of the Transferred Native Employees relating to the Transferor Benefit Plans, except as otherwise explicitly required by this Agreement. None of Transferee Parent or any of its Affiliates shall assume or have transferred to them the sponsorship of any of the Transferor Benefit Plans or any other benefit plans or arrangements maintained by Transferor Parent or any of its Affiliates, except as otherwise explicitly required by Section 3.1(a)(iii) of this Agreement. Transferee Parent and its Affiliates shall have no obligation or Liability with respect to any employee of, or other individual performing services for, Transferor or its Affiliates who is not a Transferred Native Employee and, with respect to Transferred Native Employees, only to the extent arising on or after the Closing Date or to the extent such Liabilities are reflected in the Net Liabilities Adjustment Amount used to calculate the Final Closing Adjustment Amount.

(iii) Subject to obtaining any necessary consents and except as provided in Section 6.2(h) or as otherwise provided in this Agreement, as of the Closing Date, Transferor Parent shall assign to Transferee Parent, and Transferee Parent shall assume, all

Liabilities relating to or arising under any retirement, savings or pension plan (whether or not any such plan is intended to be a tax-qualified plan) or any Liabilities associated with any long-term disability, retiree life, retiree medical or any other post-employment welfare benefits.

(b) Severance-Related Liabilities. Subject to Section 3.1(o)(iii), Transferee Parent shall be responsible for all Liabilities with respect to any Transferred Native Employee in connection with the termination of such employee's employment on or after the Closing Date, and any Liability for WARN and severance payments and benefits under Transferor Parent's severance plan or any individual employment or severance arrangement, each, in accordance with its terms, applicable to a Transferred Native Employee who rejects the general offer of employment made pursuant to Section 3.1(a). Notwithstanding the foregoing, Transferee Parent shall have no Liability with respect to the termination of employment of the employees of Transferor or its Affiliates holding the job titles as of the date hereof listed on Schedule 3.1(k)(i) or (ii), as applicable, if any such employee is hired by Transferor Parent or any of its Affiliates as permitted by Section 3.1(k) in the 12 month period following the Closing.

(c) Participation in Benefit Plans and Service. With respect to Transferred Native Employees, compensation and service of such employees with Transferor Parent and its Affiliates prior to Closing shall be recognized under all applicable Transferee Benefit Plans (other than for any purpose under any defined benefit pension plan of Transferee) to the extent so recognized under the corresponding Transferor Benefit Plans prior to Closing, except to the extent that duplication of benefits would result or as otherwise provided in this Agreement. In addition, Transferee Parent shall recognize, as to each Transferred Native Employee, all vacation, sick days and other paid time off accrued by such Transferred Native Employee but unused as of the Closing Date, in each case to the extent such Liabilities are reflected in the Net Liabilities Adjustment Amount used to calculate the Final Closing Adjustment Amount.

(d) Tax-Qualified Defined Contribution Plans. As of and following the Closing, Transferred Native Employees shall not be entitled to make contributions to or to benefit from matching or other contributions under any defined contribution plan sponsored or maintained by Transferor Parent or any of its Affiliates intended to qualify under Section 401(a) of the Code and meeting the requirements of Section 401(k) of the Code (the "Transferor 401(k) Plan"). None of Transferee Parent or any of its Affiliates shall have any Liability with respect to Transferor's 401(k) Plan except as may be provided in any other agreement between the Comcast Group, on the one hand, and the TWC Group on the other. Transferred Native Employees who were participants in the Transferor 401(k) Plan immediately prior to the Closing shall become participants in a defined contribution plan qualified under Section 401(a) of the Code and meeting the requirements of Section 401(k) of the Code established or maintained by Transferee or its Affiliates (the "Transferee 401(k) Plan") as of the Closing; provided that any Transferred Native Employee who was, immediately prior to the Closing Date, a TWC Native Employee or a TWC/Adelphia Employee and has completed less than 6 months of combined service with TWC or any of its Affiliates and Adelphia (if

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applicable) immediately prior to Closing will only become a participant in any such plan maintained by Comcast or its Affiliates after completing 6 months of combined continuous service with Adelphia (if applicable), TWC or any of its Affiliates, and Comcast or any of its Affiliates (without duplication). Transferee shall cause the Transferee 401(k) Plan to accept cash eligible rollover distributions (as defined in 402(c)(4) of the Code) by Transferred Native Employees with respect to account balances distributed to them on or after the Closing Date by the Transferor 401(k) Plan.

(e) Tax-Qualified Defined Benefit Plans. As of the Closing, Transferred Native Employees who were, immediately prior to the Closing Date, TWC Group Native Employees shall to the extent applicable cease accruing benefits under the Time Warner Cable Pension Plan, the Time Warner Cable Union Pension Plan and the Time Warner Cable Excess Benefit Pension Plan (collectively, the "Cable Pension Plans"). None of Comcast or any of its Affiliates shall have any Liability with respect to the Cable Pension Plans. None of TWC or any of its Affiliates shall have any Liability with respect to any defined benefit pension plan sponsored or maintained by Comcast or any of its Affiliates.

(f) Health and Welfare Plans.

(i) Other than as required by COBRA, each Transferred Native Employee shall cease to participate in each Benefit Plan that is a health or welfare plan within the meaning of Section 3(1) of ERISA maintained or sponsored by Transferor Parent or any of its Affiliates (each, a “Transferor Health or Welfare Plan”) as of the Closing.

(ii) Each Transferred Native Employee who, after the recognition of service provided for in Section 3.1(c) satisfies the eligibility requirements under the applicable Benefit Plan that is health or welfare plan within the meaning of Section 3(1) of ERISA maintained or sponsored by Transferee Parent or any of its Affiliates (the “Transferee Health or Welfare Plans”) shall be (A) entitled to enroll, effective as of the Closing, as a newly-eligible employee of Transferee Parent or one of its Affiliates in the Transferee Health or Welfare Plans then available to similarly situated employees of Transferee Parent or any of its Affiliates and (B) eligible to elect such coverage and benefit options as may then be available or provided under the terms of the Transferee Health or Welfare Plans to new employees of Transferee Parent or its Affiliates. All compensation, benefit elections, deductible payments, payments toward the applicable out-of-pocket maximums and other benefit-affecting determinations affecting Transferred Native Employees that, as of immediately prior to the Closing, were recognized under any Transferor Health or Welfare Plan with respect to the plan year in which the Closing occurs shall receive full recognition, credit and validity and be taken into account under the corresponding Transferee Health or Welfare Plan as of the Closing with respect to that same plan year.

(iii) With respect to any Transferred Native Employee and his or her dependents (if any) who were covered under any Transferor Health or Welfare Plan immediately prior to the Closing, Transferee Parent shall take, or cause to

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be taken, the appropriate actions reasonably necessary to ensure that the proof of insurability requirements (if any) and the preexisting condition exclusions (if any) applicable to new enrollees under the corresponding Transferee Health or Welfare Plan (if any) are waived with respect to such Transferred Native Employee, to the extent that such requirements and exclusions were waived under any similar corresponding Transferor Health or Welfare Plan.

(g) Reimbursement Account Plans. To the extent any Transferred Native Employee made contributions to any Benefit Plan maintained or sponsored by Transferor Parent or any of its Affiliates that is a reimbursement account plan, such as a health care or dependent care reimbursement plan (the “Transferor Reimbursement Plan”), during the calendar year in which the Closing occurs, such Transferred Native Employee shall be permitted to file claims for reimbursement under a Benefit Plan maintained or sponsored by Transferee Parent or any of its Affiliates that is a comparable reimbursement account plan (the “Transferee Reimbursement Plan”) for qualifying expenses incurred during the calendar year in which the Closing occurs, including periods prior to the Closing, for a total amount not to exceed the amount elected by such Transferred Native Employee for that year under such plan. Account balances, whether positive or negative, shall be transferred and assigned to the appropriate Transferee Reimbursement Plan by Transferor. As soon as practicable following the Closing, Transferor Parent shall pay to Transferee Parent a cash amount (which amount shall be deemed to constitute a Current Asset of the applicable Newco) equal to the aggregate positive balances as of the Closing Date of each flexible spending account of each Transferred Native Employee under the applicable Transferor Reimbursement Plan. Transferee Parent shall assume all obligations of Transferor Parent with respect to each Transferred Native Employee under the applicable Transferee Reimbursement Plan.

(h) COBRA. Transferee Parent shall, or shall cause, each Transferred Native Employee and each “qualified beneficiary” (as defined in Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and as codified in Section 4980B of the Code and ERISA Sections 601 through 608 (“COBRA”)) of each Transferred Native Employee, who elects continued group health plan coverage under COBRA or incurs a “qualifying” event (as defined in COBRA) on or after the Closing, to be offered COBRA coverage on and after the Closing under a Transferee Health or Welfare Plan. Transferor Parent and its Affiliates shall retain all obligations and Liabilities with respect to each of its Native System Employees and their qualified beneficiaries who elected continued group plan coverage under COBRA or incurred a “qualifying event” prior to the Closing.

(i) WARN Compliance. Transferee Parent shall be responsible for any Liability arising under the Worker Adjustment and Retraining Notification Act and any similar state or local laws (collectively, “WARN”) with respect to the termination of employment of Transferred Native Employees on or after the Closing. During the period prior to the Closing, the parties agree to cooperate with each other in order to comply with WARN, including, but not limited to, Transferor Parent or its Affiliates providing to Transferred Native Employees and any applicable

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Governmental Authorities or other required Persons (on behalf of itself and Transferee Parent) any notice and other requirements under WARN.

(j) **Workers' Compensation Liabilities.** Transferee Parent shall be responsible for all workers' compensation Liabilities relating to, arising out of, or resulting from any claim incurred for a compensable injury sustained by a Transferred Native Employee on or after the Closing Date and, to the extent reflected in the Net Liabilities Adjustment Amount used in calculating the Final Closing Adjustment Amount, before Closing.

(k) **Non-Solicit Provisions.**

(i) Except for the employees holding job titles as of the date hereof listed on Schedule 3.1(k)(i) (as previously identified by name to the Comcast Group), in the case of the TWC Group, or Schedule 3.1(k)(ii) (as previously identified by name to the TWC Group), in the case of the Comcast Group, from the date hereof until the first anniversary of the Closing (x) none of the TWC Group will solicit any TWC Native Employees (other than for the benefit of the TWC Native Systems or with the prior written consent of the Comcast Group, in each case, prior to the Closing or to comply with the provisions of Section 3.1(a)) and (y) none of the Comcast Group will solicit any Comcast Native Employees (other than for the benefit of Comcast Native Systems or with the prior written consent of the TWC Group, in each case, prior to the Closing or to comply with the provisions of Section 3.1(a)).

(ii) Except for the employees holding the job titles as of the date hereof listed on Schedule 3.1(k)(i) (as previously identified by name to the Comcast Group) in the case of the TWC Group, or on Schedule 3.1(k)(ii) (as previously identified by name to the TWC Group) in the case of the Comcast Group, from the date hereof until the first anniversary of the Closing (x) none of the TWC Group will hire any TWC Native Employees (other than for the benefit of TWC Native Systems or with the prior written consent of the Comcast Group, in each case, prior to the Closing or to comply with the provisions of Section 3.1(a)) and (y) none of the Comcast Group will hire any Comcast Native Employees (other than for the benefit of Comcast Native Systems or with the prior written consent of the TWC Group in each case, prior to the Closing or to comply with the provisions of Section 3.1(a)).

(iii) Solely for purposes of this Section 3.1(k), "TWC Native Employee" and "Comcast Native Employee", as applicable, shall be applied so as to include any individual who as of any relevant date (which shall include the period from the date hereof through the Closing Date) would be a TWC Native Employee or Comcast Native Employee, as applicable, if the Closing Date occurred on such date.

(iv) Notwithstanding the foregoing, advertising through mass media in which an offer of employment, if any, is available to the general public, such as magazines, newspapers and sponsorships of public events shall not be prohibited by this Section 3.1(k). Solely for purposes of this Section 3.1(k), Native Employees shall

in no event include the beneficiary or dependent of any Native Employee unless such beneficiary or dependent is otherwise a Native Employee.

(v) From the Closing Date until the first anniversary of the Closing, none of Transferee Parent or its Affiliates will hire any Retained Native Employees of Transferor Parent or its Affiliates.

(vi) Retained Native Employees and employees listed on Schedule 3.1(k)(i) or (ii), as applicable, if hired or retained by Transferor or its Affiliates, shall be made available by Transferor for consultation and transitional services as reasonably requested by Transferee. The provision of any such services shall be in accordance with the terms of Section 6.8(a) hereof and shall not unreasonably interfere with such Retained Native Employee or employee listed on Schedule 3.1(k)(i) or (ii), as applicable, from performing any of such employee's duties to the Transferor or its Affiliates.

(l) **Confidentiality and Proprietary Information.** No provision of this Section 3.1 shall be deemed to release any individual for any violation of a plan, policy, agreement or guideline regarding non-competition or pertaining to confidential or proprietary information of the Comcast Group or of the TWC Group or otherwise relieve any individual of his or her obligations under such guideline or any such plan, program or arrangement.

(m) **No Implied Rights or Third Party Beneficiaries.** The parties hereto hereby acknowledge and agree that no provision of this Agreement shall be construed to create any right, or accelerate entitlement, to any compensation or benefit whatsoever on the part of any Transferred Native Employee, Retained Native Employee or other future, present, or former employee of the Comcast Group or the TWC Group, under any Comcast Benefit Plan or TWC Benefit Plan or otherwise. Without limiting the generality of the foregoing except as expressly provided in this Agreement, nothing in this Agreement shall preclude the Comcast Group or the TWC Group, at any time after the Closing, from amending, merging, modifying, terminating, eliminating, reducing or otherwise altering in any respect any Comcast Group Benefit Plan or TWC Group Benefit Plan, as applicable, any benefit under any such plan or any trust, insurance policy or funding vehicle related to any Comcast Group Benefit Plan or TWC Group Benefit Plan, as

applicable. Nothing in this Section 3.1 or elsewhere in this Agreement shall be deemed to make any employee of the parties a third party beneficiary of this section or any rights relating hereto.

(n) **Collective Bargaining.** With respect to those Transferred Native Employees who are covered by a collective bargaining agreement, Transferee Parent will retain any and all of the rights and obligations it may have pursuant to applicable labor law. If Transferor Parent or any of its Affiliates acquires a duty to bargain with any labor organization with respect to Native Employees, then Transferor Parent or its Affiliates shall (i) give prompt written notice of such development to Transferee Parent and (ii) not enter into any contract with such labor organization that contains a successor clause or otherwise purports to bind (after the Closing) Transferee

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Parent or any of its Affiliates in any way, without the prior written consent of Transferee Parent.

(o) **Adelphia Employees.**

(i) If the Closing occurs on the same date as the Adelphia Closing, then this Section 3.1(o)(i) shall govern the treatment of Adelphia Employees. Each Adelphia Employee who on or immediately prior to the Adelphia Closing and the Closing Date was primarily employed in connection with the TWC/Adelphia Systems (each, a “TWC/Adelphia Employee”) shall become an employee of the Comcast Group on the Closing Date. For the avoidance of doubt, each covenant made by the TWC Group in the TWC/Adelphia Purchase Agreement in respect of the Adelphia Employees employed in the TWC/Adelphia Systems as of the Closing Date shall be deemed to be a TWC/Adelphia Assumed Liability. Each Adelphia Employee who on or immediately prior to the Adelphia Closing and the Closing Date was primarily employed in connection with the Comcast/Adelphia Systems (each, a “Comcast/Adelphia Employee”) shall become an employee of the TWC Group on the Closing Date. For the avoidance of doubt, each covenant made by the Comcast Group in the Comcast/Adelphia Purchase Agreement in respect of the Adelphia Employees employed in the Comcast/Adelphia Systems as of the Closing Date shall be deemed to be a Comcast/Adelphia Assumed Liability.

(ii) If the Closing does not occur on the same date as the Adelphia Closing:

(A) (x) all current TWC/Adelphia Employees, (excluding those on long-term disability) shall become employees of the Comcast Group on the Closing Date and (y) all current Comcast/Adelphia Employees (excluding those on long-term disability) shall become employees of the TWC Group on the Closing Date. Transferor Parent shall take or cause to be taken such actions as are reasonably necessary to effectuate this transfer of employment. The parties hereto shall not take any action that would interfere with such employees becoming employed by the Comcast Group or the TWC Group, as applicable, on the Closing Date, unless (and only to the extent) such action is required by the relevant Adelphia Purchase Agreement or is otherwise permitted under this Article 3 or Section 6.2(s); and

(B) Transferor Parent shall deliver to Transferee Parent true and complete copies of each employment, bonus, severance, termination or other agreement entered into by, or any plan, program, policy or arrangement covering, any Adelphia Employee who becomes employed by Transferee Parent or its Affiliates as provided in clause (A) above on the Closing Date (other than a Comcast Benefit Plan or TWC Benefit Plan, as applicable).

(iii) If the Closing does not occur on the same date as the Adelphia Closing, (a) with respect to any TWC/Adelphia Employee, the amount of

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any severance or termination pay or benefits incurred by the TWC Group in connection with a termination of employment of any such employee following the Adelphia Closing and prior to the Closing (other than any severance incurred as a result of (x) the TWC Group’s failure to comply with the requirement to offer employment on the terms set forth in Section 5.8(a) of the TWC/Adelphia Purchase Agreement, except if such failure to comply is as a result of Comcast’s express instruction to TWC to not offer employment under such Section 5.8(a) or to offer employment on a basis not in compliance with such Section 5.8(a) or (y) TWC Group’s failure to comply with Section 6.2(s) hereof) shall be deemed to be a Current Asset of the relevant TWC/Adelphia Newco; and (b) with respect to any Comcast/Adelphia Employee, the amount of any severance or termination pay or benefits

incurred by the Comcast Group in connection with a termination of employment of any such employee following the Adelphia Closing and prior to the Closing (other than any severance incurred as a result of (x) the Comcast Group's failure to comply with the requirement to offer employment on the terms set forth in Section 5.5(a) of the Comcast/Adelphia Purchase Agreement, except if such failure to comply is as a result of TWC's express instruction to Comcast to not offer employment under such Section 5.5(a) or to offer employment on a basis not in compliance with such Section 5.5(a) or (y) Comcast Group's failure to comply with Section 6.2(s) hereof) shall be deemed to be a Current Asset of the relevant Comcast/Adelphia Newco.

**Section 3.2 Use of Names and Logos.** For a period of 150 days after Closing, Transferee Parent and its Affiliates shall be entitled to use the trademarks, trade names, service marks, service names, logos and similar proprietary rights of Transferor Parent and its Affiliates to the extent incorporated in or on the Transferred Assets held by the Newcos then affiliated with such Transferee Parent (collectively, the "Proprietary Rights"), provided, that (a) Transferee Parent acknowledges that the Proprietary Rights belong to Transferor Parent and its Affiliates, and that neither Transferee Parent nor any of its Affiliates acquires any rights therein during or pursuant to such 150-day period; (b) all such Transferred Assets shall be used in a manner consistent with the use made by Transferor Parent and its Affiliates of such Transferred Assets prior to Closing; (c) Transferee Parent shall exercise reasonable efforts to remove all Proprietary Rights from the Transferred Assets it receives as soon as reasonably practicable following Closing and (d) the use of the Proprietary Rights during such period shall inure to the benefit of Transferor Parent; provided, that Transferee Parent shall indemnify and hold harmless Transferor Parent and its Affiliates for any Liabilities arising from or otherwise relating to Transferee Parent's use of the Proprietary Rights. Upon expiration of such 150-day period, Transferee Parent shall remove all Proprietary Rights from the Transferred Assets held by the Newcos Affiliated with such Transferee Parent and shall destroy all unused letterhead, checks, business-related forms, preprinted form contracts, product literature, sales literature, labels, packaging material and any other materials displaying Transferor Parent's or its Affiliates' Proprietary Rights within ten Business Days and shall provide Transferor Parent with a written certification that it destroyed any and all such materials. Notwithstanding the foregoing, Transferee Parent and its Affiliates shall not be required to remove or discontinue using any such Proprietary Rights that are affixed to converters or other items located in customer homes or properties such that prompt removal is

impracticable for such Transferee Parent and its Affiliates; provided, that such Transferee Parent and its Affiliates shall remove or discontinue using such Proprietary Rights promptly upon the return of such converters or other items to such Transferee Parent or its Affiliates. The rights of Transferee Parent and its Affiliates under this Section 3.2 with respect to any Adelphia Assets shall be subject to the relevant Adelphia Purchase Agreement.

**Section 3.3 Transfer Laws.** The parties hereto each waives compliance by the others with Legal Requirements relating to bulk transfers applicable to the transactions contemplated hereby.

**Section 3.4 Transfer Taxes and Fees.** All sales, use, transfer and similar Taxes or assessments, including transfer fees and similar assessments for Franchises, Authorizations and Contracts, arising from or payable by reason of the conveyance of the TWC Transferred Assets and the Comcast Transferred Assets in a Newco Transaction (other than a TWC/Adelphia Newco Transaction effected pursuant to the third sentence of Section 2.1(a)) or an Exchange, shall be borne 50% by Transferor Parent and 50% by Transferee Parent, it being understood and agreed that if any such payable is satisfied by a party or any Affiliate thereof, then promptly after the later of (x) the Closing and (y) demand by the paying party, the other party shall reimburse the paying party for 50% of any such amount paid by the paying party.

## ARTICLE 4

### Comcast's Representations and Warranties

Each Comcast Party represents and warrants to the TWC Parties as of the date of this Agreement (except in the case of the representations and warranties in Section 4.24 and the representations and warranties relating to the Comcast Newcos) and as of Closing as follows:

**Section 4.1 Organization and Qualification of the Comcast Group.** Each Comcast Party is a corporation or other entity duly organized, validly existing and in good standing under the laws of its state of organization. Each Comcast Group Member that holds any right, title or interest in, to or under any Comcast Native Asset has, and each Comcast Group Member that, upon and after completion of the Adelphia Closing, will hold any right title or interest in, to or under any Comcast/Adelphia Asset (each, with respect to both Comcast Native Assets and Comcast/Adelphia Assets, a "Comcast Participant") will at and following the Adelphia Closing have, all requisite corporate or other entity power and authority to own and lease such Comcast Transferred Assets and to conduct the portion of the Comcast Transferred Business related to such Comcast Transferred Assets as currently conducted. As of the Comcast Newco Transaction and the Closing, each Comcast Transferor will have all requisite corporate or other entity power and authority to own the Equity Securities of the applicable Comcast Newco.

Section 4.2 Authority. Each Comcast Party has all requisite corporate or other organizational power and authority to execute, deliver and perform this

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Agreement and the Transaction Documents to be executed and delivered by such Comcast Party and to consummate the transactions contemplated hereby and thereby. Each Comcast Transferor, each Comcast Participant and each Comcast Newco has all requisite corporate or other power and authority to execute, deliver and perform the Transaction Documents to be executed and delivered by it and to consummate the transactions contemplated thereby, or prior to such execution, delivery, performance or consummation will have such power and authority. The execution, delivery and performance of this Agreement by each Comcast Party and of each Transaction Document to which any Comcast Group Member is, or shall after the date hereof become, party and the consummation of the transactions contemplated hereby or thereby has been (or upon such execution and delivery, shall have been at Closing), duly and validly authorized by all necessary corporate or other entity action on the part of the applicable Comcast Group Member. This Agreement and each Transaction Document to which a Comcast Group Member is, or shall after the date hereof become, party is (or in the case of such Transaction Documents, will be at Closing) duly and validly executed and delivered by the applicable Comcast Group Member and the valid and binding obligation of such Comcast Group Member, enforceable against such Comcast Group Member in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

Section 4.3 No Conflict; Required Consents. Except as described on Schedules 4.3 and 4.19, and subject to compliance with the HSR Act, the Securities Act of 1933 (the “Securities Act”) and the Securities Exchange Act of 1934 (the “Exchange Act”) and except for Authorizations required from, by or with the relevant Franchising Authorities in respect of the Franchises for the Comcast Transferred Systems, Authorizations required from, by or with the FCC in connection with a change of control of the holder and/or assignment of the Comcast Transferred Licenses, Authorizations from state public utility commissions having jurisdiction over the assets of the Comcast Transferred Systems, Authorizations to be obtained by the TWC Group and Authorizations to be obtained in connection with the Adelphia Purchase Agreements, the execution, delivery and performance by the applicable Comcast Group Members of this Agreement and the Transaction Documents to be executed and delivered by such Comcast Group Members, do not and shall not: (a) conflict with or violate any provision of the certificate of incorporation or by-laws or other organizational or governing documents of any Comcast Group Member; (b) violate any provision of any material Legal Requirement; (c) without regard to requirements of notice, lapse of time, elections of other Persons or any combination thereof, conflict with, violate, result in a breach of, constitute a default under or give rise to any third party's right(s) of first refusal or similar right or right of cancellation or termination, or accelerate or permit the acceleration of the performance required by or adversely affect the rights or obligations of Comcast or any Comcast Group Member under any Comcast Transferred Contract, Comcast Transferred Franchise or Comcast Transferred License; (d) result in the creation or imposition of any Lien against or upon any of the Comcast Transferred Assets other than a Permitted Lien; (e) require any material consent, approval or authorization of, or filing of any certificate,

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notice, application, report or other document with, any Governmental Authority; or (f) require any consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Person (other than any Governmental Authority), in the case of clauses (c), (d) and (f) with only such exceptions as would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect. Notwithstanding the foregoing, no representation is made pursuant to this Section 4.3 with respect to the Initial Comcast/Adelphia Assets as they exist at the time of the Adelphia Closing.

#### Section 4.4 Sufficiency of Assets; Title.

(a) Except for items included in the Comcast Native Excluded Assets or as described on Schedule 4.4(a), (i) the Comcast Native Assets are all of the assets of the Comcast Group owned, used or held for use primarily in connection with the operation of the Comcast Native Systems, and (ii) the right, title and interest in the Comcast Native Assets conveyed to the applicable Comcast Newcos pursuant to the Comcast Newco Transaction shall be sufficient to permit the applicable Comcast Newcos to operate the Comcast Native Systems substantially as they are being operated by the Comcast Group immediately prior to the Closing and in compliance with all material Legal Requirements and, except where the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, in compliance with all contractual requirements that comprise part of the TWC Native Assumed Liabilities. At the Closing, the applicable Comcast Native Newcos will have good and marketable title to (or

in the case of assets that are leased, valid leasehold interests in) the tangible Comcast Native Assets free and clear of any Liens, other than Permitted Liens (disregarding clause (d) of the definition thereof), except where the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Notwithstanding the foregoing, the representation contained in the immediately preceding sentence shall not apply with respect to any Comcast Native Owned Property or Comcast Native Leased Property with respect to which the Comcast Group has delivered a Title Policy, or a Title Commitment to deliver a Title Policy, as provided in Section 7.2.

(b) Except as described on Schedule 4.4(b), the Comcast Native Tangible Personal Property and improvements on the Comcast Native Owned Property and real property subject to the Comcast Native Real Property Interests are in all material respects adequate for their present uses.

Section 4.5 Comcast Native Franchises, Comcast Native Licenses, Comcast Native Contracts, Comcast Native Owned Property and Comcast Native Real Property Interests.

(a) Except as described on Schedules 2.1(f)(ii)(A), 2.1(f)(iii)(A), 2.1(f)(iv)(A), 2.1(f)(v)(A) or Schedule 4.5(a) and except for the Comcast Native Excluded Assets, no Comcast Group Member is bound or affected by any of the following that relate wholly or primarily to the Comcast Native Assets or the Comcast Native Systems: (i) leases of real or material personal property; (ii) Franchises, and

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similar authorizations for the operation of the Comcast Native Systems, or Contracts of substantially equivalent effect; (iii) other licenses, authorizations, consents or permits of the FCC or, to the extent material, any other Governmental Authority; (iv) all Authorizations of Governmental Authorities to provide telephony services held, directly or indirectly, by the Comcast Group and used in connection with the operation of any Comcast Native Systems; (v) material crossing Contracts, easements, rights of way or access Contracts; (vi) pole line or joint line Contracts or underground conduit Contracts; (vii) bulk service, commercial service or multiple-dwelling unit access Contracts which individually provide for payments by or to the Comcast Group in any twelve month period exceeding \$50,000; (viii) system-specific programming Contracts, system-specific signal supply Contracts and Local Retransmission Consent Agreements; (ix) any Contract with the FCC or any other Governmental Authority relating to the operation or construction of the Comcast Native Systems that are not fully reflected in the Comcast Native Franchises, or any Contracts with community groups or similar third parties restricting or limiting the types of programming that may be shown on any of the Comcast Native Systems; (x) any partnership, joint venture or other similar Contract or arrangement; (xi) any Contract with any Comcast Group Member; (xii) any Contract that limits the freedom of the Comcast Native Systems to compete in any line of business or with any Person or in any area or which would so limit the freedom of any TWC Group Member after the Closing Date; (xiii) any Contract relating to the use by third parties of the Comcast Native Assets to provide, or the provision by the Comcast Native Systems of, telephone, Internet or data services other than Contracts with subscribers of any such services; (xiv) any advertising representation or interconnect Contract; (xv) any Contract with any employee employed primarily in connection with the Comcast Native Systems; (xvi) any Contract granting any Person the right to use any portion of the cable television system plant included in the Comcast Native Assets; (xvii) any Contract that is not the subject of any other clause of this Section 4.5(a) that shall remain effective for more than one year after Closing (except those Contracts that may be terminated upon no more than 30 days' notice without penalty and subscription agreements with residential subscribers to provide cable service); or (xviii) any Contract other than those described in any other clause of this Section 4.5(a) which individually provides for payments by or to the Comcast Group in any twelve month period exceeding \$500,000 or is otherwise material to the Comcast Native Systems.

(b) The Comcast Group has prior to the date hereof provided or otherwise made available to TWC true and complete copies of each of the Comcast Native Franchises, Comcast Native Licenses and Comcast Native Contracts described on any of Schedules 2.1(f)(ii)(A) (to the extent in the possession of Comcast or its Affiliates), 2.1(f)(iii)(A), 2.1(f)(iv)(A), 2.1(f)(v)(A) and Schedule 4.5(a) (excluding Local Retransmission Consent Agreements and system-specific programming contracts), together with true and complete copies of (i) any notices alleging continuing non compliance with the requirements of any Comcast Native Franchise, (ii) in each case any amendments to any of the items on any such Schedule (in the case of the items on Schedule 2.1(f)(ii)(A), to the extent in the possession of Comcast or its Affiliates), (iii) in the case of oral Comcast Native Real Property Interests listed on Schedule 2.1(f)(ii)(A) or oral Comcast Native Contracts listed on Schedule 2.1(f)(v)(A), true and complete written summaries thereof and (iv) each document in the possession of Comcast or its Affiliates

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evidencing or insuring the Comcast Group's ownership of the Comcast Native Owned Property. Except as described in Schedule 4.5(b) and except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (i) the Comcast Group is in compliance with each of the Comcast Native Franchises, Comcast Native Licenses and Comcast Native Contracts and, as of the Closing, with each of the Contracts included in the Comcast/Adelphia Assets; (ii) the Comcast Group has fulfilled when due, or has taken all action necessary to enable it to fulfill when due, all of its obligations under each of the Comcast Native Franchises, Comcast Native Licenses and Comcast Native Contracts and, as of the Closing, under each of the Contracts included in the Comcast/Adelphia Assets; (iii) there has not occurred any default (without regard to lapse of time or to the giving of notice or both) by any of the Comcast Group Members and, to the knowledge of Comcast, there has not occurred any default (without regard to lapse of time or the giving of notice, or both) by any other Person, under any of the Comcast Native Franchises, Comcast Native Licenses or Comcast Native Contracts or, as of the Closing, under any of the Contracts included in the Comcast/Adelphia Assets; and (iv) the Comcast Native Franchises, Comcast Native Licenses and Comcast Native Contracts and, as of the Closing, the Contracts included in the Comcast/Adelphia Assets, are valid and binding agreements and are in full force and effect; provided, that the representations and warranties made in this Section 4.5(b) with respect to the material Contracts included in the Comcast/Adelphia Assets are made to the knowledge of Comcast and solely with respect to events, circumstances or conditions, in any such case, first arising after the Adelphia Closing.

(c) Schedule 2.1(f)(iii)(A) lists the date on which each Comcast Native Systems Franchise shall expire.

(d) Except as described on Schedules 2.1(f)(iii)(A), 2.1(f)(iv)(A) or Schedule 4.5(d), there are no applications relating to any Comcast Native Franchise or the Comcast Native Licenses pending before any Governmental Authority that are material to any of the Comcast Native Systems. Except as described on Schedule 4.5(d), none of the Comcast Group Members has received, nor do any of them have notice that they shall receive, from any Governmental Authority a preliminary assessment that a Comcast Native Franchise should not be renewed as provided in Section 626(c)(1) of the Communications Act. Except as described on Schedule 4.5(d), none of the Comcast Group Members nor any Governmental Authority has commenced or requested the commencement of an administrative proceeding concerning the renewal of a Comcast Native Franchise as provided in Section 626(c)(1) of the Communications Act. Except as described on Schedule 4.5(d), the Comcast Group has timely filed notices of renewal in accordance with the Communications Act with all Governmental Authorities with respect to each Comcast Native Franchise expiring within 30 months of the date of this Agreement. Except as described on Schedule 4.5(d), such notices of renewal have been filed pursuant to the formal renewal procedures established by Section 626(a) of the Communications Act. To Comcast's knowledge, there exist no facts or circumstances that make it likely that any Comcast Native Franchise shall not be renewed or extended on commercially reasonable terms. Except as described on Schedule 4.5(d), as of the date hereof, no Governmental Authority has commenced, or

given notice that it intends to commence, a proceeding to revoke or suspend a Comcast Native Franchise.

Section 4.6 Employee Benefits. A true and complete list of the Comcast Benefit Plans is set forth in Schedule 4.6. Except as set forth on Schedule 4.6, none of Comcast, any of its ERISA Affiliates, any Comcast Benefit Plan other than a "multiemployer plan" (as defined in Section 3(37) of ERISA), or to the knowledge of Comcast, any Comcast Benefit Plan that is a "multiemployer plan" (as defined in Section 3(37) of ERISA) is in material violation of any provision of ERISA with respect to a Comcast Benefit Plan. No material "reportable event" (as defined in Sections 4043(c) of ERISA), "accumulated funding deficiency" (as defined in Section 302 of ERISA) or "withdrawal liability" (as determined under Section 4201 *et seq.* of ERISA) has occurred or exists and is continuing with respect to any Comcast Benefit Plan other than a "multiemployer plan" (as defined in Section 3(37) of ERISA) or, to the knowledge of Comcast, any Comcast Benefit Plan that is a "multiemployer plan" (as defined in Section 3(37) of ERISA). After the Closing, none of the Comcast Newcos, TWC or any of their respective ERISA Affiliates shall be required, under ERISA, the Code or any collective bargaining agreement, to establish, maintain or continue any Comcast Benefit Plan currently maintained by Comcast or any of its ERISA Affiliates. Except as set forth in Schedule 4.6, since December 31, 2004, there has been no change in the Comcast Benefit Plans or level of compensation provided the Comcast Native Employees that would materially increase the cost of operating the Comcast Native Systems.

Section 4.7 Litigation. Except as set forth in Schedule 4.7, (i) there is no Litigation pending or, to Comcast's knowledge, threatened, by or before any Governmental Authority or private arbitration tribunal, against any of the Comcast Group Members relating to the Comcast Native Systems, Comcast Native Assets or Comcast Native Business; and (ii) there is no Judgment requiring any of the Comcast Group Members to take any action of any kind with respect to the Comcast Native Assets or the operation of the Comcast Native Systems, or to which any of the Comcast Group Members (with respect to the Comcast Native Systems), the Comcast Native Systems or the Comcast Native Assets are subject or by which they are bound or affected, in the case of clauses (i) and (ii), which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. For the avoidance of doubt, this Section 4.7 shall have no application with respect to Taxes of any of the Comcast Group Members.

Section 4.8 Comcast Native Systems Information. Schedule 4.8 sets forth a true and complete description in all material respects of the following information.

(a) as of December 31, 2004, the approximate number of miles of plant, aerial and underground and the technical capacity of such plant expressed in MHz, included in the Comcast Native Assets;

(b) as of the date set forth on such Schedule (which shall be no earlier than December 31, 2004), the number of Individual Subscribers, Digital

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Subscribers, Telephony Subscribers and High Speed Data Subscribers served by the Comcast Native Systems;

(c) as of the date set forth on such Schedule (which shall be no earlier than December 31, 2004), the approximate number of homes passed by each of the Comcast Native Systems as reflected in the Comcast Group's system records for such date;

(d) as of the date hereof, a description of basic and optional or tier services available from each of the Comcast Native Systems and the rates charged by the Comcast Group for each;

(e) as of the date hereof, the stations and signals carried by each of the Comcast Native Systems and the channel position of each such signal and station; and

(f) [Intentionally Omitted]

(g) the municipalities served by each of the Comcast Native Systems and the community identification numbers of such municipalities.

Section 4.9 Compliance with Legal Requirements. Except as set forth on Schedule 4.9, the Comcast Native Assets include all material Authorizations of, by or with any Governmental Authority that are necessary for the lawful conduct of the Comcast Native Systems as currently conducted and each of the material Authorizations is in full force and effect in all material respects. Except as set forth on Schedule 4.9, the Comcast Native Systems are, and have been, operated in compliance in all material respects with all material Legal Requirements and Authorizations, and, to the knowledge of Comcast, none of the Comcast Native Systems are under investigation with respect to or have been threatened to be charged with or given written notice of any material violation of any material Legal Requirement or Authorization.

Section 4.10 Real Property. Schedule 2.1(f)(ii)(A) sets forth all leases included in the Comcast Native Real Property Interests (the "Comcast Native Leases", and each such lease, a "Comcast Native Lease") and all ownership interests in real property included in the Comcast Native Owned Property and all other material Comcast Native Real Property Interests. The Comcast Native Owned Property and Comcast Native Real Property Interests include all leases, fee interests, material easements, material access agreements and other material real property interests necessary to operate the Comcast Native Systems as currently conducted.

#### Section 4.11 Financial Statements; No Adverse Change.

(a) Comcast has provided to TWC internal unaudited financial statements for the Comcast Native Systems consisting of balance sheets and statements of operations as of and for the 12 months ended December 31, 2004 (the "Comcast Native Financial Statements"). The Comcast Native Financial Statements were prepared in

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accordance with GAAP (except for the absence of required footnotes) and fairly present in all material respects the financial condition and results of operations of the Comcast Native Systems as of the dates and for the periods indicated therein; provided; that (A) the Comcast Native System Financial Statements do not reflect the following items, which may have been recorded within the financial results of the Comcast Native Systems had the Comcast Native Systems been stand-alone entities during the periods presented: (i) an allocation of a portion of goodwill and identifiable intangible assets, and related amortization expense, arising from purchase business combinations, which is recorded at the Comcast corporate level; (ii) an allocation of fair value appraisal adjustments related to fixed assets, and the related depreciation expense, arising from purchase business combinations, which is recorded at the Comcast corporate level; (iii) an allocation of debt and related interest expense which is recorded at the Comcast corporate level; (iv) an allocation of deferred Income Taxes, Income Taxes payable and Income Tax expense which is recorded at

the Comcast corporate level; (v) certain assets, deferred revenue liabilities, revenues and expenses related to systems' provision of commercial fiber services which are recorded at the Comcast corporate level; (vi) certain assets related to the high speed data business, including routers and head-end equipment, which are recorded at the Comcast corporate level; (vii) certain receivables which are recorded at the Comcast corporate level (e.g., shopping commission receivables and programming receivables); and (B) the presentation in the Comcast Native Financial Statements of the following items would have been reported differently in respect of the following had the Comcast Native Systems been stand-alone entities during the periods presented: (i) certain balance sheet reclassifications within current assets and liabilities (e.g. reclassifying debit balances in liability accounts to assets and vice versa); (ii) receivables related to cash swept to the Comcast corporate level which are recorded net in the inter-company payables/receivable financial line item; (iii) liabilities related to payments made by Comcast on behalf of the Comcast Native Systems for programming costs, salary, payroll taxes, employee benefits, accounts payables, dues, and other certain company-wide costs which are recorded net in the inter-company payables/receivable financial line item; (iv) franchise fee expense which is recorded net of collections from customers.

(b) Except as set forth in Schedule 4.11(b), since December 31, 2004, (i) there have been no events, circumstances or conditions (other than with respect to the Adelphia Systems and Adelphia Assets) that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect and (ii) the Comcast Native Systems and the Comcast Native Assets have been operated in all material respects only in the ordinary course of business consistent with past practices.

#### Section 4.12 Employees.

(a) Except as set forth on Schedule 4.12(a), there are no collective bargaining agreements applicable to any Comcast Native Employees, and no Comcast Group Member as of the Closing, has any duty to bargain with any labor organization with respect to any such persons. There are not pending any material unfair labor practice charges against any Comcast Group Member, or any request or demand for

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recognition, or any petitions filed by a labor organization for representative status, with respect to any Comcast Native Systems Employees.

(b) Except as set forth on Schedule 4.12(b), the Comcast Group Members have complied, and the Comcast Native Newcos will be in compliance as of the Closing, in all material respects with all applicable Legal Requirements relating to the employment of labor, including WARN, ERISA, continuation coverage requirements with respect to group health plans and those relating to wages, hours, collective bargaining, unemployment insurance, worker's compensation, equal employment opportunity, age, sex, race and disability discrimination, immigration control and the payment and withholding of Taxes except for any non-compliance which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 4.12(b), none of the Comcast Group Members is a party to any material labor or employment dispute involving any of its employees who render services in connection with the Comcast Native Systems.

(c) Except as described on Schedule 4.12(c), none of the Comcast Group Members has any employment agreements, either written or oral, with any Comcast Native Employees and none of the employment agreements listed on Schedule 4.12(c) require any TWC Group Member to employ any person after Closing.

#### Section 4.13 Environmental.

(a) Except as described on Schedule 4.13(a), to the knowledge of Comcast, (i) none of the Comcast Group Members has received any notice, demand, request for information, citation, summons or order relating to any material evaluation or investigation and (ii) none of the Comcast Group Members is the subject of any pending or threatened material investigation, action, claim, suit, review, complaint, penalty or proceeding of any Governmental Authority or other Person, in each case with respect to the Comcast Native Assets, the Comcast Native Systems or, at the Closing, any Comcast Native Newco which relate to or arise out of any Environmental Law.

(b) Except as described on Schedule 4.13(b), to the knowledge of Comcast, no Hazardous Substance has been discharged, disposed of, dumped, injected, pumped, deposited, spilled, leaked, emitted, or released at, on or under any Comcast Native Asset or in connection with the operation of any Comcast Native System or, at the Closing, any Comcast Native Newco, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Except as described on Schedule 4.13(c), none of the Comcast Group Members has received any written notice of, or has any knowledge of circumstances relating to, and, to the knowledge of Comcast, there are no past events, facts, conditions, circumstances, activities, practices or incidents (including but not limited to the presence, use, generation, manufacture, disposal, release or threatened release of any Hazardous Substances) relating to any Comcast Native Asset or in connection with the operation of any Comcast Native System or, at the Closing, any Comcast Native Newco, which could materially interfere with or prevent material

compliance with, or which have resulted in or are reasonably likely to give rise to any material liability of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, arising under or relating to any Environmental Law.

(d) Except as set forth on Schedule 4.13(d), to Comcast's knowledge, no Comcast Native Asset nor any property to which Hazardous Substances located on or resulting from the use of any Comcast Native Asset (or from the operation of any Comcast Native System or, at the Closing, any Comcast Native Newco), have been transported, is listed or proposed for listing on the National Priorities List promulgated pursuant to CERCLA, or CERCLIS (as defined in CERCLA) or on any similar federal, state, local or foreign list of sites requiring investigation or cleanup.

(e) Prior to the date hereof, Comcast has provided or made available to TWC copies of all material environmental assessments, or other material environmental studies, audits, tests, reviews or other analyses of or relating to the Comcast Native Assets and/or the Comcast Native Systems.

(f) None of the transactions contemplated by this Agreement relating to the Comcast Native Systems will trigger any filing or other action under any environmental transfer statute, including the Connecticut Hazardous Waste Establishment Transfer Act and the New Jersey Industrial Site Recovery Act.

**Section 4.14 Transactions with Affiliates.** Except for this Agreement and Transaction Documents to which it is a party, or as set forth on Schedule 4.14, immediately after the Closing, the Comcast Newcos shall not be bound by any Contract or any other arrangement of any kind whatsoever with, or have any Liability to, any Comcast Group Member.

**Section 4.15 Undisclosed Material Liabilities.** The Comcast Native Assumed Liabilities will include no Liabilities, and there is no existing condition, situation or set of circumstances which would reasonably be expected to result in such a Liability, other than:

(a) the Liabilities disclosed on Schedule 4.15;

(b) the Liabilities disclosed in the Comcast Native Financial Statements;

(c) the Liabilities arising in the ordinary course of business of the Comcast Native Systems since December 31, 2004 in amounts substantially consistent with past practices (subject to customary cost increases); and

(d) other Liabilities which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

**Section 4.16 Insurance.** Schedule 4.16 contains a list of all policies of property, fire, casualty, liability, life, workers' compensation, libel and slander, and other

forms of insurance of any kind that relate to the Comcast Native Assets, the Comcast Native Systems or any of the employees, officers or directors of the Comcast Native Systems and are maintained by or on behalf of any of the Comcast Group Members, in each case which are in force as of the date hereof. All such policies are in full force and effect, all premiums due thereon have been paid by the Comcast Group, and the Comcast Group is otherwise in compliance in all material respects with the terms and provisions of such policies (after giving effect to applicable grace or cure periods). After the Closing, the terms of such policies will continue to provide coverage with respect to acts, omissions and events occurring prior to the Closing in accordance with their terms as if the Closing had not occurred. Comcast has no knowledge of any threatened termination of, material premium increase (other than with respect to customary annual premium increases) with respect to, or material alteration of coverage under, any of such policies.

**Section 4.17 Intellectual Property.** Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or as set forth on Schedule 4.17, the Comcast Native Business, the Comcast Native Assets and the Comcast Native Systems do not infringe and have not infringed upon the intellectual property rights of any Person, or give rise to any rightful claim of any Person for copyright, trademark, service mark, patent, license or other intellectual property right infringement.

**Section 4.18 Brokers.** There is no investment banker, broker, finder or other intermediary who has been retained by or is authorized to act on behalf of any of the Comcast Group Members who might be entitled to any fee or commission from any TWC Group Member in connection with the transactions contemplated by this Agreement.

**Section 4.19 Transferred Systems Options.** Except as disclosed on Schedule 4.19, none of the Comcast Transferred Systems or any material Comcast Transferred Assets are subject to any Transferred Systems Option; provided that the foregoing shall apply to Comcast/Adelphia Systems or Comcast/Adelphia Assets only to the extent any such Transferred Systems Option was granted following the Adelphia Closing.

**Section 4.20 Comcast Native Systems Proprietary Rights.** Except as described on Schedule 4.20, there is no material trademark, trade name, service mark, service name or logo, or any application therefor, owned, licensed, used or held for use by any of the Comcast Group Members primarily in connection with the operation of the Comcast Native Systems.

**Section 4.21 Promotional Campaigns.** After Closing, no Comcast Newco will be obligated to continue to make promotional offers under any promotional or marketing campaigns or programs initiated or maintained by any of the Comcast Group Members with respect to the Comcast Transferred Systems (other than promotional or marketing campaigns initiated by Adelphia or any Transferred Joint Venture Entity prior to the Adelphia Closing and which Comcast has used commercially reasonable efforts to terminate); provided, that for the avoidance of doubt, subscribers

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who subscribed for services prior to the Closing and took advantage of any such campaign or promotional offers may be entitled to continue to receive the benefits offered under such campaign or promotion in accordance with its terms after Closing. After Closing, no Comcast Newco will be obligated to pay for any advertisements run or to be run after the Closing under promotional or marketing campaigns or programs initiated or maintained by any of the Comcast Group Members with respect to the Comcast Transferred Systems (other than promotional or marketing campaigns initiated by Adelphia or any Transferred Joint Venture Entity prior to the Adelphia Closing and which Comcast has used commercially reasonable efforts to terminate), other than campaigns initiated with the consent of TWC.

**Section 4.22 Taxes.** With respect to the Comcast Native Systems, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or as set forth on Schedule 4.22:

(a) All material Applicable Tax Returns with respect to the Comcast Native Systems have been duly and timely filed (taking into account extensions) or, where not so timely filed, are covered under a valid extension that has been obtained therefor and the information set forth on such Applicable Tax Returns is true, correct and complete in all material respects.

(b) All Applicable Taxes shown as due on the Applicable Tax Returns referred to in clause (a) have been paid in full.

(c) All deficiencies asserted or assessments made with respect to the Comcast Native Business as a result of the examinations of any of the Applicable Tax Returns referred to in clause (a) (together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties) have been paid in full.

(d) No issues with respect to the Comcast Native Business that have been raised in writing by the relevant Governmental Authority in connection with the examination of any of the Applicable Tax Returns referred to in clause (a) are pending.

(e) Schedule 4.22(e) sets forth a list of all jurisdictions (whether foreign or domestic) in which any of the Comcast Native Systems currently file Applicable Tax Returns. No written claim with respect to Applicable Taxes has been made by any Governmental Authority in a jurisdiction where the Comcast Native Business does not file Applicable Tax Returns that it is or may be subject to taxation by that jurisdiction.

(f) There are no liens for Applicable Taxes upon the assets or properties of the Comcast Native Business, except for liens for Applicable Taxes not yet due and payable or being contested in good faith by appropriate proceedings.

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**Section 4.23 Comcast Newcos.**

(a) As of the time of the Comcast Newco Transaction and the Closing, each Comcast Newco will be a single member limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and have all limited liability company (or trust, as applicable) powers required to carry on its business as conducted at such time. As of the time of the Comcast Newco Transaction and the Closing, each Comcast Newco will be duly registered as a foreign limited liability company (or trust, as applicable) in all jurisdictions in which the ownership or leasing of the applicable Comcast Transferred Assets or the nature of its activities in connection with the Comcast Transferred Systems makes such qualification necessary, with only such exceptions as would not, individually or in the aggregate, result in a Material Adverse Effect. As of the time of the Comcast Newco Transaction and the Closing (i) Comcast will own, directly or indirectly, all of the issued and outstanding limited liability company interests (or trust interests, as applicable) of each Comcast Newco, free and clear of all Liens, other than restrictions imposed by applicable federal or state securities Laws, (ii) all of such interests will be duly authorized, validly issued, fully paid and non-assessable, and will have been issued in compliance in all material respects with all Legal Requirements and (iii) there shall be no outstanding options, warrants, rights, commitments, conversion rights, preemptive rights or agreements of any kind to which any Comcast Group Member is a party or by which any of them is bound which would obligate any of them to issue, deliver, purchase or sell any additional limited liability company interests, units, membership, or other equity, trust or profit interests of any kind in any Comcast Newco or any security convertible into or exercisable or exchangeable for any of the foregoing. In the Exchanges, each Comcast Transferor will transfer to the appropriate Transferee valid title to all of the outstanding limited liability company interests (or trust interests, as applicable) of the appropriate Comcast Newco free and clear of any Liens, other than restrictions imposed by federal and state securities laws. As of the Closing, no Comcast Newco will be, or will ever have been, an entity separate and apart from the Transferor of such Comcast Newco for U.S. federal income tax purposes.

(b) Prior to the Comcast Newco Transaction, each Comcast Newco will have conducted no business or operations and will have no indebtedness and no Liabilities (excluding (i) any Liabilities for Taxes with respect to such Comcast Newco's existence and (ii) any Liabilities with respect to any employee benefit arrangements ("ERISA Group Liabilities") arising either under the Code or ERISA solely as a result of such Comcast Newco having been, at any time on or prior to Closing, a member of a group described in Section 4001(b) of ERISA or Section 414(b), (c), (m) or (o) of the Code (collectively, the "Comcast Newco Indemnified Liabilities") other than under this Agreement and any Transaction Document to which such Comcast Newco is a party.

(c) Prior to the Comcast Newco Transaction, no Comcast Newco will have been party to any Contracts other than any Transaction Document to which such Comcast Newco is a party. Each Comcast Newco has no Subsidiaries.

(d) As of the Closing, no ERISA Group Liability has been incurred by any Comcast Newco and no ERISA Group Liability is reasonably expected to be asserted against any such Comcast Newco for periods prior to the Closing.

(e) Prior to the Comcast Newco Transaction, no such Comcast Newco will have, and will never have had, any employees other than unpaid corporate officers with no entitlement to benefits or other compensation that was, is or will be a liability of such Comcast Newco.

(f) At the Closing for each Exchange, the applicable Comcast Newco will own the applicable Comcast Transferred Assets, subject to the applicable Comcast Assumed Liabilities, and will have no other assets and be subject to no other Liabilities, except for the applicable Comcast Newco Indemnified Liabilities and Liabilities under any Transaction Document to which such Comcast Newco is a party.

Section 4.24 Adelphia Representations. Except as set forth on Schedule 4.24, to the knowledge of Comcast, there have been no events, circumstances or conditions, in any such case, first arising after the Adelphia Closing, that have caused any of the representations and warranties provided by Adelphia under Sections 3.8, 3.9 (other than Sections 3.9(d), (e), (f), (h) and (i), 3.10 (other than Section 3.10(a)), 3.11, 3.12 (disregarding the references to "As of the date hereof" in Section 3.12(b) and (g)), 3.13, 3.14, 3.15(d) (only as to Contracts included in the Comcast/Adelphia Assets and other than the first and third sentences thereof), 3.17 (other than clause (ii) of the first sentence of Section 3.17(a)), 3.19, 3.20(a), 3.21 (other than the first sentence of Section 3.21(c)), 3.22, 3.23 (other than the first sentence thereof) and 3.25 of the Comcast/Adelphia Purchase Agreement not to be true and correct in all material respects (or, if qualified by materiality or Material Adverse Effect (as defined in the Comcast/Adelphia Purchase Agreement), in all respects) as they relate to the Group 1 Business (except to the extent relating to any Comcast/Adelphia Excluded Assets or Comcast/Adelphia Excluded Liabilities) under the Comcast/Adelphia Purchase Agreement, if such representations and warranties were given as of Closing (except to the extent expressly made as of an earlier date, in which case as of such earlier date), in each case: (i) to the extent such representations and warranties apply to any period after the Adelphia Closing, applying such representations and warranties *mutatis mutandis* given, among other things, (A) the Comcast Group Members' ownership of such Group 1 Business, (B) the possible addition to or disposition of Transferred Assets and the incurrence or payment of Assumed Liabilities (as such terms are defined in the Comcast/Adelphia Purchase Agreement) consistent with the terms of this Agreement after the Adelphia Closing and (C) the Newco Transactions and (ii) disregarding any qualification to Seller's Knowledge (as defined in the Comcast/Adelphia Purchase Agreement) included in any such representation and warranty.

Section 4.25 Comcast/Adelphia Purchase Agreement. Comcast has previously delivered to TWC a true and complete copy of the Comcast/Adelphia Purchase Agreement as currently in effect. Except for the Comcast/Adelphia Purchase Agreement, any Ancillary Agreements (as defined in the Comcast/Adelphia Purchase Agreement) to which Comcast or any of its Affiliates is party and any agreements to

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which TWC is a party (or is a party to a substantially equivalent agreement with Adelphia), Comcast and/or any of its Affiliates, on the one hand, and Adelphia and/or any of its Affiliates, on the other hand, are not party to any Contract related to or entered into in connection with the transactions contemplated by the Adelphia Purchase Agreements or the Ancillary Agreements (as defined in either Adelphia Purchase Agreement).

## **ARTICLE 5** **TWC's Representations and Warranties**

Each TWC Party represents and warrants to the Comcast Parties as of the date of this Agreement (except in the case of the representations and warranties in Section 5.24 and the representations and warranties relating to the TWC Newco) and as of Closing as follows:

Section 5.1 Organization and Qualification of the TWC Group. Each TWC Party is a corporation or other entity duly organized, validly existing and in good standing under the laws of its state of organization. Each TWC Group Member that holds any right, title or interest in, to or under any TWC Native Asset has, and each TWC Group Member that, upon and after completion of the Adelphia Closing, will hold any right title or interest in, to or under any TWC/Adelphia Asset (each, with respect to both TWC Native Assets and TWC/Adelphia Assets, a “TWC Participant”) will at and following the Adelphia Closing have all requisite corporate or other entity power and authority to own and lease such TWC Transferred Assets and to conduct the portion of the TWC Transferred Business related to such TWC Transferred Assets as currently conducted. As of the Adelphia Closing and the Closing, each TWC Transferor will have all requisite corporate or other entity power and authority to own the Equity Securities of the applicable TWC Newco.

Section 5.2 Authority. Each TWC Party has all requisite corporate or other organizational power and authority to execute, deliver and perform this Agreement and the Transaction Documents to be executed and delivered by such TWC Party and to consummate the transactions contemplated hereby and thereby. Each TWC Transferor, each TWC Participant and each TWC Newco has all requisite corporate or other power and authority to execute, deliver and perform the Transaction Documents to be executed and delivered by it and to consummate the transactions contemplated thereby, or prior to such execution, delivery, performance or consummation will have such power and authority. The execution, delivery and performance of this Agreement by each TWC Party and of each Transaction Document to which any TWC Group Member is, or shall after the date hereof become, party and the consummation of the transactions contemplated hereby or thereby has been (or upon such execution and delivery, shall have been at Closing), duly and validly authorized by all necessary corporate or other entity action on the part of the applicable TWC Group Member. This Agreement and each Transaction Document to which a TWC Group Member is, or shall after the date hereof become, party is (or in the case of such Transaction Documents, will be at Closing) duly and validly executed and delivered by the applicable TWC Group Member

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and the valid and binding obligation of such TWC Group Member, enforceable against such TWC Group Member in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

Section 5.3 No Conflict; Required Consents. Except as described on Schedules 5.3 and 5.19, and subject to compliance with the HSR Act, the Securities Act and the Exchange Act and except for Authorizations required from, by or with the relevant Franchising Authorities in respect of the Franchises for the TWC Transferred Systems, Authorizations required from, by or with the FCC in connection with a change of control of the holder and/or assignment of the TWC Transferred Licenses, Authorizations from state public utility commissions having jurisdiction over the assets of the TWC Transferred Systems, Authorizations to be obtained by the Comcast Group and Authorizations to be obtained in connection with the Adelphia Purchase Agreements, the execution,

delivery and performance by the applicable TWC Group Members of this Agreement and the Transaction Documents to be executed and delivered by such TWC Group Members, do not and shall not: (a) conflict with or violate any provision of the certificate of incorporation or by-laws or other organizational or governing documents of any TWC Group Member; (b) violate any provision of any material Legal Requirement; (c) without regard to requirements of notice, lapse of time, elections of other Persons or any combination thereof, conflict with, violate, result in a breach of, constitute a default under or give rise to any third party's right(s) of first refusal or similar right or right of cancellation or termination, or accelerate or permit the acceleration of the performance required by or adversely effect the rights or obligations of TWC or any TWC Group Member under any TWC Transferred Contract, TWC Transferred Franchise or TWC Transferred License; (d) result in the creation or imposition of any Lien against or upon any of the TWC Transferred Assets other than a Permitted Lien; (e) require any material consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority; or (f) require any consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Person (other than any Governmental Authority), in the case of clauses (c), (d) and (f) with only such exceptions as would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect. Notwithstanding the foregoing, no representation is made pursuant to this Section 5.3 with respect to the Initial TWC/Adelphia Assets as they exist at the time of the Adelphia Closing.

#### Section 5.4 Sufficiency of Assets; Title.

(a) Except for items included in the TWC Excluded Assets or as described on Schedule 5.4(a), (i) the TWC Native Assets are all of the assets of the TWC Group owned, used or held for use primarily in connection with the operation of the TWC Native System, and (ii) the right, title and interest in the TWC Native Assets conveyed to the applicable TWC Newcos pursuant to the TWC Native Newco Transaction shall be sufficient to permit the applicable TWC Newcos to operate the TWC Native System substantially as they are being operated by the TWC Group immediately

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prior to the Closing and in compliance with all material Legal Requirements and, except where the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, in compliance with all contractual requirements that comprise part of the Comcast Native Assumed Liabilities. At the Closing, the applicable TWC Native Newcos will have good and marketable title to (or in the case of assets that are leased, valid leasehold interests in) the tangible TWC Native Assets free and clear of any Liens, other than Permitted Liens (disregarding clause (d) of the definition thereof), except where the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Notwithstanding the foregoing, the representation contained in the immediately preceding sentence shall not apply with respect to any TWC Native Owned Property or TWC Native Leased Property with respect to which the TWC Group has delivered a Title Policy, or a Title Commitment to deliver a Title Policy, as provided in Section 7.1.

(b) Except as described on Schedule 5.4(b), the TWC Native Tangible Personal Property and improvements on the TWC Native Owned Property and real property subject to the TWC Native Real Property Interests are in all material respects adequate for their present uses.

#### Section 5.5 TWC Native Franchises, TWC Native Licenses, TWC Native Contracts, Native Property and Real Property Interests.

(a) Except as described on Schedules 2.1(f)(ii)(B), 2.1(f)(iii)(B), 2.1(f)(iv)(B), 2.1(f)(v)(B) or Schedule 5.5(a) and except for the TWC Group Native Excluded Assets, no TWC Group Member is bound or affected by any of the following that relate wholly or primarily to the TWC Native Assets or the TWC Native System: (i) leases of real or material personal property; (ii) Franchises, and similar authorizations for the operation of the TWC Native System, or Contracts of substantially equivalent effect; (iii) other licenses, authorizations, consents or permits of the FCC or, to the extent material, any other Governmental Authority; (iv) all Authorizations of Governmental Authorities to provide telephony services held, directly or indirectly, by the TWC Group and used in connection with the operation of any TWC Native System; (v) material crossing Contracts, easements, rights of way or access Contracts; (vi) pole line or joint line Contracts or underground conduit Contracts; (vii) bulk service, commercial service or multiple-dwelling unit access Contracts which individually provide for payments by or to the TWC Group in any twelve month period exceeding \$50,000; (viii) system-specific programming Contracts, system-specific signal supply Contracts and Local Retransmission Consent Agreements; (ix) any Contract with the FCC or any other Governmental Authority relating to the operation or construction of the TWC Native System that are not fully reflected in the TWC Native Franchises, or any Contracts with community groups or similar third parties restricting or limiting the types of programming that may be shown on any of the TWC Native System; (x) any partnership, joint venture or other similar Contract or arrangement; (xi) any Contract with any TWC Group Member; (xii) any Contract that limits the freedom of the TWC Native System to compete in any line of business or with any Person or in any area or which would so limit the freedom of any Comcast Group Member after the Closing Date; (xiii) any Contract relating to the use by third parties of the TWC Native Assets to

provide, or the provision by the TWC Native System of, telephone, Internet or data services other than Contracts with subscribers of any such services; (xiv) any advertising representation or interconnect Contract; (xv) any Contract with any employee employed primarily in connection with the TWC Native System; (xvi) any Contract granting any Person the right to use any portion of the cable television system plant included in the TWC Native Assets; (xvii) any Contract that is not the subject of any other clause of this Section 5.5(a) that shall remain effective for more than one year after Closing (except those Contracts that may be terminated upon no more than 30 days' notice without penalty and subscription agreements with residential subscribers to provide cable service); or (xviii) any Contract other than those described in any other clause of this Section 5.5(a) which individually provides for payments by or to the TWC Group in any twelve month period exceeding \$500,000 or is otherwise material to the TWC Native System.

(b) The TWC Group has prior to the date hereof provided or otherwise made available to Comcast true and complete copies of each of the TWC Native Franchises, TWC Native Licenses and TWC Native Contracts described on any of Schedules 2.1(f)(ii)(B), (to the extent in the possession of Time Warner Cable or its Affiliates), 2.1(f)(iii)(B), 2.1(f)(iv)(B), 2.1(f)(v)(B) and Schedule 5.5(a) (excluding Local Retransmission Consent Agreements and system-specific programming contracts), together with true and complete copies of (i) any notices alleging continuing non compliance with the requirements of any TWC Native Franchise, (ii) in each case any amendments to any of the items on any such Schedule (in the case of the items in Schedule 2.1(f)(ii)(B), to the extent in the possession of Time Warner Cable or its Affiliates), (iii) in the case of oral TWC Native Real Property Interests listed on Schedule 2.1(f)(ii)(B) or oral TWC Native Contracts listed on Schedule 2.1(f)(v)(B), true and complete written summaries thereof and (iv) each document in the possession of Time Warner Cable or its Affiliates evidencing or insuring the TWC Group's ownership of the TWC Native Owned Property. Except as described in Schedule 5.5(b) and except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (i) the TWC Group is in compliance with each of the TWC Native Franchises, TWC Native Licenses and TWC Native Contracts and, as of the Closing, with each of the Contracts included in the TWC/Adelphia Assets; (ii) the TWC Group has fulfilled when due, or has taken all action necessary to enable it to fulfill when due, all of its obligations under each of the TWC Native Franchises, TWC Native Licenses and TWC Native Contracts and, as of the Closing, under each of the Contracts included in the TWC/Adelphia Assets; (iii) there has not occurred any default (without regard to lapse of time or to the giving of notice or both) by any of the TWC Group Members and, to the knowledge of TWC, there has not occurred any default (without regard to lapse of time or the giving of notice, or both) by any other Person, under any of the TWC Native Franchises, TWC Native Licenses or TWC Native Contracts or, as of the Closing, under any of the Contracts included in the TWC/Adelphia Assets; and (iv) the TWC Native Franchises, TWC Native Licenses and TWC Native Contracts and, as of the Closing, the Contracts included in the TWC/Adelphia Assets, are valid and binding agreements and are in full force and effect; provided, that the representations and warranties made in this Section 5.5(b) with respect to the material Contracts included in the TWC/Adelphia

Assets are made to the knowledge of TWC and solely with respect to events, circumstances or conditions, in any such case, first arising after the Adelphia Closing.

(c) Schedule 2.1(f)(iii)(B) lists the date on which each TWC Native System Franchise shall expire.

(d) Except as described on Schedules 2.1(f)(iii)(B), 2.1(f)(iv)(B), or Schedule 5.5(d), there are no applications relating to any TWC Native Franchise or the TWC Native Licenses pending before any Governmental Authority that are material to any of the TWC Native System. Except as described on Schedule 5.5(d), none of the TWC Group Members has received, nor do any of them have notice that they shall receive, from any Governmental Authority a preliminary assessment that a TWC Native Franchise should not be renewed as provided in Section 626(c)(1) of the Communications Act. Except as described on Schedule 5.5(d), none of the TWC Group Members nor any Governmental Authority has commenced or requested the commencement of an administrative proceeding concerning the renewal of a TWC Native Franchise as provided in Section 626(c)(1) of the Communications Act. Except as described on Schedule 5.5(d), the TWC Group has timely filed notices of renewal in accordance with the Communications Act with all Governmental Authorities with respect to each TWC Native Franchise expiring within 30 months of the date of this Agreement. Except as described on Schedule 5.5(d), such notices of renewal have been filed pursuant to the formal renewal procedures established by Section 626(a) of the Communications Act. To TWC's knowledge, there exist no facts or circumstances that make it likely that any TWC Native Franchise shall not be renewed or extended on commercially

reasonable terms. Except as described on Schedule 5.5(d), as of the date hereof, no Governmental Authority has commenced, or given notice that it intends to commence, a proceeding to revoke or suspend a TWC Native Franchise.

**Section 5.6 Employee Benefits.** A true and complete list of the TWC Benefit Plans is set forth in Schedule 5.6. Except as set forth on Schedule 5.6, none of TWC, any of its ERISA Affiliates, any TWC Benefit Plan other than a multiemployer plan (as defined in Section 3(37) of ERISA), or to the knowledge of TWC, any TWC Benefit Plan that is a multiemployer plan (as defined in Section 3(37) of ERISA) is in material violation of any provision of ERISA with respect to a TWC Benefit Plan. No material “reportable event” (as defined in Sections 4043(c) of ERISA), “accumulated funding deficiency” (as defined in Section 302 of ERISA) or “withdrawal liability” (as determined under Section 4201 *et seq.* of ERISA) has occurred or exists and is continuing with respect to any TWC Benefit Plan other than a multiemployer plan (as defined in Section 3(37) of ERISA) or, to the knowledge of TWC, any TWC Benefit Plan that is a multiemployer plan (as defined in Section 3(37) of ERISA). After the Closing, none of the TWC Newcos, Comcast or any of their respective ERISA Affiliates shall be required, under ERISA, the Code or any collective bargaining agreement, to establish, maintain or continue any TWC Benefit Plan currently maintained by TWC or any of its ERISA Affiliates. Except as set forth in Schedule 5.6, since December 31, 2004, there has been no change in the TWC Benefit Plans or level of compensation provided the TWC Native Employees that would materially increase the cost of operating the TWC Native System.

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**Section 5.7 Litigation.** Except as set forth in Schedule 5.7, (i) there is no Litigation pending or, to TWC’s knowledge, threatened, by or before any Governmental Authority or private arbitration tribunal, against any of the TWC Group Members relating to the TWC Native System, TWC Native Assets or TWC Native Business; and (ii) there is no Judgment requiring any of TWC Group Members to take any action of any kind with respect to the TWC Native Assets or the operation of the TWC Native System, or to which any of the TWC Group Members (with respect to the TWC Native System), the TWC Native System or the TWC Native Assets are subject or by which they are bound or affected, in the case of clauses (i) and (ii), which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. For the avoidance of doubt, this Section 5.7 shall have no application with respect to Taxes of any of the TWC Group Members.

**Section 5.8 TWC Native System Information.** Schedule 5.8 sets forth a true and complete description in all material respects of the following information.

(a) as of December 31, 2004, the approximate number of miles of plant, aerial and underground and the technical capacity of such plant expressed in MHz, included in the TWC Native Assets;

(b) as of the date set forth on such Schedule (which shall be no earlier than December 31, 2004), the number of Individual Subscribers, Digital Subscribers, Telephony Subscribers and High Speed Data Subscribers served by the TWC Native System;

(c) as of the date set forth on such Schedule (which shall be no earlier than December 31, 2004), the approximate number of homes passed by each of the TWC Native System as reflected in the TWC Group’s system records for such date;

(d) as of the date hereof a description of basic and optional or tier services available from each of the TWC Native System and the rates charged by the TWC Group for each;

(e) as of the date hereof, the stations and signals carried by each of the TWC Native System and the channel position of each such signal and station; and

(f) [Intentionally Omitted]

(g) the municipalities served by each of the TWC Native System and the community identification numbers of such municipalities.

**Section 5.9 Compliance with Legal Requirements.** Except as set forth on Schedule 5.9, the TWC Native Assets include all material Authorizations of, by or with any Governmental Authority that are necessary for the lawful conduct of the TWC Native System as currently conducted and each of the material Authorizations is in full force and effect in all material respects. Except as set forth on Schedule 5.9, the TWC

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Native System are, and have been, operated in compliance in all material respects with all material Legal Requirements and Authorizations, and, to the knowledge of TWC, none of the TWC Native System are under investigation with respect to or have been threatened to be charged with or given written notice of any material violation of any material Legal Requirement or Authorization.

**Section 5.10 Real Property.** Schedule 2.1(f)(ii)(B) sets forth all leases included in the TWC Native Real Property Interests (the “TWC Native Leases”, and each such lease, a “TWC Native Lease”) and all ownership interests in real property included in TWC Native Owned Property and all other material TWC Native Real Property Interests. The TWC Native Owned Property and TWC Native Real Property Interests include all leases, fee interests, material easements, material access agreements and other material real property interests necessary to operate the TWC Native System as currently conducted.

#### **Section 5.11 Financial Statements; No Adverse Change.**

(a) TWC has provided to Comcast internal unaudited financial statements for the TWC Native System consisting of balance sheets and statements of operations as of and for the 12 months ended December 31, 2004 (the “TWC Native Financial Statements”). The TWC Native Financial Statements were prepared in accordance with GAAP (except for the absence of required footnotes) and fairly present in all material respects the financial condition and results of operations of the TWC Native System as of the dates and for the periods indicated therein; provided that the TWC Native System Financial Statements do not reflect the following items, which may have been recorded within the financial results of the TWC Native System had the TWC Native System been stand-alone entities during the periods presented: (i) an allocation of a portion of goodwill and identifiable intangible assets, and related amortization expense, arising from recent purchase business combinations, which is recorded at the Time Warner Cable or TWE corporate level; (ii) an allocation of debt and related interest expense recorded at the Time Warner Cable or TWE corporate level; (iii) an allocation of deferred Income Taxes, Income Taxes payable and Income Tax expense recorded at the Time Warner Cable corporate level; (iv) a management fee for services provided by Time Warner Cable corporate entities has not been recorded on the books of the non-TWE systems; (v) certain balance sheet reclasses within current assets and liabilities (e.g. reclassifying debit balances in liability accounts to assets and vice versa); (vi) an allocation of certain advertising revenue that was recorded at the Time Warner Cable or TWE corporate level; (vii) an allocation of music performance royalties paid or payable to BMI, ASCAP and SESAC and programming vendor marketing support receipts or receivables that were recorded at the Time Warner Cable or TWE corporate level; (viii) an allocation of variances between actual pension expense and budgeted pension expense (e.g. the financial results of the TWC Native System reflect budgeted pension expense); (ix) an allocation of other Time Warner Cable corporate, TWE corporate and divisional overhead that is not specifically identified to a particular cable system; (x) an allocation of certain assets, including routers and other equipment located at regional data centers, related to Time Warner Cable’s high-speed data business; (xi) certain expense accruals that are paid by Time Warner Cable or TWE corporate on behalf of the TWC Native

System including the following: (1) programming accruals of approximately one month’s service would be reflected as a liability for the TWC Native System and liabilities in excess of one month are transferred to Time Warner Cable or TWE corporate to be paid; (2) group insurance liabilities are recorded on the balance sheet at Time Warner Cable or TWE corporate; (3) casualty insurance, including workers compensation liabilities are recorded on the balance sheet at Time Warner Cable or TWE corporate; (4) certain property tax and sales and use tax liabilities are recorded on the balance sheet at Time Warner Cable or TWE corporate; and (6) other miscellaneous liabilities related to company-wide costs are recorded on the balance sheet at Time Warner Cable or TWE corporate, which are recorded net in the intercompany payables/receivables line items on the TWC Native System trial balances; and (xii) third party and payroll payments made by Time Warner Cable and TWE corporate on behalf of the TWC Native System after the monthly cut-off are not pushed down to the TWC Native System until the following month (i.e., there is a lag between the time of payment of the liability by Time Warner Cable or Time Warner Cable and relieving the third-party liability at the TWC Native System).

(b) Except as set forth in Schedule 5.11(b), since December 31, 2004, (i) there have been no events, circumstances or conditions (other than with respect to the Adelphia Systems and Adelphia Assets) that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect and (ii) the TWC Native System and the TWC Native Assets have been operated in all material respects only in the ordinary course of business consistent with past practices.

#### **Section 5.12 Employees.**

(a) Except as set forth on Schedule 5.12(a), there are no collective bargaining agreements applicable to any TWC Native Employees, and no TWC Group Member as of the Closing, has any duty to bargain with any labor organization with respect to any such persons. There are not pending any material unfair labor practice charges against any TWC Group Member, or any request or

demand for recognition, or any petitions filed by a labor organization for representative status, with respect to any TWC Native System Employees.

(b) Except as set forth on Schedule 5.12(b), the TWC Group Members have complied, and the TWC Native Newcos will be in compliance as of the Closing, in all material respects with all applicable Legal Requirements relating to the employment of labor, including WARN, ERISA, continuation coverage requirements with respect to group health plans and those relating to wages, hours, collective bargaining, unemployment insurance, worker's compensation, equal employment opportunity, age, sex, race and disability discrimination, immigration control and the payment and withholding of Taxes except for any non-compliance which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 5.12(b), none of the TWC Group Members is a party to any material labor or employment dispute involving any of its employees who render services in connection with the TWC Native System.

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(c) Except as described on Schedule 5.12(c), none of the TWC Group Members has any employment agreements, either written or oral, with any TWC Native Employees and none of the employment agreements listed on Schedule 5.12(c) require any Comcast Group Member to employ any person after Closing.

#### Section 5.13 Environmental.

(a) Except as described on Schedule 5.13(a), to the knowledge of TWC, (i) none of the TWC Group Members has received any notice, demand, request for information, citation, summons or order relating to any material evaluation or investigation, and (ii) none of the TWC Group Members is the subject of any pending or threatened material investigation, action, claim, suit, review, complaint, penalty or proceeding of any Governmental Authority or other Person, in each case with respect to the TWC Native Assets, the TWC Native System or, at the Closing, any TWC Native Newco which relate to or arise out of any Environmental Law.

(b) Except as described on Schedule 5.13(b), to the knowledge of TWC, no Hazardous Substance has been discharged, disposed of, dumped, injected, pumped, deposited, spilled, leaked, emitted, or released at, on or under any TWC Native Asset or in connection with the operation of any TWC Native System or, at the Closing, any TWC Native Newco, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Except as described on Schedule 5.13(c), none of the TWC Group Members has received any written notice of, or has any knowledge of circumstances relating to, and, to the knowledge of TWC, there are no past events, facts, conditions, circumstances, activities, practices or incidents (including but not limited to the presence, use, generation, manufacture, disposal, release or threatened release of any Hazardous Substances) relating to any TWC Native Asset or in connection with the operation of any TWC Native System or, at the Closing, any TWC Native Newco, which could materially interfere with or prevent material compliance with, or which have resulted in or are reasonably likely to give rise to any material liability of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, arising under or relating to any Environmental Law.

(d) Except as set forth on Schedule 5.13(d), to TWC's knowledge, no TWC Native Asset nor any property to which Hazardous Substances located on or resulting from the use of any TWC Native Asset (or from the operation of any TWC Native System or, at the Closing, any TWC Native Newco), have been transported, is listed or proposed for listing on the National Priorities List promulgated pursuant to CERCLA, or CERCLIS (as defined in CERCLA) or on any similar federal, state, local or foreign list of sites requiring investigation or cleanup.

(e) Prior to the date hereof, TWC has provided or made available to Comcast copies of all material environmental assessments, or other material environmental studies, audits, tests, reviews or other analyses of or relating to the TWC Native Assets and/or the TWC Native System.

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(f) None of the transactions contemplated by this Agreement relating to the TWC Native System will trigger any filing or other action under any environmental transfer statute, including the Connecticut Hazardous Waste Establishment Transfer Act and the New Jersey Industrial Site Recovery Act.

**Section 5.14 Transactions with Affiliates.** Except for this Agreement and Transaction Documents to which it is a party, or as set forth on Schedule 5.14, immediately after the Closing, the TWC Newcos shall not be bound by any Contract or any other arrangement of any kind whatsoever with, or have any Liability to, any TWC Group Member.

**Section 5.15 Undisclosed Material Liabilities.** The TWC Native Assumed Liabilities will include no Liabilities, and there is no existing condition, situation or set of circumstances which would reasonably be expected to result in such a Liability, other than:

- (a) the Liabilities disclosed on Schedule 5.15;
- (b) the Liabilities disclosed in the TWC Native Financial Statements;
- (c) the Liabilities arising in the ordinary course of business of the TWC Native System since December 31, 2004 in amounts substantially consistent with past practices (subject to customary cost increases); and
- (d) other Liabilities which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

**Section 5.16 Insurance.** Schedule 5.16 contains a list of all policies of property, fire, casualty, liability, life, workers' compensation, libel and slander, and other forms of insurance of any kind that relate to the TWC Native Assets, the TWC Native System or any of the employees, officers or directors of the TWC Native System and are maintained by or on behalf of any of the TWC Group Members, in each case which are in force as of the date hereof. All such policies are in full force and effect, all premiums due thereon have been paid by the TWC Group, and the TWC Group is otherwise in compliance in all material respects with the terms and provisions of such policies (after giving effect to applicable grace or cure periods). After the Closing, the terms of such policies will continue to provide coverage with respect to acts, omissions and events occurring prior to the Closing in accordance with their terms as if the Closing had not occurred. TWC has no knowledge of any threatened termination of, material premium increase (other than with respect to customary annual premium increases) with respect to, or material alteration of coverage under, any of such policies.

**Section 5.17 Intellectual Property.** Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or as set forth on Schedule 5.17, the TWC Native Business, the TWC Native Assets and the TWC Native System do not infringe and have not infringed upon the intellectual property rights

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of any Person, or give rise to any rightful claim of any Person for copyright, trademark, service mark, patent, license or other intellectual property right infringement.

**Section 5.18 Brokers.** There is no investment banker, broker, finder or other intermediary who has been retained by or is authorized to act on behalf of any of the TWC Group Members who might be entitled to any fee or commission from any Comcast Group Member in connection with the transactions contemplated by this Agreement.

**Section 5.19 Transferred Systems Options.** Except as disclosed on Schedule 5.19, none of the TWC Transferred Systems or any material TWC Transferred Assets are subject to any Transferred System Option; provided that the foregoing shall apply to TWC/Adelphia Systems or TWC/Adelphia Assets only to the extent any such Transferred System Option was granted following the Adelphia Closing.

**Section 5.20 TWC Native System Proprietary Rights.** Except as described on Schedule 5.20, there is no material trademark, trade name, service mark, service name or logo, or any application therefor, owned, licensed, used or held for use by any of the TWC Group Members primarily in connection with the operation of the TWC Native System.

**Section 5.21 Promotional Campaigns.** After Closing, no TWC Newco will be obligated to continue to make promotional offers under any promotional or marketing campaigns or programs initiated or maintained by any of the TWC Group Members with respect to the TWC Transferred Systems (other than promotional or marketing campaigns initiated by Adelphia prior to the Adelphia Closing and which TWC has used commercially reasonable efforts to terminate); provided, that for the avoidance of doubt, subscribers who subscribed for services prior to the Closing and took advantage of any such campaign or promotional offers may be entitled to continue to receive the benefits offered under such campaign or promotion in accordance with its terms after Closing. After Closing, no TWC Newco will be obligated to pay for any advertisements run or to be run after the Closing under promotional or marketing campaigns or programs initiated or maintained by any of the TWC Group Members with respect to the TWC Transferred Systems (other than promotional or marketing campaigns initiated by Adelphia prior to the Adelphia Closing and which TWC has used commercially reasonable efforts to terminate), other than campaigns initiated with the consent of Comcast.

Section 5.22 Taxes. With respect to the TWC Native System, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or as set forth on Schedule 5.22:

(a) All material Applicable Tax Returns with respect to the TWC Native System have been duly and timely filed (taking into account extensions) or, where not so timely filed, are covered under a valid extension that has been obtained therefor and the information set forth on such Applicable Tax Returns is true, correct and complete in all material respects.

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(b) All Applicable Taxes shown as due on the Applicable Tax Returns referred to in clause (a) have been paid in full.

(c) All deficiencies asserted or assessments made with respect to the TWC Native Business as a result of the examinations of any of the Applicable Tax Returns referred to in clause (a) (together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties) have been paid in full.

(d) No issues with respect to the TWC Native Business that have been raised in writing by the relevant Governmental Authority in connection with the examination of any of the Applicable Tax Returns referred to in clause (a) are pending.

(e) Schedule 5.22(e) sets forth a list of all jurisdictions (whether foreign or domestic) in which any of the TWC Native System currently file Applicable Tax Returns. No written claim with respect to Applicable Taxes has been made by any Governmental Authority in a jurisdiction where the TWC Native Business does not file Applicable Tax Returns that it is or may be subject to taxation by that jurisdiction.

(f) There are no liens for Applicable Taxes upon the assets or properties of the TWC Native Business, except for liens for Applicable Taxes not yet due and payable or being contested in good faith by appropriate proceedings.

### Section 5.23 TWC Newcos.

(a) As of the Adelphia Closing and the Closing, each TWC Newco will be a single member limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and have all limited liability company powers required to carry on its business as conducted at such time. As of the Adelphia Closing and the Closing, each TWC Newco will be duly registered as a foreign limited liability company in all jurisdictions in which the ownership or leasing of the applicable TWC Transferred Assets or the nature of its activities in connection with the TWC Transferred Systems makes such qualification necessary, with only such exceptions as would not, individually or in the aggregate, result in a Material Adverse Effect. As of the Adelphia Closing and the Closing (i) TW NY will own all of the issued and outstanding limited liability company interests of each TWC Newco, free and clear of all Liens, other than restrictions imposed by applicable federal or state securities Laws, (ii) all of such interests will be duly authorized, validly issued, fully paid and non-assessable, and will be issued in compliance in all material respects with all Legal Requirements and (iii) there shall be no outstanding options, warrants, rights, commitments, conversion rights, preemptive rights or agreements of any kind to which any TWC Group Member is a party or by which any of them is bound which would obligate any of them to issue, deliver, purchase or sell any additional limited liability company interests, units, membership, or other equity or profit interests of any kind in any TWC Newco or any security convertible into or exercisable or exchangeable for any of the foregoing. In the

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Exchanges, each TWC Transferor will transfer to the appropriate Transferee valid title to all of the outstanding limited liability company interests of the appropriate TWC Newco free and clear of any Liens, other than restrictions imposed by federal and state securities laws. As of the Closing, no TWC Newco will be, or will ever have been, an entity separate and apart from the Transferor of such TWC Newco for U.S. federal income tax purposes.

(b) Prior to the TWC Newco Transaction (or in the case of the TWC Native Newco, prior to the Closing), each TWC Newco will have conducted no business or operations and will have no indebtedness and no Liabilities (excluding (i) any Liabilities for Taxes with respect to such TWC Newco's existence and (ii) any ERISA Group Liabilities arising either under the Code or ERISA solely as a result of such TWC Newco having been, at any time on or prior to Closing, a member of a group described in Section 4001(b) of ERISA or Section 414(b), (c), (m) or (o) of the Code (collectively, and whether arising prior to the Adelphia Closing or

the Closing, the “TWC Newco Indemnified Liabilities”)) other than under this Agreement and any Transaction Document to which such TWC Newco is a party. From the Adelphia Closing until the completion of the Closing, no TWC/Adelphia Newco will conduct any business or operations other than its applicable portion of the TWC Transferred Business.

(c) Prior to the Adelphia Closing (or in the case of the TWC Native Newco, prior to the Closing), no TWC Newco will have been party to any Contracts other than any Transaction Document to which such TWC Newco is a party. From the Adelphia Closing until the completion of the Closing, no TWC/Adelphia Newco will be party to any Contracts other than TWC Transferred Contracts and any Transaction Documents to which such Newco is a party. Each TWC Newco has no Subsidiaries.

(d) As of the Closing, no ERISA Group Liability has been incurred by any TWC Newco and no ERISA Group Liability is reasonably expected to be asserted against any such TWC Newco for periods prior to the Closing.

(e) Prior to the Adelphia Closing (or in the case of the TWC Native Newco, prior to the Closing), no TWC Newco will have, and will never have had, any employees, and from the Adelphia Closing until the completion of the Closing, no TWC/Adelphia Newco will have any employees other than Adelphia Employees primarily employed and performing services for the TWC/Adelphia Systems, in each case other than unpaid corporate officers with no entitlement to benefits or other compensation that was, is or will be a liability of such TWC Newco.

(f) At the Closing for each Exchange, the applicable TWC Newco will own the applicable TWC Transferred Assets, subject to the applicable TWC Assumed Liabilities, and will have no other assets and be subject to no other Liabilities, except for the applicable TWC Newco Indemnified Liabilities and the Liabilities under any Transaction Document to which such TWC Newco is a party.

**Section 5.24 Adelphia Representations.** Except as set forth on Schedule 5.24, to the knowledge of TWC, there have been no events, circumstances or conditions, in any such case, first arising after the Adelphia Closing, that have caused any of the representations and warranties provided by Adelphia under Sections 3.8, 3.9, 3.10 (other than Section 3.10(a)), 3.11, 3.12 (disregarding the references to “As of the date hereof” in Section 3.12(b) and (g)), 3.13, 3.14, 3.15(d) (only as to Contracts included in the TWC/Adelphia Assets and other than the first and third sentences thereof), 3.17 (other than clause (ii) of the first sentence of Section 3.17(a)), 3.19, 3.20(a), 3.21 (other than the first sentence of Section 3.21(c)), 3.22, 3.23 (other than the first sentence thereof) and 3.25 of the TWC/Adelphia Purchase Agreement not to be true and correct in all material respects (or, if qualified by materiality or Material Adverse Effect (as defined in the TWC/Adelphia Purchase Agreement), in all respects) as they relate to the Group 1 Business (except to the extent relating to any TWC/Adelphia Excluded Assets or TWC/Adelphia Excluded Liabilities) under the TWC/Adelphia Purchase Agreement, if such representations and warranties were given as of Closing (except to the extent expressly made as of an earlier date, in which case as of such earlier date), in each case: (i) to the extent such representations and warranties apply to any period after the Adelphia Closing, applying such representations and warranties *mutatis mutandis* given, among other things, (A) the TWC Group Members’ ownership of such Group 1 Business, (B) the possible addition to or disposition of Transferred Assets and the incurrence or payment of Assumed Liabilities (as such terms are defined in the TWC/Adelphia Purchase Agreement) consistent with the terms of this Agreement after the Adelphia Closing and (C) the Newco Transactions and (ii) disregarding any qualification to Seller’s Knowledge (as defined in the TWC/Adelphia Purchase Agreement) included in any such representation and warranty.

**Section 5.25 TWC/Adelphia Purchase Agreement.** TWC has previously delivered to Comcast a true and complete copy of the TWC/Adelphia Purchase Agreement as currently in effect. Except for the TWC/Adelphia Purchase Agreement, any Ancillary Agreements (as defined in the TWC/Adelphia Purchase Agreement) to which TWC or any of its Affiliates is party and any agreement to which Comcast is a party (or is a party to a substantially equivalent agreement with Adelphia), TWC and/or any of its Affiliates, on the one hand, and Adelphia and/or any of its Affiliates, on the other hand, are not party to any Contract related to or entered into in connection with the transactions contemplated by the Adelphia Purchase Agreements or the Ancillary Agreements (as defined in either Adelphia Purchase Agreement).

## **ARTICLE 6** **Covenants**

**Section 6.1 Certain Affirmative Covenants of Transferor Parent.** Except as otherwise expressly contemplated hereunder, or as the applicable Transferee Parent may otherwise consent in writing (which if requested shall not be unreasonably withheld or delayed), (i) between the date of this Agreement and the Closing, with respect to each Native System to be directly or indirectly transferred by Transferor Parent or its Affiliates in an Exchange and the Native Assets related to such Native System, and

(ii) between the time of the applicable Adelphia Closing (or, with respect to Section 6.1(f), the date of this Agreement; provided that it is understood that, until the Adelphia Closing, such obligations under Section 6.1(f) will be limited to those that can be fulfilled using commercially reasonable efforts taking into account that Transferor Parent and its Affiliates do not own the relevant Adelphia Systems) and the Closing, with respect to each Adelphia System to be directly or indirectly transferred by Transferor Parent or its Affiliates in an Exchange and the Adelphia Assets related to such Adelphia System, such Transferor Parent shall, and shall cause its Affiliates to:

(a) operate or cause to be operated such Transferred Systems only in the usual, regular and ordinary course and in accordance with applicable material Legal Requirements (including completing line extensions, placing conduit or cable in new developments, fulfilling installation requests and continuing work on existing construction projects) and (i) use its commercially reasonable efforts to preserve the current business organization of such Transferred System intact, including preserving existing relationships with Governmental Authorities, suppliers, customers and others having business dealings with such Transferred System, unless Transferee Parent requests otherwise, (ii) use commercially reasonable efforts to keep available the services of its employees providing services in connection with each such Transferred System, (iii) continue normal marketing, advertising and promotional expenditures with respect to each such Transferred System and (iv) prior to January 1, 2006 (I) make capital expenditures in accordance with the 2005 capital budget of each such Native System set forth on Schedule 6.1(A)(I) (as to each such Native System, the “2005 Capital Budget”) and (II) make aggregate expenditures (other than Variable Expense Items) in accordance with the 2005 operating budget for each such Native System set forth on Schedule 6.1(A)(II) (as to each such Native System, the “2005 Operating Budget”, and together with the 2005 Capital Budget, the “2005 Budgets”); provided, however, that, in each case, deviations (positive or negative) in any such expenditures by no more than 5% of the aggregate budgeted amount shall be deemed to be in accordance with the 2005 Budgets; provided further that, in any event, deviations (positive or negative) in any expenditures contemplated by the telephony budget included in any 2005 Budget shall be deemed to be in accordance with such 2005 Budget so long as Transferor Parent shall have used commercially reasonable efforts to operate in accordance with such telephony budget;

(b) perform all of its obligations under all of the applicable Transferred Franchises, Transferred Licenses and Transferred Contracts without material breach or default, and pay its Liabilities in the ordinary course of business;

(c) (i) maintain or cause to be maintained (A) the applicable Transferred Assets in adequate condition and repair for their current use, ordinary wear and tear excepted, and (B) in full force and effect policies of insurance with respect to the applicable Transferred Assets and operation of such Transferred Systems, in such amounts and with respect to such risks as are customarily maintained by the applicable Retained Systems and (ii) enforce in good faith the rights under insurance policies referred to in (i) (B);

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(d) maintain or cause to be maintained its books, records and accounts with respect to the applicable Transferred Assets and the operation of such Transferred Systems in the usual, regular and ordinary manner on a basis consistent with Transferor Parent’s past practices;

(e) use its commercially reasonable efforts to renew any applicable Transferred Licenses which expire prior to the Closing Date;

(f) use its commercially reasonable efforts to obtain in writing as promptly as practicable the applicable Required Consents and any other consent, authorization or approval necessary or commercially advisable in connection with the transactions contemplated hereby (and shall deliver to Transferee Parent copies of any such Required Consents and such other consents, authorizations or approvals as it obtains), in each case in form and substance reasonably satisfactory to such Transferee Parent; provided, that (i) Transferor Parent and its Affiliates shall have no obligation to make any payment (other than customary filing fees) to, or agree to any concession to, any Person to obtain any such consent, authorization or approval; and (ii) Transferor Parent shall afford Transferee Parent the opportunity to review and approve the form of Required Consent and such other consents prior to delivery to the party whose consent is sought and neither Transferor Parent nor any of its Affiliates shall accept or agree or accede to any modifications or amendments to or in connection with, or any conditions to the transfer of, any of the applicable Transferred Franchises, Transferred Licenses or Transferred Contracts of such Transferred System that are not approved in writing by Transferee Parent, which approval shall not be unreasonably withheld or delayed. Transferor Parent agrees, upon reasonable prior notice, to allow representatives of Transferee Parent to attend meetings and hearings before applicable Governmental Authorities in connection with the transfer of any Transferred License or Transferred Franchise of such Transferred Systems. Notwithstanding the foregoing, no party shall have any further obligation to obtain Required Consents:

(i) with respect to Contracts relating to pole attachments where the licensing Person shall not consent to an assignment of such license agreement but requires the applicable Newco to enter into a new agreement with such Person on overall terms which are no less favorable to such Newco than the original license agreement was to Transferor Parent or its Affiliates, in which case Transferor shall cooperate with and assist Transferee Parent and its Affiliates in obtaining such agreements; and

(ii) for any business radio license or any private operational fixed service (“POFS”) microwave license which Required Consent could reasonably be expected to be obtained within 120 days after Closing and so long as a conditional temporary authorization (for a business radio license) or a special temporary authorization (for a POFS license) is obtained by Transferee Parent or is Affiliates under FCC rules with respect thereto;

(g) deliver to Transferee Parent reasonably promptly true and complete copies of all monthly trial balances, financial statements and subscriber and

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other service recipient (including Individual Subscribers, Digital Subscribers, Telephony Subscribers and High Speed Data Subscribers) counts with respect to such Transferred Systems, management and operating reports and any written reports or data with respect to the operation of such Transferred Systems prepared by or for Transferor Parent or its Affiliates at any time from the date hereof (or, with respect to the Adelphia Systems, from the Adelphia Closing) until Closing;

(h) except as otherwise provided in this Agreement, Transferor Parent will use commercially reasonable efforts to promptly notify Transferee Parent of any circumstance, event or action by Transferor Parent or any of its Affiliates, or otherwise that becomes known to Transferor Parent (i) which, if known at the date of this Agreement, would have been required to be disclosed in or pursuant to this Agreement, or (ii) the existence, occurrence or taking of which would result in any of its representations and warranties in this Agreement or in any Transaction Document not being true and correct in all material respects (or if qualified by materiality, Material Adverse Effect or a similar standard, in all respects) when made or at Closing (unless and to the extent that any such representation or warranty speaks specifically as of an earlier date, in which case, at such earlier date); provided, that any notification provided by Transferor Parent solely pursuant to this subsection shall not be deemed to update the Schedules to this Agreement under Section 6.10 unless Transferor Parent expressly specifies that such notification is intended as an update pursuant to Section 6.10;

(i) give or cause to be given to Transferee, and its counsel, accountants and other representatives, as soon as reasonably possible but in any event prior to the date of submission to the appropriate Governmental Authority, copies of all (i) FCC Forms 1200, 1205, 1210, 1215, 1220 and 1240, and simultaneous with, or as soon as reasonably possible after submission to the appropriate Government Authority, any other FCC Forms required under the regulations of the FCC promulgated under the Cable Act that are prepared with respect to any such Transferred System and (ii) as soon as reasonably possible after filing, copies of all copyright returns filed in connection with any such Transferred System; provided, that in the case of clause (i), and simultaneous with, or as soon as reasonably possible after submission to the appropriate Governmental Authority, before such FCC Forms, Forms 1200, 1205, 1210, 1215, 1220 or 1240 are filed, Transferor Parent and Transferee Parent shall consult in good faith concerning the contents of such forms;

(j) in the case of the Native Systems, use commercially reasonable efforts to implement all budgeted rate changes provided for in the 2005 Operating Budgets or, with respect to periods after January 1, 2006, rate changes in the ordinary course of business; and

(k) maintain inventory (i) in the case of a Native System, sufficient for the operation of such Native System in the ordinary course of business for a period of time consistent with the period of time such inventory is maintained for the applicable Retained Systems, and (ii) with respect to any Adelphia System, sufficient for the operation of such Adelphia System in the ordinary course of business consistent with the inventory maintained as of the Adelphia Closing.

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Section 6.2 Certain Negative Covenants of Transferor Parent. Except as otherwise expressly contemplated hereunder (including with respect to the Newco Transactions) or as the applicable Transferee Parent may otherwise consent in writing (which if requested shall not be unreasonably withheld or delayed) (i) between the date of this Agreement and the Closing, with respect to

each Native System to be directly or indirectly transferred by Transferor Parent or its Affiliates in an Exchange, the Native Assets related to such Native System and, in the case of Section 6.2(d) (and, to the extent relating thereto, Section 6.2(t)), the transactions contemplated hereby, and (ii) between the time of the applicable Adelphia Closing and the Closing, with respect to each Adelphia System to be directly or indirectly transferred by Transferor Parent or its Affiliates in an Exchange and the Adelphia Assets related to such Adelphia System, such Transferor Parent shall not, and shall cause its Affiliates not to:

(a) modify, terminate, renew, suspend or abrogate any material Transferred Contract other than in the ordinary course of business;

(b) modify in any material respect, terminate, renew, suspend or abrogate any applicable Transferred Franchise or material applicable Transferred License;

(c) (i) except as set forth in Schedule 6.2(c)(i)(A), with respect to the Comcast Group, or Schedule 6.2(c)(ii)(B), with respect to the TWC Group, and except for Contracts in respect of SMATV Acquisitions, other than any SMATV Acquisition in which the SMATV Purchase Price Per Subscriber exceeds \$3,730 (for the avoidance of doubt, notwithstanding any other provision of this Section 6.2 to the contrary, Transferor Parent shall be permitted to integrate any SMATV Acquisition into its Native Systems in the ordinary course of business), and renewals and extensions of leases, in each case entered into in the ordinary course of business, enter into any Contract or commitment of any kind relating to such Transferred Systems which would be binding on Transferee Parent or any of its Affiliates after Closing and which (A) would involve an aggregate expenditure or receipt in excess of \$500,000 after Closing, (B) would have a term in excess of one year after Closing unless terminable without payment or penalty upon 30 days' (or fewer) notice (other than with respect to bulk service, commercial service or multiple dwelling unit access Contracts), (C) is not being entered into in the usual regular and ordinary course and in accordance with past practices, (D) would limit the freedom of Transferee Parent or any of its Affiliates to compete in any line of business or with any Person or in any area, (E) relates to the use of assets of such Transferred System by third parties to provide telephone or high speed data services, (F) is not on arm's-length terms, or (G) is with Transferor Parent or any of its Affiliates and is not terminated prior to Closing without penalty and without liability on the part of Transferee Parent or any of its Affiliates from and after Closing, or (ii) with respect to any Adelphia System, make or commit to make any material capital expenditures (including in respect of any plant upgrade);

(d) enter into any transaction or take any action that would result in any of its representations and warranties in this Agreement or in any Transaction

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Document to which it or any of its Affiliates is party not being true and correct in all material respects (or if qualified by materiality, Material Adverse Effect or a similar standard, in all respects) when made or at Closing (unless and to the extent that any such representation or warranty speaks specifically as of an earlier date, in which case, at such earlier date);

(e) engage in any marketing, subscriber installation or collection practices other than in the ordinary course of business;

(f) (i) in the case of any Native System, change the rate charged for any level of cable television service of such Native System, except for rate increases provided for in the 2005 Operating Budgets or, with respect to periods after January 1, 2006, rate changes in the ordinary course of business, or (ii) in the case of any Adelphia System, change the rate charged for any level of any service of such Adelphia System;

(g) add any channels to any Transferred System, or change the channel lineup in any Transferred System or commit to do so in the future, except as required by applicable Legal Requirements or as set forth in Schedule 6.2(g)(i), with respect to the Comcast Native Systems, and Schedule 6.2(g)(ii), with respect to the TWC Native System (provided that deletions of channels shall not be considered a change in channel lineup);

(h) except in accordance with the applicable Adelphia Purchase Agreement and except for "staying" or "sticking" bonuses to induce such employees to remain with any such Transferred System and which shall be paid for by Transferor Parent or its Affiliates on or prior to Closing, grant or agree to grant to any employee of any such Transferred System any increase in (i) wages or bonuses except in the ordinary course of business and consistent with past practices or (ii) any severance, profit sharing, retirement, deferred compensation, insurance or other compensation or benefits, except in the ordinary course of business and consistent with past practices; provided that the foregoing shall not apply to any Retained Native Employee;

(i) engage in any hiring practices that are (i) materially inconsistent with Transferor Parent's past practices or (ii) with respect to Adelphia Employees, inconsistent with the applicable covenants contained in the applicable Adelphia Purchase Agreement;

(j) transfer the employment duties of any employee of a Transferred System from such Transferred System to a different business unit or Subsidiary of Transferor Parent or its Affiliates; provided that the foregoing shall not apply to any Retained Native Employee;

(k) sell, assign, transfer or otherwise dispose of any of the applicable Transferred Assets except in the ordinary course of business and except for (i) the disposition of obsolete or worn-out equipment, (ii) dispositions with respect to which such Transferred Assets are replaced with assets of at least equal value, or (iii) transfers

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among Transferor Parent and its Affiliates (whereupon any such transferee would become a Comcast Participant or TWC Participant, as applicable, hereunder); provided, for the avoidance of doubt, that the foregoing clause shall not permit the disposition of any Transferred System other than pursuant to clause (iii);

(l) mortgage, pledge or subject to any material Lien that would survive the Closing any of the applicable Transferred Assets or such Transferred System, other than Permitted Liens;

(m) enter into any System-specific programming agreement (other than Local Retransmission Consent Agreements) relating to the applicable Transferred Assets or such Transferred System that is not terminated prior to Closing without penalty and without liability on the part of Transferee Parent or its Affiliates from and after Closing;

(n) except as set forth on Schedule 6.2(n)(i), with respect to the Comcast Group, and Schedule 6.2(n)(ii), with respect to the TWC Group, make any cost-of-service or hardship election under the Rules and Regulations adopted under the Cable Act;

(o) make any material change to any method of accounting except for any such change (i) required by reason of a concurrent (including any transition period) change in GAAP or applicable law or any change with respect to the applicable Retained Systems, or (ii) to conform Adelphia Systems to Transferor Parent's accounting policies, in each case made in accordance with GAAP;

(p) make or change in any material respect any Tax election, change any annual Tax accounting period or adopt or change any method of Tax accounting, file any amended Tax Returns enter into any closing agreement, settle any Tax claim or assessment, surrender any right to claim a Tax Refund, offset or any other reduction in Tax liability or consent to any extension or waiver of the limitations period applicable to any Tax claim or assessment, in each case, in a manner that is inconsistent with the Tax treatment applicable to the applicable Retained Systems;

(q) convert any billing systems used by such Transferred System (other than the conversions described on Schedule 6.2(q)(i), with respect to the Comcast Group, and Schedule 6.2(q)(ii), with respect to the TWC Group);

(r) launch or commit to launch any new product or service (including telephony) in any Adelphia System;

(s) (i) terminate the employment of any Comcast/Adelphia Employee with respect to the Comcast Group or any TWC/Adelphia Employee with respect to the TWC Group (other than, with respect to an employee who is classified as "non-exempt" for Federal wage and hour purposes, a termination of employment for "cause" (as defined in the Adelphia Communications Corporation Severance Plan) or a termination under such other circumstances that would deny the employee severance pay or benefits under such plan), or (ii) amend any existing or enter into any new,

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employment, severance, or other similar agreement with, any Comcast/Adelphia Employee, with respect to the Comcast Group, or any TWC/Adelphia Employee, with respect to the TWC Group; or

(t) announce an intention, commit or agree to do any of the foregoing.

### Section 6.3 Certain Additional Covenants Regarding Required Consents; HSR Act Filing.

(a) By no later than 45 days from the date of this Agreement, Transferee Parent and Transferor Parent shall provide each other with all necessary documentation to allow filing of FCC Forms 394 with respect to the Transferred Franchises. Transferor Parent and Transferee Parent shall use commercially reasonable efforts to cooperate with one another and file with the applicable Governmental Authority FCC Forms 394 for each Transferred Franchise which requires the consent of such Governmental Authority in connection with the transactions contemplated by this Agreement, no later than 60 days after the date hereof.

(b) Subject to Section 6.1(f), from and after the date hereof, Transferee Parent shall use its commercially reasonable efforts to cooperate with Transferor Parent in obtaining the Required Consents and any other consent, Authorization or approval, including with the relevant franchising authorities in respect of the Transferred Franchises, necessary or commercially advisable with respect to the transactions contemplated hereby including, to the extent commercially reasonable, the attendance of representatives of Transferee Parent at meetings and hearings before applicable Governmental Authorities in connection with the transfer of any Transferred License or Transferred Franchise and by providing appropriate financial statements, insurance certificates and surety bonds required to obtain such Required Consents.

(c) The parties shall as soon as practicable after the date hereof, but in any event no later than 20 Business Days after the date hereof (except to the extent any delay beyond such period results from a failure to obtain any required information relating to the Adelphia Systems or Adelphia Assets from Adelphia or its Affiliates), complete and file, or cause to be completed and filed, any notification and report required to be filed under the HSR Act with respect to the transactions contemplated by this Agreement and each such filing shall request early termination of the waiting period imposed by the HSR Act. The parties shall use commercially reasonable efforts to respond as promptly as reasonably practicable to any inquiries or requests received from a Governmental Authority for additional information or documentation in connection with antitrust matters. The parties shall use commercially reasonable efforts to overcome any objections which may be raised by any Governmental Authority having jurisdiction over antitrust matters. Each party shall cooperate to prevent inconsistencies between their respective filings and between their respective responses to all such inquiries and requests, and shall furnish to each other such necessary information and reasonable assistance as the other may request in connection with its preparation of necessary filings or submissions under the HSR Act.

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Notwithstanding the foregoing or anything else in the Agreement to the contrary, neither party shall be required to enter into any consent decree with any Governmental Authority relating to antitrust matters or to sell or hold separate any assets or make any change in operations or activities of the business (or any material assets employed therein) of such party or its Affiliates, if a party determines in good faith that such change would be adverse to the operations or activities of the business (or any material assets employed therein) of such party or any of its Affiliates having significant assets, net worth or revenue. The cost of any filing fees in connection with any required filing pursuant to the HSR Act shall be borne equally by Comcast and TWC.

(d) It is understood and agreed that the obligations of the parties under this Section 6.3 are, with respect to the Adelphia Systems and the period prior to the Adelphia Closings, limited to those that can be fulfilled using commercially reasonable efforts taking into account that the parties do not own the Adelphia Systems. If as a result of this limitation any given filing cannot be made prior to the Adelphia Closings, the parties will take all reasonable actions to make such filing as promptly as practicable after the Adelphia Closings.

#### Section 6.4 Confidentiality and Publicity.

(a) Unless and until Closing occurs, any non-public information that either party (treating, for purposes of this Section 6.4, the Comcast Parties as one party and the TWC Parties as the other party) may obtain from the other or its Affiliates in connection with this Agreement shall be confidential, and following Closing, each party shall keep confidential any non-public information that such party may receive from the other party or its Affiliates in connection with this Agreement unrelated to the Transferred Systems or the Transferred Assets to be directly or indirectly transferred by the other party in an Exchange as well as any non-public information in the possession of such party related to the Transferred Systems and Transferred Assets transferred directly or indirectly by such party to the other party pursuant to this Agreement (any such information that a party is required to keep confidential pursuant to this sentence shall, with respect to such party, be referred to as "Confidential Information"). Each party shall not disclose any Confidential Information to any other Person (other than its Affiliates and its Affiliates' directors, officers and employees, and representatives of its advisers and lenders, in each case, whose knowledge thereof is necessary in order to facilitate the consummation of the transactions contemplated hereby, in which case such party shall be responsible for any breach by any such Person) or use such information to the detriment of the other; provided, that (i) such party may use and disclose any such information once it has been publicly disclosed (other than by such party in breach of its obligations under this Section) or which, to its knowledge, rightfully has come into the possession of such party (other than from the other party), (ii) to the extent that such party may, in the reasonable judgment of its counsel, be compelled by Legal Requirements to disclose any of such information, such party may disclose such information if it has used commercially reasonable efforts, and has afforded the other party the opportunity, to obtain an appropriate protective order, or other satisfactory assurance of confidential treatment, for the information compelled to be disclosed, (iii) such party may use and disclose such information to the extent reasonably

necessary to permit such party to file Tax Returns, defend any dispute relating to Taxes, claim any Refund or otherwise provide information to a Governmental Authority in connection with any other Tax proceeding, (iv) such party may use and disclose such information to the extent necessary to comply with Legal Requirements or any periodic reporting obligations such party may have by virtue of such party or any of its Affiliates having securities listed on a national securities exchange or quotation system, and (v) such party may disclose such information as may be required under or in connection with the obligations of such party under either Adelphia Purchase Agreement. In the event of termination of this Agreement, (A) the obligation set forth in this Section shall continue for a period of two years after such termination, and (B) each party shall use commercially reasonable efforts to cause to be delivered to the other, and to retain no copies of, any documents, work papers or other materials obtained by such party or on its behalf from the other, whether so obtained before or after the execution of this Agreement.

(b) TWC and Comcast each shall consult with and cooperate with the other with respect to the content and timing of all press releases and other public announcements, and any oral or written statements to the Comcast Transferred Employees and the TWC Transferred Employees concerning this Agreement and the transactions contemplated hereby. Except as required by applicable Legal Requirements or by any national securities exchange or quotation system, none of TWC, Comcast, or their respective Affiliates shall make any such release, announcement or statement without the prior written consent and approval of the other, which shall not be unreasonably withheld. The party receiving such a request for a consent shall respond promptly to any such request for consent and approval.

Section 6.5 Title Insurance Commitments. Transferor Parent shall use commercially reasonable efforts to provide to Transferee Parent, within 90 days from the date Transferor Parent receives the Title Commitment Notice, or, in the case of any Survey, such longer period of time as is necessary to obtain such Survey with the exercise of reasonable diligence, (a) commitments to issue to the applicable Native Newco title insurance policies ("Title Commitments") in amounts reasonably satisfactory to Transferee Parent issued by a nationally recognized title insurance company (a "Title Company") and containing, to the extent available, legible photocopies of all recorded items described as exceptions therein, committing to insure, subject only to Permitted Liens, fee or a valid leasehold title, as applicable, in the applicable Native Newco to each parcel of Transferor's and its Affiliates' Native Owned Property or Native Leased Property on Schedule 2.1(f)(ii)(A) and Schedule 2.1(f)(ii)(B), as applicable, and so designated by notice ("Title Commitment Notice") within 30 days from the date of this Agreement, as applicable, by ALTA extended coverage owner's or leasehold policies of title insurance, or, if ALTA policies are not obtainable in any state, policies in another form reasonably satisfactory to Transferee Parent, and (b) surveys of each parcel of Transferor's Native Owned Property or Transferor's Native Leased Property on Schedule 2.1(f)(ii)(A) and Schedule 2.1(f)(ii)(B) ("Surveys"), as applicable, and so designated in such Title Commitment Notice in such form as is reasonably necessary to obtain the title insurance to be issued pursuant to the related Title Commitments with the

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standard printed exceptions relating to survey matters deleted, certified to Transferee Parent, the applicable Native Newco and to the Title Company with respect to that Native Owned Property or Native Leased Property provided that Transferor Parent's inability to provide Title Commitments satisfying the foregoing requirements shall not constitute a breach of the foregoing covenant if the Liens, or other matters relating to title, giving rise to such inability would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. In no event shall Transferor Parent be obligated to procure a Title Commitment for any Native Leased Property with respect to which the lease or a memorandum thereof has not been recorded in the land records of the county in which the Native Leased Property is located. The cost to obtain such Title Commitments and Surveys and other documents required by the Title Company to issue such policies and Surveys, as well as the cost of title policy premiums, except for attorneys' fees and other incidental costs incurred by Transferor Parent or its Affiliates in connection with providing such Title Commitments and Surveys and otherwise complying with this Section 6.5 shall be borne by Transferee Parent or its Affiliates. If Transferee Parent notifies Transferor Parent within 30 days following delivery to Transferee Parent of both the Title Commitments and the Surveys of any Lien (other than a Permitted Lien or a Lien set forth in Schedule 4.4(a) or Schedule 5.4(a), as applicable) which prevents access to or which could prevent or impede in any material way the use or operation of any parcel of Native Owned Property or Native Leased Property for which a Title Commitment is required pursuant to this Section 6.5 for the purposes for which it is currently used or operated by Transferor Parent or its Affiliate (each a "Title Defect"), Transferor Parent shall exercise commercially reasonable efforts, including paying attorney's fees and other incidental costs associated with any such efforts, to (1) remove such Title Defect, or (2) cause the Title Company to commit to insure over each such Title Defect prior to Closing at customary premium rates without additional premium or charge. If such Title Defect cannot be removed prior to Closing or the Title Company does not commit to insure over such Title Defect prior to Closing, Transferor Parent and Transferee Parent shall enter into a written agreement containing Transferor Parent's commitment to use commercially reasonable efforts for 180 days following Closing to remedy the Title Defect following Closing on terms reasonably satisfactory to Transferee Parent, in its reasonable discretion. Notwithstanding anything to the contrary contained in this Agreement, in no event shall Transferor Parent or

its Affiliates be required to remove any Liens encumbering the Native Owned Property and Native Leased Property except as expressly set forth in this Section 6.5 or to expend any moneys (other than attorneys' fees and other incidental costs as hereinabove set forth) or to incur any obligation in order to remove or cause the insuring over of any Liens (other than pursuant to customary short form affidavits of title which do not in any event require Transferor Parent or its Affiliates to make representations or incur obligations more onerous than those made or set forth elsewhere in this Agreement and customary gap indemnities covering Transferor Parent's and its Affiliates' acts for the period between Closing and the recording of the applicable deed or assignment of lease with respect to such Native Owned Property or Native Leased Property, and in no event shall Transferor Parent or its Affiliates be obligated to commence any Litigation to cause any Title Defects to be removed or insured over, and, without limiting the other provisions of this Section 6.5, in

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no event shall Transferor Parent or its Affiliates be required to give a non-imputation affidavit to the title insurance company.

**Section 6.6 Pre-Closing Access.** From the date hereof until the Closing, subject to applicable law, Transferor Parent shall, and shall cause its Affiliates to, (i) afford Transferee Parent and its authorized representatives reasonable access, during regular business hours, upon reasonable advance notice, to the Transferred Systems (including the Transferred Assets and employees) to be directly or indirectly acquired by such Transferee Parent, (ii) furnish, or cause to be furnished, to such Transferee Parent any financial and operating data and other information with respect to such Transferred Systems as Parent Transferee from time to time reasonably requests, and (iii) instruct its employees, and its counsel and financial advisors to cooperate with such Transferee Parent in its reasonable investigation of such Transferred Systems; provided that, in each case, any such access shall be designed so as to not unreasonably disrupt the business and operations of Transferor Parent or its Affiliates; provided further that in no event shall such Transferee Parent have access to (A) any information that would reasonably be expected to create Liability under applicable laws, including U.S. antitrust laws, or waive any material legal privilege (provided that, in such latter event, Transferor Parent and Transferee Parent shall use commercially reasonable efforts to cooperate to permit disclosure of such information in a manner consistent with the preservation of such legal privilege) (B) documents containing competitively sensitive information, trade secrets or other sensitive information (to the extent necessary to protect the legitimate legal, business and/or confidentiality concerns of Transferor Parent and its Affiliates, but taking into account Transferee Parent's need for such information in connection with the transactions contemplated hereby), (C) any information to the extent such disclosure would reasonably be expected to violate any obligation of Transferor Parent or its Affiliates with respect to confidentiality so long as, with respect to confidentiality, to the extent specifically requested by Transferee Parent, Transferor Parent has made commercially reasonable efforts to obtain a waiver regarding the possible disclosure from the third party to whom an obligation of confidentiality is owed or (D) any programming records; it being understood that such Parent Transferee shall conduct any environmental sampling solely in the manner contemplated by Section 6.13. All requests made pursuant to this Section 6.6 shall be directed to an executive officer of Transferor Parent or such Person or Persons as may be designated by Transferor Parent. All information received pursuant to this Section 6.6 shall, prior to the Closing, be governed by Section 6.4(a) and, to the extent applicable, the terms of the Confidentiality Agreement. No information or knowledge obtained in any investigation by Transferee Parent or its Affiliates pursuant to this Section 6.6 shall affect or be deemed to modify any representation or warranty made by Transferor Parent or its Affiliates hereunder or under any Transaction Document. This Section 6.6 shall apply to the Adelphia Systems and the Adelphia Assets only after the Adelphia Closing.

**Section 6.7 Post-Closing Obtaining of Consents.** Subsequent to Closing and subject to Section 2.1(h), Transferor Parent shall, and shall cause its Affiliates to, continue to use commercially reasonable efforts to obtain in writing as promptly as possible any Authorization necessary or commercially advisable in

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connection with the transactions contemplated hereunder which was not obtained on or before Closing (a "Post-Closing Consent") in form and substance reasonably satisfactory to Transferee Parent. A true and complete copy of any such Post-Closing Consent shall be delivered to Transferee Parent promptly after it has been obtained.

#### **Section 6.8 Transitional Services.**

(a) Each of Comcast and TWC shall provide, or cause its Affiliates to provide, to the other and its Affiliates, upon written request received by Comcast or TWC, as applicable, such signal supply, subscriber billing, high speed data, telephony and such other non-management services as may be reasonably requested in connection with the operation of the Native Systems, the

Adelphia Systems and any other assets or properties acquired from Adelphia pursuant to the Adelphia Agreements, as applicable, for a commercially reasonable period following the Closing to be mutually agreed upon in good faith by Comcast and TWC to allow for transition of existing services or establishment of replacement services.

(b) Without limitation of Section 6.8(a), if the Closing does not occur on the date of the Adelphia Closing, each of Comcast and TWC shall provide, or cause its Affiliates to provide, to the other and its Affiliates, signal supply, subscriber billing, high speed data, telephony and such other non-management services as may be reasonably requested in connection with any assets or properties acquired from Adelphia pursuant to the Comcast/Adelphia Purchase Agreement or the TWC/Adelphia Purchase Agreement, as the case may be. The services referred to in this Section 6.8(b) shall be provided from the Adelphia Closing until the Closing or, if this Agreement is terminated in accordance with its terms, for a commercially reasonable period to be mutually agreed upon in good faith by TWC and Comcast to allow for transition of existing services or establishment of replacement services (with respect to the Specified Systems, until the Transition Closing, and, if requested, a commercially reasonable period thereafter).

(c) The recipient of any services referred to in Section 6.8(a) or (b) shall promptly reimburse the provider thereof for the actual out-of-pocket cost to such provider and its Affiliates of providing such services, and all other terms and conditions for the provision of such services shall be reasonably satisfactory to both Comcast and TWC, and subject to applicable Legal Requirements.

(d) If this Agreement is terminated in accordance with Section 9.1, at a closing (the “Transition Closing”) to be held as soon as reasonably practicable after such termination, subject to the receipt of the consents and approvals referred to in the last sentence of this Section 6.8(d), each of Comcast and TW NY shall, and shall cause their respective Affiliates to (i) assign, transfer, convey and deliver the Adelphia Assets received by it (and them) at the Adelphia Closing that comprise the Specified Systems (as defined below) (and all Adelphia Assets primarily related thereto) to a Disregarded Entity, (ii) cause such Disregarded Entity to assume and agree to pay and discharge, as and when they come due, all Adelphia Assumed Liabilities primarily related to such Adelphia Assets and (iii) sell to TW NY and Comcast respectively, and each of TWC and Comcast will purchase from Comcast and TWC (or their respective Affiliates),

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respectively, 100% of the outstanding Equity Securities of such Disregarded Entity for the Specified Price. For purposes hereof, “Specified Price” means with respect to each Disregarded Entity, cash in an amount equal to the sum of (x) the product of (1) the number of Eligible Basic Subscribers (as defined in the Comcast/Adelphia Purchase Agreement or the TWC/Adelphia Purchase Agreement, as applicable) served by the Specified Systems transferred to such Disregarded Entity pursuant to this Section 6.8(d), calculated as of the Adelphia Closing as determined pursuant to Section 2.8 in the Comcast/Adelphia Purchase Agreement or Section 2.6 of the TWC/Adelphia Purchase Agreement, as applicable, for purposes of determining the Final Adjustment Amount (as defined therein) thereunder, multiplied by (2) the Comcast/Adelphia Purchase Price Per Subscriber (in the case of Specified Systems held by a Disregarded Entity to be sold by Comcast or its Affiliates) or the TWC/Adelphia Purchase Price Per Subscriber (in the case of Specified Systems held by a Disregarded Entity to be sold by TWC and its Affiliates) plus (y) the Closing Adjustment Amount in respect of such Disregarded Entity as of the Transition Closing, as determined in accordance with procedures described in Section 2.4 applied *mutatis mutandis*, treating such Disregarded Entity as an Adelphia Newco but assuming the amounts described in clause (i)(A) and (ii)(A) of the definition of Subscriber Adjustment Amount were zero. For purposes hereof, “Specified System” means any System as defined in clause (ii) of the definition of such term in the Comcast/Adelphia Purchase Agreement or the TWC/Adelphia Purchase Agreement that is allocated to the Group 2 Business in the Comcast/Adelphia Purchase Agreement or the TWC/Adelphia Purchase Agreement and is accounted for as of the date hereof by Adelphia as a non-primary “Cost Center” and that as of the termination of this Agreement would be inoperable or not commercially viable as an independent cable communications system without one or more material services described in Section 6.8(b) (whether due to lack of independent franchise, headend or otherwise). Each such sale and purchase shall be subject to receipt of required consents and approvals of Governmental Authorities and required material consents and approvals of other third parties, and the parties shall negotiate in good faith definitive agreements to evidence such transactions that contain representations, warranties, covenants (including indemnification provisions) and conditions substantially the same as those contained in this Agreement with respect to the Adelphia Systems *mutatis mutandis*.

**Section 6.9 Cooperation Upon Inquiries as to Rates.** Transferor Parent and Transferee Parent agree as follows:

(a) For a period of 12 months after Closing, Transferor Parent shall cooperate with and assist Transferee Parent by providing, upon request, all information in Transferor Parent’s possession (and not previously provided to Transferee Parent) relating directly to the rates set forth in Schedule 4.8 or 5.8, as applicable, or the then current rates with respect to any Transferred System, if different from the rates set forth on such Schedule (or not otherwise set forth in such Schedule) or the rate on any FCC Form 393, 1200, 1205, 1210, 1220, 1235 or 1240 that Transferee Parent may reasonably require to justify such rates in response to any inquiry, order or requirement of any Governmental Authority or any Rate Regulatory Matter instituted before or after the date of this Agreement.

(b) If at any time prior to Closing (but in respect of the Adelphia Systems, after the Adelphia Closing), any Governmental Authority commences a Rate Regulatory Matter with respect to a Transferred System, the applicable Transferor Parent shall (i) promptly notify Transferee Parent, and (ii) keep Transferee Parent informed as to the progress of any such proceeding. Without the prior written consent of Transferee Parent, which consent shall not be unreasonably withheld or delayed, Transferor Parent shall not settle any such Rate Regulatory Matter, either before or after Closing, if (A) Transferee Parent or any of Transferee Parent's Affiliates would have any obligation under such settlement, or (B) such settlement would reduce the rates permitted to be charged by Transferee Parent or any of Transferee Parent's Affiliates after Closing below the rates set forth on Schedule 4.8 or 5.8, as applicable or otherwise then in effect. Notwithstanding anything to the contrary herein, after Closing, Transferee Parent shall have the right, at its own expense, to assume control of the defense of any pending Rate Regulatory Matter, to the extent, and only to the extent, that it relates to a Transferred System transferred to Transferee Parent or its Affiliates. If Transferee Parent elects to assume control of the defense of any such Rate Regulatory Matter, Transferor Parent shall have the right to participate, at its expense, in the defense of such matter. Notwithstanding the provisions set forth in Article 10 of this Agreement, Transferee Parent may settle any such Rate Regulatory Matter only upon Transferor Parent's prior written consent, which consent shall not be unreasonably withheld or delayed, if Transferor Parent or any of its Affiliates would have any obligation with respect to such settlement in accordance with Article 10 hereof or otherwise.

(c) If at any time after Closing, any Governmental Authority commences a Rate Regulatory Matter with respect to a Transferred System transferred to Transferee Parent or its Affiliates involving any time period prior to Closing (or in the case of any Adelphia System, prior to the Closing but after the Adelphia Closing), Transferee Parent shall (i) promptly notify Transferor Parent, and (ii) keep Transferor Parent informed as to the progress of any such proceeding. Transferor Parent shall have the right to participate, at its expense, in the defense of such matter. Notwithstanding the provisions set forth in Article 10 of this Agreement, Transferee Parent may settle any such Rate Regulatory Matter only upon Transferor Parent's prior written consent, which consent shall not be unreasonably withheld or delayed, if Transferor Parent or any of its Affiliates would have any obligation with respect to such settlement in accordance with Article 10 hereof or otherwise. The rights and obligations of the parties under this Section 6.9(c) in respect of the Adelphia Systems shall be subject to the relevant Adelphia Purchase Agreement.

(d) For purposes hereof, "Rate Regulatory Matter" means any proceeding or investigation with respect to a Transferred System arising out of or related to the Cable Act (other than those affecting the cable television industry generally) dealing with, limiting or affecting the rates which can be charged by such Transferred System for programming, equipment, installation, service or otherwise.

(e) If Transferor Parent or any of its Affiliates is required pursuant to any Rate Regulatory Matter or any other Legal Requirement, settlement or otherwise to reimburse following Closing any subscribers of the Transferred Systems to

be directly or indirectly transferred by such Transferor Parent or any of its Affiliates in an Exchange for any subscriber payments previously made, including fees for cable television service, late fees and similar payments, Transferee Parent shall, at Transferor Parent's request, make such reimbursement through Transferee Parent's or its Affiliate's billing system on terms specified by Transferee Parent. In such event, Transferor Parent shall pay to Transferee Parent or its Affiliate all such payments made by Transferee Parent through its billing system. Without limiting the foregoing, Transferee Parent shall provide to Transferor Parent all information in its possession that is reasonably required by Transferor Parent in connection with such reimbursement.

#### Section 6.10 Updated Schedules.

(a) On one or more occasions, Transferor Parent may, at least five Business Days prior to Closing: (i) supplement Schedule 4.5(a) or 5.5(a), as applicable, to reflect leases, franchises, licenses, authorizations, consents, permits, Contracts or commitments which were entered into or obtained between the date hereof and the Closing Date not in violation of the terms of this Agreement and are required to be disclosed in Schedule 4.5(a) or 5.5(a), as applicable, in order for the representation and warranty contained in Section 4.5(a) or 5.5(a), as applicable, to be true, complete and correct, or (ii) supplement any other Schedule to this Agreement (other than the Schedules to any of Section 4.1, 4.2, 4.15, 4.18, 5.1, 5.2, 5.15 or 5.18) including, for the avoidance of doubt, 4.24 and 5.24, with additional information to the extent that it reflects events, acts or omissions that first occurred between the date hereof and the Closing Date and that are not prohibited by this Agreement to be taken, and that would have been required to be included in one or more Schedules to this Agreement in order for the representations and warranties of Transferor Parent contained

in this Agreement to be true, complete and correct as of the Closing. Any such supplement to a Schedule pursuant to clause (i) above shall specifically identify each license, Contract or other item being added to Schedule 4.5(a) or 5.5(a), as applicable, and any supplement pursuant to clause (ii) above shall be made with reasonable specificity and shall identify, to Transferor Parent's knowledge, the potential Liability associated with the relevant action, condition or event. For purposes of determining whether there is any liability on the part of Transferor Parent following Closing for breaches of its representations and warranties under this Agreement, the Schedules to this Agreement shall be deemed to include only (a) the information contained therein on the date hereof and (b) information added to such Schedules by written supplements to this Agreement delivered in accordance with the first sentence of this Section 6.10; provided, that for purposes of determining the satisfaction of the condition set forth in Section 7.1(a) or 7.2(a), as applicable, any update to the Schedules pursuant to clause (b) of this sentence shall be disregarded.

(b) In addition, if after the date that is the fifth Business Day prior to Closing, but before the Closing, Transferor Parent first becomes aware of any event, act, occurrence or omission which, if known on the fifth Business Day prior to Closing would have been permitted to be included in a supplement pursuant to clause (ii) of the foregoing paragraph, then Transferor Parent may make such supplement as provided above (in which case such supplement shall be deemed to have been made

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pursuant to clause (ii) of the foregoing paragraph); provided that Transferor Parent may only utilize the rights in this paragraph on one occasion and, if Transferee Parent elects, upon receipt of any such supplement pursuant to this paragraph, the date of Closing may be delayed until the end of the next succeeding month.

**Section 6.11 Certain Notices.** Prior to the Closing (or, with respect to the Adelphia Systems, between the Adelphia Closing and Closing), Transferor Parent, with respect to the Transferred Systems to be directly or indirectly transferred by such Transferor Parent or its Affiliates in an Exchange, shall cause to be timely filed a request for renewal under Section 626 of the Cable Act with the proper Governmental Authority with respect to Transferred Franchises that shall expire within 36 months after any date between the date of this Agreement and Closing Date; provided that the foregoing obligation with respect to Adelphia Systems shall apply only to the extent such obligations can reasonably be fulfilled after the Adelphia Closing.

**Section 6.12 Franchise Expirations.** From the date hereof (or, with respect to the Adelphia Systems, from the Adelphia Closing) until Closing, Transferor Parent shall, and shall cause its Affiliates to, use commercially reasonable efforts to obtain renewals or valid extensions of any Transferred Franchises of such Transferor Parent which expire on or before June 30, 2008, in the ordinary course of business. Neither Transferor Parent nor any of its Affiliates shall agree or accede to any material modifications or amendments to or in connection with, or the imposition of any material condition to the renewal or extension of, any Transferred Franchises of such Transferor Parent or its Affiliates that are not reasonably acceptable to Transferee Parent. Transferor Parent agrees, from the date hereof (or, with respect to the Adelphia Systems, from the Adelphia Closing) until Closing, upon reasonable prior written notice, to allow representatives of Transferee Parent to attend meetings and hearings before applicable Governmental Authorities in connection with the renewal or extension of any Transferred License or Transferred Franchise of such Transferor Parent.

**Section 6.13 Environmental Reports.** From and after the date hereof (or, with respect to the Adelphia Systems, from and after the Adelphia Closing), Transferee Parent may upon reasonable advance written notice and during normal business hours, at Transferee Parent's expense, perform any environmental site assessments of Transferor Parent's or its Affiliate's Transferred Owned Property or Transferred Leased Property (subject to the final sentence of this Section 6.13) as Transferee Parent determines, in its sole discretion, to have performed; provided that, prior to taking any samples of soil or groundwater for testing, Transferee Parent shall have a reasonable basis for determining that such sampling is appropriate. Transferor Parent shall cooperate with all reasonable requests of Transferee Parent and its consultants with respect to the conduct of such assessments or sampling. Any assessment performed pursuant to this Section 6.13 shall to the fullest extent practicable be designed so as not to disrupt the business and operations of the Transferred Systems. Any right to perform an assessment pursuant to this Section 6.13 at a Transferred Leased Property shall be subject to Transferor Parent or its Affiliate not being prohibited from performing such assessment pursuant to the lease for such Leased Property.

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**Section 6.14 Commercially Reasonable Efforts; Further Assurances.** Subject to the terms and conditions of this Agreement, Comcast and TWC shall, and shall cause their Affiliates to, use commercially reasonable efforts to take, or cause to be taken, all

actions and to do, or cause to be done, all things necessary or desirable to consummate the transactions contemplated by this Agreement as promptly as practicable. Each of Comcast and the TWC agrees to, and to cause their Affiliates to, execute and deliver such other documents, certificates, agreements and other writings (including completed transfer tax returns, showing in each case a purchase price or consideration reasonably acceptable to Comcast and TWC) and to take such other commercially reasonable actions as may be necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement and to (i) vest in Transferee Parent or its Affiliates, as applicable, the same title to the Transferred Assets (other than the Initial TWC/Adelphia Assets) that Transferor Parent (together with its Affiliates) had with respect thereto immediately prior to the Newco Transactions (other than the TWC/Adelphia Newco Transaction referred to in the third sentence of Section 2.1(a)) and (ii) vest in Comcast or its Affiliates, as applicable, the same title to the Initial TWC/Adelphia Assets that TWC (together with its Affiliates) had with respect thereto immediately following the Adelphia Closing.

**Section 6.15 Post-Closing Access to Personnel Records.** After the Closing Date, Transferor Parent shall, and shall cause its Affiliates to, provide Transferee Parent with access to, and the right to make copies or extracts of, pertinent information from the personnel files and records of Transferor Parent and its Affiliates relating to the applicable Transferred Employees other than Retained Native Employees in connection with litigation, administrative proceedings, payment of Taxes or any other valid business reason from time to time during normal business hours upon reasonable notice from Transferee Parent (i) with respect to matters other than matters relating to Taxes, for a period not to exceed one year from the Closing Date, or (ii) with respect to matters relating to Taxes, until the expiration of the statute of limitations applicable to such Taxes, in each case except to the extent that Transferor Parent or any of its Affiliates is required by law to keep such files and records confidential.

**Section 6.16 Insurance.** Transferor Parent will use commercially reasonable efforts to take such actions as are necessary to cause insurance policies of Transferor Parent and its Affiliates that immediately prior to Closing provide coverage to or with respect to the Transferred Business, the Transferred Systems or the Transferred Assets to be directly or indirectly transferred by such Transferor Parent or its Affiliates in an Exchange to continue to provide such coverage with respect to acts, omissions, and events occurring prior to the Closing (or, in the case of any Adelphia Business, Adelphia Systems or Adelphia Assets, prior to the Closing but after the Adelphia Closing) in accordance with their terms as if the Closing had not occurred; provided, that to the extent Transferor Parent takes any action with respect to its umbrella insurance policies that similarly effects all of Transferor Parent's Retained Systems but results in such insurance coverage no longer being available (other than a change denying coverage based upon a Person ceasing to be an Affiliate of Transferor Parent), Transferor Parent shall not be deemed to have breached this Section 6.16 and shall have no liability with

respect thereto. Transferor Parent will give Transferee Parent written notice of the taking of any such action if done during the first 12 months after the Closing prior to or as soon as practicable thereafter. Transferor Parent shall, and shall cause its Affiliates to, cooperate with and assist Transferee Parent, if Transferee Parent or any of its Affiliates determines to make any claim under any such policy with respect to any pre-Closing act, omission or event. Transferee Parent shall use commercially reasonable efforts to promptly notify Transferor Parent when it becomes aware of any such claim; provided, that the failure of Transferee Parent to provide such notice shall not relieve Transferor Parent of its obligations under this Section 6.16, except to the extent that Transferor Parent's or its Affiliates' rights under the applicable insurance policy are prejudiced by such failure to give notice.

**Section 6.17 [Intentionally Omitted].**

**Section 6.18 Promotional Campaigns.**

(a) Between the date hereof and the Closing, Transferor Parent and its Affiliates shall not initiate any Subscriber campaigns or promotions on a local or regional level with respect to the Native Systems of Transferor Parent or its Affiliates, other than (i) any such campaigns or promotions that are on the same terms and conditions (or on terms and conditions that are no less favorable to such Native Systems) as subscriber campaigns or promotions undertaken with respect to the relevant Native Systems during the year ended December 31, 2004 in the relevant market, (ii) with respect to the Comcast LA Native Systems, the Comcast Ohio Native Systems or the TWC Native System, any such campaigns or promotions that are not materially less favorable to such Native Systems than campaigns and promotions being conducted by the Transferee Parent and its Affiliates in the same DMA, (iii) with respect to the Comcast Dallas Native Systems, any such campaigns or promotions that are not materially less favorable to such Native Systems than campaigns and promotions being conducted by any other multiple system cable operator (other than Charter Communications and its Affiliates) in the Dallas DMA, and (iv) any such campaigns or promotions that are either (x) with respect to campaigns and promotions conducted in an overbuild area, not materially less favorable to the Native Systems than the campaigns and promotions being conducted by the applicable overbuilder or RBOC or (y) not materially less favorable to the Native Systems than those being conducted by any direct broadcast satellite providers in the same DMA (but only in the relevant market of the relevant campaign or promotion).

(b) With respect to the Adelphia Systems of Transferor Parent or its Affiliates, Transferor Parent and its Affiliates shall not, between the Adelphia Closing and the Closing, initiate or continue any subscriber campaigns or promotions (including door-to-

door, inbound, outbound, retention or win-back campaigns or promotions) on a local or regional level, other than (i) such campaigns or promotions as are developed pursuant to the immediately following sentence, (ii) continuation of any such campaigns or promotions initiated by Adelphia (or, in the case of Comcast, any Transferred Joint Venture Entity) prior to the Adelphia Closing, and (iii) such other campaigns and promotions that are conducted in the ordinary course of business

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consistent with Transferor Parent's Retained Systems. As soon as reasonably practicable following the Adelphia Closing, if the Closing has not occurred, Transferor Parent and Transferee Parent shall consult with each other regarding the development of subscriber campaigns and promotions to be conducted in respect of the Adelphia Systems during the period between the Adelphia Closing and the Closing.

**Section 6.19 Local Retransmission Consent Agreements.** On or prior to the date which is 45 days prior to the anticipated date of Closing, each Transferor Parent shall deliver to Transferee Parent a list of all Local Retransmission Consent Agreements then in effect with respect to the Native Systems (or, with respect to the Adelphia Systems, those Local Retransmission Consent Agreements entered into between the Adelphia Closing and the Closing) to be directly or indirectly transferred by such Transferor Parent or its Affiliates in an Exchange. By written notice delivered to Transferor Parent at least 30 days prior to Closing, Transferee Parent may, in its sole discretion, elect to have the applicable Newco assume (or in the case of any TWC/Adelphia Newco, terminate with no further liability to such TWC/Adelphia Newco) any one or more of such Local Retransmission Consent Agreements and, in the case of any such assumption, Transferor Parent shall use commercially reasonable efforts to obtain any required Authorizations for such assumption. The foregoing shall be subject to Section 2.1(h) to the extent any related Authorization is not obtained. Any Local Retransmission Consent Agreements which Transferee Parent elects to have assumed pursuant to this Section 6.19 shall be included in the applicable Transferred Assets. To the extent the provisions of this Section 6.19 conflict with any other provision of this Agreement, the provisions of this Section 6.19 shall control. Any Local Retransmission Consent Agreements which Transferee Parent elects to have a TWC/Adelphia Newco terminate shall constitute a TWC/Adelphia Excluded Liability.

#### **Section 6.20 Adelphia Purchase Agreements.**

(a) Capitalized terms used in this Section 6.20 and not defined in this Agreement (or, if the context otherwise requires, even if defined herein) shall have the meanings specified in the Adelphia Purchase Agreements, as applicable.

(b) Comcast shall not, and shall not permit any of its Affiliates to, terminate the Comcast/Adelphia Purchase Agreement by mutual agreement with Adelphia without TWC's consent. TWC shall not, and shall not permit any of its Affiliates to, terminate the TWC/Adelphia Purchase Agreement by mutual agreement with Adelphia without Comcast's consent.

(c) Except as would not reasonably be expected to have an adverse effect on Comcast or its Affiliates or to materially impair or delay the transactions contemplated by this Agreement, TWC shall, and shall cause its Affiliates to, take all necessary action to enforce and perform on a timely basis its and their rights and obligations set forth in the TWC/Adelphia Purchase Agreement and any related Ancillary Agreements, and shall provide Comcast with a copy of any notice delivered to TWC or its Affiliates by Adelphia under the TWC/Adelphia Purchase Agreement or any related Ancillary Agreement (to the extent such notice relates to the Group 1 Business or

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addresses any matter that would reasonably be expected to have an adverse effect on the transactions contemplated by this Agreement). Except as would not reasonably be expected to have an adverse effect on TWC or its Affiliates or to materially impair or delay the transactions contemplated by this Agreement, Comcast shall, and shall cause its Affiliates to, take all necessary action to enforce and perform on a timely basis its rights and obligations set forth in the Comcast/Adelphia Purchase Agreement and any related Ancillary Agreements and the JV Documents, and shall provide TWC with a copy of any notice delivered to Comcast by Adelphia under the Comcast/Adelphia Purchase Agreement or the JV Documents (to the extent such notice relates to the Group 1 Business or addresses any matter that would reasonably be expected to have an adverse effect on the transactions contemplated by this Agreement). No Transferor Parent shall be liable under this Section 6.20(c) to the extent any breach was caused by the Transferee Parent or its Affiliates. Nothing herein shall require TWC to waive any rights under the TWC/Adelphia Purchase Agreement to the extent relating to the Group 2 Business thereunder or the Excluded Rights and Obligations, or require Comcast to

waive any rights under the Comcast/Adelphia Purchase Agreement to the extent relating to the Group 2 Business thereunder or the Excluded Rights and Obligations.

(d) Except as otherwise provided in this Section 6.20, the decision by Transferor Parent or any of its Affiliates to grant any consent or waiver under, exercise any right under (including making any offer of employment, requesting information or access, designating any Contract an Assigned Contract, or taking any actions under Section 2.6 of the TWC/Adelphia Purchase Agreement or Section 2.8 of the Comcast/Adelphia Purchase Agreement) or to approve or enter into any amendment of or supplement to, the relevant Adelphia Purchase Agreement or any Ancillary Agreement to which such Transferor Parent or its Affiliate is party shall, to the extent relating to the Group 1 Business (except with respect to the Excluded Rights and Obligations) under such Adelphia Purchase Agreement (or to the extent it would otherwise adversely affect Transferee Parent or its Affiliates), be controlled by Transferee Parent, subject to the consent of Transferor Parent, such consent not to be unreasonably withheld or delayed; provided that Transferee Parent may also exercise rights regarding information, access and other matters that would not reasonably be expected to adversely affect Transferee Parent or its Affiliates. If pursuant hereto a party or its Affiliate requests information from Adelphia under Section 5.11(a) of the TWC/Adelphia Purchase Agreement or Section 5.9(a) of the Comcast/Adelphia Purchase Agreement, such party or its Affiliate shall be responsible for all costs to be reimbursed to Adelphia thereunder; provided, that with respect to any such information that is likely to be needed by members of both the TWC Group and the Comcast Group, the parties shall reasonably cooperate to minimize the costs thereunder and negotiate in good faith an equitable sharing of such costs. For the avoidance of doubt, TWC shall remain solely liable for all costs under Section 5.19 of the TWC/Adelphia Purchase Agreement.

(e) If, at any time after the Closing, any Comcast Group Member is entitled to receive a payment out of the Escrow Account established in connection with the TWC/Adelphia Purchase Agreement in the form of assets other than cash, TWC or its Affiliate and such Comcast Group Member shall immediately after such payment is made effect an exchange pursuant to which such Comcast Group Member

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exchanges such non-cash assets with TWC or its Affiliate for a payment in cash in an amount equal to the difference between the total amount that would have been payable to such Comcast Group Member out of the Escrow Account if such amount would have been paid in cash (for the avoidance of doubt, each share of Parent Class A Common Stock shall be valued at the Per Share Value of Purchase Shares, as such terms are defined in the TWC/Adelphia Purchase Agreement, adjusted appropriately to reflect any stock splits, reverse stock splits, stock dividends, recapitalizations or similar actions affecting the Parent Class A Common Stock after the Adelphia Closing) and the portion of such amount (if any) that was paid in cash (a "Cash Reconciliation"). The parties agree (a) that any such Cash Reconciliation shall be treated for Tax purposes as if the Comcast Group Member received a cash payment out of the Escrow Account in the total amount payable to such Comcast Group Member (and as if the Comcast Group did not receive any such non-cash consideration) and (b) not to report or take any Tax position (on a Tax Return or otherwise) inconsistent with such treatment unless required by a change in applicable Tax law or a good faith resolution of a contest.

(f) The parties will cooperate with each other in connection with the satisfaction of their respective obligations under Section 5.6 of the TWC/Adelphia Purchase Agreement and Section 5.3 of the Comcast/Adelphia Purchase Agreement.

(g) Following the Closing for a period not to exceed two years, subject to applicable law, TWC shall, and shall cause its Affiliates to, provide Comcast and its Affiliates with reasonable cooperation in respect of the investigation and pursuit by Comcast and its Affiliates of the Retained Claims (as defined in the Comcast/Adelphia Purchase Agreement), including providing Comcast and its Affiliates and their respective authorized representatives with reasonable access, during regular business hours and upon reasonable advance notice, to the books and records of the Comcast/Adelphia Business to the extent relating to the Retained Claims (other than any Excluded Books and Records (as defined in the Comcast/Adelphia Purchase Agreement)); provided, however, that (i) the foregoing shall not unreasonably interfere with the operations (including the post-Closing integration efforts with the TWC Group) of the Comcast/Adelphia Business and (ii) the rights of Comcast and its Affiliates hereunder are subject to the establishment of a system reasonably acceptable to TWC to allow TWC to readily identify and distinguish Excluded Books and Records of the Comcast/Adelphia Business from other books and records of such business, and the receipt by TWC of confirmation from Adelphia that such system has been approved by it under Section 5.23 of the Comcast Adelphia Asset Purchase Agreement. Comcast shall reimburse TWC for the reasonable costs and expenses incurred by TWC and its Affiliates pursuant to this Section 6.20(g).

(h) The parties acknowledge and agree that certain amounts to be received under the Adelphia Purchase Agreements (such as (i) Condemnation Proceeds, Insurance Claims and certain other amounts excluded from the definition of "Current Assets" and (ii) indemnity payments under the Adelphia Purchase Agreements) and certain liabilities to be assumed under the Adelphia Purchase Agreements (such as the liabilities excluded from the definition of "Total Liabilities" under clause (a)(i) of the

second proviso to such definition) are, to the extent related to the Group 1 Business, generally intended to be treated as assets or liabilities, as the case may be, of the Group 1 Business in respect of periods prior to the Adelphia Closing and are intended to benefit or burden, as the case may be, the Group 1 Business in the hands of the Transferee. If the Closing does not occur on the same day as the Adelphia Closing, the parties agree to cooperate in good faith to properly account for any such assets and liabilities (and (i) any purchase orders or current assets to be acquired thereunder, and (ii) Liabilities under Sale Bonus Programs, in each case that are taken into account in determining any Closing Net Liabilities Adjustment Amount (as defined in the Adelphia Purchase Agreements)) in connection with determining the Net Liabilities Adjustment Amounts hereunder.

(i) TW NY will not waive the condition set forth in Section 6.1(i) of the TWC/Adelphia Purchase Agreement. Comcast will not waive the condition set forth in Section 6.1(g) of the Comcast/Adelphia Purchase Agreement.

(j) If, pursuant to Section 5.20 of the Comcast/Adelphia Purchase Agreement, the Palm Beach Joint Venture is treated as part of the Group 1 Business for purposes of Article VII thereof, the rights and interests of the Comcast Group under, and the Liabilities of the Comcast Group arising under, the Comcast/Adelphia Purchase Agreement and the Ancillary Agreements (as defined in the Comcast/Adelphia Purchase Agreement) to the extent relating to the Palm Beach Joint Venture shall not constitute Comcast/Adelphia Assets or Comcast/Adelphia Assumed Liabilities, respectively, and shall be Comcast/Adelphia Excluded Assets and Comcast/Adelphia Excluded Liabilities, respectively. If, pursuant to such rights and interests, any Comcast Group Member (or any other Buyer Indemnified Party (as defined in the Comcast/Adelphia Purchase Agreement) associated with any Comcast Group Member) recovers any Losses (as defined in the Comcast/Adelphia Purchase Agreement) pursuant to Section 7.2(a)(i) of the Comcast/Adelphia Purchase Agreement in respect of the Palm Beach Joint Venture (a “Palm Beach Indemnification Payment”) and, as a result of such Palm Beach Indemnification Payment, any recovery that any TWC Group Member (or any other Buyer Indemnified Party associated with any TWC Group Member) would otherwise be entitled to receive (disregarding any such recovery by any Comcast Group Member or any other such Buyer Indemnified Party) from Adelphia under such Section is reduced (as a result of the Group 1 Cap Amount (as defined in the Comcast/Adelphia Purchase Agreement)), then Comcast or such Affiliate shall pay the amount of such reduced recovery (not to exceed the amount of the Palm Beach Indemnification Payment) to TWC or its Affiliate (as directed by TWC).

(k) If, as of any time following the Closing, the Buyer Indemnified Parties that have made claims to recover Losses in respect of the Group 1 Business (as such terms are defined in the relevant Adelphia Purchase Agreement) pursuant to Section 7.2(a)(i) of the Comcast/Adelphia Purchase Agreement include both Comcast Group Members and TWC Group Members (or, in each case, any other Buyer Indemnified Parties associated with such Group Members), each such Buyer Indemnified Party shall be entitled to receive a pro rata share of the aggregate amount of Losses which all such Buyer Indemnified Parties are entitled to receive pursuant to such Section 7.2(a)(i), after taking into account the limitations contained in Section 7.2(b)(i) of such

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Adelphia Purchase Agreement (such pro rata share to be determined based on the amount of Losses to which such Buyer Indemnified Party is entitled as a proportion of the aggregate amount of Losses to which all such Buyer Indemnified Parties are entitled, in each case disregarding the limitations contained in such Section 7.2(b)(i)); provided that if as a result of the foregoing any recovery that any TWC Group Member (or any other Buyer Indemnified Party associated with any TWC Group Member) would otherwise be entitled to receive (disregarding any recovery by any Comcast Group Member or any other Buyer Indemnified Party associated therewith) from Adelphia under Section 7.2(a)(i) of the Comcast/Adelphia Purchase Agreement is reduced, then Comcast shall, or shall cause its Affiliates to, pay the amount of such reduced recovery to TWC or its Affiliate (as directed by TWC) (not to exceed the amount recovered under such Section 7.2(a)(i) by the Comcast Group Members and any other Buyer Indemnified Parties associated therewith). This shall not apply to any Losses to which any Buyer Indemnified Party is entitled under the Comcast/Adelphia Purchase Agreement pursuant to an exercise of the rights and interests referred to in Section 6.20(j) .

(l) At or immediately following the Closing, each of Comcast and TWC shall execute and deliver an agreement with Adelphia pursuant to which such party agrees to perform and be bound by (i) in the case of Comcast, all of the Liabilities assumed pursuant to this Agreement by Comcast or its Affiliates (including the TWC Newcos) arising under the TWC/Adelphia Purchase Agreement and the Ancillary Agreements (as defined in the TWC/Adelphia Purchase Agreement) and (ii) in the case of TWC, all of the Liabilities assumed pursuant to this Agreement by TWC or its Affiliates (including the Comcast Newcos) arising under the Comcast/Adelphia Purchase Agreement and the Ancillary Agreements (as defined in the Comcast/Adelphia Purchase Agreement).

(m) No party shall be treated as being in breach of, or having breached, any covenant hereunder with respect to the Adelphia Systems or the Adelphia Assets as a result of circumstances with respect to such Adelphia Systems or Adelphia Assets existing as

of the Adelphia Closing to the extent such circumstances were reasonably beyond such party's control and such party uses all commercially reasonable efforts to remedy such matter as promptly as possible.

(n) Comcast shall not, and shall not permit any of its Affiliates to, amend, modify, terminate or waive any rights under, or authorize any of the foregoing with respect to, the JV Documents in a manner that would reasonably be expected to adversely impact TWC or the Transferred Joint Venture Entities in any material respect, or to materially prejudice or delay its rights hereunder, in each case without TWC's prior consent.

(o) The parties agree to use good faith efforts to coordinate closing efforts with Adelphia so as to minimize duplicative costs and expenses and further agree that any payments to Adelphia for reimbursement of Adelphia's out-of-pocket or incremental costs under Section 5.3(f), (g) or (h) of the Comcast/Adelphia Purchase Agreement or under Section 5.6(f), (g) or (i) of the TWC/Adelphia Purchase Agreement shall be shared 83% by TWC and 17% by Comcast (it being understood that

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the parties shall promptly upon request make appropriate payments to each other to effect such sharing following any reimbursement thereunder to Adelphia).

(p) If the Closing Capital Expenditure Amount (as defined in the TWC/Adelphia Purchase Agreement and as determined pursuant to Section 2.6 of the TWC/Adelphia Purchase Agreement for purposes of determining the Final Adjustment Amount (as defined therein) thereunder) for the Group 2 Business (as defined in the TWC/Adelphia Purchase Agreement) reflects less than the amount of capital expenditures included in Component 1 of the "Calcutta Budget" (as set forth on Schedule 5.2(s) of the Seller Disclosure Schedules to the TWC/Adelphia Purchase Agreement), TWC shall pay to Comcast 17% of the amount of such deficiency promptly following the satisfaction of the Subsequent Adjustment Amount as contemplated by Section 2.6 of the TWC/Adelphia Asset Purchase Agreement.

#### Section 6.21 Adelphia Shared Assets; Mistaken Allocations.

(a) Capitalized terms used in this Section 6.21 and not defined have the meanings specified in the Adelphia Purchase Agreements. With respect to any Shared Assets and Liabilities (including Contracts) that are not allocated pursuant to Schedule 6.21(b) ("Unallocated Items"), TWC and Comcast agree to cooperate in good faith and use all commercially reasonable efforts to agree, within 120 days following the date hereof, to a specific system of identifying and allocating such assets and liabilities between the parties and their respective Affiliates, as well a method of making decisions regarding contract selection and other decisions with regard to the directions to be provided to Adelphia under the Adelphia Purchase Agreements, with the general principle being that the parties intend to minimize transaction costs and expenses and avoid incremental costs from the foregoing principles to the extent reasonable. Unless the parties otherwise agree, the Unallocated Items (other than the Adelphia call center in Vermont) that are utilized at the "area" or "local" level will be shared on the basis of the relative numbers of subscribers served by or benefitting from such Unallocated Items while the remainder of Unallocated Items and the Adelphia call center in Vermont will be allocated on the basis of an 83%/17% split between TWC and Comcast, respectively. For the avoidance of doubt, the foregoing allocation includes both the benefits and the burdens of the Unallocated Items. In the event of a dispute as to the value or amount of the benefit or burden in respect of a given Unallocated Item, Comcast and TWC will retain a mutually acceptable third party appraiser to make such determination, the decision of such appraiser shall be final and binding and the costs of such appraiser shall be divided. The parties also agree to work together in good faith to determine whether any equitable adjustments are appropriate in light of the purchase price adjustments and other terms under the Adelphia Purchase Agreements.

(b) The Shared Assets and Liabilities set forth on Schedule 6.21(b) shall be allocated to TWC and Comcast as described on such schedule.

(c) The parties also agree that the process with respect to Contracts relating solely to either the TWC/Adelphia Business or solely to the Comcast/Adelphia Business shall be designated as "Assigned Contracts" under the

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Adelphia Purchase Agreements and allocated between the Transferors and Transferees hereunder as set forth on Schedule 6.21(c).

(d) All patents included in the Unallocated Items shall be jointly owned by TWC and Comcast or their respective designees, with each party having full rights thereto. Domain names shall be allocated to TWC provided that Comcast and its Affiliates shall be entitled to receive continuing use of e-mail accounts and redirects to a new website for such reasonable period as Comcast requests. All other intellectual property included in the Unallocated Items will be owned by TWC, provided that Comcast and its Affiliates will be entitled to a royalty free, perpetual, world-wide freely assignable license thereto.

(e) Transferred Investments in ad-interconnects will be allocated to the systems to which they primarily relate.

#### Section 6.22 Additional Financial Information.

(a) Comcast shall use its commercially reasonable efforts, and shall cause each of its Affiliates to use its commercially reasonable efforts, to provide TWC and its Affiliates with financial statements and related information (collectively, "Comcast Financial Information") sufficient to permit any of them to fulfill their obligations to include financial disclosure relating to the Comcast Transferred Systems (to the extent in the possession of Comcast or its Affiliates or their respective representatives and advisors), on a timely basis under the Exchange Act and, if any of them undertakes an offering of securities prior to Closing, the Securities Act. If some or all of the Comcast Financial Information is included in or incorporated by reference into a prospectus for an offering of securities by TWC or any of its Affiliates prior to the Closing, Comcast shall use its commercially reasonable efforts to cause the independent auditors of Comcast to provide customary assistance to TWC and its Affiliates and its underwriters in connection with such financing, including the provision of consent and comfort letters addressed to the SEC, comfort letters addressed to the underwriters, participation in due diligence matters with respect to such offering and assistance in responding to comments or questions from the SEC with respect to the Comcast Financial Information. Time Warner Cable shall reimburse Comcast for the reasonable costs and expenses incurred by the Comcast Group pursuant to this Section 6.22(a), including reasonable out-of-pocket costs and expenses. Comcast shall give TWC reasonable advance notice of the type and amount of such costs and expenses prior to the incurrence thereof.

(b) Time Warner Cable shall use its commercially reasonable efforts to, and shall cause each of its Affiliates to use its commercially reasonable efforts to, provide Comcast and its Affiliates with financial statements and related information (collectively, "Time Warner Cable Financial Information") sufficient to permit any of them to fulfill their obligations to include financial disclosure relating to the TWC Transferred Systems (to the extent in the possession of TWC or its Affiliates or their respective representatives and advisors), on a timely basis under the Exchange Act and, if any of them undertakes an offering of securities prior to Closing, the Securities Act. If

some or all of the Time Warner Cable Financial Information is included in or incorporated by reference into a prospectus for an offering of securities by Comcast or any of its Affiliates prior to the Closing, Time Warner Cable shall use its commercially reasonable efforts to cause the independent auditors of Time Warner Cable to provide customary assistance to Comcast and its Affiliates and its underwriters in connection with such financing, including the provision of consent and comfort letters addressed to the SEC, comfort letters addressed to the underwriters, participation in due diligence matters with respect to such offering and assistance in responding to comments or questions from the SEC with respect to the Time Warner Cable Financial Information. Comcast shall reimburse Time Warner Cable for the reasonable costs and expenses incurred by the TWC Group pursuant to this Section 6.22(b), including reasonable out-of-pocket costs and expenses. TWC shall give Comcast reasonable advance notice of the type and amount of such costs and expenses prior to the incurrence thereof.

**Section 6.23 Newco Disregarded Entities.** Comcast and its Affiliates and Time Warner Cable and its Affiliates shall not take any action that would cause a Comcast Newco or a TWC Newco, respectively, to be treated as an entity that is separate and apart from the Transferor of such Newco for U.S. federal income tax purposes.

**Section 6.24 Certain Consultation Obligations.** Prior to the Adelphia Closing and, if the Closing does not occur on the same date as the Adelphia Closing, from time to time after the Adelphia Closing and prior to the Closing, Transferor Parent shall, with respect to the Adelphia Systems to be acquired by such Transferor Parent or its Affiliates pursuant to the relevant Adelphia Purchase Agreement, consult with Transferee Parent to the extent permitted by applicable law with respect to (i) the development of capital and operating budgets for such Adelphia Systems and (ii) the rates to be charged for the services of such Adelphia Systems.

**Section 6.25 Ordinary Course from Closing to Closing Time.** During the time between the Closing and the Closing Time, each Transferee Parent and its Affiliates shall operate or cause to be operated the Transferred Systems and Transferred Assets transferred to such Transferee Parent or its Affiliates at the Closing in the usual, regular and ordinary course and shall not take any action for the purpose of changing the calculation of the Closing Adjustment Amount with respect to any Newco.

**Section 6.26 Urban Purchase.** TWC shall use its commercially reasonable efforts to consummate the Urban Purchase as soon as practicable after the date hereof and prior to the Closing.

## ARTICLE 7 Conditions Precedent

Section 7.1 Conditions to the Comcast Parties' Obligations. The obligations of each Comcast Party to consummate the transactions contemplated by this Agreement shall be subject to the following conditions, which may be waived by Comcast:

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(a) Accuracy of Representations and Warranties. The representations and warranties in Sections 5.1, 5.2, 5.3, 5.14, 5.18, 5.23 and 5.25 (the “Class 1 TWC Representations and Warranties” and all other representations and warranties contained in Article 5, the “Class 2 TWC Representations and Warranties”) that are qualified as to materiality or Material Adverse Effect shall be true and correct, and the Class 1 TWC Representations and Warranties that are not so qualified shall be true and correct in all material respects, in each case, at the time made and as of the Closing Date as if made at and as of such time (except, in each case, to the extent expressly made as of an earlier date, in which case as of such earlier date). The Class 2 TWC Representations and Warranties shall be true and correct (without giving effect to any materiality or Material Adverse Effect qualifiers set forth therein) at the time made and as of the Closing Date as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such earlier date), except where the failure of such Class 2 TWC Representations and Warranties to be true and correct has not and would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(b) Performance of Agreements. Each TWC Party shall have performed in all material respects all obligations and agreements of such TWC Party under, and shall have complied in all material respects with all covenants of such TWC Party in, this Agreement and any Transaction Document to which such TWC Party is a party to be performed and complied with by it at or before Closing.

(c) Officer's Certificate. Comcast has received a certificate executed by an executive officer of TWC, dated as of Closing, reasonably satisfactory in form and substance to Comcast, certifying that the conditions specified in Section 7.1(a) and (b) have been satisfied as of Closing.

(d) Legal Proceedings. There is no Legal Requirement, and no Judgment has been entered and not vacated by any Governmental Authority of competent jurisdiction in any Litigation or arising therefrom, which (i) enjoins, restrains, makes illegal or prohibits consummation of the transactions contemplated by this Agreement or by any Transaction Document (other than any such matter having only an immaterial effect and that does not impose criminal liability or penalties) or (ii) requires separation or divestiture by the Comcast Group of all or any significant portion of the TWC Transferred Assets after Closing or otherwise materially and adversely affects the operation of the TWC Transferred Systems (other than applicable to the cable industry in general), and there is no Litigation pending which was commenced by any Governmental Authority (other than a Franchising Authority) seeking, or which if successful would have the effect of, any of the foregoing, provided, that the failure to obtain a consent relating to a Transferred Franchise shall not be considered to enjoin, restrain, make illegal or prohibit consummation of the transactions contemplated by this Agreement or by any Transaction Document.

(e) Opinion of FCC Counsel. Comcast has received an opinion regarding the TWC Native System of Bryan Cave LLP, special FCC counsel to TWC,

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dated as of Closing, in form and substance reasonably satisfactory to Comcast (the “TWC FCC Counsel Opinion”).

(f) HSR Act Waiting Period. The waiting period under the HSR Act with respect to the transactions contemplated by this Agreement has expired or been terminated.

(g) Consents. Comcast has received evidence, in form and substance reasonably satisfactory to it, that all of the TWC Required Consents (other than in respect of the TWC Transferred Franchises, which are addressed in Section 7.1(j)), have been obtained and are in effect.

(h) TWC Title Policies. TWC shall have delivered to Comcast ALTA extended coverage owners' policies of title insurance, or the local equivalent, dated as of the Closing Date and issued by the Title Company (the “TWC Native Title Policies”), insuring subject only to Permitted Liens, the applicable TWC Newco's fee or leasehold title in each parcel of the TWC Native Owned Property and the TWC Native Leased Property with respect to which a Title Commitment was required pursuant to Section 6.5

deleting or modifying to the reasonable satisfaction of Comcast the Schedule B standard printed exceptions (other than Permitted Liens, and other than the survey exception or any similar exception with respect to properties for which no survey is obtained), and other than any other exception the deletion of which would require TWC to give any affidavit or undertaking which would make representations or impose obligations more onerous than those made or set forth elsewhere in this Agreement, including gap coverage, and deleting or insuring over (subject to Section 6.5), any Title Defects, or irrevocable Title Commitments of the Title Company to issue such TWC Native Title Policies; provided, that the TWC Group's inability or failure to provide the TWC Group Native Title Policies (or Title Commitments to issue the same) shall not constitute a violation of the condition set forth in this Section 7.1(h) if the Liens, or other matters relating to title, giving rise to such inability would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(i) Documents and Records. TWC shall have delivered to Comcast all of the TWC Transferred Books and Records. Delivery of the foregoing shall be deemed made to the extent such lists, files and records are then located at any of the offices included in the TWC Owned Property or TWC Leased Property.

(j) Franchise Required Consents. The aggregate number of Individual Subscribers served by the TWC Transferred Systems in the Service Areas that are, as of the Closing, Transferable Service Areas shall be at least 90% of the Individual Subscribers served by the TWC Transferred Systems at such time (the "TWC Required Threshold"); provided that if any portion of the TWC Transferred Systems containing active headends is not within such Transferable Service Areas as of the Closing, then any other portion of the TWC Transferred Systems served by such headends shall be deemed not to be included in such Transferable Service Areas.

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(k) Adelphia Acquisition. The closing under each of the Adelphia Purchase Agreements shall have occurred. For the avoidance of doubt, the closing of the transactions contemplated by the Comcast/Adelphia Asset Purchase Agreement pursuant to Section 5.15 of the TWC/Adelphia Asset Purchase Agreement shall not constitute the closing under the Comcast/Adelphia Asset Purchase Agreement for purposes of this Section 7.1(k).

(l) Schedule Update. TWC shall not have exercised its right to update any Schedule to this Agreement pursuant to clause (ii) of the first sentence of Section 6.10.

(m) TWC Financial Information. TWC shall have delivered all of the TWC Financial Information reasonably required to permit Comcast to comply with its obligations under Form 8-K under the Exchange Act with respect to the transactions provided for herein.

Section 7.2 Conditions to the TWC Group's Obligations. The obligations of each TWC Party to consummate the transactions contemplated by this Agreement shall be subject to the following conditions, which may be waived by TWC:

(a) Accuracy of Representations and Warranties. The representations and warranties in Sections 4.1, 4.2, 4.3, 4.14, 4.18, 4.23 and 4.25 (the "Class 1 Comcast Representations and Warranties" and all other representations and warranties contained in Article 4, the "Class 2 Comcast Representations and Warranties") that are qualified as to materiality or Material Adverse Effect shall be true and correct, and the Class 1 Comcast Representations and Warranties that are not so qualified shall be true and correct in all material respects, in each case, at the time made and as of the Closing Date as if made at and as of such time (except, in each case, to the extent expressly made as of an earlier date, in which case as of such earlier date). The Class 2 Comcast Representations and Warranties shall be true and correct (without giving effect to any materiality or Material Adverse Effect qualifiers set forth therein) at the time made and as of the Closing Date as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such earlier date), except where the failure of such Class 2 Comcast Representations and Warranties to be true and correct has not and would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(b) Performance of Agreements. Each Comcast Party shall have performed in all material respects all obligations and agreements of such Comcast Party under, and shall have complied in all material respects with all covenants of such Comcast Party in, this Agreement and any Transaction Document to which such Comcast Party is a party to be performed and complied with by it at or before Closing.

(c) Officer's Certificate. TWC has received a certificate executed by an executive officer of Comcast, dated as of Closing, reasonably satisfactory in form and substance to TWC, certifying that the conditions specified in Sections 7.2(a) and (b) have been satisfied as of Closing.

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(d) Legal Proceedings. There is no Legal Requirement, and no Judgment has been entered and not vacated by any Governmental Authority of competent jurisdiction in any Litigation or arising therefrom, which (i) enjoins, restrains, makes illegal or prohibits consummation of the transactions contemplated by this Agreement or by any Transaction Document (other than any such matter having only an immaterial effect and that does not impose criminal liability or penalties) or (ii) requires separation or divestiture by the TWC Group of all or any significant portion of the Comcast Transferred Assets after Closing or otherwise materially and adversely affects the operation of the Comcast Transferred Systems (other than applicable to the cable industry in general), and there is no Litigation pending which was commenced by any Governmental Authority (other than a Franchising Authority) seeking, or which if successful would have the effect of, any of the foregoing, provided, that the failure to obtain a consent relating to a Transferred Franchise shall not be considered to enjoin, restrain, make illegal or prohibit consummation of the transactions contemplated by this Agreement or by any Transaction Document.

(e) Opinion of FCC Counsel. TWC has received an opinion regarding the Comcast Native Systems of Cole, Raywid and Braverman, LLP, special FCC counsel to Comcast, dated as of Closing, in form and substance reasonably satisfactory to TWC (the “Comcast FCC Counsel Opinion”).

(f) HSR Act Waiting Period. The waiting period under the HSR Act with respect to the transactions contemplated by this Agreement has expired or been terminated.

(g) Consents. TWC has received evidence, in form and substance reasonably satisfactory to it, that all of the Comcast Required Consents (other than in respect of the Comcast Transferred Franchises, which are addressed in Section 7.2(j)), have been obtained and are in effect.

(h) Comcast Title Policies. Comcast shall have delivered to TWC ALTA extended coverage owners’ policies of title insurance, or the local equivalent, dated as of the Closing Date and issued by the Title Company (the “Comcast Native Title Policies”), insuring, subject only to Permitted Liens, the applicable Comcast Newco’s fee or leasehold title in each parcel of the Comcast Native Owned Property and the Comcast Native Leased Property with respect to which a Title Commitment was required pursuant to Section 6.5 deleting or modifying to the reasonable satisfaction of TWC the Schedule B standard printed exceptions (other than Permitted Liens, and other than the survey exception or any similar exception with respect to properties for which no survey is obtained), and other than any other exception the deletion of which would require Comcast to give any affidavit or undertaking which would make representations or impose obligations more onerous than those made or set forth elsewhere in this Agreement, including gap coverage, and deleting or insuring over (subject to Section 6.5) any Title Defects, or irrevocable Title Commitments of the Title Company to issue such Comcast Native Title Policies; provided, that the Comcast Group’s inability or failure to provide the Comcast Group Native Title Policies (or Title Commitments to issue the same) shall not constitute a violation of the condition set forth in this Section 7.2(h) if the

Liens, or other matters relating to title, giving rise to such inability would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(i) Documents and Records. Comcast shall have delivered to TWC all of the Comcast Transferred Books and Records. Delivery of the foregoing shall be deemed made to the extent such lists, files and records are then located at any of the offices included in the Comcast Owned Property or Comcast Leased Property.

(j) Franchise Required Consents. The aggregate number of Individual Subscribers served by the Comcast Transferred Systems in the Service Areas that are, as of the Closing, Transferable Service Areas shall be at least 90% of the Individual Subscribers served by the Comcast Transferred Systems at such time (the “Comcast Required Threshold”); provided that if any portion of the Comcast Transferred Systems containing active headends is not within such Transferable Service Areas as of the Closing, then any other portion of the Comcast Transferred Systems served by such headends shall be deemed not to be included in such Transferable Service Areas.

(k) Adelphia Acquisition. The closing under each of the Adelphia Purchase Agreements shall have occurred. For the avoidance of doubt, the closing of the transactions contemplated by the Comcast/Adelphia Asset Purchase Agreement pursuant to Section 5.15 of the TWC/Adelphia Asset Purchase Agreement shall not constitute the closing under the Comcast/Adelphia Asset Purchase Agreement for purposes of this Section 7.2(k).

(I) Schedule Update. Comcast shall not have exercised its right to update any Schedule to this Agreement pursuant to clause (ii) of the first sentence of Section 6.10.

(m) Comcast Financial Information. Comcast shall have delivered all of the Comcast Financial Information reasonably required to permit TWC and TWX to comply with their respective obligations under Form 8-K under the Exchange Act with respect to the transactions provided for herein.

## ARTICLE 8 Closing

Section 8.1 Closing; Time and Place. Subject to the following sentence, the closing of the transactions contemplated by this Agreement (the “Closing”) shall take place at a time and location mutually determined by Comcast and TWC on the date of the Adelphia Closing; provided that if, as of such date, all conditions set forth in Sections 7.1 and 7.2 have not been satisfied or waived in writing by the party entitled to the benefit of each such condition (except for conditions to be satisfied at Closing that will be satisfied at Closing), then the Closing shall occur on the last Business Day of the calendar month in which all conditions set forth in Sections 7.1 and 7.2 have either been satisfied or waived in writing by the party entitled to the benefit of each such condition (except for conditions to be satisfied at Closing that will be satisfied at Closing), unless

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such conditions have not been so satisfied or waived (except for conditions to be satisfied at Closing that will be satisfied at Closing) by the fifth Business Day preceding the last Business Day of such calendar month, in which case the Closing shall take place on the last Business Day of the next calendar month (or such later date as agreed by the parties). In no event shall the Closing take place prior to the consummation of the Adelphia Closings.

Section 8.2 TWC Group’s Obligations. At Closing, TWC shall deliver or cause to be delivered to Comcast the following:

(a) Closing Adjustment Amount. If the net amount payable pursuant to Section 2.1(e)(ii) and Section 2.1(e)(iii)(B), if applicable, in respect of any Exchange is payable to any Comcast Transferor or Comcast Transferee, the relevant TWC Transferor or TWC Transferee, as the case may be, shall make such payment by wire transfer of immediately available funds to the account designated by the relevant Comcast Transferor or Comcast Transferee.

(b) Bills of Sale and Assignment and Instruments of Assumption. The executed Bills of Sale and Assignment and Instruments of Assumption with respect to the transactions contemplated hereby, and such other instruments of transfer or assignment as may be reasonably necessary to effect the transactions contemplated hereby (excluding those delivered pursuant to Section 8.2(c) and (j)).

(c) Deeds and Other Real Estate Transfer Documents. Special warranty deeds conveying to the applicable TWC Newcos, subject only to the exceptions reflected on the TWC Native Title Policies (if such TWC Native Title Policies have been obtained, or, if such TWC Native Title Policies have not been obtained, subject only to such exceptions as are consistent with the representation set forth in Section 5.4 hereof), each parcel of the TWC Native Owned Property, assignments of leases of TWC Native Leased Property and such other documents as may be reasonably necessary to convey other TWC Native Real Property Interests, in each case, in form and substance reasonably satisfactory to Comcast, provided that in no event shall the warranties in such deed create any greater liability or liability to any other Person on the part of the grantor in excess of that provided for under the other provisions of this Agreement.

(d) TWC Title Policies. TWC Native Title Policies with such deletions or modifications as are required pursuant to Section 7.1(h).

(e) Officer’s Certificate. The certificate described in Section 7.1(c).

(f) TWC FCC Counsel Opinion. The TWC FCC Counsel Opinion.

(g) Lien Releases. Evidence reasonably satisfactory to Comcast that all Liens (other than Permitted Liens) affecting or encumbering the TWC Native Assets have been terminated, released or waived or insured over as contemplated

under (and only to the extent required under) Section 6.5 (in the case of the TWC Native Real Property Interests), as appropriate, or original, executed instruments in form and substance reasonably satisfactory to Comcast effecting such terminations, releases or waivers; provided, that Time Warner Cable's inability or failure to obtain the termination, release, or waiver of any such Liens or to insure over any such Liens shall not constitute a failure to perform the obligations set forth in this Section 8.2(g) if the existence of the Liens would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(h) FIRPTA Certificate. FIRPTA Non-Foreign Seller Certificate certifying that each TWC Transferor is not a foreign person within the meaning of Section 1445 of the Code, reasonably satisfactory in form and substance to Comcast.

(i) Power of Attorney for Accounts Receivable. The limited, irrevocable right, in TWC's and its Controlled Affiliates' name, place and stead, as TWC's and its Controlled Affiliates' attorney-in-fact, to cash, deposit, endorse or negotiate checks received on or after the Closing Date made out to TWC or any of its Controlled Affiliates in payment for cable services provided by the TWC Transferred Systems and written instructions to TWC's and its Controlled Affiliates' lock-box service provider or similar agents to promptly forward to the applicable TWC Newco all such cash, deposits and checks representing accounts receivable of the TWC Transferred Systems that it or they may receive. From and after the Closing, TWC and its Controlled Affiliates shall not deposit but shall promptly remit to the applicable TWC Newco any payment received by TWC or any of its Controlled Affiliates on or after the Closing Date in respect of any such account receivable.

(j) TWC Newco Interests. Instruments of transfer transferring all limited liability company interests of each TWC Newco reasonably satisfactory in form and substance to Comcast.

(k) Adelphia Closing Documents. The Adelphia Closing Documents, to the extent relating to the TWC/Adelphia Systems or the TWC/Adelphia Business, in form and substance reasonably acceptable to Comcast.

(l) Other. Such other documents and instruments as may be reasonably necessary to effect the intent of this Agreement and consummate the transactions contemplated hereby.

Section 8.3 Comcast Group's Obligations. At Closing, Comcast shall deliver or cause to be delivered to TWC the following:

(a) Closing Adjustment Amount. If the net amount payable pursuant to Section 2.1(e)(ii) in respect of any Exchange is payable to any TWC Transferor or TWC Transferee, the relevant Comcast Transferor or Comcast Transferee, as the case may be, shall make such payment by wire transfer of immediately available funds to the account designated by the relevant TWC Transferor or TWC Transferee.

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(b) Bills of Sale and Assignment and Instruments of Assumption. The executed Bills of Sale and Assignment and Instruments of Assumption with respect to the transactions contemplated hereby, and such other instruments of transfer or assignment as may be reasonably necessary to effect the transactions contemplated hereby (excluding those delivered pursuant to Section 8.3(c) and (j)).

(c) Deeds and Other Real Estate Transfer Documents. Special warranty deeds conveying to the applicable Comcast Newcos, subject only to the exceptions reflected on the Comcast Native Title Policies (if such Comcast Native Title Policies have been obtained, or, if such Comcast Native Title Policies have not been obtained, subject only to such exceptions as are consistent with the representation set forth in Section 4.4 hereof), each parcel of the Comcast Native Owned Property, assignments of leases of Comcast Native Leased Property and such other documents as may be reasonably necessary to convey other Comcast Native Real Property Interests, in each case, in form and substance reasonably satisfactory to TWC, provided that in no event shall the warranties in such deed create any greater liability or liability to any other Person on the part of the grantor in excess of that provided for under the other provisions of this Agreement.

(d) Comcast Title Policies. Comcast Native Title Policies with such deletions or modifications as are required pursuant to Section 7.2(h) ..

(e) Officer's Certificate. The certificate described in Section 7.2 (c).

(f) Comcast FCC Counsel Opinion. The Comcast FCC Counsel Opinion.

(g) Lien Releases. Evidence reasonably satisfactory to TWC that all Liens (other than Permitted Liens) affecting or encumbering the Comcast Native Assets have been terminated, released or waived, or insured over as contemplated under (and only to the extent required under) Section 6.5 (in the case of the Comcast Native Real Property Interests) as appropriate, or original,

executed instruments in form and substance reasonably satisfactory to TWC effecting such terminations, releases or waivers; provided, that Comcast's inability or failure to obtain the termination, release, or waiver of any such Liens or to insure over any such Liens shall not constitute a failure to perform the obligations set forth in this Section 8.3(g) if the existence of the Liens would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(h) FIRPTA Certificate. FIRPTA Non-Foreign Seller Certificate certifying that each Comcast Transferor is not a foreign person within the meaning of Section 1445 of the Code, reasonably satisfactory in form and substance to TWC.

(i) Power of Attorney for Accounts Receivable. The limited, irrevocable right, in Comcast's and its Controlled Affiliates' name, place and stead, as

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Comcast's and its Controlled Affiliates' attorney-in-fact, to cash, deposit, endorse or negotiate checks received on or after the Closing Date made out to Comcast or any of its Controlled Affiliates in payment for cable services provided by the Comcast Transferred Systems and written instructions to Comcast's and its Controlled Affiliates' lock-box service provider or similar agents to promptly forward to the applicable Comcast Newco all such cash, deposits and checks representing accounts receivable of the Comcast Transferred Systems that it or they may receive. From and after the Closing, Comcast Group and its Controlled Affiliates shall not deposit but shall promptly remit to the applicable Comcast Newco any payment received by Comcast or its Controlled Affiliates on or after the Closing Date in respect of any such account receivable.

(j) Comcast Newco Interests. Instruments of transfer transferring all limited liability company interests (or trust interests, as applicable) of each Comcast Newco reasonably satisfactory in form and substance to TWC.

(k) Adelphia Closing Documents. The Adelphia Closing Documents, to the extent relating to the Comcast/Adelphia Systems or the Comcast/Adelphia Business, in form and substance reasonably acceptable to TWC.

(l) Other. Such other documents and instruments as may be reasonably necessary to effect the intent of this Agreement and consummate the transactions contemplated hereby.

## **ARTICLE 9** **Termination and Default**

Section 9.1 Termination Events. This Agreement may be terminated prior to the Closing and the transactions contemplated hereby may be abandoned:

(a) by either Comcast or TWC, upon written notice to the other, at any time after the date that is six months following the date of the Adelphia Closings, or if the Adelphia Closings do not occur on the last day of a month, the last Business Day of the month that is the sixth month after the month in which the Adelphia Closings occur (such date, the "Outside Closing Date");

(b) at any time, by the mutual agreement of Comcast and TWC;

(c) by either Comcast or TWC, at any time upon written notice to the other, if the other is in material breach or default of its respective covenants, agreements, representations, or other obligations herein or in any Transaction Document to which such Person or its Affiliates is a party and such breach or default (i) has not been cured within 30 days after receipt of written notice or such longer period as may be reasonably required to cure such breach or default (provided, that the breaching or defaulting party shall be using commercially reasonable efforts to cure such breach or default) or (ii) would not reasonably be expected to be cured prior to the Outside Closing Date; provided, that if any covenant, agreement, representation or other obligation in this

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Agreement is qualified by a reference to materiality or Material Adverse Effect, such qualifier shall be taken into account without duplication;

(d) by either Comcast or TWC, upon written notice to the other, pursuant to Section 11.16; or

(e) automatically and without any action by any of the parties hereto at any time prior to the Closing if either of the Adelphia Purchase Agreements shall have been terminated in accordance with its terms (provided that such termination was not in violation

of Section 6.20(b)) .

Section 9.2 Effect of Termination. If this Agreement is terminated pursuant to Section 9.1, this Agreement shall become void and of no effect without liability of any party hereto (or any Affiliate, shareholder, director, officer, trustee, employee, agent, consultant, or representative of such party) to the other parties hereto, except that (a) the agreements contained in Sections 1.1, 1.2, 6.4, 6.8(b), 6.8(c), (to the extent relating to Section 6.8(b)), 6.8(d), 6.20(d) (last two sentences), 6.20(o) and 6.20(p) and Article 11 (other than Section 11.16) shall survive the termination hereof and (b) no such termination shall relieve any party hereto of any liability or damages resulting from any willful breach by such party of this Agreement.

## **ARTICLE 10 Indemnification**

Section 10.1 Indemnification by the TWC Transferors. Subject to Section 10.4, from and after Closing, each TWC Transferor shall indemnify and hold harmless each Comcast Transferee and its Affiliates (including the TWC Newcos) and its and their respective officers, directors, trustees, employees, agents and representatives, and any Person claiming by or through any of them, as the case may be, from and against any and all Losses arising out of or resulting from:

(a) any representations and warranties made by any TWC Party in this Agreement or in any Transaction Document to which it is a party not being true and accurate in all respects, when made or at Closing (or, in the case of any representation or warranty made as of a specific date, as of such date) or any failure by any TWC Party to perform in all material respects pursuant to Section 6.1(h) or Section 6.10;

(b) any failure by any TWC Party to perform in all respects any of its covenants, agreements, or obligations in this Agreement (other than pursuant to Section 6.1(h) or Section 6.10) or in any Transaction Document to which it is a party;

(c) the TWC Excluded Liabilities;

(d) the TWC Excluded Assets;

(e) the Comcast Assumed Liabilities;

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(f) the TWC Newco Indemnified Liabilities;

(g) other than with respect to the Comcast Excluded Liabilities, the ownership and operation of the Comcast Transferred Systems or the Comcast Transferred Assets after the Closing; and

(h) other than with respect to the Comcast Excluded Liabilities, any Comcast Transferred Asset, or any claim or right or any benefit arising thereunder, held by any Comcast Group Member for the benefit of any Comcast Newco pursuant to Section 2.1(h).

If, by reason of the claim of any third party relating to any of the matters subject to such indemnification, a Lien is placed or made upon any of the properties or assets owned or leased by any Comcast Transferee or any TWC Newco or any other Indemnitee under this Section, in addition to any indemnity obligation of the TWC Transferors under this Section, the applicable TWC Transferor shall furnish a bond sufficient to obtain the prompt release thereof within ten days after receipt from Comcast of notice thereof.

Section 10.2 Indemnification by the Comcast Group. Subject to Section 10.4, from and after Closing, each Comcast Transferor shall indemnify and hold harmless each TWC Transferee and its Affiliates (including the Comcast Newcos) and its and their respective officers, directors, trustees, employees, agents and representatives, and any Person claiming by or through any of them, as the case may be, from and against any and all Losses arising out of or resulting from:

(a) any representations and warranties made by any Comcast Party in this Agreement or in any Transaction Document to which it is a party not being true and accurate in all respects, when made or at Closing (or, in the case of any representation or warranty made as of a specific date, as of such date) or any failure by any Comcast Party to perform in all material respects pursuant to Section 6.1(h) or Section 6.10;

(b) any failure by any Comcast Party to perform in all respects any of its covenants, agreements, or obligations in this Agreement (other than pursuant to Section 6.1(h) or Section 6.10) or in any Transaction Document to which it is a party;

(c) the Comcast Excluded Liabilities;

(d) the Comcast Excluded Assets;

(e) the TWC Assumed Liabilities;

(f) the Comcast Newco Indemnified Liabilities;

(g) other than with respect to the TWC Excluded Liabilities the ownership and operation of the TWC Transferred Systems or the TWC Transferred Assets after the Closing;

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(h) other than with respect to the TWC Excluded Liabilities, any TWC Transferred Asset, or any claim or right or any benefit arising thereunder, held by any TWC Group Member for the benefit of any TWC Newco pursuant to Section 2.1(h); and

(i) any claim by Adelphia or its successors arising as a result of TWC or its Affiliates providing Comcast or its Affiliates access to any Excluded Books and Records (as defined in the Comcast/Adelphia Purchase Agreement) pursuant to Section 6.20(g).

If, by reason of the claim of any third party relating to any of the matters subject to such indemnification, a Lien is placed or made upon any of the properties or assets owned or leased by any TWC Transferee or any Comcast Newco or any other Indemnitee under this Section, in addition to any indemnity obligation of the Comcast Transferors under this Section, the applicable Comcast Transferor shall furnish a bond sufficient to obtain the prompt release thereof within ten days after receipt from TWC of notice thereof.

Section 10.3 Procedure for Certain Indemnified Claims. Promptly after receipt by a party entitled to indemnification hereunder (the “Indemnitee”) of written notice of the assertion or the commencement of any Litigation with respect to any matter referred to in Section 10.1 or 10.2 or the assertion by any Governmental Authority of a claim of noncompliance under any Franchise relating, in whole or in part, to any pre-Closing period (a “Franchise Matter”), the Indemnitee shall give written notice thereof to the party from whom indemnification is sought pursuant hereto (the “Indemnitor”) and thereafter shall keep the Indemnitor reasonably informed with respect thereto; provided, that failure of the Indemnitee to give the Indemnitor notice and keep it reasonably informed as provided herein shall not relieve the Indemnitor of its obligations hereunder, except to the extent that such failure to give notice shall prejudice any defense or claim available to the Indemnitor. The Indemnitor shall be entitled to assume the defense of any such Litigation or Franchise Matter with counsel reasonably satisfactory to the Indemnitee, at the Indemnitor’s sole expense; provided, that the Indemnitor shall not be entitled to assume or continue control of the defense of any Litigation or Franchise Matter if (i) the Litigation or Franchise Matter relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation; (ii) the Litigation or Franchise Matter seeks an injunction or equitable relief against the Indemnitee; or (iii) the Indemnitor has failed to defend or is failing to defend in good faith the Litigation or Franchise Matter. If the Indemnitor assumes the defense of any Litigation or Franchise Matter, (i) it shall not settle the Litigation or Franchise Matter unless the settlement shall include as an unconditional term thereof the giving by the claimant or the plaintiff of a release of the Indemnitee, reasonably satisfactory to the Indemnitee, from all liability with respect to such Litigation or Franchise Matter and (ii) it shall indemnify and hold the Indemnitee harmless from and against any and all Losses caused by or arising out of any settlement or judgment of such claim and may not claim that it does not have an indemnification obligation with respect thereto. If the Indemnitor does not assume the defense of any Litigation or Franchise Matter, the Indemnitee may defend against or settle such claim in such manner and on such terms as it in good faith deems appropriate

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and shall be entitled to indemnification in respect thereof in accordance with Section 10.1 or 10.2, as applicable. If the Indemnitor is not entitled to assume the defense or continue to control the defense of any Litigation or Franchise Matter as a result of the proviso in the second sentence of this Section 10.3, the Indemnitee shall not settle the Litigation or Franchise Matter in question if the Indemnitor shall have any obligation as a result of such settlement (whether monetary or otherwise) unless such settlement is consented to in writing by the Indemnitor, such consent not to be unreasonably withheld or delayed. In no event shall the Indemnitee settle any Litigation or Franchise Matter for which the defense thereof is controlled by the Indemnitor absent the consent of the Indemnitor (such consent not to be unreasonably withheld or delayed). Each party shall cooperate, and cause their respective Affiliates to cooperate, in the defense or prosecution of any Litigation or Franchise Matter and shall furnish or cause to be furnished such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be reasonably requested in connection therewith.

#### Section 10.4 Determination of Indemnification Amounts and Related Matters.

(a) The TWC Transferors shall have no liability under Section 10.1(a) in respect of the TWC/Adelphia Business unless the aggregate amount of Losses otherwise subject to their indemnification obligations thereunder in respect of the TWC/Adelphia

Business exceeds \$74,600,000 (the “TWC/Adelphia Minimum Damage Requirement”), in which case the TWC Transferors shall be liable for the full amount of such Losses including the Losses incurred in reaching the TWC/Adelphia Minimum Damage Requirement. The TWC Transferors shall have no liability under Section 10.1(a) in respect of the TWC Native Business unless the aggregate amount of Losses otherwise subject to their indemnification obligations thereunder in respect of the TWC Native Business exceeds \$5,700,000 (the “TWC Native Minimum Damage Requirement”), in which case the TWC Transferors shall be liable for the full amount of such Losses including the Losses incurred in reaching the TWC Native Minimum Damage Requirement. For purposes of this Section 10.4(a), neither the TWC/Adelphia Minimum Damage Requirement nor the TWC Native Minimum Damage Requirement shall apply to any Losses resulting from or arising out of (i) the failure by any TWC Group Member to pay any copyright payments, including interest and penalties thereon, when due or any other breach of TWC’s representations, warranties, covenants or agreements with respect to copyright payments contained in this Agreement, and (ii) breaches of the Class 1 TWC Representations and Warranties.

(b) The maximum liability of the TWC Transferors under Section 10.1(a) in respect of the TWC/Adelphia Business shall not, in the aggregate, exceed \$746,000,000 (the “TWC/Adelphia Cap”). The maximum liability of the TWC Transferors under Section 10.1(a) in respect of the TWC Native Business shall not, in the aggregate, exceed \$19,100,000 (the “TWC Native Cap”). Notwithstanding the foregoing, neither the TWC/Adelphia Cap nor the TWC Native Cap shall apply to breaches of the Class 1 TWC Representations and Warranties.

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(c) The Comcast Transferors shall have no liability under Section 10.2(a) in respect of the Comcast/Adelphia Business unless the aggregate amount of Losses otherwise subject to their indemnification obligations thereunder in respect of the Comcast/Adelphia Business exceeds \$34,900,000 (the “Comcast/Adelphia Minimum Damage Requirement”), in which case the Comcast Transferors shall be liable for the full amount of such Losses including the Losses incurred in reaching the Comcast/Adelphia Minimum Damage Requirement. The Comcast Transferors shall have no liability under Section 10.2(a) in respect of the Comcast Native Business unless the aggregate amount of Losses otherwise subject to their indemnification obligations thereunder in respect of the Comcast Native Business exceeds \$41,500,000 (the “Comcast Native Minimum Damage Requirement”), in which case the Comcast Transferors shall be liable for the full amount of such Losses including the Losses incurred in reaching the Comcast Native Minimum Damage Requirement. For purposes of this Section 10.4(c), neither the Comcast/Adelphia Minimum Damage Requirement nor the Comcast Native Minimum Damage Requirement shall apply to any Losses resulting from or arising out of (i) the failure by any Comcast Group Member to pay any copyright payments, including interest and penalties thereon, when due or any other breach of Comcast’s representations, warranties, covenants or agreements with respect to copyright payments contained in this Agreement, and (ii) breaches of the Class 1 Comcast Representations and Warranties.

(d) The maximum liability of the Comcast Transferors under Section 10.2(a) in respect of the Comcast/Adelphia Business shall not, in the aggregate, exceed \$349,000,000 (the “Comcast/Adelphia Cap”). The maximum liability of the Comcast Transferors under Section 10.2(a) in respect of the Comcast Native Business shall not, in the aggregate, exceed \$415,000,000 (the “Comcast Native Cap”). Notwithstanding the foregoing, neither the Comcast/Adelphia Cap nor the Comcast Native Cap shall apply to breaches of the Class 1 Comcast Representations and Warranties.

(e) Amounts payable by the Indemnitor to the Indemnitee in respect of any Losses under Sections 10.1 or 10.2 shall be payable by the Indemnitor as incurred by the Indemnitee, and shall bear interest at the Prime Rate plus 2% from the date the Losses for which indemnification is sought were incurred by the Indemnitee until the date of payment of indemnification by the Indemnitor.

(f) The Indemnitor shall not be obligated to indemnify the Indemnitee with respect to any Losses to the extent of any proceeds received in connection with any such Losses by the Indemnitee under any insurance policy of the Indemnitee in effect on the Closing Date (including under any rights under any insurance policies or proceeds that are part of the Transferred Assets). The Indemnitee will use commercially reasonable efforts to claim and recover under such insurance policies.

(g) In determining the amount of any Losses in connection with any inaccuracy of a representation and warranty (but not for purposes of determining whether any such inaccuracy has occurred), any materiality, Material Adverse Effect or similar qualifier in such representation or warranty will be disregarded.

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(h) Notwithstanding anything to the contrary set forth in this Agreement, to the extent that any Indemnitee pursuant to Section 10.1 or Section 10.2 is or becomes a holder of equity interests in any TWC Group Member or Comcast Group Member, respectively, indemnification hereunder shall not include Losses suffered by such Indemnitee (or its Affiliates) in its capacity as such an equity holder by reason of (i) the indemnities being provided hereunder by the TWC Transferors or Comcast Transferors, respectively, or (ii) Losses suffered in such capacity in respect of TWC Excluded Assets or TWC Excluded Liabilities, or Comcast Excluded Assets or Comcast Excluded Liabilities, respectively.

(i) No TWC Transferor or Comcast Transferor shall be responsible for indemnifying any Indemnitee with respect to any Adelphia Asset or Adelphia Assumed Liability except to the extent of a breach of any representations and warranties made in this Agreement, or any failure to perform in all respects any of its covenants, agreements or obligations under this Agreement.

(j) The recipient of any payment pursuant to Section 10.1 or 10.2 (an “Indemnification Payment”) shall allocate such Indemnification Payment to the Exchange or Exchanges in respect of which the claim giving rise to such payment arose.

**Section 10.5 Time and Manner of Certain Claims.** The representations and warranties of Comcast and TWC in this Agreement and any Transaction Document to which such Person is a party shall survive Closing for a period of 12 months. Notwithstanding the foregoing: (a) the liability of the parties shall extend beyond the 1-year period following Closing with respect to any claim which has been asserted in a bona fide written notice before the expiration of such 1-year period specifying in reasonable detail the facts and circumstances giving rise to such right; and (b) (i) the Class 1 Comcast Representations and Warranties and the Class 1 TWC Representations and Warranties shall survive Closing and shall continue in full force and effect without limitation and (ii) the representations and warranties of the parties in Section 4.13, Section 4.22, the last sentence of Section 4.23(a), Section 5.13, Section 5.22 and the last sentence of Section 5.23(a) shall survive until the expiration of the applicable statute of limitations (giving effect to any waiver, mitigation or extension thereof).

**Section 10.6 Other Indemnification.** The provisions of Sections 10.3, 10.4 and 10.5 shall be applicable to any claim for indemnification made under any other provision of this Agreement, and all references in Sections 10.3, 10.4 and 10.5 to Sections 10.1 or 10.2 shall be deemed to be references to such other provisions of this Agreement.

**Section 10.7 Exclusivity.** Except as specifically set forth in this Agreement or any Transaction Document and except for claims against a party for breach of any provision of this Agreement or any Transaction Document, each party waives any rights and claims it may have against the other parties to this Agreement, whether in law or in equity, relating to the transactions contemplated hereby. The rights and claims waived by each party include claims for contribution or other rights of recovery arising out of or relating to claims for breach of contract, breach of representation or warranty,

negligent misrepresentation and all other claims for breach of duty. After Closing, Article 10 and the Transaction Documents shall provide the exclusive remedy for any misrepresentation or breach of warranty under this Agreement or any Transaction Document, other than any claims sounding in fraud.

#### Section 10.8 Tax Treatment of Indemnification Payments.

(a) For all Tax purposes (unless required by a change in applicable Tax law or a good faith resolution of a contest) the parties hereto agree (i) if the Transferee in the Exchange to which an Indemnification Payment is allocated under Section 10.4(j) made a net payment to the Transferor in such Exchange pursuant to Sections 2.1(e)(ii) and 2.4(e), such Indemnification Payment shall be treated as a reduction in the amount of such net payment to the extent of the lesser of (x) the amount of such net payment and (y) the amount of the Indemnification Payment, and (ii) in all other circumstances, such Indemnification Payment shall be treated as additional consideration received by such Transferee in such Exchange.

(b) Notwithstanding Section 10.8(a), any Indemnification Payments that represent interest payable under Section 10.4(e) hereof shall be treated for all Tax purposes (unless required by a change in applicable Tax law or a good faith resolution of a contest), as (i) deductible to the Indemnitor and (ii) taxable to the Indemnitee.

#### Section 10.9 Guaranteed Obligations of Transferors.

(a) From and after the Closing, each of Comcast and TWC hereby agree to fully and unconditionally guarantee to TWC and its Affiliates, in the case of Comcast, and to Comcast and its Affiliates, in the case of TWC, the due and punctual performance, compliance and payment by each Comcast Transferor, in the case of Comcast, and each TWC Transferor, in the case of TWC (each, a “Guaranteed Party” and collectively, the “Guaranteed Parties”) of each and every covenant, term, condition or other obligation to be performed or complied with by any such party for the benefit of Comcast or TWC (or any Affiliate thereof or any Indemnitee pursuant to Section 10.1 or 10.2, as applicable) under this Agreement and any Transaction Document to which any

Guaranteed Party is a party delivered in connection herewith when, and to the extent that, any of the same shall become due and payable or performance of or compliance with any of the same shall be required (collectively, the “Guaranteed Obligations”).

(b) Each of Comcast and TWC hereby acknowledges and agrees that this guarantee constitutes an absolute, present, primary, continuing and unconditional guaranty of performance, compliance and payment by each of the Guaranteed Parties of the Guaranteed Obligations when due under this Agreement and any Transaction Document to which any Guaranteed Party is a party delivered in connection herewith and not of collection only and is in no way conditioned or contingent upon any attempt to enforce such performance, compliance or payment by a Guaranteed Party or upon any other condition or contingency. Each of Comcast and TWC hereby waives any right to require a proceeding first against any of the Guaranteed Parties.

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(c) The obligations of each of Comcast and TWC under this guarantee shall not be subject to any reduction, limitation, impairment or termination for any reason (other than by indefeasible payment or performance in full of any of the Guaranteed Obligations) and shall not be subject to (i) any discharge of any of the Guaranteed Parties from any of the Guaranteed Obligations in a bankruptcy or similar proceeding (except by indefeasible payment or performance in full of the Guaranteed Obligations) or (ii) any other circumstance whatsoever which constitutes, or might be construed to constitute, an equitable or legal discharge of either Comcast or TWC as guarantor under this Section 10.9.

(d) Each of Comcast and TWC shall cause any transferee of or successor to all or substantially all of its assets to assume its obligations under this Section 10.9.

## **ARTICLE 11 Miscellaneous Provisions**

Section 11.1 Expenses. Except as otherwise specifically provided in Section 3.4, Section 6.3, Section 6.20, Section 6.21, Section 6.22, Section 11.2 or Section 11.16 or elsewhere in this Agreement, each of the parties shall pay its own expenses and the fees and expenses of its counsel, accountants, and other experts in connection with this Agreement.

Section 11.2 Attorneys’ Fees. If any Litigation between any TWC Group Member and any Comcast Group Member with respect to this Agreement, the Transaction Documents or the transactions contemplated hereby or thereby shall be resolved or adjudicated by a Judgment of any court, the party prevailing under such Judgment (as determined by the trier of fact based on all relevant facts, including, but not limited to, amounts demanded or sought in such litigation, amounts, if any, offered in settlement of such litigation and amounts, if any, awarded in such litigation) shall be entitled, as part of such Judgment, to recover from the other party its reasonable attorneys’ fees and costs and expenses of litigation.

Section 11.3 Waivers. No action taken pursuant to this Agreement, including any investigation by or on behalf of any party hereto, shall be deemed to constitute a waiver by the party taking the action of compliance with any representation, warranty, covenant or agreement contained herein or in any Transaction Document. The waiver by any party hereto of any condition or of a breach of another provision of this Agreement or any Transaction Document shall be in writing and shall not operate or be construed as a waiver of any other condition or subsequent breach. The waiver by any party of any of the conditions precedent to its obligations under this Agreement shall not preclude it from seeking redress for breach of this Agreement other than with respect to the condition so waived.

Section 11.4 Notices. All notices, requests, demands, applications, services of process and other communications which are required to be or may be given under this Agreement or any Transaction Document shall be in writing and shall be

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deemed to have been duly given if sent by telecopy or facsimile transmission, upon answer back requested, or delivered by courier or mailed, certified first class mail, postage prepaid, return receipt requested, to the parties at the following addresses:

To the TWC Parties  
or TWC Newcos (prior to Closing)  
or Comcast Newcos (after the Closing):

c/o Time Warner Cable Inc.  
290 Harbor Drive  
Stamford, CT 06902-6732  
ATTN: Chief Executive Officer  
Fax: (203) 328-4804

With Required Copies to:

Legal Department  
Time Warner Cable Inc.  
290 Harbor Drive  
Stamford, CT 06902-6732  
ATTN: General Counsel  
Fax: (203) 328-4094

Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019  
ATTN: Kelley D. Parker  
Robert B. Schumer  
Fax: (212) 757-3990

To the Comcast Parties  
or Comcast Newcos (prior to Closing)  
or TWC Newcos (after the Closing):

Comcast Corporation  
1500 Market Street  
Philadelphia, PA 19102-2184  
ATTN: General Counsel  
Fax: (215) 981-7794

With a Required Copy:

Davis Polk & Wardwell  
450 Lexington Avenue  
New York, NY 10017  
ATTN: Dennis L. Hersch  
William L. Taylor  
Fax: (212) 450-4800

or to such other address as any party shall have furnished to the other by notice given in accordance with this Section. Such notice shall be effective, (i) if delivered in person or by courier, upon actual receipt by the intended recipient, (ii) if sent by telecopy or facsimile transmission, upon confirmation of transmission received, or (iii) if mailed, upon the date of delivery as shown by the return receipt therefor.

Section 11.5 Entire Agreement; Prior Representations; Amendments. This Agreement, the Confidentiality Agreements (subject to the last sentence of this Section 11.5) and the Transaction Documents executed concurrent herewith embody the entire agreement between the parties hereto with respect to the subject matter hereof and supersede all prior representations, agreements and understandings, oral or written, with respect thereto. Notwithstanding any representations which may have been made by either party in connection with the transactions contemplated by this Agreement, each party acknowledges that it has not relied on any representation by the other party with respect to such transactions, the Transferred Assets, or the Transferred Systems except those contained in this Agreement, the Schedules, the Exhibits hereto or any Transaction Document. This Agreement may not be modified orally, but only by an agreement in writing signed by the party or parties against whom any waiver, change, amendment,

modification or discharge may be sought to be enforced. The Confidentiality Agreements, as they relate to any obligation on the part of any party or its Affiliates to keep confidential information regarding the Transferred Assets, the Transferred Systems and/or the Assumed Liabilities acquired or assumed by such party or its Affiliates are hereby terminated.

**Section 11.6 Specific Performance.** The parties recognize that their rights under this Agreement are unique and, accordingly, the parties shall, in addition to such other remedies as may be available to any of them at law or in equity, have the right to enforce their rights hereunder by actions for injunctive relief and specific performance to the extent permitted by applicable law so long as the party seeking such relief is prepared to consummate the transactions contemplated hereby and the transactions shall be accomplished in a manner that qualifies as a like-kind exchange under Section 1031 of the Code. The parties agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach of the provisions of this Agreement and hereby agree to waive the defense in any action for specific performance that a remedy at law would be adequate. The parties waive any requirement for security or the posting of any bond or other surety in connection with any temporary or permanent award or injunctive, mandatory or other equitable relief.

**Section 11.7 Jurisdiction.** Except as otherwise expressly provided in this Agreement, the parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement, the Transaction Documents or the transactions contemplated hereby or thereby may be brought in the United States District Court for the Southern District of New York or any other New York State court sitting in New York City, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the

fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 11.4 shall be deemed effective service of process on such party.

**Section 11.8 WAIVER OF JURY TRIAL.** EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

**Section 11.9 Binding Effect; Benefits.** This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective heirs, legal representatives, successors, and permitted assigns. No party hereto shall assign this Agreement or delegate any of its duties hereunder to any other Person without the prior written consent of the other parties hereto, which consent shall not be unreasonably withheld or delayed; provided, that any party hereto may, upon notice to the other parties, assign its rights and delegate its obligations under this Agreement (in whole or in part) to any Affiliate of such party. For purposes of this Section, any change in control of the Comcast Group or the TWC Group shall not constitute an assignment by it of this Agreement. In no event shall any assignment of rights or delegation of obligations relieve any party of its obligations hereunder.

**Section 11.10 Headings and Schedules.** The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. Reference to Schedules shall, unless otherwise indicated, refer to the Schedules contained in the Disclosure Letters, as applicable, which shall be incorporated in and constitute a part of this Agreement by such reference.

**Section 11.11 Counterparts.** This Agreement may be executed in any number of counterparts (including by facsimile), each of which, when executed, shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

**Section 11.12 GOVERNING LAW.** THE VALIDITY, PERFORMANCE, AND ENFORCEMENT OF THIS AGREEMENT AND ALL TRANSACTION DOCUMENTS, UNLESS EXPRESSLY PROVIDED TO THE CONTRARY, SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAW OF SUCH STATE.

**Section 11.13 Severability.** Any term or provision of this Agreement which is invalid or unenforceable shall be ineffective to the extent of such invalidity or

unenforceability without rendering invalid or unenforceable the remaining rights of the Person intended to be benefited by such provision or any other provisions of this Agreement.

**Section 11.14 Third Parties; Joint Ventures.** This Agreement constitutes an agreement solely among the parties hereto, and, except as otherwise provided herein, is not intended to and shall not confer any rights, remedies, obligations, or liabilities, legal or equitable, including any right of employment, on any Person other than the parties hereto and their respective successors, or assigns, or otherwise constitute any Person a third party beneficiary under or by reason of this Agreement. For the avoidance of doubt, no Person other than a party hereto shall have any right to enforce Section 3.1 or any other provision of this Agreement to the extent relating thereto. Nothing in this Agreement, expressed or implied, is intended to or shall constitute the parties hereto partners or participants in a joint venture.

**Section 11.15 Construction.** This Agreement has been negotiated by the parties and their respective legal counsel, and legal or equitable principles that might require the construction of this Agreement or any provision of this Agreement against the party drafting this Agreement shall not apply in any construction or interpretation of this Agreement.

#### **Section 11.16 Risk of Loss; Government Taking.**

(a) Each Transferor shall bear the risk of any loss or damage to Transferred Assets to be directly or indirectly transferred by such Transferor in an Exchange resulting from fire, theft or other casualty (except reasonable wear and tear) at all times prior to the Closing (or, in respect of the Adelphia Assets, prior to the Closing but after the Adelphia Closing). In the event any such loss or damage occurs, the applicable Transferor shall (at its expense) use its commercially reasonable efforts to replace or restore such lost or damaged property as soon as practicable and in any event prior to Closing (or, if such damaged property is not replaced or restored prior to Closing, Transferor shall indemnify Transferee for any Losses arising out of such unrepaired damage or unrestored property). If any loss or damage described in the first sentence of this Section 11.16(a) would result in such losses or damage of all Affiliated Transferors being equal to or exceeding \$100,000,000 and is sufficiently substantial so as to preclude and prevent resumption of normal operations of any material portion of any Transferred System by the Outside Closing Date, Transferor Parent shall, to the extent reasonably practical, immediately notify Transferee Parent in writing of that fact (which notice shall, to the extent reasonably practical, specify with reasonable particularity the loss or damage incurred, the cause thereof if known or reasonably ascertainable, and the insurance coverage related thereto), and Transferee Parent, at any time within ten days after receipt of such notice, may elect by written notice to Transferor Parent, to either (i) waive such defect and proceed toward consummation in accordance with the terms of this Agreement (provided, that any such waiver shall also be deemed to be a waiver of any right to indemnification pursuant to the first sentence of this Section 11.16(a) or pursuant to Section 10.1 or 10.2, as applicable, for any breach of any (x) representation or warranty of Transferor Parent set forth in Article 4 or 5, as applicable, resulting from any

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such loss or damage or (y) covenant hereunder to the extent that compliance therewith is frustrated or made commercially impracticable as a result of such loss or damage) or (ii) terminate this Agreement, subject to Section 9.2. If Transferee Parent elects to so terminate this Agreement, Transferor Parent shall be discharged of any and all obligations hereunder, subject to Section 9.2. If Transferee elects to consummate the transactions contemplated by this Agreement notwithstanding such loss or damage and does so, there shall be no adjustment in the consideration payable to or by Transferee Parent on account of such loss or damage, but all insurance proceeds received or receivable by Transferor or its Affiliates as a result of the occurrence of the event resulting in such loss or damage, including any such proceeds received or receivable by Transferor Parent or its Affiliates pursuant to the TWC/Adelphia Purchase Agreement or the Comcast/Adelphia Purchase Agreement (as applicable), to the extent not already expended by the applicable Transferor or its Affiliates to restore or replace the lost or damaged Transferred Assets, except for any proceeds from business interruption insurance relating to the loss of revenue for any period through and including the Closing Date, shall be delivered by the applicable Transferor or its Affiliates to the applicable Transferee, or the rights to such proceeds shall be assigned by the applicable Transferor or its Affiliates to the applicable Transferee if not yet paid to the applicable Transferor or its Affiliates. The applicable Transferor shall pay any deductible required and/or the self-insured portion of any such loss with respect to all such insurance proceeds payable under any insurance policy held by Transferor or its Affiliates. Any amounts received or receivable hereunder shall not be included in the Net Liabilities Adjustment Amount.

(b) If, prior to Closing in respect of Native Assets, or prior to Closing but after the Adelphia Closing in respect of Adelphia Assets, any material part of or interest in such Transferred Assets is taken or condemned as a result of the exercise of the power of eminent domain, or if a Governmental Authority having such power informs Transferor or any of its Affiliates that it intends to

condemn or take all or any material part of the Transferred Assets of Transferor or any of its Affiliates (such event being called, in either case, a “Taking”), then Transferee Parent may terminate this Agreement. If Transferee Parent does not elect to terminate this Agreement, (i) Transferee and its Affiliates shall have the sole right, in the name of Transferor and its Affiliates, if Transferee Parent so elects, to negotiate for, claim, contest and, subject to the Closing occurring, have Transferee receive all damages with respect to the Taking, (ii) Transferor shall be relieved of its obligation to convey directly or indirectly to Transferee such Transferor’s Transferred Assets or interests that of the Taking if the Taking has occurred, (but shall convey to Transferee Parent any interest therein still held by Transferor Parent or its Affiliates and any replacement property acquired by Transferor Parent or its Affiliates), (iii) at Closing, such Transferor and its Affiliates shall assign to Transferee all of such Transferor’s and its Affiliates’ rights to all payments received or receivable with respect to such Taking, including any such payments received or receivable by Transferor or its Affiliates pursuant to the TWC/Adelphia Purchase Agreement or the Comcast/Adelphia Purchase Agreement (as applicable), and shall pay to such Transferee all such payments previously paid to such Transferor or any of its Affiliates with respect to the Taking (to the extent not already expended by Transferor or its Affiliates to restore or replace the Assets taken), and (iv) following Closing, Transferor and its Affiliates shall give Transferee and its Affiliates such further assurances of such rights and assignment

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with respect to the Taking as Transferee or its Affiliates may from time to time reasonably request. Any amounts received or receivable hereunder shall not be included in the Net Liabilities Adjustment Amount.

**Section 11.17 Additional Parties.** Immediately following the Adelphia Closing and prior to the Closing, Comcast shall cause each Transferred Joint Venture Parent to become a party to this Agreement. Upon such joinder, but not before, each Transferred Joint Venture Entity shall be considered a “Comcast Transferor”, “Comcast Participant”, “Comcast Party”, “Comcast Group Member” and Affiliate of the other Comcast Group Members, as relevant, for all purposes of this Agreement. The parties hereto agree that none of Comcast or any of its Affiliates shall have any Liability under this Agreement or any Transaction Document with respect to any Transferred Joint Venture Entity until such time as the Transferred Joint Venture Parents become parties to this Agreement and, in such event, only with respect to events, conditions or circumstances first arising thereafter. The parties agree to execute an appropriate amendment to this Agreement adding the Transferred Joint Venture Parents to this Agreement in accordance with the foregoing.

**Section 11.18 Commercially Reasonable Efforts.** For purposes of this Agreement, “commercially reasonable efforts” shall not, with regard to obtaining any consent, approval or authorization, be deemed to require a party to undertake extraordinary measures, including the initiation or prosecution of legal proceedings or the payment of amounts in excess of normal and usual filing fees and processing fees, if any.

**Section 11.19 Time.** Time is of the essence under this Agreement. If the last day for the giving of any notice or the performance of any act required or permitted under this Agreement is a day that is not a Business Day, the time for the giving of such notice or the performance of such act shall be extended to the next succeeding Business Day.

[Remainder Of Page Intentionally Left Blank]

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IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Agreement on the date first written above.

**COMCAST CORPORATION**

By: /s/ Arthur R. Block

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Name: Arthur R. Block  
Title: Senior Vice President

**COMCAST CABLE  
COMMUNICATIONS HOLDINGS,  
INC.**

By: /s/ Arthur R. Block

---

Name: Arthur R. Block  
Title: Senior Vice President

**COMCAST OF GEORGIA, INC.**

By: /s/ Arthur R. Block

---

Name: Arthur R. Block  
Title: Senior Vice President

**TCI HOLDINGS, INC.**

By: /s/ Arthur R. Block

---

Name: Arthur R. Block  
Title: Senior Vice President

**TIME WARNER CABLE INC.**

By: /s/ David E. O'Hayre

---

Name: David E. O'Hayre  
Title: Executive Vice President,  
Investments

---

**TIME WARNER NY CABLE LLC**

By:/s/ David E. O'Hayre

---

Name: David E. O'Hayre  
Title: Executive Vice President,  
Investments

**URBAN CABLE WORKS OF  
PHILADELPHIA, L.P.,**

By Time Warner Entertainment Company,  
L.P., Manager

By:/s/ David E. O'Hayre

---

Name: David E. O'Hayre  
Title: Executive Vice President,  
Investments

**TOLLING AND OPTIONAL REDEMPTION AGREEMENT****DATED AS OF SEPTEMBER 24, 2004****BY AND AMONG****COMCAST CABLE COMMUNICATIONS HOLDINGS, INC.,****MOC HOLDCO II, INC.,****TWE HOLDINGS II TRUST,****CABLE HOLDCO INC.,****TIME WARNER CABLE INC.****AND****THE OTHER PARTIES NAMED HEREIN**

\* This composite copy reflects the Tolling and Optional Redemption Agreement, as amended by Amendment No. 1, dated as of February 7, 2005, and by Amendment No. 2, dated as of April 20, 2005.

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## EXHIBITS

A Form of Second Stage Bringdown Certificate

B Form of Tax Matters Agreement

C Form of GP Redemption and Amendment Agreement

D Protective Election Legend

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## **TOLLING AND OPTIONAL REDEMPTION AGREEMENT**

This TOLLING AND OPTIONAL REDEMPTION AGREEMENT (this “Agreement”), dated as of September 24, 2004, is by and among Comcast Cable Communications Holdings, Inc., a Delaware corporation (“Comcast”), MOC Holdco II, Inc., a Delaware corporation (“Comcast Subsidiary”), TWE Holdings I Trust, a Delaware statutory trust (“Comcast Trust I”), but solely for purposes of Section 2.1(b)(iv), TWE Holdings II Trust, a Delaware statutory trust (“Comcast Trust”), Comcast Corporation, a Pennsylvania corporation (“Comcast Parent”), but solely for purposes of Section 2.3 and the last sentence of Section 12.5, Cable Holdco Inc., a Delaware corporation (“Holdco”), TWE Holding I LLC, a Delaware limited liability company (“TWE Holdco I”) and Time Warner Cable Inc., a Delaware corporation (“Time Warner Cable”) and Time Warner Inc., a Delaware corporation, but solely for purposes of the last sentence of Section 12.5. Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article 1.

### **Recitals**

A. Comcast Trust, Time Warner Inc., a Delaware corporation (“Time Warner”), and Time Warner Cable are parties to that certain Registration Rights Agreement, dated as of March 31, 2003, as amended on the date hereof (the “Registration Rights Agreement”).

B. The parties have agreed that from and after the date hereof until the Tolling Termination Date Comcast Trust will not exercise its demand registration rights under the Registration Rights Agreement.

C. Time Warner Cable indirectly through one or more of its Subsidiaries owns and operates the cable communications systems serving the communities identified on Schedule A (the “Transferred Systems”).

D. Comcast Trust has agreed to toll its demand registration rights under the Registration Rights Agreement, and Time Warner Cable has agreed, at the option of Comcast Subsidiary, to (i) transfer to Holdco the Transferred Assets and (ii) transfer all of the issued and outstanding securities of Holdco to Comcast Trust or Comcast Subsidiary in exchange for and in redemption of the Redemption Securities.

E. The parties intend that, for federal Income Tax purposes, (i) the Holdco Transaction and TWC Redemption shall be governed by Sections 355, 361(c) and 368(a)(1)(D) of the Internal Revenue Code of 1986 (the “Code”), (ii) that all of the shares of Holdco shall qualify as “qualified property” for purposes of Section 355(c)(2) and 361(c) of the Code and (iii) that no share of Holdco constitutes “other property” for purposes of Section 355(a)(3)(B) of the Code.

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### **Agreements**

In consideration of the mutual covenants and promises set forth in this Agreement, the parties hereto agree as follows:

### **ARTICLE 1 Definitions**

**Section 1.1 Terms Defined in this Section.** In addition to terms defined elsewhere in this Agreement, the following terms with initial capital letters, when used in this Agreement, shall have the meanings set forth below:

“Actually Realized” shall have the meaning set forth below. For purposes of this Agreement, (i) a Tax cost shall be treated as Actually Realized by any Person at the time at which the amount of Taxes payable by such Person is increased above the amount of Taxes that such Person would be required to pay (or the Refund to which such Person is entitled is reduced below the Refund to which such Person otherwise would have been entitled) but for such incremental Tax cost, and (ii) a Tax benefit shall be treated as Actually Realized by any Person at the time at which the amount of Taxes payable by such Person is reduced below the amount of Taxes that such Person would be required to pay (or the Refund to which such Person is entitled is increased above the Refund to which such Person otherwise would have been entitled) but for such incremental Tax benefit.

“Actuarial Amount” means an amount equal to the present value, as of the last day of the calendar month immediately prior to the Closing Date, of the aggregate actuarially determined cost of providing coverage (including administrative fees associated therewith) under the applicable long-term disability, retiree medical or retiree life plan as contemplated by Section 3.1(g)(v), less the portion of such amount (if any) that is provided by recipient contributions, calculated in good faith by Time Warner Cable’s enrolled actuaries utilizing reasonable actuarial methods and assumptions consistent with GAAP, which calculation and assumptions shall be subject to the review and approval by Comcast Subsidiary’s designated actuaries, such approval not to be unreasonably withheld or delayed.

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made; provided, that for purposes of this definition and the definition of “Controlled Affiliate”, “control” (including with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other equity securities, by Contract or otherwise provided,

Comcast Trust and Comcast Subsidiary, on the one hand, and Time Warner Cable, on the other hand, shall not be deemed to be Affiliates of one another, (ii) after the Closing Time Warner Cable, on the one hand, and Holdco, on the other hand, shall not be deemed to be Affiliates of one another and (iii) prior to the completion of the Closing Comcast and its Affiliates, on the one hand, and Holdco, on the other hand, shall not be deemed to be Affiliates of one another.

**Affiliated Group** means any affiliated, consolidated, combined or unitary group for Tax purposes under any federal, state, local or foreign law (including regulations promulgated thereunder) including (without limitation) any affiliated group within the meaning of Section 1504(a) of the Code.

**Alternate Tolling Agreement** shall have the meaning assigned to such term in the Alternate Transaction Letter.

**Alternate Transaction Letter** means the letter agreement dated the date hereof among Time Warner Cable, Comcast Parent, Comcast Trust and Comcast Trust I, regarding the Alternate Tolling Agreement (as defined therein).

**Amendment Date** means April 20, 2005.

**Applicable Taxes** means Taxes that are Assumed Liabilities.

**Applicable Tax Return** shall mean any Tax Return relating to Applicable Taxes.

**Authorization** means any waiver, amendment, consent, approval, license, franchise, permit (including construction permits), certificate, exemption, variance or authorization of, expiration or termination of any waiting period requirement (including pursuant to the HSR Act) or other action by, or notice, filing, registration, qualification, declaration or designation with, any Person (including any Governmental Authority).

**Balance Sheet Date** means June 30, 2004 or, to the extent relating to a Designated System, December 31, 2004.

**Base Interest Rate** means the rate of interest charged in respect of borrowings by Time Warner Cable under its senior bank credit facilities.

**Business Day** means any day other than a Saturday or Sunday or a day on which banks in New York, New York are authorized or required to be closed.

**Cable Act** means Title VI of the Communications Act, 47 U.S.C. § 521, *et seq.*

**Cash Amount** means an amount of cash equal to (i) \$422,000,000 plus (ii) an amount equal to the Estimated Closing Adjustment Amount (which may be a

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positive or a negative number) minus (iii) the Actuarial Amount (but only if Comcast Subsidiary or its Affiliate shall have made the request referred to in Section 3.1(g)(v)).

**Class A Common Stock** means the Class A Common Stock, par value \$0.01 per share, of Time Warner Cable.

**Closing Date** means the date on which the Closing occurs.

**Closing Time** means, with respect to each Transferred System, 11:59 p.m., local time in the location of such Transferred System, on the Closing Date.

**Comcast Benefit Plan** means any plan, program, arrangement or agreement that is a pension, profit-sharing, savings, retirement, employment, consulting, severance pay, termination, executive compensation, incentive compensation, deferred compensation, bonus, stock purchase, stock option, phantom stock or other equity-based compensation, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life (including all individual life insurance policies as to which Comcast Subsidiary or any of its ERISA Affiliates is the owner, the beneficiary, or both), Code Section 125 "cafeteria" or "flexible" benefit, employee loan, educational assistance or fringe benefit plan, program, policy or arrangement whether written or oral, including, without limitation, any (i) "employee benefit plan" within the meaning of Section 3(3) of ERISA or (ii) other employee benefit plan, agreement, program, policy, arrangement or payroll practice, whether or not subject to ERISA (including any funding mechanism therefor now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise) which Comcast Subsidiary or any of its ERISA Affiliates maintains or contributes to or in respect of which Comcast Subsidiary or any of its ERISA Affiliates has any obligation to maintain or contribute, or have any direct or indirect liability, whether contingent or otherwise, with respect to which any employee or former employee of Comcast Subsidiary or any of its ERISA Affiliates has any present or future right to benefits.

**Comcast Parties** means Comcast, Comcast Subsidiary and Comcast Trust.

**Communications Act** means the Communications Act of 1934.

**Confidentiality Agreements** means (i) the letter agreement dated November 9, 2004, as amended, between Time Warner and Comcast Parent and (ii) the letter agreement dated August 26, 2004 between Time Warner Cable and Comcast, in each case regarding confidential information of Time Warner and its Affiliates.

**“Controlled Affiliate”** means, with respect to any Person, any Affiliate of such Person that is controlled by such Person.

**“Designated Systems”** means the Transferred Systems serving the communities identified in Schedule 1.1(a).

**“Digital Subscriber”** means a paying customer who has been installed and receives any level of video service offered by a Transferred System and received via digital technology, including without limitation, the digital guide tier, the digital basic tier, digital sports tiers and digital movie tiers.

**“DMA”** means a geographic area established by Nielsen Media Research for the purpose of rating the viewership of commercial television stations.

**“Environmental Law”** means any Legal Requirement whether now or hereafter in effect concerning the environment, including Legal Requirements relating to emissions, discharges, releases or threatened releases of Hazardous Substances into the environment, air (including both ambient and within buildings and other structures), surface water, ground water or land or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, presence, disposal, transport or handling of Hazardous Substances.

**“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.

**“ERISA Affiliate”** means, as to any Person, any trade or business, whether or not incorporated, which together with such Person would be deemed a single employer within the meaning of Section 4001 of ERISA.

**“Excluded SMATV Acquisition”** means in respect to the Transferred Systems any SMATV Acquisition consummated after the Amendment Date and prior to the Closing Time in respect of which the Total SMATV Consideration (A) exceeds \$2,500,000 or (B) exceeds \$3,800,000 when aggregated with the Total SMATV Consideration paid in all previous such SMATV Acquisitions consummated after the Amendment Date and prior to the Closing Time.

**“Excluded Tax Liabilities”** means all Income Taxes relating to or arising out of, or resulting from the ownership or operation of the Transferred Systems for taxable periods, or portions thereof, ending on or prior to the Closing, other than Income Taxes suffered by Comcast or any of its Affiliates as a partner in TWE.

**“FCC”** means the Federal Communications Commission.

**“FCC Trust Requirements”** means rules, regulations, orders, requirements, or procedures adopted by the FCC in *Applications for Consent to the Transfer of Control of Licenses from Comcast Corporation and AT&T Corp., Transferors, to AT&T Comcast Corporation, Transferee, Memorandum Opinion & Order*, 17 FCC Rcd 23,246 (2002),

and the trust agreements adopted pursuant to Section III of Appendix B of that order, including any related clarifications, amendments, modifications, and waivers authorized or approved by the FCC.

**“Franchise”** shall have the meaning assigned to such term in Section 602(9) of the Communications Act.

**“Franchising Authority”** shall have the meaning assigned to such term in Section 602(10) of the Communications Act.

**“GAAP”** means generally accepted accounting principles in the United States in effect from time to time applied on a consistent basis.

**“GAAP Adjustments”** means with respect to the preparation of any relevant financial statement, the exclusion of the items described in the proviso to the second sentence of Section 6.11(a) (other than clauses (v), (vii), (xi) and (xii) of such proviso) in each case consistent with the practices used in preparation of the Transferred System Financial Statements.

**“Governmental Authority”** means (a) the United States of America, (b) any state, commonwealth, territory or possession of the United States of America and any political subdivision thereof (including counties, municipalities, provinces, parishes and the like), (c) any foreign (as to the United States of America) sovereign entity and any political subdivision thereof and (d) any court, quasi-governmental authority, tribunal, department, commission, board, bureau, agency, authority or instrumentality of any of the foregoing.

**“GP Redemption”** means the transactions contemplated by the GP Redemption and Amendment Agreement.

**“GP Redemption and Amendment Agreement”** means the GP Redemption and Amendment Agreement, in the form attached hereto as Exhibit C, as amended from time to time; provided that any such amendments which would adversely affect Comcast Trust or its Affiliates are approved by Comcast Trust.

**“Hazardous Substances”** means (a) any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive or otherwise hazardous substance, waste or material, (b) any “hazardous waste” as defined by the Resource Conservation and Recovery Act of 1976 (RCRA) (42 U.S.C. §§ 6901 *et seq.*); (c) any “hazardous substance” as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) (42 U.S.C. §§ 9601, *et. seq.*); (d) any substance regulated by the Toxic Substances Control Act of 1976 (TSCA) (15 U.S.C. § 2601 *et seq.*); (e) asbestos or asbestos-containing material of any kind or character; (f) polychlorinated biphenyls; (g) any substance the presence, use, treatment, storage or disposal

notification of or to any Governmental Authority in its collection, storage, use, treatment, presence or disposal.

**“High Speed Data Subscriber”** means a customer who subscribes to at least the lowest level of Internet service offered by a Transferred System, excluding courtesy accounts.

**“Holdco Transaction Liabilities”** means any and all Liabilities of Holdco arising under Section 3.4 or Article 11 of this Agreement.

**“HSR Act”** means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

**“Income Taxes”** means any Tax which is based upon, measured by, or computed by reference to net income or profits (including alternative minimum Tax) in the case of Time Warner Cable and its subsidiaries with respect to any payments in respect of Taxes that are governed by the Time Warner Tax Matters Agreement, Income Taxes shall mean any amounts payable by or to Time Warner Cable under the Time Warner Tax Matters Agreement.

**“Individual Subscriber”** means, as of any given date, the aggregate of all of the following Subscribers (or Retained Subscribers, as the case may be): (a) private residential customer accounts that are billed by individual unit (regardless of whether such accounts are in single family homes or in individually billed units in apartment houses and other multi-unit buildings) (excluding “second connects” or “additional outlets,” as such terms are commonly understood in the cable industry), each of which shall be counted as one Individual Subscriber, (b) bulk bill residential accounts not billed by individual unit, such as apartment houses and multi-family homes, provided each unit in such apartment house or multi-family home shall be counted as one Individual Subscriber and (c) commercial bulk accounts such as hotels, motels and restaurants, provided each commercial account shall count as one Individual Subscriber; provided that, in all such cases, Individual Subscribers shall not include any free accounts.

**“Judgment”** means any judgment, judicial decision, writ, order, injunction, award or decree of or by any Governmental Authority or any arbitration panel or authority whose decision is binding and enforceable.

**“Leased Property”** means the premises demised under the Leases.

**“Legal Requirement”** means applicable common law and any statute, ordinance, code, law, rule, regulation, order, technical or other written standard, requirement or procedure enacted, adopted, promulgated, applied or followed by, or any agreement entered into by, any Governmental Authority, including any Judgment.

**“Liabilities”** means any and all liabilities, losses, charges, indebtedness, demands, actions, damages, obligations, payments, costs and expenses, bonds, indemnities and similar obligations, covenants, and other liabilities, including all

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Contractual obligations, whether due or to become due, absolute or contingent, inchoate or otherwise, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, determined or determinable, whenever arising, and including those arising under any Legal Requirement, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person.

**“Lien”** means, with respect to any property or asset, any security agreement, financing statement filed with any Governmental Authority, conditional sale agreement, capital lease or other title retention agreement relating to such property or asset, any lease, consignment or bailment given for purposes of security, any right of first refusal, equitable interest, lien, mortgage, indenture, pledge, option, charge, encumbrance, adverse interest, constructive trust or other trust, claim, attachment, exception to or defect in title or other ownership interest (including reservations, rights of entry, possibilities of reverter, encroachments, survey defects, easements, rights-of-way, restrictive covenants, leases and licenses) of any kind, which otherwise constitutes an interest in or claim against property, whether arising pursuant to any Legal Requirement, any Contract or otherwise.

**“Litigation”** means any claim, action, suit, proceeding, arbitration, investigation, hearing or other activity or procedure that could result in a Judgment, and any notice of any of the foregoing.

**“Local Retransmission Consent Agreement”** means any retransmission consent agreement that covers a signal carried by a Transferred System that does not also cover a signal carried by a Time Warner Cable Retained Cable System.

**“Losses”** means any claims, losses, damages, penalties, costs and expenses, including interest which may be imposed in connection therewith, expenses of investigation, reasonable fees and disbursements of counsel and other experts and the reasonable cost to any Person making a claim or seeking indemnification under this Agreement with respect to funds expended by such Person by reason of the occurrence of any event with respect to which indemnification is sought, but shall in no event include incidental, punitive or consequential damages except to the extent required to be paid to a third party. For the avoidance of doubt, an item that is included in the definition of “Losses” shall be included regardless of whether it arises as a result of the negligence, strict liability or any other liability under any theory of law or equity of, or violation of any Law.

**“Master Pre-Closing Liabilities”** means all Liabilities of Time Warner Cable and its Affiliates arising out of, resulting from or associated with the use, ownership or operation of the Excluded Assets described in clauses (i), (ii), (vi), (vii), (viii), or (ix) (except, with respect to clause (ix), to the extent related to inventory included in the definition of “Excluded Assets” pursuant to clause (xiii) thereof) in each case to the extent such Liability primarily relates to goods or services provided to or used by the Transferred Business prior to Closing in the ordinary course of business consistent with past practice; provided that the amount of such Liabilities (in total and for each of

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the categories described above) is identified to Comcast Subsidiary in writing from Time Warner Cable on or prior to the date that is 60 days after Closing.

**“Material Adverse Effect”** means a material adverse effect on the business, assets, operations or condition (financial or otherwise) of the Transferred Systems taken as a whole, excluding any such effect to the extent resulting from or arising in connection with: (i) except to the extent relating to Section 6.3, the execution of this Agreement and the announcement thereof; (ii) changes or conditions generally affecting the cable television industry; (iii) changes in the economy or financial markets in general; (iv) changes in general regulatory, political or national security (*e.g.*, changes resulting from military conflicts or acts of foreign or domestic terrorism) conditions; (v) changes in the business, operations or conditions of Time Warner Cable that similarly affect the Time Warner Cable Retained Cable Systems, taken as a whole; or (vi) as described on Schedule 1.1(b).

**“Non-SSBC Original Systems”** means the Transferred Systems serving the communities identified in Schedule 1.1(c).

**“Option Commencement Date”** means December 1, 2004.

**“Option Expiration Date”** means the earlier of (i) the date that is 40 days following the Amendment Date and (ii) the Option Decision Date; provided that if Time Warner Cable does not comply in all material respects with its obligations under Section 7.20, the Option Expiration Date shall be the later of such dates.

**“Original Systems”** means the Transferred Systems serving the communities identified in Schedule 1.1(d).

**“Party”** or **“party”** means either Comcast, Comcast Trust, Comcast Subsidiary, Holdco or Time Warner Cable.

**“Permitted Lien”** means (a) any Lien securing Taxes, assessments and governmental charges not yet due and payable or being contested in good faith (and for which adequate accruals or reserves have been established), (b) any zoning law or ordinance or any similar Legal Requirement, (c) any right reserved to any Governmental Authority, including any Franchising Authority, to regulate the affected property, (d) as to all Owned Property and Real Property Interests, any Lien (other than Liens securing indebtedness or arising out of the obligation to pay money) which does not individually or in the aggregate with one or more other Liens interfere in any material respect with the right or ability to own, use, enjoy or operate the Owned Property or Real Property Interests as they are currently being used or operated, or to convey good and indefeasible fee simple title to the same (with respect to Owned Property), (e) in the case of Leased Property, any right of any lessor or any Lien granted by any lessor of Leased Property or by any other party having an interest in such leased property which is superior to that which is demised under the applicable Lease (or to which the fee interest in Leased Property or any other interest superior to that which is demised under the applicable Lease is otherwise subject), (f) any materialmen’s, mechanic’s, workmen’s, repairmen’s

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or other like Liens arising in the ordinary course of business, (g) any Lien described on Schedule 1.1(c) and (h) non-material leases, subleases, licenses or sublicenses in favor of third parties; provided that **“Permitted Liens”** shall not include any Lien (other than any Lien described in clause (e) above) (i) in the case of a non-monetary claim, which is reasonably likely to prevent or interfere in any material respect with the conduct of the business of the affected Transferred System as it is currently being conducted or (ii) in the case of a monetary claim or debt, including those described in clauses (a), (d) and (f) above, except to the extent the same is reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

**“Person”** means any human being, Governmental Authority, corporation, limited liability company, general or limited partnership, joint venture, trust, association or unincorporated entity of any kind.

**“Redemption Securities”** means 42,602 shares of Class A Common Stock owned by Comcast Trust (as such number may be appropriately adjusted to reflect any stock dividends, subdivisions, splits, combinations or other similar events relating to the capital stock of Time Warner Cable).

**“Refund”** shall mean, with respect to any Person, any refund of Income Taxes including any reduction in Income Tax liabilities by means of a credit, offset or otherwise.

**“Retained Subscriber”** means a paying customer who subscribes to at least the lowest level of video programming offered by a Time Warner Cable Retained Cable System.

**“Second Stage Bringdown Certificate”** means the certificate to be delivered by Time Warner Cable in the form attached hereto as Exhibit A.

**“Second Stage Documents”** means (i) any Contract, list or other item (and all material information relating thereto that is available to Time Warner Cable) added to the Schedules for Sections 6.3(c), 6.3(f) or 6.5 pursuant to Section 7.20 and (ii) any other documents or other information to be provided by Time Warner Cable pursuant to Section 7.20(d).

**“Service Area”** means any geographic area in which the Transferred Systems are authorized to provide cable television service pursuant to a Transferred Systems Franchise or in which such Transferred Systems provide cable television service for which a Franchise or other Authorization is not required pursuant to applicable Legal Requirements.

**“SMATV Acquisition”** means any acquisition, within or within close geographical proximity to the Service Area of a Transferred System, of multi-channel video subscribers from a private cable communications system operator (including any owner of a Dwelling, a **“SMATV Seller”**) in respect of any one or more apartment houses or multi-unit buildings, complexes or private communities, hotels or motels or similar

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facilities (each a **“Dwelling”**) pursuant to which any payment is required to be made to the SMATV Seller to transfer or terminate its existing cable service agreement with the owner or manager of such Dwelling or, if the SMATV Seller is the owner of the Dwelling, to terminate the owner’s provision of cable services to the Dwelling; provided that the payment, in the ordinary course of business, of door fees, commissions, revenue sharing and similar amounts to any owner or manager of any Dwelling in connection with the provision of multi-channel video service to such Dwelling shall not constitute a SMATV Acquisition.

**"SMATV Purchase Price Per Subscriber"** means, in respect of any SMATV Acquisition, the Total SMATV Consideration payable in respect of such SMATV Acquisition divided by the number of Individual Subscribers acquired pursuant to such SMATV Acquisition.

**"Specified Launch Support Liabilities"** means any Liabilities of Time Warner Cable and its Affiliates under agreements with third parties in effect (and on the terms in effect) as of the date hereof (or, with respect to the Designated Systems, the Amendment Date), to repay launch support payments received by Time Warner Cable or its Affiliates prior to the date hereof (or, with respect to the Designated Systems, the Amendment Date), up to a maximum of (i) \$727,200 in the aggregate with respect to the Original Systems and (ii) \$1,835,800 in the aggregate with respect to the Designated Systems, in each case arising out of, resulting from or associated with any failure by the Transferred Systems to continue to carry after Closing any channels for which launch support payments were received by Time Warner Cable or its Affiliates prior to the date hereof (or, with respect to the Designated Systems, the Amendment Date), but only to the extent such Liabilities result from either the deletion of the applicable channel, change in channel placement of the applicable channel, or the transfer of such channel to a different tier of service, in any such case after the Closing Date and prior to the fifth anniversary of the date hereof (or, with respect to the Designated Systems, the Amendment Date).

**"SSBC Systems"** means the Transferred Systems serving the communities identified in Schedule 1.1(i).

**"Straddle Period"** shall mean any taxable period that begins on or before, and ends after, the Closing Date.

**"Subscriber"** means a paying customer who subscribes to at least the lowest level of video programming offered by a Transferred System.

**"Subsidiary"** means, with respect to any Person, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other body performing similar functions are at any time directly or indirectly owned by such Person.

**"Subsidiary Transfers"** means the transfers by the Transferring Persons of the Transferred Systems to Time Warner Cable.

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**"Taxes"** means all levies and assessments of any kind or nature imposed by any Governmental Authority, including all income, sales, use, ad valorem, value added, franchise, severance, net or gross proceeds, withholding, payroll, employment, F.I.C.A., excise or property taxes, levies, and any payment required to be made to any state abandoned property administrator or other public official pursuant to an abandoned property, escheat or similar law, together with any interest thereon and any penalties, additions to tax or additional amounts applicable thereto and, in the case of Time Warner Cable, any amounts payable by or to Time Warner Cable under the Time Warner Tax Matters Agreement.

**"Tax Matters Agreement"** means the Holdco Tax Matters Agreement, by and between Time Warner, Time Warner Cable, Comcast Parent, Comcast and Holdco substantially in the form attached hereto as Exhibit B, as such agreement may be modified pursuant to Section 7.11 of this Agreement or as such Agreement may be amended after the Closing, and any successor agreement.

**"Tax Law"** means the Code, final, temporary or proposed Treasury regulations, published pronouncements of the U.S. Treasury Department or Internal Revenue Service, published court decisions or other relevant binding legal authority.

**"Tax Return"** shall mean any report, return or other information (including any attached schedules or any amendments to such report, return or other information) required to be supplied to or filed with a Governmental Authority with respect to any Tax, including (without limitation) an information return, claim for refund, amended return, declaration, or estimated Tax return, in connection with the determination, assessment, collection or administration of any Tax.

**"Telephony Subscriber"** means a customer who subscribes to at least the lowest level of telephone service offered by a Transferred System, excluding courtesy accounts.

**"Time Warner Cable Benefit Plan"** means any plan, program, arrangement or agreement that is a pension, profit-sharing, savings, retirement, employment, consulting, severance pay, termination, executive compensation, incentive compensation, deferred compensation, bonus, stock purchase, stock option, phantom stock or other equity-based compensation, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life (including all individual life insurance policies as to which Time Warner Cable or any of its Affiliates is the owner, the beneficiary, or both), Code Section 125 "cafeteria" or "flexible" benefit, employee loan, educational assistance or fringe benefit plan, program, policy or arrangement whether written or oral, including, without limitation, any (i) "employee benefit plan" within the meaning of Section 3(3) of ERISA or (ii) other employee benefit plan, agreement, program, policy, arrangement or payroll practice, whether or not subject to ERISA (including any funding mechanism therefor now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise) which Time Warner Cable or any of its Affiliates maintains or contributes to or in respect of which Time Warner Cable or any of its Affiliates has any

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obligation to maintain or contribute, or have any direct or indirect liability, whether contingent or otherwise, with respect to which any Transferred System Employee has any present or future right to benefits.

**"Time Warner Cable Required Consents"** means (a) any and all consents, authorizations and approvals (other than any approval of any Franchising Authority consent) the failure of which to obtain in connection with the GP Redemption, Subsidiary Transfers, TWE-A/N Transfer, Holdco Transaction, TWC Redemption and/or Comcast Subsidiary Transfer would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect and (b) any other consents, authorizations and approvals set forth on Schedule 6.3 and designated thereon as Time Warner Cable Required Consents.

**"Time Warner Cable Retained Cable Systems"** means all cable communications systems operated directly or indirectly by Time Warner Cable and its Affiliates (in each case to the extent the results of such systems are included in the consolidated results of Time Warner Cable) at the Closing other than the Transferred Systems and any systems acquired after the date hereof.

**"Time Warner Tax Matters Agreement"** means the Tax Matters

Agreement, by and between Time Warner and Time Warner Cable, dated as of March 31, 2003, as such agreement may be amended from time to time and any successor agreement; provided, however, that for purposes of this Agreement, no such amendment or successor agreement shall be taken into account unless it was made or entered into with the consent of Comcast Subsidiary, not to be unreasonably withheld or delayed.

**Tolling Termination Date** means the Amendment Date.

**Total SMATV Consideration** means, in respect of any SMATV Acquisition, the total consideration payable to the SMATV Seller and its Affiliates in respect of such SMATV Acquisition plus the amount of any net liabilities assumed by the acquiror.

**Transaction Documents** means (i) the instruments and documents described in Sections 9.2 and 9.3 which are being executed and delivered by or on behalf of Comcast Trust, Comcast Subsidiary, Comcast Trust I, Holdco or Time Warner Cable, as the case may be, or any Affiliate of any of them in connection with this Agreement or the transactions contemplated hereby, (ii) the instruments and documents required to effect the Comcast Subsidiary Transfer, if applicable and (iii) the Second Stage Bringdown Certificate.

**Transactions** means the GP Redemption, the TWE-A/N Transfer, the Subsidiary Transfers, the Holdco Transaction and the TWC Redemption.

**Transferable Service Area** means a Service Area with respect to which: (a) no Franchise or similar Authorization is required or issued for the provision of cable television service in such Service Area, (b) no consent of a Franchising Authority is

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necessary for the transfer of any Transferred Systems Franchise for such Service Area in connection with the consummation of the transactions contemplated by this Agreement, (c) if a consent of a Franchising Authority is necessary for the transfer of any Transferred Systems Franchise for such Service Area in connection with the consummation of the transactions contemplated by this Agreement, an effective consent or approval (on terms reasonably satisfactory to Comcast Subsidiary) has been obtained (and is in effect) or (d) if a consent of a Franchising Authority is necessary for the transfer of any Transferred Systems Franchise for such Service Area in connection with the consummation of the transactions contemplated by this Agreement, the applicable Franchising Authority does not expressly deny a request for approval to transfer such Systems Franchise within the 120-day review period provided under FCC regulation (plus such extensions of time as are mutually agreed upon by Comcast Subsidiary and Time Warner Cable). Any Service Area in which a Person has a Transferred Systems Option that has not been waived in respect of the transactions contemplated by this Agreement and the Transaction Documents shall not be considered a Transferable Service Area.

**Transferred Business** means the businesses conducted with the Transferred Assets, including the operation of the Transferred Systems.

**Transferred System Employee** means any individual who, as of the consummation of the Holdco Transaction, either (a) (x) is then a current or former employee of (including any full-time, part-time, temporary employee or an individual in any other employment relationship with), or then on a leave of absence (including, without limitation, paid or unpaid leave, disability, medical, personal, or any other form of authorized leave) from, Time Warner Cable or any of its Subsidiaries and (y) who is, or at the time of termination of employment was, primarily employed in connection with the Transferred Systems by Time Warner Cable or any of its Subsidiaries, or (b) has been designated by mutual written agreement of Comcast and Time Warner Cable as a Transferred System Employee prior to the Closing Date. Unless the context clearly indicates otherwise, “Transferred System Employee” shall include any person claiming benefits or rights under or through any Transferred System Employee, including the dependents or beneficiaries of any Transferred System Employee.

**TWC Participant** means each Transferring Person and Holdco.

**TWC Redemption Agreement** means the Redemption Agreement dated as of April 20, 2005 by and among Comcast, Comcast Subsidiary, Comcast Trust, Cable Holdco II Inc., a Delaware corporation, Time Warner Cable and the other parties named therein.

**TWE** means Time Warner Entertainment Company, L.P., a Delaware limited partnership.

**TWE-A/N** means Time Warner Entertainment-Advance/Newhouse Partnership, a New York general partnership.

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**TWE-A/N Transfer** means the transfers by TWE-A/N of certain Transferred Systems to TWE.

**TWE Redemption Agreement** means the Redemption Agreement, dated as of the date hereof, by and among TWE, Comcast, MOC Holdco I, LLC, a Delaware limited liability company, Comcast Trust I, Cable Holdco III LLC, and the other parties named therein.

**Variable Expense Item** means the items identified as variable expense items on the 2004 Operating Budget and the 2005 Operating Budget (consistent in type with the items so identified in the 2005 Operating Budget), as applicable.

**\$** means the U.S. dollar.

Section 1.2 **Other Definitions**. The following terms are defined in the Section or Exhibit indicated:

Term	Section or Exhibit
338(h)(10) Election	7.24(a)
2004 Budgets	7.1(i)
2004 Capital Budget	7.1(i)
2004 Operating Budget	7.1(i)
2005 Budgets	7.1(i)

2005 Capital Budget	7.1(i)
2005 Operating Budget	7.1(i)
Accounting Referee	2.5(c)
Affirmative Third Party Firm Determination	7.24(b)
Agreement	Preamble
Adjustment Payment	2.5(f)(i)
Assumed Liabilities	2.2
Books and Records	2.1(c)(vii)
Cap	11.4(a)
CARS	2.1(c)(iv)
Closing	9.1(a)
Closing Adjustment Amount	2.5(d)
Closing Net Liabilities Amount	2.5(g)
Closing Net Liabilities Adjustment Amount	2.5(g)
COBRA	3.1(i)

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Code	Recitals
Comcast	Preamble
Comcast 401(k) Plan	3.1(e)
Comcast Balance Sheet	5.6
Comcast Health or Welfare Plan	3.1(g)(iii)
Comcast Parent	Preamble
Comcast Reimbursement Plan	3.1(h)
Comcast Statement	2.5(a)
Comcast Subsidiary	Preamble
Comcast Subsidiary Transfer	2.1(b)(iii)
Comcast Transferred System Employees	3.1(a)
Comcast Trust	Preamble
Comcast Trust I	Preamble
Comcast Trust Releasing Parties	11.8
Confidential Information	7.4(a)
Delayed Transfer Asset	2.1(e)(i)
Delivery Date	2.5(a)
Designated Offices	7.20(a)
Designated Relative Percentage Amount	2.5(h)
Designated Retained Base Subscriber	2.5(h)
Number	
Designated Retained Percentage	2.5(h)
Designated Transferred Base Subscriber	2.5(h)
Number	
Designated Transferred Closing Subscriber	2.5
Number	
Designated Transferred Percentage	2.5(h)
Determination	7.24(b)
Determination Deadline	7.24(b)
Diligence Request Date	7.4(c)
Disclosure Letter	1.3
ERISA Group Liabilities	6.15(b)
Estimated Closing Adjustment Amount	2.4

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Estimated Closing Net Liabilities	2.4
Adjustment Amount	
Estimated Subscriber Adjustment Amount	2.4
Exchange Act	4.3
Excluded Assets	2.1(d)
Excluded Liabilities	2.2
Excluded Transferred Cash	2.1(d)
Final Closing Adjustment Amount	2.5(d)
Franchise Matter	11.3
Good Faith Notice	7.20(b)
Guaranteed Parties	11.11(a)

Guaranteed Obligations	11.11(a)
Holdco	Preamble
Holdco Adjustment Payment	2.5(f)(i)
Holdco Indemnification Payment	11.10(a)
Holdco Indemnified Liabilities	6.15(b)
Holdco Shares	2.1(b)(ii)
Holdco Transaction	2.1(b)(i)
Indemnification Payment	11.10(a)
Indemnitee	11.3
Indemnitor	11.3
Joint Determination	7.24(b)
Knowledge	1.3
Leases	6.10
Option	2.1(a)
Option Decision Date	7.20(a)
Option Exercise Date	2.1(a)(i)
Option Exercise Notice	2.1(a)(i)
Original Relative Percentage Amount	2.5(h)
Original Retained Base Subscriber Number	2.5(h)
Original Retained Percentage	2.5(h)
Original Transferred Base Subscriber Number	2.5(h)

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Original Transferred Closing Subscriber Number	2.5(h)
Original Transferred Percentage	2.5(h)
Outside Closing Date	10.1(a)
Owned Property	2.1(c)(ii)
POFS	7.1(h)(ii)
Post-Closing Consent	7.8
Previous Request	2.3(a)
QSP	7.24(b)
Rate Regulatory Matter	7.10(d)
Real Property Interests	2.1(c)(ii)
Registration Rights Agreement	Recitals
Retained Closing Subscriber Number	2.5(h)
Required Threshold	8.1(h)
Securities Act	4.3
Selected Employees	3.1(g)(v)
Subscriber Adjustment Amount	2.5(h)
Surveys	7.6(a)
Taking	12.16(b)
Tangible Personal Property	2.1(c)(i)
Third Party Firm	7.24(b)
Threshold Damage Requirement	11.4(a)
Time Warner	Recitals
Time Warner Cable	Preamble
Time Warner Cable Adjustment Payment	2.5(f)(i)
Time Warner Cable FCC Counsel Opinion	8.1(j)
Time Warner Cable 401(k) Plan	3.1(e)
Time Warner Cable Health or Welfare Plan	3.1(g)(i)
Time Warner Cable Indemnification Payment	11.10(a)
Time Warner Cable Marks	3.2
Time Warner Cable Statement	2.5(a)
Time Warner Cable Reimbursement Plan	3.1(h)

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Time Warner Cable Pension Plans	3.1(f)
Time Warner Cable Released Parties	11.8(a)
Time Warner Cable Title Policies	8.1(o)
Title Commitment Notice	7.6(a)

Title Commitments	7.6(a)
Title Company	7.6(a)
Title Defect	7.6(a)
Transferred Assets	2.1(c)
Transferred Systems	Recitals
Transferred Systems Contracts	2.1(c)(v)
Transferred Systems Financial Statements	6.11(a)
Transferred Systems Franchises	2.1(c)(iii)
Transferred Systems Licenses	2.1(c)(iv)
Transferred Systems Option	6.19
Transferring Person	6.1
Transitional Services	7.9
TWC Redemption	2.1(b)(ii)
TWE Holdco I	Preamble
WARN	3.1(j)

**Section 1.3 Rules of Construction.** References to one or more schedules or Schedules shall be references to schedules included in that separate disclosure letter (the “Disclosure Letter”) delivered by Time Warner Cable to Comcast Trust and Comcast Subsidiary on the Amendment Date in connection with this Agreement, as such Schedules may be updated pursuant to Sections 7.11 and 7.20 (but, in such case, subject to the provisions of such Sections). It is understood that the representations and warranties set forth in Articles 4 and 5 are qualified by the disclosure letter delivered by Comcast Subsidiary to Time Warner Cable on the Amendment Date in connection with this Agreement. Unless otherwise expressly provided in this Agreement: (a) accounting terms used in this Agreement shall have the meaning ascribed to them under GAAP; (b) words used in this Agreement, regardless of the gender used, shall be deemed and construed to include any other gender, masculine, feminine, or neuter, as the context requires; (c) the word “include” or “including” is not limiting, and the word “or” is not exclusive; (d) the capitalized term “Section” refers to sections of this Agreement; (e) references to a particular Section include all subsections thereof, (f) references to a particular statute or regulation include all amendments thereto, rules and regulations thereunder and any successor statute, rule or regulation, or published clarifications or interpretations with respect thereto, in each case as from time to time in effect; (g)

references to a Person include such Person’s successors and assigns to the extent not prohibited by this Agreement; and (h) references to a “day” or number of “days” (without the explicit qualification “Business”) shall be interpreted as a reference to a calendar day or number of calendar days. “Knowledge” (whether or not capitalized) and words of similar import, when used with reference to Time Warner Cable, means the actual knowledge of a particular matter of any of the individuals listed on Schedule 1.3(A), and, from and after delivery of the Second Stage Bringdown Certificate but solely with respect to Sections 6.3(c), 6.3(f) and 6.5 and solely to the extent such Sections relate to the SSBC Systems, the additional individuals identified on Schedule 1.3(B).

## ARTICLE 2 Option Exercise; Redemptions; Tolling

### Section 2.1 Option; Redemptions.

#### (a) Option.

(i) Notwithstanding anything to the contrary set forth herein, in no event shall any party hereto have any obligation to consummate the transactions contemplated to occur at the Closing, including the GP Redemption, the Holdco Transaction and the TWC Redemption, unless and until Comcast Subsidiary shall deliver a written notice (the “Option Exercise Notice”) to Time Warner Cable during the period commencing on the Option Commencement Date and expiring at 5:00 p.m. (NYT) on the Option Expiration Date specifying that it is irrevocably exercising its option (the “Option”) to cause such transactions to be consummated in accordance with the terms and conditions herein set forth. The date on which the Option Exercise Notice, if any, is received by Time Warner Cable is herein referred to as the “Option Exercise Date.”

(ii) The Option shall be non-transferable and is solely for the benefit of Comcast Subsidiary.

(iii) The Option, if not yet exercised, shall automatically terminate and be null and void and of no further force or effect at 5:00 p.m. (NYT) on the Option Expiration Date (so long as prior thereto Comcast Subsidiary did not deliver the Option Exercise Notice in accordance with Sections 2.1(a)(i) and 12.4).

(iv) From and after the Option Exercise Date, if any, consummation of the transactions contemplated by this Agreement shall be subject to the satisfaction of the conditions set forth in Sections 8.1, 8.2 and 9.1.

(b) GP Redemption; Holdco Transaction; TWC Redemption. Subject to the terms and conditions set forth in this Agreement, including exercise of the Option:

(i) Subject to Section 2.1(e), prior to the consummation of the Holdco Transaction, (a) pursuant to the terms and conditions of the GP Redemption and Amendment Agreement, the GP Redemption shall be effected, (b) the TWE-A/N Redemption shall be effected and (c) the Subsidiary Transfers shall be

effected. Subject to Section 2.1(e), following the consummation of the GP Redemption the TWE-A/N Redemption and the Subsidiary Transfers and prior to the consummation of the TWC Redemption, (a) Time Warner Cable shall (or shall cause its Affiliates to) assign, transfer, convey and deliver to Holdco and Holdco shall accept from Time Warner Cable (and its Affiliates), all of its (and their) right, title and interest in and to the Transferred Assets and (b) Holdco shall assume and agree to pay and discharge, as and when they become due, the Assumed Liabilities. The transactions contemplated by clauses (a) and (b) of the immediately

preceding sentence are referred to together as the “Holdco Transaction” and shall be consummated pursuant to one or more Bills of Sale and Assignment and Instrument of Assumption in form and substance reasonably acceptable to Time Warner Cable and Comcast Subsidiary, and such other instruments of transfer or assignment as may be reasonably necessary to effect the Holdco Transaction, in each case in form and substance satisfactory to Comcast Subsidiary. For the avoidance of doubt, both the GP Redemption and the Holdco Transaction shall take place prior to the Closing.

(ii) At the Closing, (a) Time Warner Cable shall transfer to Comcast Trust (or, if such transfer would be permitted under applicable FCC Trust Requirements, to Comcast Subsidiary) all outstanding securities of Holdco (the “Holdco Shares”) in exchange for and in complete redemption of the Redemption Securities and (b) Comcast Trust shall deliver to Time Warner Cable a stock certificate evidencing the Redemption Securities which shall be in definitive form and registered in the name of Comcast Trust, in proper form for transfer and, if requested by Time Warner Cable, execute, acknowledge and deliver a stock power or such other customary instruments of transfer as Time Warner Cable may reasonably request. The transactions contemplated by the preceding sentence are referred to as the “TWC Redemption.”

(iii) If the Holdco Shares are delivered to Comcast Trust (rather than Comcast Subsidiary) pursuant to Section 2.1(b)(ii), then immediately after such transaction, Comcast Trust will transfer the Holdco Shares to Comcast Subsidiary (the “Comcast Subsidiary Transfer”). For purposes of Section 2.1(e)(i) and all Authorizations required or obtained in connection with the transactions contemplated by this Agreement at the Closing, the Comcast Subsidiary Transfer will be considered as part of such transactions so that such Authorizations will allow such transfer.

(iv) Each of the parties hereto hereby agrees that its execution of this Agreement shall constitute its consent and approval of the GP Redemption, the Holdco Transaction, the TWC Redemption and the Comcast Subsidiary Transfer, if any, for all purposes. Without limiting the foregoing, Comcast Trust I hereby agrees to execute and deliver the GP Redemption and Amendment Agreement at such time prior to the Closing as Time Warner Cable shall request.

(c) Transferred Assets. “Transferred Assets” means the Cash Amount, an amount of cash equal to the cash excluded from Excluded Assets pursuant to clause (iv) of the definition thereof (other than the Cash Amount) and all of Time Warner Cable’s and its Affiliates’ right, title and interest in the assets and properties, real and personal, tangible and intangible, owned, held for use, leased, licensed or used by Time

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Warner Cable or its Affiliates primarily in the operation of the Transferred Systems as of the Closing Time (that are not Excluded Assets), which Cash Amount and right, title and interest shall be owned by Holdco as of the Closing (other than as contemplated by Section 2.1(e)(i)). The Transferred Assets shall include the following types of assets and properties:

(i) Tangible Personal Property. All tangible personal property, including towers, tower equipment, aboveground and underground cable, distribution systems, headend equipment, line amplifiers, microwave equipment, converters, testing equipment, motor vehicles, office equipment, furniture, fixtures, supplies, inventory and other physical assets (the “Tangible Personal Property”), including the Tangible Personal Property described on Schedule 2.1(c)(i);

(ii) Real Property. All fee interests in real property (including improvements thereon) (the “Owned Property”), including the interests described as Owned Property on Schedule 2.1(c)(ii), and all leases, easements, rights of access and other interests (not including fee interests) in real property (the “Real Property Interests”), including the Real Property Interests described on Schedule 2.1(c)(ii);

(iii) Franchises. All franchises and similar authorizations or similar permits issued by any Governmental Authority, (the “Transferred Systems Franchises”), including the Transferred Systems Franchises described on Schedule 2.1(c)(iii);

(iv) Licenses. All cable television relay service (“CARS”), business radio and other licenses, authorizations, consents or permits issued by the FCC or any other Governmental Authority (other than the Transferred Systems Franchises) (the “Transferred Systems Licenses”), including the Transferred Systems Licenses described on Schedule 2.1(c)(iv);

(v) Contracts. All pole line or joint line agreements, underground conduit agreements, crossing agreements, bulk service, commercial service or multiple dwelling agreements, access agreements, system specific programming agreements or signal supply agreements, agreements with community groups, commercial leased access agreements, capacity license agreements, partnership, joint venture or other similar agreements or arrangements, advertising representation and interconnect agreements, and other Contracts (including all Contracts in respect of Real Property Interests) (the “Transferred Systems Contracts”), including the Transferred Systems Contracts described on Schedule 2.1(c)(v);

(vi) Accounts Receivable and Current Assets. All subscriber, trade and other accounts receivable (including advertising accounts receivable) and pre-paid expense items;

(vii) Books and Records. All engineering records, files, data, drawings, blueprints, schematics, reports, lists, plans and processes and all files of correspondence, lists, records and reports concerning subscribers and prospective

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subscribers of the Transferred Systems, signal and program carriage and dealings with Governmental Authorities, including all reports filed by or on behalf of Time Warner Cable (or its Affiliates) with the FCC and statements of account filed by or on behalf of Time Warner Cable (or its Affiliates) with the U.S. Copyright Office (the “Books and Records”); and

(viii) Insurance and Condemnation Proceeds. All rights to insurance and condemnation proceeds received or receivable after Closing in respect of any Assumed Liabilities, all insurance and condemnation proceeds (to the extent not already expended by Time Warner Cable to restore or replace the lost, damaged or condemned asset, which replacement asset shall be a Transferred Asset) received or receivable in respect of any asset damaged, lost or condemned after the Balance Sheet Date and which if not so damaged, lost or condemned would have been a Transferred Asset and all insurance and condemnation proceeds received or receivable in respect of business interruption of the Transferred Systems to the extent relating to any period after Closing, in each case on an effective after-tax basis as if TWE and TWE-A/N are, in each case, instead of being partnerships, stand-alone corporations;

in the case of each of the foregoing, if such property is owned, held for use, leased, licensed or used primarily in the operation of the Transferred Systems and then only to the extent of Time Warner Cable's and its Affiliates' right, title and interest therein.

For the avoidance of doubt, and subject to Section 2.1(e), the parties intend that to the fullest extent permitted all record and beneficial ownership interests of Time Warner Cable and its Affiliates in the Transferred Assets will be transferred to Holdco in the Holdco Transaction and if any Transferring Person holds beneficial ownership in assets of the type described above while another Transferring Person holds record ownership in such assets, all of such ownership interests would be transferred to Holdco in the Holdco Transaction.

(d) Excluded Assets. Notwithstanding anything to the contrary set forth herein, all right, title and interest of Time Warner Cable and its Affiliates in, to and under the following (collectively, the "Excluded Assets"), in each case regardless of whether related to the Transferred Systems, shall not be transferred to Holdco pursuant to the Holdco Transaction and shall be retained directly or indirectly by Time Warner Cable from and after the Closing: (i) any and all cable programming services agreements (including cable guide contracts but excluding system specific programming agreements listed on Schedule 2.1(c)(v)) and any payments received or to be received with respect thereto; (ii) any and all insurance policies and rights and claims thereunder other than the matters described in Section 2.1(c)(viii); (iii) letters of credit and any stocks, bonds (other than surety bonds), certificates of deposit and similar investments; (iv) any and all cash and cash equivalents (including cash received as advance payments by subscribers in the ordinary course of business and held by Time Warner Cable or its Affiliates as of the Closing Time, but excluding cash in an amount equal to the amount of cash received as (A) subscriber deposits, (B) the cash insurance and condemnation proceeds described in Section 2.1(c)(viii), (C) petty cash on-hand, if any, (D) any cash referred to in Section 12.16, (E) cash received as advance payments

from subscribers that are not received in the ordinary course of business, (F) cash proceeds (on an effective after-tax basis as if TWE and TWE-A/N are, in each case, instead of being partnerships, stand alone corporations) of any exercise of a Transferred System Option and (G) the Cash Amount (clauses (B) (except to the extent relating to an Assumed Liability), (D), (E), (F) and (G), the "Excluded Transferred Cash") ); (v) any and all patents, copyrights, trademarks, trade names, service marks, service names, logos and similar proprietary rights, including the "Time Warner Cable" or "Road Runner" name and any derivations thereof (subject to Section 3.2 and excluding those items (other than those incorporating the "Time Warner" or "Road Runner" name) owned, licensed, used or held for use exclusively in connection with the operation of the Transferred Systems); (vi) any and all Contracts for subscriber billing services and any equipment leased with respect to the provision of services under such Contracts (subject to Section 7.9); (vii) any and all Contracts relating to national advertising sales representation; (viii) any and all agreements with Road Runner Holdco LLC or any other Internet service provider; (ix) any and all Contracts pursuant to which Time Warner Cable or any of its Affiliates procures goods or services for both the Transferred Systems and the Time Warner Cable Retained Cable Systems; (x) any and all retransmission consent agreements, except as provided in Section 7.5 with respect to certain Local Retransmission Consent Agreements as elected by Comcast Subsidiary; (xi) any and all agreements governing or evidencing an obligation of Time Warner Cable or any of its Affiliates for borrowed money; (xii) the assets described on Schedule 2.1(d); (xiii) any surplus inventory in excess of amounts of inventory held consistent with Specified Division practice; (xiv) any and all Authorizations of Governmental Authorities to provide telephony service held, directly or indirectly, by Time Warner Cable or any of its Affiliates; (xv) any and all assets relating to the Time Warner Cable 401(k) Plan and the Time Warner Cable Pension Plans; (xvi) any and all account books of original entry, general ledgers, and financial records used in connection with the Transferred Systems; (xvii) any assets of the type that would be excluded from financial statements by reason of the GAAP Adjustments; and (xviii) any intercompany account receivable created to record cash swept from the Transferred Systems prior to Closing (except to the extent such cash would be excluded from the definition of "Excluded Assets" pursuant to clause (iv) above and such cash amount is not otherwise transferred to Holdco in the Holdco Transaction); provided, that Time Warner Cable shall, at Comcast Subsidiary's request and expense, provide copies of, or information contained in, such books, records and ledgers referred to in clause (xvi) above (other than information pertaining to programming agreements that are not Transferred System-specific programming or, to the extent necessary to protect the legitimate legal, business and/or confidentiality concerns of Time Warner Cable but taking into account Holdco's and Comcast Subsidiary's need for such information, other information that is competitively sensitive, is subject to confidentiality restrictions or that contains trade secrets or other sensitive information) to the extent reasonably requested by Holdco or Comcast Subsidiary after the Closing Date.

(e) Authorizations and Consents.

(i) If and to the extent that the transfer or assignment from TWE to TWE Holdco I, from TWE-A/N to TWE, from any Transferring Person to

Time Warner Cable or from Time Warner Cable or any of its Affiliates to Holdco (or any successor thereof) of any Transferred Asset (or following such transfer or assignment, the transfer of Holdco Shares to Comcast Trust or Comcast Subsidiary, or from Comcast Trust to Comcast Subsidiary, as the case may be) would be a violation of applicable Legal Requirements with respect to such Transferred Asset, require any Authorization with respect to such Transferred Asset or otherwise adversely affect the rights of the applicable transferee thereunder then the transfer or assignment to Time Warner Cable or Holdco, as applicable, of such Transferred Asset (each a "Delayed Transfer Asset") shall be automatically deemed deferred and any such purported transfer or assignment shall be null and void until such time as all legal impediments are removed and/or such Authorizations have been made or obtained. Notwithstanding the foregoing, any such Delayed Transfer Asset shall be deemed a Transferred Asset for purposes of determining whether any Liability is an Assumed Liability.

(ii) If the transfer or assignment of any Transferred Asset intended to be transferred or assigned hereunder is not consummated prior to or at the Closing, whether as a result of the provisions of Section 2.1(e) or for any other reason, then Time Warner Cable (or its Affiliate) shall thereafter, directly or indirectly, hold such Transferred Asset for the use and benefit, insofar as reasonably possible and not prohibited under the terms of any applicable Contract, of Holdco (at the expense of Holdco). In addition, Time Warner Cable shall take or cause to be taken such other actions as may be reasonably requested by Holdco in order to place Holdco, insofar as reasonably possible, in the same position as if such Transferred Asset had been transferred as contemplated hereby and so that all the benefits and burdens relating to such Transferred Assets including possession, use, risk of loss, potential for gain, and dominion, control and command over such Transferred Asset, are to inure from and after the Closing to Holdco. To the extent permitted by Legal Requirements and to the extent otherwise permissible in light of any required Authorization, Holdco shall be entitled to, and shall be responsible for, the management of any Transferred Assets not yet transferred to it as a result of this Section 2.1(e) and the parties agree to use reasonable commercial efforts to cooperate and coordinate with respect thereto. For the avoidance of doubt, Time Warner Cable will cause TWE and each other Transferring Person to comply with the provisions hereof as if TWE or such other Transferring Person were a party hereto to the extent any Transferred Asset was intended to be, but was not, transferred in the GP Redemption, TWE-A/N Transfer, Subsidiary Transfers or the Holdco Transaction, as applicable.

(iii) If and when the Authorizations, the absence of which caused the deferral of transfer of any Transferred Asset pursuant to this Section 2.1(e), are obtained, the transfer of the applicable Transferred Asset to Holdco shall automatically and without further action be effected in accordance with the terms of this Agreement and the applicable Transaction Documents.

(iv) Neither Time Warner Cable nor any Affiliate thereof shall be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced by Holdco, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly

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reimbursed by Holdco except as otherwise specifically provided in this Agreement, including for this purpose Section 3.4.

(v) Prior to the Holdco Transaction, Time Warner Cable shall deliver to Holdco a list identifying, in reasonable detail and to Time Warner Cable's knowledge, the Delayed Transfer Assets and the Authorizations required therefor.

(vi) The parties hereto further agree (A) that any Delayed Transferred Assets referred to in this Section 2.1(e) shall be treated for all Income Tax purposes as assets of Holdco (or any successor thereof) and (B) not to report or take any Tax position (on a Tax Return or otherwise) inconsistent with such treatment (unless required by a change in applicable Tax law or a good faith resolution of a contest, provided that if such a resolution would result in Time Warner Cable taking a position that is inconsistent with any reporting position required to be taken under the Tax Matters Agreement the provisions of the Tax Matters Agreement shall apply).

**Section 2.2 Assumed Liabilities.** At the Closing and except as otherwise provided for herein, Holdco shall assume, and, from and after the Closing, Holdco shall pay, discharge and perform as and when due, all (a) Liabilities of Time Warner Cable and its Affiliates to the extent arising out of, resulting from or associated with the ownership and operation of the Transferred Assets and/or the Transferred Business prior to Closing, or the transfer of such Transferred Assets and/or Transferred Business at Closing, including all Master Pre-Closing Liabilities, but in each case only to the extent such Liabilities are reflected in the Closing Net Liabilities Amount used to calculate the Final Closing Adjustment Amount and (b) all Liabilities to the extent relating to, arising out of or resulting from the ownership and operation of the Transferred Assets and/or the Transferred Business after the Closing, including all Specified Launch Support Liabilities, (clauses (a) and (b) collectively, the "Assumed Liabilities"). The Assumed Liabilities shall not include (i) Excluded Tax Liabilities, (ii) Liabilities set forth on Schedule 2.2, (iii) Liabilities for long-term debt (including the current portion thereof), (iv) Liabilities to the extent arising out of, resulting from or associated with the use, ownership or operation of the Excluded Assets other than Master Pre-Closing Liabilities and Specified Launch Support Liabilities, (v) any Liabilities of Time Warner Cable or its Affiliates other than Assumed Liabilities, (vi) any Liabilities the type that would be excluded from financial statements by reason of the GAAP Adjustments or (vii) any intercompany payable created to record cash lent to the Transferred Systems prior to Closing (clauses (i) through (vii) collectively, "Excluded Liabilities").

### **Section 2.3 Registration Rights Agreement.**

(a) Comcast Trust and Time Warner Cable each hereby acknowledge and agree that any request by Comcast Trust for a demand registration under the Registration Rights Agreement prior to the date hereof (the "Previous Request") will be treated for all purposes as if it had not been made. Unless and until a subsequent request for a demand registration is delivered on or after the Tolling

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Termination Date to Time Warner Cable in accordance with the Registration Rights Agreement, Time Warner Cable will not be required to take any action under the Registration Rights Agreement in respect of any request for a demand registration thereunder.

(b) Except as set forth in Section 2.3 of the TWC Redemption Agreement, Comcast Trust hereby agrees on behalf of itself and its Controlled Affiliates that it shall not exercise (or cause to be exercised) (or make any request with respect thereto) any of its demand registration rights under the Registration Rights Agreement with respect to any "Registrable Securities" (as defined in the Registration Rights Agreement) beneficially owned by it or any of its Controlled Affiliates or otherwise prior to the Tolling Termination Date. The foregoing shall be deemed to amend, modify and supplement the Registration Rights Agreement; provided, that, it is acknowledged and agreed by Time Warner Cable that nothing contained in this Section 2.3 shall be deemed a revocation by Comcast Trust for purposes of Section 4.1(c) of the Registration Rights Agreement.

(c) Comcast Trust hereby agrees that it will not from and after the date hereof until the Tolling Termination Date transfer or otherwise dispose of any Registrable Securities to any Person unless prior to such transfer or disposition (and as a condition thereto) such Person agrees in writing to be bound by this Section 2.3 as if a party hereto and delivers a written acknowledgment of the same to Time Warner Cable (including with respect to any subsequent transfers or dispositions).

(d) In its capacity as the ultimate indirect beneficiary of the Comcast Trust, Comcast Parent hereby expressly acknowledges and approves of the agreement made by Comcast Trust in this Section 2.3.

**Section 2.4 Estimated Closing Adjustment Amount.** No later than two Business Days prior to the Closing Date, Time Warner Cable will deliver to Comcast Trust and Comcast Subsidiary a good faith estimate of the Subscriber Adjustment Amount (the "Estimated Subscriber Adjustment Amount"), if any, and a good faith estimate of the Closing Net Liabilities Adjustment Amount (the "Estimated Closing Net Liabilities Adjustment Amount"), if any, together with appropriate documentation supporting such estimates. The sum of the Estimated Subscriber Adjustment Amount and the Estimated Closing Net Liabilities Adjustment Amount is referred to herein as the "Estimated Closing Adjustment Amount" and may be a positive or a negative amount.

### **Section 2.5 Final-Closing Adjustment Amount.**

(a) No later than ninety (90) days following the Closing Date (the "Delivery Date"), (i) Comcast Subsidiary will deliver to Time Warner Cable (A) its determination of the Closing Net Liabilities Amount for Holdco and based on the foregoing, the Closing Net Liabilities Adjustment Amount, (B) its determination of the Transferred Closing Subscriber Number and the Transferred Base Subscriber Number and (C) appropriate documentation supporting such determinations (the "Comcast

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Statement") and (ii) Time Warner Cable will deliver to Comcast Subsidiary (A) its determination of the Retained Closing Subscriber Number and the Retained Base Subscriber Number and (B) appropriate documentation supporting such determinations (the "Time Warner Cable Statement"). Each such statement shall be prepared in good faith in accordance with this Agreement based on the books and records of the Transferred Systems held by Holdco or based on the books and records of the Time Warner Cable Retained Cable Systems held by Time Warner Cable, as the case may be.

(b) If Time Warner Cable disagrees with any item in the Comcast Statement delivered pursuant to Section 2.5(a)(i), Time Warner Cable may, within ninety (90) days after the Delivery Date, deliver a notice to Comcast Subsidiary disagreeing with such item and setting forth Time Warner Cable's calculation of such item, together with appropriate documentation supporting such determination. Any such notice of disagreement shall specify those items or portions thereof as to which Time Warner Cable disagrees, and Time Warner Cable shall be deemed to have agreed with all other items and portions of items contained in the Comcast Statement delivered to it pursuant to Section 2.5(a)(i). If Comcast Subsidiary disagrees with any item in the Time Warner Cable Statement delivered pursuant to Section 2.5(a)(ii), Comcast Subsidiary may, within ninety (90) days after the Delivery Date, deliver a notice to Time Warner Cable disagreeing with such item and setting forth Time Warner Cable's calculation of such item, together with appropriate documentation supporting such determination. Any such notice of disagreement shall specify those items or portions thereof as to which Comcast Subsidiary disagrees, and Comcast Subsidiary shall be deemed to have agreed with all other items and portions of items contained in the Time Warner Cable Statement delivered to it pursuant to Section 2.5(a)(ii). Any such notice shall be prepared in good faith in accordance with this Agreement based on the books and records of the Transferred Systems held by Holdco or the Time Warner Cable Retained Cable Systems, as the case may be.

(c) If a notice of disagreement shall be duly delivered pursuant to Section 2.5(b), Time Warner Cable and Comcast Subsidiary shall, during the thirty (30) days following such delivery, use their commercially reasonable efforts to reach agreement on the disputed items and amounts. If during such period, Time Warner Cable and Comcast Subsidiary are unable to reach such agreement, they shall promptly jointly retain a nationally recognized accounting firm that is not the principal independent accountant of either Comcast Parent or Time Warner Cable's ultimate parent (the "Accounting Referee") to resolve the disputed items or amounts. In making its determinations of the propriety of items and amounts, the Accounting Referee shall consider only those items (or portions thereof) or amounts as to which Time Warner Cable and Comcast Subsidiary disagree and, with respect to each item (or portion thereof) or amount, shall select a number within the range of the dispute between Time Warner Cable and Comcast Subsidiary. The Accounting Referee shall deliver to Time Warner Cable and Comcast Subsidiary, as promptly as practicable (but, in any event, within thirty (30) days after submission of the dispute to it), a report setting forth its resolution of the disputed items and amounts and based thereon (and on the items (or portions thereof) and amounts not in dispute) the Closing Adjustment Amount. Such report shall be final and binding upon Time Warner Cable and Comcast Subsidiary. The

costs of the Accounting Referee shall be shared equally by Time Warner Cable and Comcast Subsidiary. Holdco and Time Warner Cable will, and will cause their Affiliates and independent accountants to, cooperate and assist each other and the Accounting Referee in conducting their respective reviews of the amounts referred to in this Section 2.5, including without limitation, making available to the extent necessary any books, records, work papers and personnel.

(d) As used herein, the term "Final Closing Adjustment Amount" means, with respect to any determination of the Closing Adjustment Amount (as defined below): (1) if no notice of disagreement is delivered by either party in accordance with Section 2.5(b) with respect to the other party's determination of an element used to calculate the Closing Adjustment Amount, the Closing Adjustment Amount calculated based on the amounts in the Comcast Statement and the Time Warner Cable Statement; (2) if either party delivers a notice of disagreement in accordance with Section 2.5(b) and the parties reach agreement on all disputed items within 30 days following such delivery, the Closing Adjustment Amount as determined in accordance with such agreement; or (3) if either party delivers a notice of disagreement in accordance with Section 2.5(b) and the parties fail to reach agreement within 30 days, the Closing Adjustment Amount as calculated based on the undisputed amounts in the Comcast Statement and Time Warner Cable Statement and with respect to disputed items, as determined by the Accounting Referee. As used herein, the term "Closing Adjustment Amount" means the sum of the Subscriber Adjustment Amount and the Closing Net Liabilities Amount.

(e) If the Final Closing Adjustment Amount exceeds the Estimated Closing Adjustment Amount, Time Warner Cable will pay to Holdco the amount of such excess. If the Estimated Closing Adjustment Amount exceeds the Final Closing Adjustment Amount, Holdco will pay to Time Warner Cable the amount of such excess. Any payment pursuant to this Section 2.5(e) shall be made in cash at a mutually convenient time and place within three (3) days following the determination of the Final Closing Adjustment Amount. The amount of any payment to be made pursuant to this Section 2.5(e) shall bear interest from and including the Closing Date to and including the date of payment at the Base Interest Rate.

#### (f) Tax Treatment of Adjustment Payments and Interest.

(i) For all Tax purposes (unless required by a change in applicable Tax law or a good faith resolution of a contest) the parties hereto agree to treat and to cause their respective Affiliates to treat any payment pursuant to Section 2.5(e) to Holdco by Time Warner Cable (a "Time Warner Cable Adjustment Payment") or to Time Warner Cable by Holdco (a "Holdco Adjustment Payment" and, each, an "Adjustment Payment") as (x) with respect to a Time Warner Cable Adjustment Payment, a contribution by Time Warner Cable to Holdco occurring immediately prior to the Closing, and (y) with respect to a Holdco Adjustment Payment, an adjustment to the Cash Amount transferred by Time Warner Cable to Holdco pursuant to the Holdco Transaction occurring immediately prior to the Closing.

(ii) Notwithstanding Section 2.5(f)(i) above, any Adjustment Payments that represent interest payable under Section 2.5(e) hereof shall be treated for all Tax purposes (unless required by a change in applicable Tax law or a good faith resolution of a contest), as (1) deductible to the payor and (2) taxable to the payee.

(g) As used herein, the term "Closing Net Liabilities Adjustment Amount" means the excess, if any, of the Closing Net Liabilities Amount over \$17,160,000. The "Closing Net Liabilities Amount" shall equal the amount of all Liabilities of Holdco (other than the Holdco Transaction Liabilities) as of the Closing (after giving effect to the Closing), less the amount of all current assets (other than inventory and the Excluded Transferred Cash) of Holdco as of the Closing (after giving effect to the Closing), in each case as would be reflected on the face of a balance sheet (excluding any footnotes thereto) prepared in accordance with GAAP; provided that, if Comcast Subsidiary or one of its Affiliates shall have made the request provided in the first sentence of Section 3.1(g)(v), the Actuarial Amount shall be treated as a Liability on the face of such balance sheet prepared in accordance with GAAP for purposes of this calculation and if Comcast Subsidiary or any of its Affiliates has not made such request the Liabilities assumed by Comcast Subsidiary pursuant

to the last sentence of Section 3.1(g)(v) shall be treated as a Liability on the face of such balance sheet prepared in accordance with GAAP for purposes of this calculation. The Closing Net Liabilities Amount shall be deemed to include (without duplication) assets or Liabilities of Comcast Subsidiary or its Affiliates or Holdco conveyed or assumed (as applicable) pursuant to Section 3.1, to the extent such assets or Liabilities would be reflected on the face of a balance sheet of the Transferred Business (excluding any footnotes thereto) prepared in accordance with GAAP as of the Closing Time, but without giving effect to the Closing. Current assets shall include, but shall not be limited to, all cash and cash equivalents (including the cash paid to Comcast Subsidiary pursuant to Section 3.1(h) but excluding the Excluded Transferred Cash), prepaid expenses, funds on deposit with third parties, and accounts receivable other than (i) the portion of any account receivable resulting from cable, telephony, data or Internet service sales that is sixty (60) days or more past due as of the Closing Date, (ii) the portion of any national agency account receivable resulting from advertising sales that is one hundred and twenty (120) days or more past due as of the Closing Date, (iii) any non-national agency account receivable resulting from advertising sales any portion of which is ninety (90) days or more past due as of the Closing Date, (iv) accounts receivable from customers whose accounts are inactive as of the Closing Date or (v) any accounts receivable that have not arisen from a bona fide transaction in the ordinary course of business. For purposes of making the foregoing "past due" calculations, the billing statements of a Transferred System will be deemed to be due and payable consistent with ordinary accounting practice. Current Assets shall include the total SMATV Consideration paid in respect of any Excluded SMATV Acquisition. For the avoidance of doubt, Liabilities shall include, but are not limited to, the Actuarial Amount (if Comcast Subsidiary or any of its Affiliates shall have made the request provided in the first sentence of Section 3.1(g)(v)), Specified Launch Support Liabilities, accounts payable, accrued expenses (including all accrued vacation time, sick days, other accrued paid time off, copyright fees, programming expenses, Applicable Taxes, franchise fees and other license fees or charges), capitalized lease obligations, Contract obligations that are due and payable (including lease obligations), due and

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payable obligations that are subject to materialmen's, mechanic's and similar Liens, Liabilities with respect to unearned income and advance payments (including subscriber prepayments and deposits for converters, encoders, cable television service and related sales) and interest, if any, required to be paid on advance payments.

(h) "Subscriber Adjustment Amount" means an amount (which may be positive or negative) equal to the sum of the (A) product of (x) \$3,500 times (y) the Original Relative Percentage Amount times (z) the Original Transferred Base Subscriber Number plus (B) (x) \$3,500 times (y) the Designated Relative Percentage Amount times (z) the Designated Transferred Base Subscriber Number. As used herein, the term "Original Relative Percentage Amount" means an amount (which shall be expressed as a percentage and may be positive or negative) equal to (i) the Original Retained Percentage (as defined below) minus (ii) the Original Transferred Percentage (as defined below). As used herein, the term "Original Retained Percentage" means a fraction (expressed as a percentage) the numerator of which is the number of Individual Subscribers of the Time Warner Cable Retained Cable Systems as of the Closing Date (the "Retained Closing Subscriber Number") and the denominator of which is the number of Individual Subscribers of the Time Warner Cable Retained Cable Systems as of July 31, 2004 (the "Original Retained Base Subscriber Number"). As used herein, the term "Original Transferred Percentage" means a fraction (expressed as a percentage) the numerator of which is (A) the number of Individual Subscribers of the Original Systems as of the Closing Date *minus* (B) the number of Individual Subscribers of the Original Systems acquired pursuant to any Excluded SMATV Acquisition (the "Original Transferred Closing Subscriber Number") and the denominator of which is the number of Individual Subscribers of such Original Systems as of July 31, 2004 (the "Original Transferred Base Subscriber Number"). As used herein, the term "Designated Relative Percentage Amount" means an amount (which shall be expressed as a percentage and may be positive or negative) equal to (iii) the Designated Retained Percentage (as defined below) minus (iv) the Designated Transferred Percentage (as defined below). As used herein, the term "Designated Retained Percentage" means a fraction (expressed as a percentage) the numerator of which is Retained Closing Subscriber Number and the denominator of which is the number of Individual Subscribers of the Time Warner Cable Retained Cable Systems as of December 31, 2004 (the "Designated Retained Base Subscriber Number"). As used herein, the term "Designated Transferred Percentage" means a fraction (expressed as a percentage) the numerator of which is (A) the number of Individual Subscribers of the Designated Systems as of the Closing Date *minus* (B) the number of Individual Subscribers of the Designated Systems acquired pursuant to any Excluded SMATV Acquisition (the "Designated Transferred Closing Subscriber Number") and the denominator of which is the number of Individual Subscribers of such Designated Systems as of December 31, 2004 (the "Designated Transferred Base Subscriber Number").

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## ARTICLE 3 Related Matters

### Section 3.1 Employees.

(a) Employees. Each Transferred System Employee who is an employee of Time Warner Cable or one of its Subsidiaries as of immediately prior to the Holdco Transaction, including individuals on leave of absence, short-term disability and long-term disability, shall become an employee of Holdco as of the consummation of the Holdco Transaction. Employees who commence employment with Holdco in accordance with the preceding sentence shall be referred to herein as "Comcast Transferred System Employees." For the avoidance of doubt, if any employee holding the job title as of the date hereof listed on Schedule 3.1(l)(i) (as previously identified by name to Comcast Subsidiary by Time Warner Cable) remains employed by Time Warner Cable or its Affiliates on the Closing Date as permitted by Section 3.1(l) hereof, such employee shall not be a Comcast Transferred System Employee. Holdco (or its Affiliates as of the Closing) shall take such actions as are reasonably necessary to effectuate the transfer of employment described in this Section 3.1(a), including, without limitation, making a general offer of employment to each such Transferred System Employee. The parties hereto shall not take any action that is not otherwise permitted under this Article 3 that would interfere with such employees becoming employed by Holdco as of the consummation of the Holdco Transaction. Immediately following the Closing, Comcast shall cause the Comcast Transferred System Employees to be paid base salary or wage rates no less than those rates provided to such employees immediately prior to the consummation of the Holdco Transaction and to be provided benefit plan participation at levels no less favorable than those applicable to similarly situated employees of Comcast Subsidiary or its Affiliates at the time of the Closing. As of the Closing, Holdco shall have no employees other than employees who are primarily employed in connection with the Transferred Systems.

(i) Holdco shall recognize, as to each Comcast Transferred System Employee, the period of service (without duplication of benefits) with Time Warner Cable and any of its Affiliates (other than Holdco) prior to the Closing under all Time Warner Cable Benefit Plans to the extent so recognized by Time Warner Cable and its Affiliates prior to the Holdco Transaction. In addition, Holdco shall recognize, as to each Comcast Transferred System Employee, all vacation, sick days and other paid time off accrued by such Comcast Transferred System Employee but unused as of the consummation of the Holdco Transaction, in each case to the extent such amounts are reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

(ii) Notwithstanding any provision in this Agreement to the contrary, the parties hereto agree that, except to the extent used in connection with the funding of any Time Warner Cable Benefit Plan that is continued by Time Warner Cable or any of its Affiliates (other than Holdco), as of the consummation of the Holdco Transaction the parties hereto shall cause to be transferred to or held for the benefit of

Holdco their interests in all life, medical and other insurance policies to the extent relating to Transferred System Employees.

(iii) Subject to obtaining any necessary consents and except as provided in Section 7.2(h) or as otherwise provided in this Agreement, as of the consummation of the Holdco Transaction, Time Warner Cable and its Affiliates (other than Holdco) shall assign to Holdco, and Holdco shall assume, (A) all rights, obligations and Liabilities of Time Warner Cable and its Affiliates (other than Holdco) (x) under all employment agreements, unfunded compensation arrangements and employee related insurance policies and (y) for benefits accrued and payable now and in the future under all Time Warner Cable Benefit Plans, and (B) all other employment-related rights, obligations and Liabilities, in each case to the extent relating to Transferred System Employees (other than Liabilities relating to or arising under the "Time Warner Cable 401(k) Plan", the "Time Warner Cable Pension Plans" (each as defined below), the Time Warner Cable Excess Benefit Pension Plan and any equity-based compensation plans maintained by Time Warner Cable or its Affiliates) (such Liabilities shall be included in the meaning of Assumed Liabilities). With respect to the period prior to Closing, any such Liabilities shall only be assumed to the extent reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

(iv) The parties hereto agree that, except to the extent that sponsorship of a funded Time Warner Cable Benefit Plan is continued by Time Warner Cable or any of its Affiliates (other than Holdco) and except as provided in Section 7.2(h) or as otherwise provided in this Agreement, the Transferred Assets shall include any monies, contracts or other funds relating to the participation of any Transferred System Employees in any Time Warner Cable Benefit Plan, in each case to the extent such amounts, monies, contracts or other funds are reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

(v) Subject to any required notification, as of the consummation of the Holdco Transaction, the parties agree to take such action, and to cause their Affiliates to take such action, as is necessary to cause Holdco to succeed to the rights and obligations of Time Warner Cable and its Affiliates (other than Holdco), including its rights and obligations with respect to any "multiemployer plan" (as defined in Section 3(37) of ERISA), under any collective bargaining agreement (if any so exist) to the extent such agreement covers Transferred System Employees.

(b) Continued Employment with Holdco. Effective as of the Closing, all Comcast Transferred System Employees shall continue to be employees of Holdco and shall cease to be employees of Time Warner Cable or any of its Subsidiaries. Effective as of the Closing, Time Warner Cable shall discontinue providing benefits to Comcast Transferred System Employees under all Time Warner Cable Benefit Plans except as otherwise required by law or as contemplated under this Agreement.

(c) Severance-Related Liabilities. Comcast Subsidiary and Holdco shall be responsible for all Liabilities with respect to any Comcast Transferred System Employee in connection with the termination of such employee's employment on

or after the Closing, and any Liability for WARN and severance payments and benefits under the TWC Severance Pay Plan or any individual employment or severance arrangement, each, in accordance with its terms, applicable to a Transferred System Employee who rejects the general offer of employment made pursuant to Section 3.1(a). Notwithstanding the foregoing, Comcast Subsidiary and its Affiliates shall have no Liability with respect to the termination of employment of the employees holding the job titles as of the date hereof listed on Schedule 3.1(l)(i), if any such employee is hired by Time Warner Cable or any of its Affiliates as permitted by Section 3.1(l) in the 12 month period following the Closing.

(d) Participation in Benefit Plans. With respect to Comcast Transferred System Employees, compensation and service of such employees with Time Warner Cable and its Affiliates prior to Closing shall be recognized under all applicable Comcast Benefit Plans to the extent so recognized under the corresponding Time Warner Cable Benefit Plans prior to Closing, except to the extent that duplication of benefits would result or as otherwise provided in this Agreement.

(e) Tax-Qualified Defined Contribution Plans. As of and following the Closing, Transferred System Employees shall not be entitled to make contributions to or to benefit from matching or other contributions under the TWC Savings Plan ("Time Warner Cable 401(k) Plan"). None of Comcast Subsidiary, any of its Affiliates or Holdco shall have any Liability with respect to the Time Warner Cable 401(k) Plan, except as may be provided in any other agreement between Time Warner Cable or any of its Affiliates, on the one hand, and Comcast Subsidiary or any of its Affiliates (other than Holdco), on the other. Comcast Transferred System Employees who were participants in the Time Warner Cable 401(k) Plan immediately prior to the Closing shall become participants in a defined contribution pension plan qualified under Section 401(a) of the Code and meeting the requirements of Section 401(k) of the Code established or maintained by Comcast Subsidiary or its Affiliates (the "Comcast 401(k) Plan") as of the Closing; provided, that any Comcast Transferred System Employee with less than 6 months of service with Time Warner Cable or any of its Affiliates immediately prior to Closing will only become a participant in the Comcast 401(k) Plan after completing 6 months of combined continuous service with Time Warner Cable or any of its Affiliates (other than Holdco) and Holdco or any of its Affiliates (other than Time Warner Cable). Comcast Subsidiary or its Affiliates shall cause the Comcast 401(k) Plan to accept cash eligible rollover distributions (as defined in Section 402(c)(4) of the Code) by Comcast Transferred System Employees with respect to account balances distributed to them on or after the Closing Date by the Time Warner Cable 401(k) Plan.

(f) Tax-Qualified Defined Benefit Plans. As of the Closing, the Transferred System Employees shall cease accruing benefits under the Time Warner Cable Pension Plan, and the Time Warner Cable Union Pension Plan (collectively, the "Time Warner Cable Pension Plans"). None of Comcast Subsidiary, any of its Affiliates or Holdco shall have any Liability with respect to the Time Warner Cable Pension Plans or the Time Warner Cable Excess Benefit Pension Plan except as may be provided in any other agreement between Time Warner Cable or any of its Affiliates, on the one hand, and Comcast Subsidiary or any of its Affiliates (other than Holdco), on the other.

(g) Health and Welfare Plans.

(i) All Liabilities relating to, arising out of, or resulting from health and welfare coverage or claims incurred by or on behalf of each Transferred System Employee under any Time Warner Cable Benefit Plan that is a health or welfare plan within the meaning of Section 3(1) of ERISA (each a "Time Warner Cable Health or Welfare Plan") prior to the Closing shall be Liabilities of Holdco or one of its Affiliates to the extent such Liabilities are reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

(ii) Other than as required by COBRA, each Transferred System Employee shall cease to participate in any Time Warner Cable Health or Welfare Plan as of the Closing.

(iii) Each Comcast Transferred System Employee who, after the recognition of service provided for in Section 3.1(d) satisfies the eligibility requirements under the applicable Comcast Benefit Plan that is a health or welfare plan within the meaning of Section 3(1) of ERISA (each, a “Comcast Health or Welfare Plan”), shall be (A) entitled to enroll, effective as of the Closing, as a newly-eligible employee of Comcast Subsidiary or one of its Affiliates in the Comcast Health or Welfare Plans then available to similarly situated employees of Comcast Subsidiary or any of its Affiliates and (B) eligible to elect such coverage and benefit options as may then be available or provided under the terms of the Comcast Health or Welfare Plans to new employees of Comcast Subsidiary or any of its Affiliates. All compensation, benefit elections, deductible payments, payments toward the applicable out-of-pocket maximums and other benefit-affecting determinations affecting Comcast Transferred System Employees that, as of immediately prior to the Closing, were recognized under any Time Warner Cable Health or Welfare Plan with respect to the plan year in which the Closing occurs shall receive full recognition, credit and validity and be taken into account under the corresponding Comcast Health or Welfare Plan as of the Closing with respect to that same plan year.

(iv) With respect to any Comcast Transferred System Employee and his or her dependents (if any) who were covered under any Time Warner Cable Health or Welfare Plan immediately prior to the Closing, Comcast Subsidiary shall take, or cause to be taken, the appropriate actions reasonably necessary to ensure that the proof of insurability requirements (if any) and the preexisting condition exclusions (if any) applicable to new enrollees under the corresponding Comcast Health or Welfare Plan (if any) are waived with respect to such Comcast Transferred System Employee, to the extent that such requirements and exclusions were waived under any similar corresponding Time Warner Cable Health Welfare Plan.

(v) Upon the written request of Comcast Subsidiary or one of its Affiliates delivered to Time Warner Cable at least 60 days prior to the expected Closing Date, Time Warner Cable shall, or shall cause its Affiliates to, permit those Transferred System Employees on long-term disability or who are receiving retiree life or retiree medical benefits at the time of the Closing and who are listed on a Schedule

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3.1(g)(v) (the “Selected Employees”), such Schedule 3.1(g)(v) to be updated ten Business Days prior to the expected Closing Date, to continue to receive such coverage under the applicable long-term disability, retiree medical or retiree life plan, as applicable, sponsored or maintained by Time Warner Cable or its Affiliates and the Actuarial Amount shall be determined and taken into account as provided in Section 1.1 in the definition of “Cash Amount” and as provided in Section 2.5(g) in the definition of “Closing Net Liabilities Amount”. If Comcast Subsidiary or one of its Affiliates makes the request provided in the first sentence of this Section 3.1(g)(v), except for the payment of the Actuarial Amount, any Liability associated with any long-term disability, retiree life or retiree medical benefits, as applicable, relating to or in connection with the Selected Employees shall not be an Assumed Liability and shall be included in the meaning of Excluded Liabilities. If Comcast Subsidiary or one of its Affiliates does not make the request provided in the first sentence of this Section 3.1(g)(v), Comcast Subsidiary shall assume all Liabilities associated with any long-term disability, retiree life or retiree medical benefits relating to or in connection with the Selected Employees and such Liabilities shall be reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount.

(h) Reimbursement Account Plans. To the extent any Comcast Transferred System Employee made contributions to any Time Warner Cable Benefit Plan that is a reimbursement account plan, such as a health care or dependent care reimbursement plan (“Time Warner Cable Reimbursement Plan”), during the calendar year in which the Closing occurs, such Comcast Transferred System Employee shall be permitted to file claims for reimbursement under a Comcast Benefit Plan that is a comparable reimbursement account plan (“Comcast Reimbursement Plan”) for qualifying expenses incurred during the calendar year in which the Closing occurs, including periods prior to the Closing, for a total amount not to exceed the amount elected by such Comcast Transferred System Employee for that year under such plan. Account balances, whether positive or negative, shall be transferred and assigned to the appropriate Comcast Reimbursement Plan by Time Warner Cable or an Affiliate, as applicable. As soon as practicable following the Closing, Time Warner Cable shall pay to Comcast Subsidiary a cash amount (which amount shall be deemed to constitute a current asset of Holdco for purposes of Section 2.5(g)) equal to the aggregate positive balances as of the Closing Date of each flexible spending account of each Comcast Transferred System Employee under the applicable Time Warner Cable Reimbursement Plan. Comcast Subsidiary shall assume all obligations of Time Warner Cable with respect to each Transferred System Employee under the applicable Time Warner Cable Reimbursement Plan.

(i) COBRA. Comcast Subsidiary shall, or shall cause, each Comcast Transferred System Employee and each “qualified beneficiary” (as defined in Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and as codified in Section 4980B of the Code and ERISA Sections 601 through 608 (“COBRA”)) of each Comcast Transferred System Employee, who elects continued group health plan coverage under COBRA or incurs a “qualifying event” (as defined in COBRA) on or after the Closing, to be offered COBRA coverage on and after the Closing under a Comcast Health or Welfare Plan. Time Warner Cable and its Affiliates (other than Holdco) shall retain all obligations and Liabilities with respect to Transferred

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System Employees who elected continued group plan coverage under COBRA or incurred a “qualifying event” prior to the Closing.

(j) WARN Compliance. Comcast Subsidiary and Holdco shall be responsible for any Liability arising under the Worker Adjustment and Retraining Notification Act and any similar state or local laws (collectively, “WARN”) with respect to the termination of employment of Comcast Transferred System Employees on or after the Closing. During the period prior to the Closing, the parties agree to cooperate with each other in order to comply with WARN, including, but not limited to, Holdco or its Affiliates providing to Transferred System Employees and any applicable governmental entities or other required persons (on behalf of itself and Comcast Subsidiary) any notice and other requirements under WARN.

(k) Workers’ Compensation Liabilities. Comcast Subsidiary and Holdco shall be responsible for all workers’ compensation Liabilities relating to, arising out of, or resulting from any claim incurred for a compensable injury sustained by a Comcast Transferred System Employee on or after the Closing and, to the extent reflected in the Closing Net Liabilities Amount used in calculating the Final Adjustment Amount, before Closing.

(l) Non-Solicit Provisions.

(i) Except for the employees holding the job titles as of the date hereof listed on Schedule 3.1(l)(i) (as previously identified by name to Comcast Subsidiary by Time Warner Cable), from the date of this Agreement (or, with respect to the Designated Systems, the Amendment Date) until the first anniversary of the Closing neither Time Warner Cable nor any of its Subsidiaries will solicit any Transferred System Employees (other than for the

benefit of the Transferred Systems or with the prior written consent of Comcast Subsidiary, in each case, prior to the Closing or to comply with the provisions set forth in Section 3.1(a)).

(ii) Except for the employees holding the job titles as of the date hereof listed on Schedule 3.1(l)(i) (as previously identified by name to Comcast Subsidiary by Time Warner Cable), from the Amendment Date until the first anniversary of the Closing neither Time Warner Cable nor any of its Subsidiaries will hire any Transferred System Employees (other than for the benefit of the Transferred Systems or with the prior written consent of Comcast Subsidiary, in each case, prior to the Closing or to comply with the provisions set forth in Section 3.1(a)) ..

(iii) Notwithstanding the foregoing, advertising through mass media in which an offer of employment, if any, is available to the general public, such as magazines, newspapers and sponsorships of public events shall not be prohibited by this Section 3.1(l). Solely for purposes of this Section 3.1(l), Transferred System Employees shall in no event include the beneficiary or dependent of any Transferred System Employee unless such beneficiary or dependent is otherwise a Transferred System Employee.

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(iv) Time Warner Cable or its Affiliates shall make available to Comcast Subsidiary or its Affiliates for consultation and transitional services those employees holding the job titles as of the date hereof listed on Schedule 3.1(l)(i) (if hired or retained by Time Warner Cable or its Affiliates as permitted by this Section 3.1(l)), as reasonably requested by Comcast Subsidiary or its Affiliates. The provision of any such services shall be in accordance with the terms of Section 7.9 hereof and shall not unreasonably interfere with the performance of any such employee's duties to Time Warner Cable or its Affiliates.

(v) Solely for purposes of this Section 3.1(l), "Transferred System Employee" shall be applied so as to include any individual who as of any relevant date (which shall include the period from the date hereof (or, with respect to employees of the Designated Systems, the Amendment Date) through the Closing Date) would be a Transferred System Employee if the Closing Date occurred on such date.

(m) Confidentiality and Proprietary Information. No provision of this Section 3.1 shall be deemed to release any individual for any violation of a plan, policy, agreement or guideline regarding non-competition or pertaining to confidential or proprietary information of Time Warner Cable or any of its Affiliates or otherwise relieve any individual of his or her obligations under such guideline or any such plan, program or arrangement.

(n) No Implied Rights or Third Party Beneficiaries. The parties hereto hereby acknowledge and agree that no provision of this Agreement shall be construed to create any right, or accelerate entitlement, to any compensation or benefit whatsoever on the part of any Transferred System Employee or other future, present, or former employee of Comcast Subsidiary, Holdco, Time Warner Cable, or any of their respective Affiliates, under any Comcast Benefit Plan or Time Warner Cable Benefit Plan or otherwise. Without limiting the generality of the foregoing: (i) except as expressly provided in this Agreement, nothing in this Agreement shall preclude Comcast Subsidiary or any of its Affiliates, at any time after the Closing, from amending, merging, modifying, terminating, eliminating, reducing or otherwise altering in any respect any Comcast Benefit Plan, any benefit under any such plan or any trust, insurance policy or funding vehicle related to any Comcast Benefit Plan; and (ii) except as expressly provided in this Agreement, nothing in this Agreement shall preclude Time Warner Cable or any of its Affiliates, at any time from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any Time Warner Cable Benefit Plan, any benefit under any such plan or any trust, insurance policy or funding vehicle related to any Time Warner Cable Benefit Plan. Nothing in this Section 3.1 or elsewhere in this Agreement shall be deemed to make any employee of the parties a third party beneficiary of this Section 3.1 or any rights relating thereto.

(o) Collective Bargaining. To the extent any provision of this Agreement is contrary to the provisions of any collective bargaining agreement to which Time Warner Cable or any of its Subsidiaries is a party as of the date hereof (or, with respect to the Designated Systems, the Amendment Date) that covers Transferred System

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Employees, the terms of such collective bargaining agreement shall prevail. Should any provision of this Agreement be deemed to relate to a topic determined by an appropriate authority to be a mandatory subject of collective bargaining with respect to the Transferred System Employees, Comcast Subsidiary or Time Warner Cable or any of their respective Subsidiaries may be obligated to bargain with the union representing affected employees concerning those subjects. Comcast Subsidiary and its Subsidiaries shall be responsible for Liabilities with respect to any obligations to any collective bargaining unit that represents as of the date hereof (or, with respect to the Designated Systems, the Amendment Date) Transferred System Employees to the extent consistent with Comcast's rights and responsibilities under applicable labor law. If Time Warner Cable or any of its Affiliates acquires a duty to bargain with any labor organization with respect to Transferred System Employees, then Time Warner Cable or its Affiliates shall (i) give prompt written notice of such development to Comcast Subsidiary and (ii) not enter into any contract with such labor organization that contains a successor clause or otherwise purports to bind Comcast Trust, Comcast Subsidiary, Holdco (after the Closing) or any of their Affiliates in any way, without the prior written consent of Comcast Subsidiary.

**Section 3.2 Use of Names and Logos.** For a period of 150 days after Closing, Holdco shall be entitled to use the trademarks, trade names, service marks, service names, logos and similar proprietary rights of Time Warner Cable and its Affiliates to the extent incorporated in or on the Transferred Assets (collectively, the "Time Warner Cable Marks"), provided, that (a) Comcast Subsidiary and Holdco acknowledge that the Time Warner Cable Marks belong to Time Warner Cable and its Affiliates, and that neither Comcast Subsidiary nor Holdco shall acquire any rights therein during or pursuant to such 150-day period; (b) all such Transferred Assets shall be used in a manner consistent with the use made by Time Warner Cable and its Affiliates of such Transferred Assets prior to Closing; (c) Comcast Subsidiary shall exercise reasonable efforts to remove all Time Warner Cable Marks from the Transferred Assets as soon as reasonably practicable following Closing; and (d) the use of the Time Warner Cable Marks during such period shall inure to the benefit of Time Warner Cable and, to the extent any goodwill in the Time Warner Cable Marks is deemed to accrue during such period, to Holdco or its Affiliates, then Comcast Subsidiary agrees to cause Holdco to assign all such goodwill to Time Warner Cable; provided, that Holdco shall indemnify and hold harmless Time Warner Cable for any Liabilities arising from or otherwise relating to Holdco's use of the Time Warner Cable Marks. Upon expiration of such 150-day period, Comcast Subsidiary shall cause Holdco to remove all Time Warner Cable Marks from the Transferred Assets and destroy all unused letterhead, checks, business-related forms, preprinted form contracts, product literature, sales literature, labels, packaging material and any other materials displaying the Time Warner Cable Marks within ten Business Days and shall provide Time Warner Cable with a written certification that it destroyed any and all such materials. Notwithstanding the foregoing, Comcast Subsidiary and Holdco shall not be required to remove or discontinue using any such proprietary rights that are affixed to converters or other items located in customer homes or properties such that prompt removal is impracticable for Comcast Subsidiary and Holdco; provided, that Comcast Subsidiary and Holdco shall remove or discontinue

such proprietary rights promptly upon the return of such converters or other items to their possession.

**Section 3.3 Transfer Laws.** The parties hereto each waive compliance with Legal Requirements relating to bulk transfers applicable to the transactions contemplated hereby.

**Section 3.4 Transfer Taxes and Fees.** All sales, use, transfer and similar taxes or assessments, including transfer fees and similar assessments for Transferred System Franchises, Transferred System Licenses and Transferred System Contracts, arising from or payable by reason of or otherwise related to the Holdco Transaction, the GP Redemption, the TWE-A/N Transfer, the Subsidiary Transfers and the TWC Redemption, shall be paid one-half by Holdco and one-half by Time Warner Cable (it being understood and agreed that if any such payable is satisfied by a party or any Affiliate thereof, then promptly after the later of (x) the Closing and (y) the demand of the paying party, the other party shall reimburse the paying party for one-half of any such amounts paid by the paying party).

## **ARTICLE 4**

### **Comcast Trust's Representations and Warranties**

Comcast Trust represents and warrants to Time Warner Cable, as of the date of this Agreement and as of Closing, as follows:

**Section 4.1 Organization and Qualification of Comcast Trust.** Comcast Trust is a statutory trust duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite trust power and authority to own the Redemption Securities.

**Section 4.2 Authority.** Subject to the FCC Trust Requirements, Comcast Trust has all requisite power and authority under the terms of its declaration of trust to execute, deliver and perform this Agreement and the Transaction Documents to be executed and delivered by Comcast Trust and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by Comcast Trust have been, and in the case of the Transaction Documents to be executed and delivered by Comcast Trust and the consummation of the transactions contemplated thereby, shall at Closing have been duly and validly authorized, subject to the FCC Trust Requirements, by all necessary trust action on the part of Comcast Trust. This Agreement has been duly and validly executed and delivered by Comcast Trust and is, and in the case of the Transaction Documents to be executed and delivered by Comcast Trust, when so executed and delivered shall be, subject to the FCC Trust Requirements, the valid and binding obligation of Comcast Trust, enforceable against Comcast Trust in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

**Section 4.3 No Conflict; Required Consents.** Subject to compliance with the HSR Act, the FCC Trust Requirements, the Securities Act of 1933 (the "Securities Act") and the Securities Exchange Act of 1934 (the "Exchange Act") and except for Authorizations to be obtained by Time Warner Cable or its Affiliates, the execution, delivery and performance by Comcast Trust of this Agreement and the Transaction Documents to be executed and delivered by Comcast Trust do not and shall not: (a) conflict with or violate any provision of the certificate of trust or declaration of trust of Comcast Trust; (b) to the knowledge of Comcast Trust's operating trustee violate any provision of any material Legal Requirement; (c) without regard to requirements of notice, lapse of time, elections of other Persons or any combination thereof, conflict with, violate, result in a breach of, constitute a default under or give rise to any third party's right(s) of first refusal or similar right under any Contract to which Comcast Trust is a party relating to the Redemption Securities; or (d) to the knowledge of Comcast Trust's operating trustee require any material consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority or other Person.

**Section 4.4 Litigation.** (i) There is no Litigation pending or, to Comcast Trust's knowledge, threatened, by or before any Governmental Authority or private arbitration tribunal, against or involving the assets of Comcast Trust or any of its Controlled Affiliates; and (ii) other than the FCC Trust Requirements, there is no Judgment requiring Comcast Trust or any of its Controlled Affiliates to take any action of any kind, in either case, which could adversely affect in any material respect the ability of Comcast Trust or any of its Controlled Affiliates to perform their respective obligations under this Agreement or the other Transaction Documents.

**Section 4.5 Ownership of Redemption Securities.** Comcast Trust owns of record and, subject to the terms of its declaration of trust, beneficially, and has good and valid title to, free and clear of any Liens (other than restrictions imposed by federal and state securities Laws, pursuant to the declaration of trust of Comcast Trust, under agreements with Time Warner Cable or its Affiliates or by the FCC Trust Requirements) and Comcast Trust shall own immediately prior to Closing of record and, subject to the terms of its declaration of trust, beneficially, and will have good and valid title to, free and clear of any Liens (other than restrictions imposed by federal and state securities Laws, pursuant to the declaration of trust of Comcast Trust, under agreements with Time Warner Cable or its Affiliates or by the FCC Trust Requirements) all of the Redemption Securities. In the TWC Redemption, Comcast Trust will transfer to Time Warner Cable valid title to the Redemption Securities free and clear of any Liens, other than restrictions imposed by federal and state securities laws.

**Section 4.6 Brokers.** There is no investment banker, broker, finder or other intermediary who has been retained by or is authorized to act on behalf of Comcast Trust who might be entitled to any fee or commission from Time Warner Cable or its Affiliates in connection with the transactions contemplated by this Agreement.

## **ARTICLE 5**

### **Comcast Subsidiary's Representations and Warranties**

Comcast Subsidiary represents and warrants to Time Warner Cable, as of the date of this Agreement and as of Closing, as follows:

**Section 5.1 Organization and Qualification of Comcast Subsidiary.** Comcast Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

**Section 5.2 Authority.** Comcast Subsidiary has all requisite corporate power and authority to execute, deliver and perform this Agreement and the Transaction Documents to be executed and delivered by Comcast Subsidiary and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by Comcast Subsidiary have been, and in the case of the Transaction Documents to be executed and delivered by Comcast Subsidiary and the consummation of the transactions contemplated thereby, shall at Closing have been duly and validly authorized by all necessary corporate action on the part of Comcast Subsidiary. This Agreement has been duly and validly executed and delivered by Comcast Subsidiary and is, and in the case of the Transaction Documents to be executed and delivered by Comcast Subsidiary, when so executed and delivered shall be, the valid and binding obligation of Comcast Subsidiary, enforceable against Comcast Subsidiary in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

**Section 5.3 No Conflict; Required Consents.** Subject to compliance with the HSR Act, the FCC Trust Requirements, the Securities Act and the Exchange Act and except for Authorizations to be obtained by Time Warner Cable or its Affiliates, the execution, delivery and performance by Comcast Subsidiary and Comcast Trust of this Agreement and the Transaction Documents to be executed and delivered by Comcast Subsidiary and/or Comcast Trust do not and shall not: (a) conflict with or violate any provision of the certificate of incorporation or bylaws of Comcast Subsidiary or the certificate of trust or declaration of trust of Comcast Trust; (b) violate any provision of any material Legal Requirement; or (c) require any material consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority or other Person.

**Section 5.4 Litigation.** (i) There is no Litigation pending or, to Comcast Subsidiary's knowledge, threatened, by or before any Governmental Authority or private arbitration tribunal, against or involving the assets of Comcast Subsidiary or any of its Affiliates; and (ii) other than the FCC Trust Requirements, there is no Judgment requiring Comcast Subsidiary or any of its Affiliates to take any action of any kind, in either case, which could adversely affect in any material respect the ability of

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Comcast Subsidiary or any of its Affiliates to perform their respective obligations under this Agreement or any of the other Transaction Documents.

**Section 5.5 Brokers.** There is no investment banker, broker, finder or other intermediary who has been retained by or is authorized to act on behalf of Comcast and/or Comcast Subsidiary who might be entitled to any fee or commission from Time Warner Cable or its Affiliates in connection with the transactions contemplated by this Agreement.

**Section 5.6 Comcast Balance Sheet.** Comcast has provided to Time Warner Cable an internal unaudited consolidated balance sheet of Comcast and its Subsidiaries as of June 30, 2004 (the "Comcast Balance Sheet"). The Comcast Balance Sheet was prepared in accordance with GAAP (except for the absence of required footnotes) and fairly presents in all material respects the consolidated financial condition of Comcast and its Subsidiaries as of the date indicated therein, except that (i) the current and deferred income tax accounts were derived from the general ledgers of the Comcast unaudited consolidated balance sheet but do not reflect tax consolidation and allocation adjustments necessary to present Comcast's balance sheet on a stand alone basis and (ii) "due to related parties, net" is included as a component of stockholder's equity.

**Section 5.7 Tolling.** The FCC Trust Requirements do not prohibit, and no consent of any Governmental Authority is required with respect to, the agreements of Comcast Trust and of Comcast Parent pursuant to Section 2.3 (including the tolling of registration rights pursuant thereto).

## **ARTICLE 6** **Time Warner Cable's Representations and Warranties**

Time Warner Cable represents and warrants to Comcast Trust and Comcast Subsidiary, as of the date of this Agreement (or, with respect to the Designated Systems, the Amendment Date) (subject, in each case, to Section 7.20 with respect to Sections 6.3(c), 6.3(f) and 6.5, to the extent such Sections relate to the SSBC Systems) and as of Closing, as follows:

**Section 6.1 Organization and Qualification of Time Warner Cable.** Time Warner Cable is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Time Warner Cable and each Affiliate of Time Warner Cable that holds Transferred Assets or is otherwise a participant in any of the transactions referred to in Section 2.1(b)(i) (each, a "Transferring Person") has all requisite corporate or other entity power and authority to own and lease the Transferred Assets and to conduct the Transferred Business as currently conducted.

**Section 6.2 Authority.** Each of Time Warner Cable and Holdco has all requisite corporate power and authority to execute, deliver and perform this Agreement and the Transaction Documents to be executed and delivered by it and to consummate the transactions contemplated hereby and thereby. Each Transferring

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Person has all requisite corporate or other power and authority to execute, deliver and perform the Transaction Documents to be executed and delivered by such Transferring Person and to consummate the transactions contemplated thereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by Time Warner Cable and Holdco have been, and in the case of the Transaction Documents to be executed and delivered by Time Warner Cable or any TWC Participant and the consummation of the transactions contemplated thereby, shall at Closing have been duly and validly authorized by all necessary corporate or other entity action on the part of Time Warner Cable and each such TWC Participant. This Agreement has been duly and validly executed and delivered by Time Warner Cable and Holdco and is, and in the case of the Transaction Documents to be executed and delivered by Time Warner Cable or any TWC Participant, when so executed and delivered shall be, the valid and binding obligation of Time Warner Cable or such TWC Participant, enforceable against Time Warner Cable or such TWC Participant, as applicable, in accordance with their terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

**Section 6.3 No Conflict; Required Consents.** Except as described on Schedules 6.3 and 6.19, and subject to compliance with the HSR Act, the Securities Act and the Exchange Act and except for Authorizations required from, by or with the relevant Franchising Authorities in respect of the Franchises for the Transferred Systems, Authorizations required from, by or with the FCC in connection with a change of control of the holder and/or assignment of the Transferred System Licenses, Authorizations from state public utility commissions having jurisdiction over the assets of Transferred Systems, and Authorizations to be obtained by Comcast Subsidiary or its Affiliates, the execution, delivery and performance by Time Warner Cable and Holdco of this

Agreement and the Transaction Documents to be executed and delivered by Time Warner Cable and Holdco, and the execution, delivery and performance by each Transferring Person of the Transaction Documents to be executed and delivered by such Transferring Person, do not and shall not: (a) conflict with or violate any provision of the certificate of incorporation or by-laws or other organizational or governing documents of Time Warner Cable, Holdco or any Transferring Person; (b) violate any provision of any material Legal Requirement; (c) without regard to requirements of notice, lapse of time, elections of other Persons or any combination thereof, conflict with, violate, result in a breach of, constitute a default under or give rise to any third party's right(s) of first refusal or similar right or right of cancellation or termination, or accelerate or permit the acceleration of the performance required by or adversely effect the rights or obligations of Time Warner Cable, Holdco or any Transferring Person under any Transferred Systems Contract, Transferred Systems Franchise or Transferred Systems License; (d) result in the creation or imposition of any Lien against or upon any of the Transferred Assets other than a Permitted Lien; (e) require any material consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority; or (f) require any consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any

Person (other than any Governmental Authority), in the case of clauses (c), (d) and (f) with only such exceptions as would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect or materially delay or prevent the consummation of the transactions contemplated hereby.

#### Section 6.4 Sufficiency of Assets; Title.

(a) Except for items included in the Excluded Assets or as described on Schedule 6.4(a), (i) the Transferred Assets are all of the assets of Time Warner Cable or its Affiliates owned, used or held for use primarily in connection with the operation of the Transferred Systems, and (ii) the right, title and interest in the Transferred Assets conveyed to Holdco pursuant to the Holdco Transaction shall be sufficient to permit Holdco to operate the Transferred Systems substantially as they are being operated by Time Warner Cable and its Affiliates immediately prior to the Holdco Transaction and in compliance with all material Legal Requirements and, except where the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, in compliance with all contractual requirements that comprise part of the Assumed Liabilities. At the Closing, Holdco will have good and marketable title to (or in the case of assets that are leased, valid leasehold interests in) the tangible Transferred Assets free and clear of any Liens, other than Permitted Liens (disregarding clause (d) of the definition thereof), except where the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Notwithstanding the foregoing, the representation contained in the immediately preceding sentence shall not apply with respect to any Owned Property or Leased Property with respect to which Time Warner Cable has delivered a Title Policy, or a Title Commitment to deliver a Title Policy, as provided in Section 8.1.

(b) Except as described on Schedule 6.4(b), the Tangible Personal Property and improvements on Owned Property and real property subject to Real Property Interests are in all material respects adequate for their present uses.

#### Section 6.5 Transferred System Franchises, Transferred System Licenses, Transferred Systems Contracts, Owned Property and Real Property Interests.

(a) Except as described on Schedules 2.1(c)(ii), 2.1(c)(iii), 2.1(c)(iv), 2.1(c)(v) or Schedule 6.5(a) and except for the Excluded Assets, neither Time Warner Cable nor any of its Affiliates is bound or affected by any of the following that relate wholly or primarily to the Transferred Assets or the Transferred Systems: (i) leases of real or material personal property; (ii) Franchises, and similar authorizations for the operation of Transferred Systems, or Contracts of substantially equivalent effect; (iii) other licenses, authorizations, consents or permits of the FCC or, to the extent material, any other Governmental Authority; (iv) all Authorizations of Governmental Authorities to provide telephony services held, directly or indirectly, by Time Warner Cable or its Affiliates and used in connection with the operation of any Transferred Systems; (v) material crossing Contracts, easements, rights of way or access Contracts; (vi) pole line or joint line Contracts or underground conduit Contracts; (vii) bulk service, commercial

service or multiple-dwelling unit access Contracts which individually provide for payments by or to Time Warner Cable or its Affiliates in any twelve month period exceeding \$50,000; (viii) system-specific programming Contracts, system-specific signal supply Contracts and Local Retransmission Consent Agreements; (ix) any Contract with the FCC or any other Governmental Authority relating to the operation or construction of the Transferred Systems that are not fully reflected in the Transferred Systems Franchises, or any Contracts with community groups or similar third parties restricting or limiting the types of programming that may be shown on any of the Transferred Systems; (x) any partnership, joint venture or other similar Contract or arrangement; (xi) any Contract with Time Warner Cable or any of its Affiliates; (xii) any Contract that limits the freedom of the Transferred Systems to compete in any line of business or with any Person or in any area or which would so limit the freedom of Holdco, Comcast Subsidiary, Comcast Trust or any of their Affiliates after the Closing Date; (xiii) any Contract relating to the use by third parties of Transferred Assets to provide, or the provision by the Transferred Systems of, telephone, Internet or data services other than Contracts with subscribers of any such services; (xiv) any advertising representation or interconnect Contract; (xv) any Contract with any employee employed primarily in connection with the Transferred Systems; (xvi) any Contract granting any Person the right to use any portion of the cable television system plant included in the Transferred Assets; (xvii) any Contract that is not the subject of any other clause of this Section 6.5(a) that shall remain effective for more than one year after Closing (except those Contracts that may be terminated upon no more than 30 days' notice without penalty and subscription agreements with residential subscribers to provide cable service); or (xviii) any Contract other than those described in any other clause of this Section 6.5(a) which individually provides for payments by or to Time Warner Cable in any twelve month period exceeding \$500,000 or is otherwise material to the Transferred Systems.

(b) Time Warner Cable has prior to the date hereof (or, with respect to the Designated Systems or the Non-SSBC Original Systems, the Amendment Date) provided or otherwise made available (or, with respect to the SSBC Systems, will as part of delivery of the Second Stage Documents provide or otherwise make available) to Comcast Trust and Comcast Subsidiary true and complete copies of each of the Transferred Systems Franchises, Transferred Systems Licenses and Transferred Systems Contracts described on any of Schedules 2.1(c)(ii) (to the extent in the possession of Time Warner Cable or its Affiliates), 2.1(c)(iii), 2.1(c)(iv), 2.1(c)(v) and Schedule 6.5(a) (excluding Local Retransmission Consent Agreements and system-specific programming contracts), together with true and complete copies of (i) any notices alleging continuing non compliance with the requirements of any Transferred Systems Franchise, (ii) in each case any amendments to any of the items on any such Schedule (in the case of the items on Schedule 2.1(c)(ii), to the extent in the possession of Time Warner Cable or its Affiliates), (iii) in the case of oral Real Property Interests listed on Schedule 2.1(c)(ii) or oral Transferred Systems Contracts listed on Schedule 2.1(c)(v), true and complete written summaries thereof and (iv) each document in the possession of Time Warner Cable or its Affiliates evidencing or insuring Time Warner Cable's or its Affiliates' ownership of the Owned Property. Except as described in Schedule 6.5(b) and except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (i) Time Warner Cable and each of its Affiliates are in compliance with

each of the Transferred Systems Franchises, Transferred Systems Licenses and Transferred Systems Contracts; (ii) Time Warner Cable and its Affiliates have fulfilled when due, or have taken all action necessary to enable them to fulfill when due, all of their obligations under each of the Transferred Systems Franchises, Transferred Systems Licenses and Transferred Systems Contracts; (iii) there has not occurred any default (without regard to lapse of time or to the giving of notice or both) by Time Warner Cable or any of its Affiliates and, to the knowledge of Time Warner Cable, there has not occurred any default (without regard to lapse of time or the giving of notice, or both) by any other Person, under any of the Transferred Systems Franchises, Transferred Systems Licenses and Transferred Systems Contracts; and (iv) the Transferred Systems Franchises, Transferred Systems Licenses and Transferred Systems Contracts are valid and binding agreements and are in full force and effect.

(c) Schedule 2.1(c)(iii) lists the date on which each Transferred Systems Franchise shall expire.

(d) Except as described on Schedules 2.1(c)(iii), 2.1(c)(iv) or Schedule 6.5(d), there are no applications relating to any Transferred Systems Franchise or Transferred Systems Licenses pending before any Governmental Authority that are material to any of such Transferred Systems. Except as described on Schedule 6.5(d), neither Time Warner Cable nor any of its Affiliates has received, nor do any of them have notice that they shall receive, from any Governmental Authority a preliminary assessment that a Transferred Systems Franchise should not be renewed as provided in Section 626(c)(1) of the Communications Act. Except as described on Schedule 6.5(d), neither Time Warner Cable, nor any of its Affiliates nor any Governmental Authority has commenced or requested the commencement of an administrative proceeding concerning the renewal of a Transferred Systems Franchise as provided in Section 626(c)(1) of the Communications Act. Except as described on Schedule 6.5(d), Time Warner Cable and its Affiliates have timely filed notices of renewal in accordance with the Communications Act with all Governmental Authorities with respect to each Transferred Systems Franchise expiring within 30 months of the date of this Agreement. Except as described on Schedule 6.5(d), such notices of renewal have been filed pursuant to the formal renewal procedures established by Section (a) of the Communications Act. To Time Warner Cable's knowledge, there exist no facts or circumstances that make it likely that any Transferred Systems Franchise shall not be renewed or extended on commercially reasonable terms. Except as described on Schedule 6.5(d), as of the date hereof (or, with respect to the Designated Systems or the Non-SSBC Original Systems, the Amendment Date), no Governmental Authority has commenced, or given notice that it intends to commence, a proceeding to revoke or suspend a Transferred Systems Franchise.

**Section 6.6 Employee Benefits.** A true and complete list of the Time Warner Cable Benefit Plans is set forth in Schedule 6.6. Except as set forth on Schedule 6.6, none of Time Warner Cable, any of its ERISA Affiliates, any Time Warner Cable Benefit Plan other than a multiemployer plan (as defined in Section 3(37) of ERISA), or to the knowledge of Time Warner Cable, any Time Warner Cable Benefit Plan that is a multiemployer plan (as defined in Section 3(37) of ERISA) is in material violation of any provision of ERISA with respect to a Time Warner Cable Benefit Plan.

No material "reportable event" (as defined in Sections 4043(c) of ERISA), "accumulated funding deficiency" (as defined in Section 302 of ERISA) or "withdrawal liability" (as determined under Section 4201 et seq. of ERISA) has occurred or exists and is continuing with respect to any Time Warner Cable Benefit Plan other than a multiemployer plan (as defined in Section 3(37) of ERISA) or, to the knowledge of Time Warner Cable, any Time Warner Cable Benefit Plan that is a multiemployer plan (as defined in Section 3(37) of ERISA). After the Closing, none of Holdco, Comcast Subsidiary or any of their respective ERISA Affiliates shall be required, under ERISA, the Code or any collective bargaining agreement, to establish, maintain or continue any Time Warner Cable Benefit Plan currently maintained by Time Warner Cable or any of its ERISA Affiliates. Except as set forth in Schedule 6.6, since the Balance Sheet Date, there has been no change in the Time Warner Cable Benefit Plans or level of compensation provided the Transferred System Employees that would materially increase the cost of operating the Transferred Systems.

**Section 6.7 Litigation.** Except as set forth in Schedule 6.7, (i) there is no Litigation pending or, to Time Warner Cable's knowledge, threatened, by or before any Governmental Authority or private arbitration tribunal, against Time Warner Cable or any of its Affiliates; and (ii) there is no Judgment requiring Time Warner Cable or any of its Affiliates to take any action of any kind with respect to the Transferred Assets or the operation of the Transferred Systems, or to which Time Warner Cable or any of its Affiliates (with respect to the Transferred Systems), the Transferred Systems or the Transferred Assets are subject or by which they are bound or affected, in the case of clauses (i) and (ii), which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or materially delay or prevent the consummation of the transactions contemplated by this Agreement and the other Transaction Documents. For the avoidance of doubt, this Section 6.7 shall have no application with respect to Taxes of Time Warner Cable or any of its Affiliates.

**Section 6.8 Transferred Systems Information.** Schedule 6.8 sets forth a true and complete description in all material respects of the following information.

(a) as of the Balance Sheet Date, the approximate number of miles of plant, aerial and underground and the technical capacity of such plant expressed in MHz, included in the Transferred Assets;

(b) as of the date set forth on such Schedule (which shall be no earlier than the Balance Sheet Date), the number of Individual Subscribers, Digital Subscribers, Telephony Subscribers and High Speed Data Subscribers served by the Transferred Systems;

(c) as of the date set forth on such Schedule (which shall be no earlier than the Balance Sheet Date), the approximate number of homes passed by each of the Transferred Systems as reflected in Time Warner Cable's system records for such date;

(d) as of the date hereof (or, with respect to the Designated Systems, the Amendment Date), a description of basic and optional or tier services available from each of the Transferred Systems and the rates charged by Time Warner Cable for each;

(e) as of the hereof (or, with respect to the Designated Systems, the Amendment Date), the stations and signals carried by each of the Transferred Systems and the channel position of each such signal and station; and

(f) [Intentionally Omitted]

(g) the municipalities served by each of the Transferred Systems and the community identification numbers of such municipalities.

**Section 6.9 Compliance with Legal Requirements.** Except as set forth on Schedule 6.9, the Transferred Assets include all material Authorizations of, by or with any Governmental Authority that are necessary for the lawful conduct of the Transferred Systems as currently conducted and each of the material Authorizations is in full force and effect in all material respects. Except as set forth on Schedule 6.9, the Transferred Systems are, and have been, operated in compliance in all material respects with all material Legal Requirements and Authorizations, and, to the knowledge of Time Warner Cable, none of the Transferred Systems are under investigation with respect to or have been threatened to be charged with or given written notice of any material violation of any material Legal Requirement or Authorization.

**Section 6.10 Real Property.** Schedule 2.1(c)(ii) sets forth all leases included in the Real Property Interests (the “Leases”, and each such lease, a “Lease”) and all ownership interests in real property included in the Owned Property and all other material Real Property Interests. The Owned Property and Real Property Interests include all leases, fee interests, material easements, material access agreements and other material real property interests necessary to operate the Transferred Systems as currently conducted.

#### **Section 6.11 Financial Statements; No Adverse Change; Telephony Budget.**

(a) Time Warner Cable has provided to Comcast Trust and Comcast Subsidiary internal unaudited financial statements for the Transferred Systems consisting of balance sheets and statements of operations (i) with respect to the Original Systems, as of and for the 12 months ended December 31, 2003 and as of and for the 6 months ended June 30, 2004 and (ii) with respect to the Designated Systems, as of and for the 12 months ended December 31, 2004 (collectively, the “Transferred Systems Financial Statements”). The Transferred Systems Financial Statements were prepared in accordance with GAAP (except for the absence of required footnotes) and fairly present in all material respects the financial condition and results of operations of the Transferred Systems as of the dates and for the periods indicated therein; provided that the Transferred System Financial Statements do not reflect the following items, which may

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have been recorded within the financial results of the Transferred Systems had the Transferred Systems been stand-alone entities during the periods presented: (i) an allocation of a portion of goodwill and identifiable intangible assets, and related amortization expense, arising from recent purchase business combinations, which is recorded at the Time Warner Cable or TWE corporate level; (ii) an allocation of debt and related interest expense recorded at the Time Warner Cable or TWE corporate level; (iii) an allocation of deferred Income Taxes, Income Taxes payable and Income Tax expense recorded at the Time Warner Cable corporate level; (iv) a management fee for services provided by Time Warner Cable corporate entities has not been recorded on the books of the non-TWE systems; (v) certain balance sheet reclasses within current assets and liabilities (e.g. reclassifying debit balances in liability accounts to assets and vice versa); (vi) an allocation of certain advertising revenue that was recorded at the Time Warner Cable or TWE corporate level; (vii) an allocation of music performance royalties paid or payable to BMI, ASCAP and SESAC and programming vendor marketing support receipts or receivables that were recorded at the Time Warner Cable or TWE corporate level; (viii) an allocation of variances between actual pension expense and budgeted pension expense (e.g. the financial results of the Transferred Systems reflect budgeted pension expense); (ix) an allocation of other Time Warner Cable corporate, TWE corporate and divisional overhead that is not specifically identified to a particular cable system; (x) an allocation of certain assets, including routers and other equipment located at regional data centers, related to Time Warner Cable’s high-speed data business; (xi) certain expense accruals that are paid by Time Warner Cable or TWE corporate on behalf of the Transferred Systems including the following: (1) programming accruals of approximately one month’s service would be reflected as a liability for the Transferred Systems and liabilities in excess of one month are transferred to Time Warner Cable or TWE corporate to be paid; (2) group insurance liabilities are recorded on the balance sheet at Time Warner Cable or TWE corporate; (3) casualty insurance, including workers compensation liabilities are recorded on the balance sheet at Time Warner Cable or TWE corporate; (4) certain property tax and sales and use tax liabilities are recorded on the balance sheet at Time Warner Cable or TWE corporate; and (6) other miscellaneous liabilities related to company-wide costs are recorded on the balance sheet at Time Warner Cable or TWE corporate, which are recorded net in the intercompany payables/receivables line items on the Transferred System trial balances and (xii) third party and payroll payments made by Time Warner Cable and TWE corporate on behalf of the Transferred Systems after the monthly cut-off are not pushed down to the Transferred Systems until the following month (e.g. there is a lag between the time of payment of the liability by TWC or TWE and relieving the third-party liability at the Transferred Systems).

(b) Except as set forth in Schedule 6.11(b), (i) since Balance Sheet Date, there have been no events, circumstances or conditions that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect and (ii) since the Balance Sheet Date, the Transferred Systems and the Transferred Assets have been operated in all material respects only in the ordinary course of business consistent with past practices.

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#### **Section 6.12 Employees.**

(a) Except as set forth on Schedule 6.12(a), there are no collective bargaining agreements applicable to any Transferred System Employees, and neither Time Warner Cable nor any Affiliate of Time Warner Cable, nor Holdco as of the Closing, has any duty to bargain with any labor organization with respect to any such persons. There are not pending any material unfair labor practice charges against Time Warner Cable or any Affiliate of Time Warner Cable, or any request or demand for recognition, or any petitions filed by a labor organization for representative status, with respect to any Transferred System Employees.

(b) Except as set forth on Schedule 6.12(b), Time Warner Cable and its Affiliates have complied, and Holdco will be in compliance as of the Closing, in all material respects with all applicable Legal Requirements relating to the employment of labor, including WARN, ERISA, continuation coverage requirements with respect to group health plans and those relating to wages, hours, collective bargaining, unemployment insurance, worker’s compensation, equal employment opportunity, age, sex, race and disability discrimination, immigration control and the payment and withholding of Taxes except for any non-compliance which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 6.12(b), neither Time Warner Cable nor any of its Affiliates is, and Holdco will not be as of the Closing, a party to any material labor or employment dispute involving any of its employees who render services in connection with the Transferred Systems.

(c) Except as described on Schedule 6.12(c), neither Time Warner Cable nor any of its Affiliates has any employment agreements, either written or oral, with any Transferred System Employees and none of the employment agreements listed on Schedule 6.12(c) require Comcast Subsidiary, Holdco or any of their Affiliates to employ any person after Closing.

Section 6.13 Transactions with Affiliates. Except for this Agreement and Transaction Documents to which it is a party, or as set forth on Schedule 6.13, immediately after the Closing, Holdco shall not be bound by any Contract or any other arrangement of any kind whatsoever with, or have any Liability to, Time Warner Cable or any Affiliate thereof.

Section 6.14 Undisclosed Material Liabilities. The Assumed Liabilities will include no Liabilities, and there is no existing condition, situation or set of circumstances which would reasonably be expected to result in such a Liability, other than:

- (a) the Liabilities disclosed on Schedule 6.14;
- (b) the Liabilities disclosed in the Transferred Systems Financial Statements;

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(c) the Liabilities arising in the ordinary course of business since the Balance Sheet Date in amounts substantially consistent with past practices (subject to customary cost increases); and

- (d) other Liabilities which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

**Section 6.15 Holdco; TWE Holdco I.**

(a) Holdco is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all corporate powers required to carry on its business as now conducted. Holdco is (or at the Closing will be) duly registered as a foreign corporation in all jurisdictions in which the ownership or leasing of the Transferred Assets or the nature of its activities in connection with the Transferred Systems makes such qualification necessary, with only such exceptions as would not, individually or in the aggregate, result in a Material Adverse Effect. Time Warner Cable owns all of the issued and outstanding capital stock of Holdco, free and clear of all Liens, other than restrictions imposed by applicable federal or state securities Laws. All of such capital stock is duly authorized, validly issued, fully paid and non-assessable, and was issued in compliance in all material respects with all applicable Legal Requirements. There shall be no outstanding options, warrants, rights, commitments, conversion rights, preemptive rights or agreements of any kind to which Time Warner Cable or any of its Affiliates or Holdco is a party or by which any of them is bound which would obligate any of them to issue, deliver, purchase or sell any additional shares of capital stock, units, membership, or other equity or profit interests of any kind in Holdco or any security convertible into or exercisable or exchangeable for any of the foregoing. In the TWC Redemption, Time Warner Cable will transfer to Comcast Trust or Comcast Subsidiary, as the case may be, valid title to the Holdco Shares free and clear of any Liens, other than restrictions imposed by federal and state securities laws.

(b) Prior to the Holdco Transaction, Holdco will have conducted no business or operations and will have no indebtedness and no Liabilities (excluding (i) any Liabilities for Taxes with respect to Holdco's corporate existence, (ii) any Liabilities for Taxes of any member of an Affiliated Group of which Holdco is or was a member on or prior to the Closing Date by reason of Liability under Treasury Regulation § 1.1502 -6, Treasury Regulation § 1.1502 -78 or similar provisions of state, local, provincial or foreign law and (iii) any Liabilities with respect to any employee benefit arrangements ("ERISA Group Liabilities") arising either under the Code or ERISA solely as a result of Holdco having been, at any time on or prior to Closing, a member of a group described in Section 4001(b) of ERISA or Section 414(b), (c), (m) or (o) of the Code (collectively, the "Holdco Indemnified Liabilities"), other than under this Agreement and any Transaction Document to which Holdco is a party.

(c) Prior to the Holdco Transaction, Holdco will not have been party to any Contracts other than this Agreement and any Transaction Document to which Holdco is a party. Holdco has no Subsidiaries.

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(d) No ERISA Group Liability has been incurred by Holdco and no ERISA Group Liability is reasonably expected to be asserted against Holdco for periods prior to the Closing.

(e) Prior to the Holdco Transaction, Holdco will not have, and will never have had, any employees, other than unpaid corporate officers with no entitlement to benefits or other compensation that was, is or will be a liability of Holdco.

(f) At the time of the TWC Redemption, Holdco will own the Transferred Assets, subject to the Assumed Liabilities and will have no other assets or Liabilities, except Holdco Indemnified Liabilities and Liabilities under this Agreement and any Transaction Document to which Holdco is a party.

(g) Either (i) TWE Holdco I will be a disregarded entity for federal income tax purposes as of Closing; or (ii) the contribution of assets to TWE Holdco I permitted in the last sentence of Step 3 of the Interim Steps (as defined in the TWC Redemption Agreement), if effectuated, will not impair or materially delay the Holdco Transaction, the TWC Redemption, the GP Redemption, the TWE-A/N Transfer or the Subsidiary Transfer, or otherwise adversely affect the Transferred Systems, the Transferred Business, any Transferred Assets, Comcast or any of its Affiliates. TWE Holdings shall be a Transferring Person.

Section 6.16 Insurance. Schedule 6.16 contains a list of all policies of property, fire, casualty, liability, life, workers' compensation, libel and slander, and other forms of insurance of any kind that relate to the Transferred Assets, the Transferred Systems or any of the employees, officers or directors of the Transferred Systems and are maintained by or on behalf of Time Warner Cable or its Affiliates, in each case which are in force as of the date hereof (or, with respect to the Designated Systems, the Amendment Date). All such policies are in full force and effect, all premiums due thereon have been paid by or on behalf of Time Warner Cable, and Time Warner Cable is otherwise in compliance in all material respects with the terms and provisions of such policies (after giving effect to applicable grace or cure periods). After the Closing, the terms of such policies will continue to provide coverage with respect to acts, omissions and events occurring prior to the Closing in accordance with their terms as if the Closing had not occurred. Time Warner Cable has no knowledge of any threatened termination of, material premium increase (other than with respect to customary annual premium increases) with respect to, or material alteration of coverage under, any of such policies.

Section 6.17 Intellectual Property. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or as set forth on Schedule 6.17, the Transferred Business, the Transferred Assets and the Transferred Systems do not infringe and have

Section 6.18 Brokers. There is no investment banker, broker, finder or other intermediary who has been retained by or is authorized to act on behalf of Time Warner Cable or any of its Affiliates who might be entitled to any fee or commission from Comcast Subsidiary or any of its Affiliates in connection with the transactions contemplated by this Agreement.

Section 6.19 Transferred Systems Options. Except as disclosed on Schedule 6.19, none of the Transferred Systems or any material Transferred Assets are subject to any purchase option, right of first refusal or similar arrangement which would be triggered by the sale, transfer or other disposition of such Transferred Systems or Transferred Assets (“Transferred Systems Option”).

Section 6.20 Transferred Systems Proprietary Rights. Except as described on Schedule 6.20, there is no material trademark, trade name, service mark, service name or logo, or any application therefor, owned, licensed, used or held for use by Time Warner Cable or any of its Affiliates primarily in connection with the operation of the Transferred Systems.

Section 6.21 Promotional Campaigns. After Closing, Holdco will not be obligated to continue to make promotional offers under any promotional or marketing campaigns or programs initiated or maintained by Time Warner Cable or its Affiliates with respect to the Transferred Systems; provided that, for the avoidance of doubt, individual Subscribers who subscribed for services prior to the Closing and took advantage of any such campaign or promotional offers may be entitled to continue to receive the benefits offered under such campaign or promotion in accordance with its terms after Closing. After Closing, Holdco will not be obligated to pay for any advertisements run or to be run after the Closing under promotional or marketing campaigns or programs initiated or maintained by Time Warner Cable or its Affiliates with respect to the Transferred Systems, other than campaigns initiated with the consent of Comcast Subsidiary.

#### Section 6.22 Environmental.

(a) Except as described on Schedule 6.22(a), to the knowledge of Time Warner Cable, (i) neither Time Warner Cable nor any of its Affiliates has received any notice, demand, request for information, citation, summons or order relating to any material evaluation or investigation, and (ii) neither Time Warner Cable nor any of its Affiliates is the subject of any pending or threatened material investigation, action, claim, suit, review, complaint, penalty or proceeding of any Governmental Authority or other Person, in each case with respect to the Transferred Assets, the Transferred Systems or Holdco which relate to or arise out of any Environmental Law.

(b) Except as described on Schedule 6.22(b), to the knowledge of Time Warner Cable, no Hazardous Substance has been discharged, disposed of, dumped, injected, pumped, deposited, spilled, leaked, emitted, or released at, on or under any Transferred Asset or in connection with the operation of any Transferred System or

of Holdco, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Except as described on Schedule 6.22(c), neither Time Warner Cable nor any of its Affiliates has received any written notice of, or has any knowledge of circumstances relating to, and, to the knowledge of Time Warner Cable, there are no past events, facts, conditions, circumstances, activities, practices or incidents (including but not limited to the presence, use, generation, manufacture, disposal, release or threatened release of any Hazardous Substances) relating to any Transferred Asset or in connection with the operation of any Transferred System or of Holdco, which could materially interfere with or prevent material compliance with, or which have resulted in or are reasonably likely to give rise to any material liability of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, arising under or relating to any Environmental Law.

(d) Except as set forth on Schedule 6.22(d), to Time Warner Cable's knowledge, no Transferred Asset nor any property to which Hazardous Substances located on or resulting from the use of any Transferred Asset (or from the operation of the Transferred System or Holdco), have been transported, is listed or proposed for listing on the National Priorities List promulgated pursuant to CERCLA, or CERCLIS (as defined in CERCLA) or on any similar federal, state, local or foreign list of sites requiring investigation or cleanup.

(e) Prior to the date hereof (or, with respect to the Designated Systems, the Amendment Date), Time Warner Cable has provided or made available to Comcast Trust and Comcast Subsidiary copies of all material environmental assessments, or other material environmental studies, audits, tests, reviews or other analyses of or relating to the Transferred Assets and/or Transferred Systems.

(f) None of the tangible Transferred Assets (excluding the Cash Amount) are located in New Jersey or Connecticut.

Section 6.23 Taxes. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or as set forth on Schedule 6.23:

(a) All material Applicable Tax Returns have been duly and timely filed (taking into account extensions) or, where not so timely filed, are covered under a valid extension that has been obtained therefor and the information set forth on such Tax Returns is true, correct and complete in all material respects.

(b) All Applicable Taxes shown as due on the Applicable Tax Returns referred to in clause (a) have been paid in full.

(c) All deficiencies asserted or assessments made with respect to the Transferred Business as a result of the examinations of any of the Applicable Tax Returns referred to in clause (a) (together with any interest, additions or penalties with

respect thereto and any interest in respect of such additions or penalties) have been paid in full.

(d) No issues with respect to the Transferred Business that have been raised in writing by the relevant Governmental Authority in connection with the examination of any of the Applicable Tax Returns referred to in clause (a) are pending.

(e) Schedule 6.23(e) sets forth a list of all jurisdictions (whether foreign or domestic) in which Holdco or any of the Transferred Systems currently file Applicable Tax Returns. No written claim with respect to Applicable Taxes has been made by any Governmental Authority in a jurisdiction where the Transferred Business does not file Applicable Tax Returns that it is or may be subject to taxation by that jurisdiction.

(f) There are no liens for Applicable Taxes upon the assets or properties of the Transferred Business, except for liens for Applicable Taxes not yet due and payable or being contested in good faith by appropriate proceedings.

Section 6.24 Tax Matters Agreement Representations. The representations and warranties set forth in Section 3 of the Tax Matters Agreement in the form attached hereto as Exhibit B are made as of the date hereof as if set forth in full herein.

## ARTICLE 7 Covenants

Section 7.1 Certain Affirmative Covenants of Time Warner Cable. Except as otherwise expressly contemplated hereunder (including with respect to each of the Transactions) or as Comcast Subsidiary may otherwise consent in writing, which if requested shall not be unreasonably withheld or delayed, between the date of this Agreement, or with respect to the Designated Systems, the Amendment Date (or with respect to Section 7.1(h), the Option Exercise Date, and with respect to Section 7.1(i) (other than clauses (iii) and (iv) thereof), the Amendment Date) and the Closing Time, Time Warner Cable, with respect to each of the Transferred Systems and the Transferred Assets, shall, and shall cause its Affiliates to:

(a) operate or cause to be operated each Transferred System only in the usual, regular and ordinary course and in accordance with applicable material Legal Requirements (including completing line extensions, placing conduit or cable in new developments, fulfilling installation requests and continuing work on existing construction projects);

(b) perform all of its obligations under all of the Transferred Systems Franchises, Transferred Systems Licenses and Transferred Systems Contracts without material breach or default and pay its Liabilities in the ordinary course of business;

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(c) (i) maintain or cause to be maintained (A) the Transferred Assets in adequate condition and repair for their current use, ordinary wear and tear excepted, and (B) in full force and effect policies of insurance with respect to the Transferred Assets and the operation of the Transferred Systems in such amounts and with respect to such risks as are customarily maintained with respect to the Time Warner Cable Retained Cable Systems and (ii) enforce in good faith the rights under insurance policies referred to in (i)(B);

(d) deliver to Comcast Trust and Comcast Subsidiary reasonably promptly true and complete copies of all monthly trial balances, financial statements and Subscriber and other service recipient (including Individual Subscribers, Digital Subscribers, Telephony Subscribers and High Speed Data Subscribers) counts with respect to each Transferred System, management and operating reports and any written reports or data with respect to the operation of any Transferred System prepared by or for Time Warner Cable or its Affiliates at any time from the date hereof until Closing;

(e) maintain or cause to be maintained its books, records and accounts with respect to the Transferred Assets and the operation of each Transferred System in the usual, regular and ordinary manner on a basis consistent with past practices;

(f) [Intentionally Omitted]

(g) use commercially reasonable efforts to renew any Transferred System Licenses which expire prior to the Closing Date;

(h) use its commercially reasonable efforts to obtain in writing as promptly as practicable the Time Warner Cable Required Consents and any other consent, authorization or approval necessary or commercially advisable in connection with the transactions contemplated hereunder (and shall deliver to Comcast Trust and Comcast Subsidiary copies of any such Time Warner Cable Required Consents and such other consents, authorizations or approvals as it obtains), in each case in form and substance reasonably satisfactory to Comcast Subsidiary; provided, that (i) Time Warner Cable shall have no obligation to make any payment (other than customary filing fees) to, or agree to any concession to, any Person to obtain any such consent, authorization or approval; and (ii) Time Warner Cable shall afford Comcast Subsidiary the opportunity to review and approve the form of Time Warner Cable Required Consent and such other consents prior to delivery to the party whose consent is sought and Time Warner Cable shall not accept or agree or accede to any modifications or amendments to or in connection with, or any conditions to the transfer of, any of the Transferred Systems Franchises, Transferred Systems Licenses or Transferred Systems Contracts of the Transferred Systems that are not approved in writing by Comcast Subsidiary, which approval shall not be unreasonably withheld or delayed. Time Warner Cable agrees, upon reasonable prior notice, to allow representatives of Comcast Subsidiary to attend meetings and hearings before applicable Governmental Authorities in connection with the transfer of any Transferred Systems License or Transferred Systems Franchise.

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Notwithstanding the foregoing, Time Warner Cable shall not have any further obligation to obtain Time Warner Cable Required Consents:

(i) with respect to Contracts relating to pole attachments where the licensing Person shall not consent to an assignment of such license agreement but requires that Holdco enter into a new agreement with such Person on overall terms which are no less favorable to Holdco than the original license agreement was to Time Warner Cable, in which case Time Warner Cable shall cooperate with and assist Comcast Subsidiary and Holdco in obtaining such agreements; and

(ii) for any business radio license or any private operational fixed service ("POFS") microwave license which Time Warner Cable Required Consent could reasonably be expected to be obtained within 120 days after Closing and so long as a conditional temporary authorization (for a business radio license) or a special temporary authorization (for a POFS license) is obtained by Holdco under FCC rules with respect thereto;

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(i) (i) use its commercially reasonable efforts to preserve the current business organization of each Transferred System intact, including preserving existing relationships with Governmental Authorities, suppliers, customers and others having business dealings with each Transferred System, unless Comcast Subsidiary requests otherwise, (ii) use commercially reasonable efforts to keep available the services of its employees providing services in connection with each Transferred System, (iii) continue normal marketing, advertising and promotional expenditures with respect to each Transferred System and (iv) (A) prior to January 1, 2005, make capital expenditures in accordance with the August 2004 re-estimated capital budget of each Transferred System set forth on Schedule 7.1(i)(A) (the “2004 Capital Budget”) and from January 1, 2005 through December 31, 2005 make capital expenditures in accordance with the 2005 capital budget of each Transferred System set forth on Schedule 7.1(i)(B) (the “2005 Capital Budget”), (B) prior to January 1, 2005, make aggregate expenditures (other than Variable Expense Items) in accordance with the 2004 operating budget for each Transferred System set forth on Schedule 7.1(i)(C) (the “2004 Operating Budget”, and together with the 2004 Capital Budget, the “2004 Budgets”) and from January 1, 2005 through December 31, 2005 make aggregate expenditures (other than Variable Expense Items) in accordance with the 2005 operating budget for each Transferred System set forth on Schedule 7.1(i)(D) (the “2005 Operating Budget”, and together with the 2005 Capital Budget, the “2005 Budgets”) and (C) until January 1, 2006, make telephony capital and telephony operating expenditures with respect to the Transferred Systems on a non-discriminatory basis as compared to the Specified Division; provided, however, that, in each case, deviations (positive or negative) in any such expenditures by no more than 5% of the aggregate budgeted amount shall be deemed to be in accordance with the 2004 Budgets or 2005 Budgets, as applicable; provided, further, that, in any event, deviations (positive or negative) in any expenditures contemplated by the telephony budgets included in any Budget shall be deemed to be in accordance with such Budget so long as Time Warner Cable shall have used commercially reasonable efforts to operate in accordance with such telephony budgets;

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(j) except as otherwise provided in this Agreement, Time Warner Cable will use commercially reasonable efforts to promptly notify Comcast Trust and Comcast Subsidiary of any circumstance, event or action by Time Warner Cable or any of its Subsidiaries or otherwise, that becomes known to Time Warner Cable, (i) which, if known at the date of this Agreement (or, with respect to the Designated Systems, the Amendment Date), would have been required to be disclosed in or pursuant to this Agreement or (ii) the existence, occurrence or taking of which would result in any of its representations and warranties in this Agreement or in any Transaction Document to which it or any Transferring Person is a party not being true and correct in all material respects (or if qualified by materiality or Material Adverse Effect, in all respects) when made or at Closing (unless and to the extent that any such representation or warranty speaks specifically as of an earlier date, in which case, at such earlier date); provided, that any notification provided by Time Warner Cable solely pursuant to this subsection shall not be deemed to update the Schedules to this Agreement under Section 7.11 hereof unless Time Warner Cable expressly specifies that such notification is intended as an update pursuant to Section 7.11;

(k) give or cause to be given to Comcast Subsidiary, and its counsel, accountants and other representatives, (i) as soon as reasonably possible, but in any event prior to the date of submission to the appropriate Governmental Authority, copies of all FCC Forms 1200, 1205, 1210, 1215, 1220 and 1240, and simultaneous with, or as soon as reasonably possible after submission to the appropriate Government Authority, any other FCC Forms required under the regulations of the FCC promulgated under the Cable Act that are prepared with respect to any of the Transferred Systems and (ii) as soon as reasonably possible after filing, copies of all copyright returns filed in connection with any Transferred System; provided, that in the case of clause (i), before any such FCC Forms 1200, 1205, 1210, 1215, 1220 or 1240 are filed, Time Warner Cable and Comcast Subsidiary shall consult in good faith concerning the contents of such forms;

(l) use commercially reasonable efforts to implement all rate changes provided for in the 2004 Operating Budget and the 2005 Operating Budget, as applicable or, with respect to periods after January 1, 2006, rate changes in the ordinary course of business; and

(m) maintain inventory sufficient for the operation of the Transferred Systems in the ordinary course of business for a period of time consistent with the period of time such inventory is maintained for the Specified Division.

**Section 7.2 Certain Negative Covenants of Time Warner Cable.** Except as otherwise expressly contemplated hereunder (including with respect to the Holdco Transaction) or as Comcast Subsidiary may otherwise consent in writing, which if requested shall not be unreasonably withheld or delayed, between the Amendment Date and the Closing or, with respect to Sections 7.2(d) (to the extent relating to Section 6.24), (h), (j), (k), (m), (n), (o), (p), (q) and (r) (and, to the extent relating to such Sections, Section 7.2(s)), between the date hereof (or, with respect to the Designated Systems, the Amendment Date) and the Closing, Time Warner Cable shall not, and shall cause its

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Affiliates not to, with respect to any of the Transferred Systems or the Transferred Assets (and, in the case of Section 7.2(d) (and, to the extent relating thereto, Section 7.2(s)), the transactions contemplated hereby):

(a) modify, terminate, renew, suspend or abrogate any material Transferred Systems Contract other than in the ordinary course of business;

(b) modify in any material respect, terminate, renew, suspend or abrogate any Transferred Systems Franchise or material Transferred Systems License;

(c) except as set forth on Schedule 7.2(c), and except for Contracts in respect of SMATV Acquisitions (other than any SMATV Acquisition in which the SMATV Purchase Price Per Subscriber exceeds \$3,500) and renewals and extensions of leases, in each case entered into in the ordinary course of business, enter into any Contract or commitment of any kind relating to the Transferred Systems which would be binding on Holdco after Closing and which (i) would involve an aggregate expenditure or receipt in excess of \$500,000 after Closing; (ii) would have a term in excess of one year after Closing unless terminable without payment or penalty upon 30 days’ (or fewer) notice (other than with respect to bulk service, commercial service or multiple dwelling unit access Contracts); (iii) is not being entered into in the usual regular and ordinary course and in accordance with past practices; (iv) would limit the freedom of Holdco, Comcast or any Affiliate of Comcast to compete in any line of business or with any Person or in any area; (v) relates to the use of the Transferred Assets by third parties to provide telephone or high speed data services; (vi) is not on arm’s-length terms; or (vii) is with Time Warner Cable or an Affiliate of Time Warner Cable and is not terminated prior to the Closing without penalty and without liability on the part of Holdco or its Affiliates from and after Closing;

(d) enter into any transaction or take any action that would result in any of its representations and warranties in this Agreement or in any Transaction Document to which it or any of its Affiliates is a party not being true and correct in all material respects (or if qualified by materiality or Material Adverse Effect, in all respects) when made or at Closing (unless and to the extent that any such representation or warranty speaks specifically as of an earlier date, in which case, at such earlier date); provided, however, that with respect to the representation and warranty provided in Section 6.24 hereof, and

subject to Section 7.2(p) hereof, Time Warner Cable and its respective Affiliates may enter into any transaction or take any action not otherwise prohibited by this Agreement provided that such transactions or actions would not (i) result in such representation and warranty not being true and correct at Closing, and (ii) reasonably be expected to (w) cause the Holdco Transaction and the TWC Redemption not to qualify as a reorganization and distribution within the meaning of Sections 368(a)(1)(D), 361(c) and 355 of the Code, (x) cause any of the shares of Holdco not to qualify as "qualified property" for purposes of Section 355(c)(2) and 361(c) of the Code, (y) cause any of the shares of Holdco to constitute "other property" for purposes of Section 355(a)(3)(B) of the Code, or (z) result in Tax consequences to Comcast or any of its Affiliates that are materially worse than the expected Tax consequences of the GP Redemption, TWE-A/N Transfer, Subsidiary Transfers, Holdco Transaction or the TWC

Redemption; provided, that, in no case, shall any or all of (I) the Adelphia Transactions (as defined in the TWC Redemption Agreement); provided, that either (i) all members (other than Holdco) of the Affiliated Group for U.S. federal income tax purposes of which TWC is (or would be), as of the date hereof, the common parent remain, immediately after the Closing, members of the Affiliated Group for U.S. federal income tax purposes of which TWC is (or would be) the common parent or (ii) to the extent that any member of the Affiliated Group for U.S. federal income tax purposes of which TWC is (or would be), as of the date hereof, the common parent (other than TWC) is not in existence immediately after the Closing, the assets of such member were transferred to another member of the Affiliated Group for U.S. federal income tax purposes of which TWC is (or would be) the common parent by reason of a transaction in which no gain or loss was recognized, in whole or in part, for U.S. federal income tax purposes, (II) Time Warner Cable ceasing to be a member of the Affiliated Group of which TWX is the parent for federal income tax purposes, (III) members of the Affiliated Group of which TWX is the parent for federal income tax purposes ceasing to own, in the aggregate, stock representing "control" of Time Warner Cable within the meaning of Section 368(c) of the Code, (IV) any change in value (including by reason of changes in the number of Individual Subscribers with respect to any of the Transferred Systems or the Time Warner Cable Retained Cable Systems), from the date hereof to the Closing of any or all of the Transferred Systems or the Time Warner Cable Retained Cable Systems, (V) a fire, theft or other casualty as contemplated in Sections 12.16(a), (VI) a Taking as contemplated in Sections 12.16(b) or (VII) the liquidation for federal income tax purposes of Time Warner Cable West Virginia LLC, a Delaware limited liability company, on or before May 12, 2005, constitute a breach of this Section 7.2(d);

(e) engage in any marketing, subscriber installation or collection practices other than in the ordinary course of business;

(f) except for rate increases provided for in the 2004 Operating Budget or the 2005 Operating Budget, as applicable, or with respect to periods after January 1, 2006, rate changes in the ordinary course of business, change the rate charged for any level of cable television service;

(g) except as required by applicable Legal Requirements and except as set forth on Schedule 7.2(g), add any channels to any Transferred System, or change the channel lineup in any Transferred System or commit to do so in the future (provided that deletions of channels shall not be considered a change in channel lineup);

(h) except for "staying" or "sticking" bonuses to induce such employees to remain with the Transferred Systems and which shall be paid for by Time Warner Cable on or prior to Closing, grant or agree to grant to any employee of the Transferred Systems any increase in (i) wages or bonuses except in the ordinary course of business and consistent with past practices or (ii) any severance, profit sharing, retirement, deferred compensation, insurance or other compensation or benefits, except in the ordinary course of business and consistent with past practices;

(i) engage in any hiring practices that are materially inconsistent with past practices;

(j) transfer the employment duties of any employee of a Transferred System from such Transferred System to a different business unit or Subsidiary of Time Warner Cable or any of its Affiliates;

(k) sell, assign, transfer or otherwise dispose of any Transferred Assets except in the ordinary course of business and except for (i) the disposition of obsolete or worn-out equipment, (ii) dispositions with respect to which such Transferred Assets are replaced with assets of at least equal value, (iii) the Holdco Transaction, or (iv) transfers solely among Time Warner Cable and its Affiliates (whereupon any such transferee would become a "Transferring Person" hereunder); provided, for the avoidance of doubt, that the foregoing clause shall not permit the disposition of any Transferred System other than pursuant to the Transaction;

(l) mortgage, pledge or subject to any material Lien that would survive the Closing, any of the Transferred Assets or the Transferred Systems other than Permitted Liens;

(m) enter into any Transferred System specific programming agreement (other than Local Retransmission Consent Agreements) relating to the Transferred Assets or the Transferred Systems that is not terminated prior to the Closing without penalty and without liability on the part of Holdco or its Affiliates from and after Closing;

(n) make any cost-of-service or hardship election under the Rules and Regulations adopted under the Cable Act;

(o) make any material change to any method of accounting except for any such change required by reason of a concurrent (including any transition period) change in GAAP or applicable law or any change respecting the Specified Division made in accordance with GAAP; provided, that no such change shall affect the calculation of the Closing Net Liabilities Amount;

(p) make or change in any material respect any Tax election, change any annual Tax accounting period or adopt or change any method of Tax accounting, file any amended Tax Returns enter into any closing agreement, settle any Tax claim or assessment, surrender any right to claim a Tax Refund, offset or any other reduction in Tax liability or consent to any extension or waiver of the limitations period applicable to any Tax claim or assessment, in each case, in a manner that is inconsistent with the Tax treatment applicable to the Time Warner Cable Retained Cable Systems; or

(q) convert any billing systems used by the Transferred Systems (other than the conversion described on Schedule 7.2(q));

(r) launch cable telephony service in any Transferred System identified on Schedule 7.2(r); or

(s) announce an intention, commit or agree to do any of the foregoing.

#### Section 7.3 Certain Additional Covenants Regarding Required Consents; HSR Act Filing.

(a) By no later than 45 days after the Option Exercise Date, Comcast Trust, Comcast Subsidiary and Time Warner Cable shall provide each other with all necessary documentation to allow filing of FCC Forms 394 with respect to the Transferred Systems Franchises. Comcast Trust, Comcast Subsidiary and Time Warner Cable shall use commercially reasonable efforts to cooperate with one another and file with the applicable Governmental Authority FCC Forms 394 for each of the Transferred System Franchises which requires the consent of such Governmental Authority in connection with the transactions contemplated by this Agreement, no later than 60 days after the Option Exercise Date.

(b) Subject to Section 7.1(h), from and after the Option Exercise Date, the parties shall use their commercially reasonable efforts to cooperate with each other in obtaining the Time Warner Cable Required Consents and any other consent, Authorization or approval, including with the relevant franchising authorities in respect of the Transferred Systems Franchises, necessary or commercially advisable with respect to the transactions contemplated hereunder including, to the extent commercially reasonable, the attendance of representatives of Comcast Trust and Comcast Subsidiary at meetings and hearings before applicable Governmental Authorities in connection with the transfer of any Transferred Systems License or Transferred Systems Franchise and by providing appropriate financial statements, insurance certificates and surety bonds required to obtain such Time Warner Cable Required Consents.

(c) The parties shall as soon as practicable after the Option Exercise Date, but in any event no later than 20 Business Days after the Option Exercise Date, complete and file, or cause to be completed and filed, any notification and report required to be filed under the HSR Act with respect to the transactions contemplated by this Agreement and each such filing shall request early termination of the waiting period imposed by the HSR Act. The parties shall use commercially reasonable efforts to respond as promptly as reasonably practicable to any inquiries or requests received from a Governmental Authority for additional information or documentation in connection with antitrust matters. The parties shall use commercially reasonable efforts to overcome any objections which may be raised by any Governmental Authority having jurisdiction over antitrust matters. Each party shall cooperate to prevent inconsistencies between their respective filings and between their respective responses to all such inquiries and requests, and shall furnish to each other such necessary information and reasonable assistance as the other may request in connection with its preparation of necessary filings or submissions under the HSR Act. Notwithstanding the foregoing or anything else in the Agreement to the contrary, neither party shall be required to enter into any consent decree with any Governmental Authority relating to antitrust matters or to sell or hold separate any assets or make any change in operations or activities of the business (or any material assets employed therein) of such party or its Affiliates, if a party determines in

good faith that such change would be adverse to the operations or activities of the business (or any material assets employed therein) of such party or any of its Affiliates having significant assets, net worth or revenue. The cost of any filing fees in connection with any required filing pursuant to the HSR Act shall be borne equally by Comcast Subsidiary and Time Warner Cable.

(d) The parties understand and agree that as part of the FCC Trust Requirements the declaration of trust of Comcast Trust may be required to be amended in order to permit the TWC Redemption or the Comcast Subsidiary Transfer, and any such amendment would require approval of the FCC. If such amendment is required, Comcast Trust and Comcast Subsidiary agree to use commercially reasonable efforts to obtain such approval prior to Closing, and if such approval is obtained, Comcast Trust and Comcast Subsidiary will amend the declaration of trust of Comcast Trust to permit the consummation of the transactions contemplated by this Agreement.

#### Section 7.4 Confidentiality and Publicity.

(a) Unless and until Closing occurs, any non-public information that any party may obtain from the other in connection with this Agreement shall be confidential, and following Closing, each party shall keep confidential any non-public information that such party may receive from another party in connection with this Agreement unrelated to the Transferred Systems or Transferred Assets and Time Warner Cable and its Affiliates shall keep confidential any non-public information in their possession related to the Transferred Systems and Transferred Assets (any such information that a party is required to keep confidential pursuant to this sentence shall be referred to as "Confidential Information"). No party shall disclose any Confidential Information to any other Person (other than its Affiliates and its and its Affiliates' directors, officers and employees, and representatives of its advisers and lenders, in each case, whose knowledge thereof is necessary in order to facilitate the consummation of the transactions contemplated hereby, in which case such party shall be responsible for any breach by any such Person) or use such information to the detriment of the other; provided, that (i) such party may use and disclose any such information once it has been publicly disclosed (other than by such party in breach of its obligations under this Section) or which, to its knowledge, rightfully has come into the possession of such party (other than from the other party), and (ii) to the extent that such party may, in the reasonable judgment of its counsel, be compelled by Legal Requirements to disclose any of such information, such party may disclose such information if it has used commercially reasonable efforts, and has afforded the other the opportunity, to obtain an appropriate protective order, or other satisfactory assurance of confidential treatment, for the information compelled to be disclosed and (iii) such party may use and disclose such information to the extent reasonably necessary to permit such party to file Tax Returns, defend any dispute relating to Taxes, claim any Refund or otherwise provide information to a Governmental Authority in connection with any other Tax Proceeding and (iv) such party may use and disclose such information to the extent necessary to comply with Legal Requirements or any periodic reporting obligations such party may have by virtue of such party or any of its Affiliates having securities listed on a national securities exchange or quotation system. In the event of termination of this Agreement, (A) the obligation set

forth in this Section shall continue for a period of two years after such termination, and (B) each party shall use commercially reasonable efforts to cause to be delivered to the other, and to retain no copies of, any documents, work papers or other materials obtained by such party or on its behalf from the other, whether so obtained before or after the execution of this Agreement. For the avoidance of doubt, Comcast Trust may disclose any Confidential Information to Comcast Subsidiary and its Affiliates and their respective representatives.

(b) Each of the parties hereto shall consult with and cooperate with the others with respect to the content and timing of all press releases and other public announcements, and any oral or written statements to Transferred System Employees concerning this Agreement and the transactions contemplated hereby. Except as required by applicable Legal Requirements or by any national securities exchange or quotation system, no party hereto shall make

any such release, announcement or statement without the prior written consent and approval of the other, which shall not be unreasonably withheld. The party receiving a request for a consent shall respond promptly to any such request for consent and approval.

(c) At Comcast's request, which shall be provided to TWC no later than thirty (30) days prior to the expected Closing Date (such date, the "Diligence Request Date"), TWC shall provide Comcast with (i) the most recent consolidated balance sheet for the TWC Affiliated Group (as defined in the Tax Matters Agreement) as of the Diligence Request Date, (ii) a reasonable good faith estimate of the aggregate number of Individual Subscribers of such TWC Affiliated Group (as defined in the Tax Matters Agreement) as of the Diligence Request Date; (iii) summary financial information with respect to any nonconsolidated investments of any member of the TWC Affiliated Group (as defined in the Tax Matters Agreement) as of the Diligence Request Date; and (iv) a reasonable good faith estimate of the aggregate number of Individual Subscribers of the Transferred Systems as of the Diligence Request Date.

**Section 7.5 Retransmission Consent Agreements.** On or prior to the date which is 45 days prior to the anticipated date of Closing, Time Warner Cable shall deliver to Comcast Trust and Comcast Subsidiary a list of all Local Retransmission Consent Agreements then in effect with respect to the Transferred Systems. By written notice delivered to Time Warner Cable at least 30 days prior to Closing, Comcast Subsidiary may, in its sole discretion, elect to have Holdco assume one or more of the Local Retransmission Consent Agreements, in which case Time Warner Cable shall use commercially reasonable efforts to obtain any required Authorizations for such assumption. The foregoing shall be subject to Section 2.1(e) to the extent any related Authorization is not obtained. Any Local Retransmission Consent Agreements which Comcast Subsidiary elects to have Holdco assume pursuant to this Section 7.5 shall be included in the Transferred Assets. To the extent the provisions of this Section 7.5 conflict with any other provision of this Agreement, the provisions of this Section 7.5 shall control.

**Section 7.6 Title Insurance Commitments.** Time Warner Cable shall use commercially reasonable efforts to provide to Comcast Subsidiary, within 90 days

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from the date Time Warner Cable receives the Title Commitment Notice, or, in the case of any Survey, such longer period of time as is necessary to obtain such Survey with the exercise of reasonable diligence, (a) commitments to issue to Holdco title insurance policies ("Title Commitments") in amounts reasonably satisfactory to Comcast Subsidiary issued by a nationally recognized title insurance company (a "Title Company") and containing, to the extent available, legible photocopies of all recorded items described as exceptions therein, committing to insure, subject only to Permitted Liens, fee or a valid leasehold title, as applicable, in Holdco to each parcel of Owned Property or Leased Property designated by Comcast Subsidiary by notice (the "Title Commitment Notice") delivered to Time Warner Cable within 30 days following the Option Exercise Date by ALTA extended coverage owner's or leasehold policies of title insurance, or, if ALTA policies are not obtainable in any state, policies in another form reasonably satisfactory to Comcast Subsidiary, and (b) surveys of each parcel of Owned Property or Leased Property designated by Comcast Subsidiary in the Title Commitment Notice ("Surveys"), in such form as is reasonably necessary to obtain the title insurance to be issued pursuant to the related Title Commitments with the standard printed exceptions relating to survey matters deleted, certified to Holdco, Comcast Subsidiary and to the Title Company with respect to that Owned Property or Leased Property, provided that Time Warner Cable's inability to provide Title Commitments satisfying the foregoing requirements shall not constitute a breach of the foregoing covenant if the Liens, or other matters relating to title, giving rise to such inability would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. In no event shall Time Warner Cable be obligated to procure a Title Commitment for any Leased Property with respect to which the Lease or a memorandum thereof has not been recorded in the land records of the county in which the Leased Property is located. The cost to obtain such Title Commitments and Surveys and other documents required by the Title Company to issue such policies and Surveys, as well as the cost of title policy premiums, shall be borne by Comcast Subsidiary, except for attorney's fees and other incidental costs incurred by Time Warner Cable in connection with providing such Title Commitments and Surveys and otherwise complying with this Section 7.6. If Comcast Subsidiary notifies Time Warner Cable within 30 days following delivery to Comcast Subsidiary of both the Title Commitments and the Surveys of any Lien (other than a Permitted Lien or a Lien set forth in Schedule 6.4(a)) which prevents access to or which could prevent or impede in any material way the use or operation of any parcel of Owned Property or Leased Property for which a Title Commitment is required pursuant to this Section 7.6 for the purposes for which it is currently used or operated by Time Warner Cable (each a "Title Defect"), Time Warner Cable shall exercise commercially reasonable efforts, including paying attorney's fees and other incidental costs associated with any such efforts, to (i) remove such Title Defect, or (ii) cause the Title Company to commit to insure over each such Title Defect prior to Closing at customary premium rates without additional premium or charge. If such Title Defect cannot be removed prior to Closing or the Title Company does not commit to insure over such Title Defect prior to Closing, Comcast Subsidiary and Time Warner Cable shall enter into a written agreement containing Time Warner Cable's commitment to use commercially reasonable efforts for 180 days following Closing to remedy the Title Defect following Closing on terms satisfactory to Comcast Subsidiary, in its reasonable discretion. Notwithstanding

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anything to the contrary contained in this Agreement, in no event shall Time Warner Cable or its Affiliates be required to remove any Liens encumbering the Owned Property and Leased Property except as expressly set forth in this Section 7.6 or to expend any moneys (other than attorneys' fees and other incidental costs as hereinabove set forth) or to incur any obligation in order to remove or cause the insuring over of any Liens (other than pursuant to customary short-form affidavits of title which do not in any event require Time Warner Cable or its Affiliates to make representations or incur obligations more onerous than those made or set forth elsewhere in this Agreement and customary gap indemnities covering Time Warner Cable's or its Affiliates' acts for the period between Closing and the recording of the applicable deed or assignment of lease with respect to such Owned Property or Leased Property), and in no event shall Time Warner Cable or its Affiliates be obligated to commence any Litigation to cause any Title Defects to be removed or insured over, and, without limiting the other provisions of this Section 7.6, in no event shall Time Warner Cable or its Affiliates be required to give a non-imputation affidavit to the title insurance company.

**Section 7.7 Intentionally Omitted.**

**Section 7.8 Post-Closing Obtaining of Consents.** Subsequent to Closing, and subject to Section 2.1(e), Time Warner Cable shall and shall cause its Affiliates to continue to use commercially reasonable efforts to obtain in writing as promptly as possible any Authorization necessary or commercially advisable in connection with the transactions contemplated hereunder which was not obtained on or before Closing (a "Post-Closing Consent") in form and substance reasonably satisfactory to Comcast Subsidiary. A true and complete copy of any such Post-Closing Consent shall be delivered to each of Comcast Subsidiary and Holdco promptly after it has been obtained.

**Section 7.9 Transitional Services.**

(a) Time Warner Cable shall provide to Holdco, upon written request from Comcast Subsidiary received by Time Warner Cable no later than 30 days prior to the anticipated date of Closing, such subscriber billing, high speed data, telephony and other services as may be reasonably

requested by Comcast Subsidiary in connection with the operation of the Transferred Systems for a commercially reasonable period following Closing to be mutually agreed upon in good faith by Time Warner Cable and Comcast Subsidiary to allow for transition of existing services or establishment of replacement services ("Transitional Services"). Holdco shall promptly reimburse Time Warner Cable for the actual out-of-pocket cost to Time Warner Cable and its Affiliates of providing any Transitional Services. All other terms and conditions for the provision of Transitional Services shall be reasonably satisfactory to both Comcast Subsidiary and Time Warner Cable and subject to applicable Legal Requirements.

(b) Time Warner Cable will, at its expense, rebuild the "HITS" headend for the Transferred System identified on Schedule 7.9 on or before the Closing and, after Closing, Time Warner Cable may, at its option, lease space from Holdco such

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that Time Warner Cable will continue to have access to a hubsite to be located on properties included in such system, all on terms mutually satisfactory to Time Warner Cable and Comcast Subsidiary to be negotiated in good faith prior to the Closing.

#### Section 7.10 Cooperation Upon Inquiries as to Rates. Comcast Subsidiary and Time Warner Cable agree as follows:

(a) For a period of 12 months after Closing, Time Warner Cable shall cooperate with and assist Holdco by providing, upon request, all information in Time Warner Cable's or its Affiliates' possession (and not previously provided to Comcast Subsidiary or Holdco) relating directly to the rates set forth in Schedule 6.8 or the then current rates with respect to any Transferred System, if different from the rates set forth on such Schedule, or the rates on any FCC Form 393, 1200, 1205, 1210, 1220, 1235, or 1240 that Holdco may reasonably require to justify such rates in response to any inquiry, order or requirement of any Governmental Authority or any Rate Regulatory Matter instituted before or after the date of this Agreement.

(b) If at any time prior to Closing, any Governmental Authority commences a Rate Regulatory Matter with respect to a Transferred System, Time Warner Cable shall (i) promptly notify Comcast Subsidiary, and (ii) keep Comcast Subsidiary informed as to the progress of any such proceeding. Without the prior written consent of Comcast Subsidiary (after the Amendment Date), which consent shall not be unreasonably withheld or delayed, Time Warner Cable shall not settle any such Rate Regulatory Matter, either before or after Closing, if (A) Holdco or any of its Affiliates would have any obligation under such settlement, or (B) such settlement would reduce the rates permitted to be charged by Holdco or any of its Affiliates after Closing below the rates set forth on Schedule 6.8 or otherwise then in effect. Notwithstanding anything to the contrary herein, after Closing, Holdco shall have the right, at its own expense, to assume control of the defense of any pending Rate Regulatory Matter, to the extent, and only to the extent, that it relates to a Transferred System. If Holdco elects to assume control of the defense of any such Rate Regulatory Matter, Time Warner Cable shall have the right to participate, at its expense, in the defense of such matter. Notwithstanding the provisions set forth in Article 11 of this Agreement, Holdco may settle any such Rate Regulatory Matter only upon Time Warner Cable's prior written consent, which consent shall not be unreasonably withheld or delayed, if Time Warner Cable would have any obligation with respect to such settlement in accordance with Article 11 hereof or otherwise.

(c) If at any time after Closing, any Governmental Authority commences a Rate Regulatory Matter with respect to a Transferred System involving any time period prior to Closing, Comcast Subsidiary shall cause Holdco to (i) promptly notify Time Warner Cable, and (ii) keep Time Warner Cable informed as to the progress of any such proceeding. Time Warner Cable shall have the right to participate, at its expense, in the defense of such matter. Notwithstanding the provisions set forth in Article 11 of this Agreement, Holdco may settle any such Rate Regulatory Matter only upon Time Warner Cable's prior written consent, which consent shall not be

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unreasonably withheld or delayed, if Time Warner Cable would have any obligation with respect to such settlement in accordance with Article 11 hereof or otherwise.

(d) For purposes hereof, "Rate Regulatory Matter" means any proceeding or investigation with respect to a Transferred System arising out of or related to the Cable Act (other than those affecting the cable television industry generally) dealing with, limiting or affecting the rates which can be charged by such Transferred System for programming, equipment, installation, service or otherwise.

(e) If Time Warner Cable or any of its Affiliates is required following Closing pursuant to any Rate Regulatory Matter or any other Legal Requirement, settlement or otherwise to reimburse any Subscribers for any Subscriber payments previously made by it, including fees for cable television service, late fees and similar payments, Comcast Subsidiary shall cause Holdco, at Time Warner Cable's request, to make such reimbursement through Holdco's billing system on terms specified by Comcast Subsidiary. In such event, Time Warner Cable shall promptly pay to Holdco all such payments made by Holdco through its billing system. Without limiting the foregoing, Comcast Subsidiary shall cause Holdco to provide to Time Warner Cable all information in its possession that is reasonably required by Time Warner Cable in connection with such reimbursement.

#### Section 7.11 Updated Schedules.

(a) On one or more occasions, Time Warner Cable may, at least five Business Days prior to Closing: (i) supplement Schedule 6.5(a) to reflect leases, franchises, licenses, authorizations, consents, permits, Contracts or commitments which were entered into or obtained between the Amendment Date (or, with respect to the SSBC Systems, the date of delivery of the Second Stage Bringdown Certificate) and the Closing Date not in violation of the terms of this Agreement and are required to be disclosed in Schedule 6.5(a) in order for the representation and warranty contained in Section 6.5(a) to be true, complete and correct or (ii) supplement any other Schedule to this Agreement (other than the Schedules to any of Section 6.1, 6.2, 6.15 or 6.18) or to the Tax Matters Agreement, with additional information to the extent that it reflects events, acts or omissions that first occurred between the date hereof (or, with respect to the Designated Systems and the Non-SSBC Original Systems, the Amendment Date) and the Closing Date and that are not prohibited by this Agreement to be taken, and that would have been required to be included in one or more Schedules to this Agreement or the Tax Matters Agreement in order for the representations and warranties of Time Warner Cable contained in this Agreement or in the Tax Matters Agreement to be true, complete and correct as of the Closing. Any such supplement to a Schedule pursuant to clause (i) above shall specifically identify each license, Contract or other item being added to Schedule 6.5(a) and any supplement pursuant to clause (ii) above shall be made with reasonable specificity and shall identify, to Time Warner Cable's knowledge, the potential Liability associated with the relevant action, condition or event. Without limitation to Section 7.20, for purposes of determining whether there is any liability on the part of Time Warner Cable following Closing for breaches of its representations and warranties under this Agreement, the Schedules to this Agreement shall be deemed to

include only (a) the information contained therein on the date hereof (or, with respect to the Designated Systems, the Amendment Date), (b) to the extent relating to the SSBC Systems information added to the Schedules for Section 6.3(c), 6.3(f) or 6.5 pursuant to Section 7.20 and (c) information added to such Schedules by written supplements to this Agreement delivered in accordance with the first sentence of this Section 7.11; provided, that for purposes of determining the satisfaction of the condition set forth in Section 8.1(a), any update to the Schedules pursuant to clause (c) of this sentence shall be disregarded.

(b) In addition, if after the date that is the fifth Business Day prior to Closing, but before the Closing, Time Warner Cable first becomes aware of any event, act, occurrence or omission which, if known on the fifth day prior to Closing would have been permitted to be included in a supplement pursuant to clause (ii) of the foregoing paragraph, then Time Warner Cable may make such supplement as provided above (in which case such supplement shall be deemed to have been made pursuant to clause (ii) of the foregoing paragraph); provided that Time Warner Cable may only utilize the rights in this paragraph on one occasion and, if Comcast Subsidiary elects, upon receipt of any such supplement pursuant to this paragraph, the date of Closing may be delayed until the end of the next succeeding month.

**Section 7.12 Commercially Reasonable Efforts; Further Assurances.** Subject to the terms and conditions of this Agreement, the parties hereto shall use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable to consummate the transactions contemplated by this Agreement as promptly as practicable. Each of the parties hereto agrees to, and, in the case of Time Warner Cable and Comcast Subsidiary, to cause its Affiliates to, execute and deliver such other documents, certificates, agreements and other writings (including completed transfer tax returns, showing in each case a purchase price or consideration reasonably acceptable to Comcast Subsidiary and Time Warner Cable) and to take such other commercially reasonable actions as may be necessary or desirable in order to evidence, consummate or implement expeditiously the transactions contemplated by this Agreement and to vest in Holdco the same title to the Transferred Assets that Time Warner Cable (together with its Affiliates) had with respect thereto immediately prior to the Transactions.

**Section 7.13 Post-Closing Access to Personnel Records.** After the Closing Date, Time Warner Cable shall, and shall cause its Affiliates to, provide Comcast Subsidiary and Holdco with access to, and the right to make copies or extracts of, pertinent information from the personnel files and records of Time Warner Cable and its Affiliates relating to Transferred System Employees in connection with litigation, administrative proceedings, payment of Applicable Taxes or any other valid business reason from time to time during normal business hours upon reasonable notice from Comcast Subsidiary or Holdco (i) with respect to matters other than matters relating to Applicable Taxes, for a period not to exceed one year from the Closing Date or (ii) with respect to matters relating to Applicable Taxes, until the expiration of the statute of

limitations applicable to such Taxes, in each case except to the extent that Time Warner Cable is required by law to keep such files and records confidential.

**Section 7.14 [Intentionally Omitted].**

**Section 7.15 Tax Returns with respect to Applicable Taxes.**

(a) Time Warner Cable shall have exclusive and sole responsibility for the preparation and filing of all Applicable Tax Returns that are required to be filed with any Governmental Authority on or prior to the Closing Date.

(b) Holdco shall prepare and file all Applicable Tax Returns that are required to be filed with any Governmental Authority after the Closing Date. Holdco shall deliver any such Straddle Period Applicable Tax Returns to Time Warner Cable for its review at least 30 days prior to the date on which such Straddle Period Applicable Tax Return is required to be filed. Except as provided herein, all Straddle Period Applicable Tax Returns shall (unless required by a change in applicable Tax law or a good faith resolution of a contest) be prepared on a basis consistent with the elections, accounting methods, conventions, assumptions and principles of taxation on the most recently filed Applicable Tax Returns of Holdco or a previous owner of the Transferred Systems to the extent relevant to such Transferred Systems. Subject to the foregoing, Time Warner Cable and Holdco shall reasonably cooperate with each other in the preparation and filing of any Straddle Period Applicable Tax Returns.

**Section 7.16 Environmental Reports.** Following the Amendment Date, Comcast Subsidiary may upon reasonable advance written notice and during normal business hours, at Comcast Subsidiary's expense, perform any environmental site assessments of the Owned Property or Leased Property (subject to the final sentence of this Section 7.16) as Comcast Subsidiary determines, in its sole discretion, to have performed; provided that prior to taking any samples of soil or groundwater for testing, Comcast Subsidiary shall have a reasonable basis for determining that such sampling is appropriate. Time Warner Cable shall cooperate with all reasonable requests of Comcast Subsidiary and its consultants with respect to the conduct of such assessments or sampling. Any assessment performed pursuant to this Section 7.16 shall to the fullest extent practicable be designed so as not to disrupt the business and operations of the Transferred Systems. Any right to perform an assessment pursuant to this Section 7.16 at a Leased Property shall be subject to Time Warner Cable not being prohibited from performing such assessment pursuant to the lease for such Leased Property.

**Section 7.17 Certain Notices.** Prior to the Closing, Time Warner Cable, with respect to the Transferred Systems, shall cause to be timely filed a request for renewal under Section 626 of the Cable Act with the proper Governmental Authority with respect to Transferred System Franchises that shall expire within 36 months after any date between the date of this Agreement and Closing Date.

**Section 7.18 Franchise Expirations.** From the Amendment Date until Closing, Time Warner Cable shall, and shall cause its Affiliates to, use

commercially reasonable efforts to obtain renewals or valid extensions of any Transferred Systems Franchises which expire on or before June 30, 2008, in the ordinary course of business. Neither Time Warner Cable nor any of its Affiliates shall agree or accede to any material modifications or amendments to or in connection with, or the imposition of any material condition to the renewal or extension of, any of the Transferred System Franchises that are not reasonably acceptable to Comcast Subsidiary. Time Warner Cable agrees, from the Amendment Date until Closing, upon reasonable prior written notice, to allow representatives of Comcast Subsidiary to attend meetings and hearings before applicable Governmental Authorities in connection with the renewal or extension of any Transferred Systems License or Transferred Systems Franchise.

**Section 7.19 Insurance.** Time Warner Cable will use commercially reasonable efforts to take such actions as are necessary to cause insurance policies of Time Warner Cable and its Affiliates that immediately prior to Closing provide coverage to or with respect to the Transferred Business, the Transferred Assets or the Transferred Systems to continue to provide such coverage with respect to acts, omissions, and events occurring prior to the Closing in accordance with their terms as if the Closing had not occurred; provided that to the extent Time Warner Cable takes any action with respect to its umbrella insurance policies that similarly effects all of the Time Warner Cable Retained Cable Systems but results in such insurance coverage no longer being available (other than a change denying coverage based upon a Person ceasing to be an Affiliate of Time Warner Cable), Time Warner Cable shall not be deemed to have breached this Section 7.19 and shall have no liability with respect thereto. Time Warner Cable will give Comcast Subsidiary written notice of the taking of any such action if done during the first 12 months after the Closing prior to or as soon as practicable thereafter. Time Warner Cable shall, and shall cause its Affiliates to, cooperate with and assist Holdco, if Holdco determines to make any claim under any such policy with respect to any pre-Closing act, omission or event. Holdco shall use commercially reasonable efforts to promptly notify Time Warner Cable when it becomes aware of any such claim; provided, that the failure of Holdco to provide such notice shall not relieve Time Warner Cable of its obligations under this Section 7.19, except to the extent that Time Warner Cable's rights under the applicable insurance policy are prejudiced by such failure to give notice.

#### Section 7.20 Second Stage Review.

(a) The Comcast Parties acknowledge that as of the date hereof, to the extent that the representations and warranties set forth in Sections 6.3(c), 6.3(f) and 6.5 relate to the SSBC Systems, Time Warner Cable has only been required to make good faith efforts to make such representations and warranties true, correct and complete based on the limited information in the possession of Time Warner Cable as of the date hereof without consulting with the Transferred Systems Employees or obtaining any information in the possession of the Transferred Systems. The purpose of this Section 7.20 is that during the 20 day period after receipt of the Good Faith Notice, Time Warner Cable shall have the ability to update the Schedules for Sections 6.3(c), 6.3(f) and 6.5 with respect to the SSBC Systems by delivering the Second Stage Bringdown

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Certificate and Second Stage Documents, in each case after consultation with the employees of the Transferred Systems Employees, whereupon Comcast Subsidiary will have until 20 days after the receipt of such materials (the "Option Decision Date") to determine whether or not to exercise the Option (in its sole discretion). This Section 7.20 shall be deemed to qualify each of the representations and warranties set forth in Sections 6.3(c), 6.3(f) and 6.5 in their entirety, but only to the extent such representations and warranties are made as of the date hereof and, in each case, only to the extent such representations and warranties relate to the SSBC Systems. Any update of Schedules made pursuant to this Section 7.20 shall be made with reasonable specificity, in good faith. No item may be added to a Schedule pursuant to this Section 7.20 if the relevant item was, to Time Warner Cable's knowledge, located in one of the offices of Time Warner Cable identified on Schedule 7.20(a) (such offices, the "Designated Offices") as of the date hereof.

(b) At any time after October 5, 2004, Comcast Subsidiary may deliver to Time Warner Cable a written notice (the "Good Faith Notice") stating that Comcast Subsidiary intends in good faith to exercise the Option on or prior to the Option Decision Date unless as a result of its diligence review after delivery by Time Warner Cable of the Second Stage Bringdown Certificate and the Second Stage Documents it determines that it is not in its best interest to exercise the Option. For the avoidance of doubt, no more than one Good Faith Notice may be delivered and no Good Faith Notice shall be delivered prior to the termination of the TWC Redemption Agreement.

(c) Time Warner Cable shall, within 15 days of receipt of the Good Faith Notice: (i) deliver to Comcast Trust and Comcast Subsidiary the Second Stage Bringdown Certificate and, concurrent therewith and (ii) provide or otherwise make available to Comcast Trust, Comcast Subsidiary and/or their respective counsel the Second Stage Documents in accordance with this Section 7.20. All information included in the Schedules delivered with the Second Stage Bringdown Certificate shall be deemed to modify the representations and warranties set forth in Sections 6.3(c), 6.3(f) and 6.5, as applicable, as of the date hereof and as of the Closing Date but, in each case, only to the extent such representations and warranties relate to the SSBC Systems.

(d) Comcast Trust and Comcast Subsidiary may, on the Amendment Date, request additional documents relating to the Transferred Business, the Transferred Assets or the Transferred Systems. Any such documents that would reasonably be expected to be material to Comcast Subsidiary's decision as to whether to exercise the Option, and that can be delivered or otherwise made available to Comcast Trust and Comcast Subsidiary by Time Warner Cable's good faith exercise of its commercially reasonable efforts within 15 days of receipt of the Good Faith Notice, shall be so delivered or made available as Second Stage Documents concurrent with the delivery of the Second Stage Bringdown Certificate.

(e) [Intentionally Omitted]

(f) To the extent any representation and warranty in Sections 6.3(c), 6.3(f) and 6.5 relates to any SSBC System and purports to relate to any Second

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Stage Document, such representation and warranty shall, subject to Section 7.20(g), only be made in the Second Stage Bringdown Certificate and at Closing.

(g) The representations and warranties of Time Warner Cable in the Second Stage Bringdown Certificate will be treated as if they had been representations and warranties of Time Warner Cable in this Agreement for all purposes of this Agreement, including the conditions and indemnities in Articles 8 and 11, respectively.

(h) For the avoidance of doubt, notwithstanding the delivery of the Good Faith Notice, Comcast Subsidiary shall not be required or obligated to exercise the Option, and shall not otherwise be deemed to have exercised the Option, based upon delivery of the Good Faith Notice. The Option will only be exercised as set forth in Section 2.1(a)(i).

#### Section 7.21 [Intentionally Omitted]

**Section 7.22 Promotional Campaigns.** Between the date hereof and the Closing, Time Warner Cable and its Affiliates shall not initiate any Subscriber campaigns or promotions on a local or regional level with respect to the Transferred Systems, other than (i) any such campaigns or promotions that are on the same terms and conditions (or on terms and conditions that are no less favorable to the Transferred Systems) as subscriber campaigns or promotions undertaken with respect to the relevant Transferred Systems during the year ended December 31, 2004 in the relevant market, (ii) any such campaigns or promotions that are not materially less favorable to the Transferred Systems than campaigns and promotions being conducted with respect to Time

Warner Cable Retained Cable Systems on an overall basis, (iii) any such campaigns or promotions that are not materially less favorable to the Transferred Systems than campaigns and promotions being conducted by Comcast and its Affiliates in the same DMA, and (iv) any such campaigns or promotions that are either (x) with respect to campaigns and promotions conducted in an overbuild area, not materially less favorable to the Transferred Systems than the campaigns and promotions being conducted by the applicable overbuilder or RBOCor (y) not materially less favorable to the Transferred Systems than those being conducted by any direct broadcast satellite providers in the same DMA (but only in the relevant market of the relevant campaign or promotion).

Section 7.23 Launch Support. At the Closing, Time Warner Cable shall deliver to Comcast Subsidiary a schedule of the services subject to Specified Launch Support Liabilities and, with respect to each such service, the remaining time period (which shall in no event be later than the fifth anniversary of the date hereof (or, with respect to the Designated Systems, the fifth anniversary of the Amendment Date)) in which an action in respect of any Transferred System could result in an obligation to make a payment in respect of a Specified Launch Support Liability.

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**Section 7.24 Section 338(h)(10) Election.**

(a) Subject to Section 7.24(b), the parties agree jointly to make a timely election under Section 338(h)(10) of the Code and any corresponding or similar elections under state, local or foreign Tax Law (in the state, local or foreign jurisdictions as requested by Comcast) with respect to the TWC Redemption (any such election, a “338(h)(10) Election”); provided, that, for the purpose of making any 338(h)(10) Election, the Internal Revenue Service Forms 8023 and 8883 (or successor forms, or any corresponding forms under state, local or foreign Tax Law in the state, local or foreign jurisdiction requested by Comcast) filed in connection with such election shall state on the face of each such form that such election is being made as a “protective election” and shall contain the legend set forth in Exhibit D hereto.

(b) If, after the Closing Date but prior to the six month anniversary of the Closing Date, Comcast believes that there has been a change in Tax Law after the date hereof and that by reason of such change in Tax Law (x) the TWC Redemption should not qualify as a tax-free distribution governed by Section 355 of the Code, and (y) the TWC Redemption should constitute a “qualified stock purchase” within the meaning of Section 338(d)(3) of the Code (a “QSP”) (any such conclusion, a “Determination”), Comcast shall provide written notice to Time Warner Cable of such Determination. If Time Warner Cable agrees with the Determination, Time Warner Cable shall provide Comcast with written notice of its agreement within 10 days (the “Determination Deadline”) of receiving notice of the Determination (such agreement shall constitute a “Joint Determination”). If there has been no Joint Determination by the Determination Deadline, Time Warner Cable and Comcast agree jointly to appoint a law firm that is nationally recognized in matters relating to federal income taxation (any such law firm, a “Third Party Firm”) within 7 Business Days of the Determination Deadline. If Time Warner Cable and Comcast cannot agree on the appointment of a Third Party Firm in accordance with the previous sentence, such parties shall request that the President of the Association of the Bar of the City of New York appoint, within 7 days, a Third Party Firm other than a law firm that is regularly employed by either Time Warner Cable or Comcast or any of their respective Affiliates. The Third Party Firm shall be requested to deliver, within 21 days of its appointment, a letter setting forth whether, by reason of the change in Tax Law referred to above, it is its opinion that, (I) the TWC Redemption should not qualify as a tax-free distribution governed by Section 355 of the Code, and (II) the TWC Redemption should constitute a QSP (any affirmative opinion by such Third Party Firm that the items described in (I) and (II) of this sentence have been satisfied, an “Affirmative Third Party Firm Determination”). The fees and expenses of the Third Party Firm shall be borne equally by Time Warner Cable and Comcast.

(c) If, at any time prior to the nine month anniversary of the Closing Date, there shall have been a Joint Determination or an Affirmative Third Party Determination, the parties hereby agree, notwithstanding any other provision of this Agreement or the Transaction Documents, for all Income Tax Purposes (unless required by subsequent change in applicable Tax Law or as a result of a good faith resolution of a contest), (i) not to treat the TWC Redemption as a tax-free distribution governed by Section 355 of the Code, (ii) to treat the TWC Redemption as a QSP, and (iii) that any

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338(h)(10) Election shall be filed without regard to the protective election described in the proviso to Section 7.24(a).

Section 7.25 Pre-Closing Access. (a) Prior to the Amendment Date Comcast shall not, and shall not permit any of its Affiliates to, without the prior written consent of Time Warner Cable (i) initiate or maintain contact with any Transferred Systems Employee regarding the transactions contemplated hereby or otherwise related thereto, (ii) access any of the properties, whether owned or leased, of the Transferred Systems and (iii) subject to applicable Legal Requirements disclose the identity of the Transferred Systems to any Person other than any of the officers, employees, directors and advisors of Comcast or its Affiliates, provided that such officers, employees, directors and advisors are first advised of the confidential nature of such information. Comcast shall be responsible for any breach of such confidentiality obligation on the part of any of its Affiliates or such officers, employees, directors and advisors. No breach of this Section 7.25 shall result in a failure of the condition set forth in Section 8.2(b).

(b) From the Amendment Date until the Closing, subject to applicable law, Time Warner Cable shall, and shall cause its Affiliates to, (i) afford Comcast Subsidiary, Comcast Trust and their respective authorized representatives reasonable access, during regular business hours, upon reasonable advance notice, to the Transferred Systems (including the Transferred Assets and employees), (ii) furnish, or cause to be furnished, to Comcast Subsidiary or Comcast Trust any financial and operating data and other information with respect to such Transferred Systems as Comcast Subsidiary or Comcast Trust from time to time reasonably requests, and (iii) instruct its employees, and its counsel and financial advisors to cooperate with Comcast Subsidiary and Comcast Trust in their reasonable investigation of the Transferred Systems; provided that, in each case, any such access shall be designed so as to not unreasonably disrupt the business and operations of Time Warner Cable or its Affiliates; provided further that in no event shall Comcast Subsidiary or Comcast Trust have access to (A) any information that would reasonably be expected to create Liability under applicable laws, including U.S. antitrust laws, or waive any material legal privilege (provided that, in such latter event, Time Warner Cable and Comcast Subsidiary or Comcast Trust, as the case may be, shall use commercially reasonable efforts to cooperate to permit disclosure of such information in a manner consistent with the preservation of such legal privilege), (B) documents containing competitively sensitive information, trade secrets or other sensitive information (to the extent necessary to protect the legitimate legal, business and/or confidentiality concerns of Time Warner Cable and its Affiliates, but taking into account Comcast Subsidiary’s and Comcast Trust’s need for such information in connection with the transactions contemplated hereby), (C) any information to the extent such disclosure would reasonably be expected to violate any obligation of Time Warner Cable or its Affiliates with respect to confidentiality so long as, with respect to confidentiality, to the extent specifically requested by Comcast Subsidiary or Comcast Trust, Time Warner Cable has made commercially reasonable efforts to obtain a waiver regarding the possible disclosure from the third party to whom an obligation of confidentiality is owed or (D) any programming records; it being understood that Comcast Subsidiary and Comcast Trust shall conduct any environmental sampling solely in the manner contemplated by Section 7.16. All

requests made pursuant to this Section 7.25(b) shall be directed to an executive officer of Time Warner Cable or such Person or Persons as may be designated by Time Warner Cable. All information received pursuant to this Section 7.25(b) shall, prior to the Closing, be governed by Section 7.4(a) and, to the extent applicable, the terms of the Confidentiality Agreement. No information or knowledge obtained in any investigation by Comcast Subsidiary, Comcast Trust or their respective Affiliates pursuant to this Section 7.25(b) shall affect or be deemed to modify any representation or warranty made by Time Warner Cable or its Affiliates hereunder or under any Transaction Document.

**Section 7.26 Ordinary Course from Closing to Closing Time.** During the time between the Closing and the Closing Time, Comcast Subsidiary and its Affiliates shall operate or cause to be operated the Transferred Systems and Transferred Assets in the usual, regular and ordinary course and shall not take any action for the purpose of changing the calculation of the Closing Adjustment Amount.

## ARTICLE 8 Conditions Precedent

**Section 8.1 Conditions to the Comcast Parties' Obligations.** The obligations of the Comcast Parties to consummate the transactions contemplated by this Agreement shall be subject to the following conditions, which may be waived by Comcast Subsidiary (provided, that the condition set forth in Section 8.1(m) shall not be waived without the prior written consent of Comcast Trust):

(a) **Accuracy of Representations and Warranties.** The representations and warranties of Time Warner Cable or any Transferring Person in this Agreement and in any Transaction Document to which Time Warner Cable or any Transferring Person is a party, if qualified by a reference to materiality or Material Adverse Effect, are true and, if not so qualified, are true in all material respects at and as of Closing with the same effect as if made at and as of Closing except to the extent a different date is specified therein, in which case such representation and warranty if qualified by a reference to materiality or Material Adverse Effect shall be true and correct as of such date and, if not so qualified, shall be true and correct in all material respects as of such date.

(b) **Performance of Agreements.** Time Warner Cable, Holdco and each Transferring Person has performed in all material respects all obligations and agreements and has complied in all material respects with all covenants in this Agreement and in any Transaction Document to which it is a party to be performed and complied with by it at or before Closing.

(c) **Officer's Certificate.** Comcast Subsidiary has received a certificate executed by an executive officer of Time Warner Cable, dated as of Closing, reasonably satisfactory in form and substance to Comcast Subsidiary, certifying that the conditions specified in Sections 8.1(a) and 8.1(b) have been satisfied, as of Closing.

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(d) **Legal Proceedings.** There is no Legal Requirement, and no Judgment has been entered and not vacated by any Governmental Authority of competent jurisdiction in any Litigation or arising therefrom, which (i) enjoins, restrains, makes illegal or prohibits consummation of the transactions contemplated by this Agreement or by any Transaction Document (other than any such matter having only an immaterial effect and that does not impose criminal liability or penalties) or (ii) requires separation or divestiture by Comcast Trust, Comcast Subsidiary, Holdco or any of their Affiliates of all or any significant portion of the Transferred Assets after Closing or otherwise materially and adversely affects the operation of the Transferred Systems (other than applicable to the cable industry in general), and there is no Litigation pending which was commenced by any Governmental Authority (other than a Franchising Authority) seeking, or which if successful would have the effect of, any of the foregoing, provided that the failure to obtain a consent relating to a Transferred Systems Franchise shall not be considered to enjoin, restrain, make illegal or prohibit consummation of the transactions contemplated by this Agreement or by any Transaction Document.

(e) **HSR Act Waiting Period.** The waiting period under the HSR Act with respect to the transactions contemplated by this Agreement has expired or been terminated.

(f) **Consents.** Comcast Subsidiary has received evidence, in form and substance reasonably satisfactory to it, that all of the Time Warner Cable Required Consents (other than from the Transferred Systems Franchises which are addressed in Section 8.1(h)), have been obtained and are in effect.

(g) **Intentionally Omitted.**

(h) **Franchise Required Consents.** The aggregate number of Individual Subscribers served by the Transferred Systems in the Service Areas that are, as of the Closing Time, Transferable Service Areas shall be at least 90% of Individual Subscribers served by the Transferred Systems at such time (the "Required Threshold"); provided that if any portion of the Transferred Systems containing headends are not within such Transferable Service Areas as of the Closing Time, then any other portion of the Transferred Systems served by such headends shall be deemed not to be included in such Transferable Service Areas; provided, further that, if this condition is not satisfied or waived as of the date that all other conditions in Sections 8.1 and 8.2 (except for conditions to be satisfied at Closing that will be satisfied at Closing) have been satisfied or waived, this condition shall be deemed not to have been satisfied until the earlier of (i) the date upon which this condition would be satisfied if the percentage used for the Required Threshold was 100% rather than 90% and (ii) 30 days following the date on which all other conditions in Sections 8.1 and 8.2 (except for conditions to be satisfied at Closing that will be satisfied at Closing) have been satisfied or waived.

(i) **GP Redemption and Holdco Transaction.** The GP Redemption and the Holdco Transaction shall have been consummated.

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(j) **Opinion of FCC Counsel.** Comcast Subsidiary and Comcast Trust shall have received an opinion of Bryan Cave LLP, special FCC counsel to Time Warner Cable, dated as of Closing, in form and substance reasonably acceptable to Time Warner Cable and Comcast Subsidiary (the "Time Warner Cable FCC Counsel Opinion").

(k) **Documents and Records.** Time Warner Cable shall have delivered to Holdco all Books and Records. Delivery of the foregoing shall be deemed made to the extent such lists, files and records are then located at any of the offices included in the Owned Property or Leased

Property.

(l) Redemption Agreements. Each of the TWC Redemption Agreement and the TWE Redemption Agreement shall have been terminated without the closings thereunder occurring.

(m) FCC Approval. Either the transfer of the Holdco Shares to Comcast Subsidiary in the TWC Redemption or the Comcast Subsidiary Transfer shall be permitted under applicable FCC Trust Requirements.

(n) GP Redemption and Amendment Agreement. Each of the parties to the GP Redemption and Amendment Agreement (other than Comcast Trust I) shall have executed and delivered the GP Redemption and Amendment Agreement.

(o) Time Warner Cable Title Policies. Time Warner Cable shall have delivered to Comcast Subsidiary ALTA extended coverage owners' policies of title insurance, or the local equivalent, dated as of the Closing Date and issued by the Title Company (the "Time Warner Cable Title Policies"), insuring, subject only to Permitted Liens, Holdco's fee or leasehold title in each parcel of the Owned Property and Leased Property with respect to which a Title Commitment was required pursuant to Section 7.6 deleting or modifying to the reasonable satisfaction of Comcast Subsidiary the Schedule B standard printed exceptions (other than Permitted Liens, and other than the survey exception or any similar exception with respect to properties for which no survey is obtained, and other than any other exception the deletion of which would require Time Warner Cable to give any affidavit or undertaking which would make representations or impose obligations more onerous than those made or set forth elsewhere in this Agreement), including gap coverage, and deleting or insuring over, subject to Section 7.6, any Title Defects, or irrevocable Title Commitments of the Title Company to issue such Time Warner Cable Title Policies; provided, that Time Warner Cable's inability or failure to provide the Title Policies (or Title Commitments to issue the same) shall not constitute a violation of the condition set forth in this Section 8.1(o) if the Liens, or other matters relating to title, giving rise to such inability would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(p) Tax Matters Agreement. Subject to any amendments pursuant to Section 7.11, Time Warner, Time Warner Cable and Holdco shall have

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executed and delivered the Tax Matters Agreement substantially in the form attached as Exhibit B.

(q) Schedule Update. Time Warner Cable shall not have exercised its right to update any Schedule to this Agreement pursuant to clause (ii) of the first sentence of Section 7.11.

Section 8.2 Conditions to Time Warner Cable's Obligations. The obligations of Time Warner Cable to consummate the transactions contemplated by this Agreement shall be subject to the following conditions, which may be waived by Time Warner Cable:

(a) Accuracy of Representations and Warranties. The representations and warranties of Comcast Trust and Comcast Subsidiary in this Agreement and in any Transaction Document to which Comcast Trust or Comcast Subsidiary is a party, if qualified by a reference to materiality, are true and, if not so qualified, are true in all material respects at and as of Closing with the same effect as if made at and as of Closing, except to the extent a different date is specified therein, in which case such representation and warranty if qualified by a reference to materiality shall be true and correct as of such date and, if not so qualified, shall be true and correct in all material respects as of such date.

(b) Performance of Agreements. Each of Comcast Trust and Comcast Subsidiary has performed in all material respects all obligations and agreements and has complied in all material respects with all covenants in this Agreement and in any Transaction Document to which it is a party to be performed and complied with by it at or before Closing.

(c) Officer's Certificate. (i) Time Warner Cable has received a certificate executed by the operating trustee of Comcast Trust, dated as of Closing, reasonably satisfactory in form and substance to Time Warner Cable, certifying that the conditions specified in Sections 8.2(a) and 8.2(b), in each case solely with respect to Comcast Trust, have been satisfied, as of Closing. (ii) Time Warner Cable has received a certificate executed by an executive officer of Comcast Subsidiary, dated as of Closing, reasonably satisfactory in form and substance to Time Warner Cable, certifying that the conditions specified in Sections 8.2(a) and 8.2(b), in each case solely with respect to Comcast Subsidiary, have been satisfied, as of Closing.

(d) Legal Proceedings. There is no Legal Requirement, and no Judgment has been entered and not vacated by any Governmental Authority of competent jurisdiction in any Litigation or arising therefrom, which enjoins, restrains, makes illegal or prohibits consummation of the transactions contemplated by this Agreement or by any Transaction Document (other than any such matter having only an immaterial effect and that does not impose criminal liability or penalties), and there is no Litigation pending which was commenced by any Governmental Authority (other than a Franchising Authority) seeking, or which if successful would have the effect of, any of the foregoing, provided that the failure to obtain a consent relating to a Transferred Systems Franchise

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shall not be considered to enjoin, restrain, make illegal or prohibit consummation of the transactions contemplated by this Agreement or by any Transaction Document.

(e) HSR Act Waiting Period. The waiting period under the HSR Act with respect to the transactions contemplated by this Agreement has expired or been terminated.

(f) Redemption Agreements. Each of the TWC Redemption Agreement and the TWE Redemption Agreement shall have been terminated without the closings thereunder occurring.

(g) Tax Matters Agreement. Subject to any amendments pursuant to Section 7.11, Comcast Parent and Comcast shall have executed and delivered the Tax Matters Agreement substantially in the form attached as Exhibit B.

(h) GP Redemption and Amendment Agreement. Comcast Trust I shall have executed and delivered the GP Redemption and Amendment Agreement.

Expiration Date.

## ARTICLE 9 Closing

Section 9.1 Closing; Time and Place. Subject to the final sentence of this Section 9.1, the closing of the transactions contemplated by Section 2.1(b) of this Agreement (“Closing”) shall take place at a time and location mutually determined by Comcast Subsidiary and Time Warner Cable on the last Business Day of the calendar month in which all conditions set forth in Sections 8.1 and 8.2 have either been satisfied or waived in writing by the party entitled to the benefit of each such condition (except for conditions to be satisfied at Closing that will be satisfied at Closing), unless such conditions have not been so satisfied or waived (except for conditions to be satisfied at Closing that will be satisfied at Closing) by the fifth Business Day preceding the last Business Day of such calendar month, in which case the Closing shall take place on the last Business Day of the next calendar month (or such later date as agreed by the parties). In no event shall the Closing occur prior to the later of (x) July 1, 2005 or (y) the 30<sup>th</sup> day following the Option Exercise Date.

Section 9.2 Time Warner Cable’s Obligations. At Closing, Time Warner Cable shall deliver or cause to be delivered to Holdco or Comcast Trust (or, in the case of item (a), to Comcast Subsidiary, if applicable), as applicable, the following:

(a) Holdco Shares. The Holdco Shares to Comcast Trust or Comcast Subsidiary, as the case may be, which shall be in definitive form, in proper form for transfer and, if requested by Comcast Trust (or Comcast Subsidiary, if applicable), Time Warner Cable shall execute, acknowledge and deliver a stock power or such other

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customary instruments of transfer as Comcast Trust (or Comcast Subsidiary, if applicable) may reasonably request.

(b) Bill of Sale and Assignment and the Instrument of Assumption. The executed Bill(s) of Sale and Assignment and Instrument of Assumption with respect to the Holdco Transaction in form and substance reasonably acceptable to Time Warner Cable and Comcast Subsidiary and the executed Bill of Sale and Assignment and Instrument of Assumption with respect to the GP Redemption in substantially the form attached to the GP Redemption and Amendment Agreement, and such other instruments of transfer or assignment as may be reasonably necessary to effect the transactions contemplated hereby (excluding those delivered pursuant to Section 9.2(f)).

(c) Lien Releases. Evidence reasonably satisfactory to Comcast Subsidiary that all Liens (other than Permitted Liens) affecting or encumbering the Transferred Assets have been terminated, released or waived or insured over as contemplated under (and only to the extent required under) Section 7.6 (in the case of the Real Property Interests), as appropriate, or original, executed instruments in form and substance reasonably satisfactory to Comcast Subsidiary effecting such terminations, releases or waivers; provided, that Time Warner Cable’s inability or failure to obtain the termination, release, or waiver of any such Liens or to insure over any such Liens shall not constitute a failure to perform the obligations set forth in this Section 9.2(c) if the existence of the Liens would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(d) FIRPTA Certificate. FIRPTA Non-Foreign Seller Certificate certifying that Time Warner Cable is not a foreign person within the meaning of Section 1445 of the Code, reasonably satisfactory in form and substance to Comcast Subsidiary.

(e) Power of Attorney for Accounts Receivable. The limited, irrevocable right, in Time Warner Cable’s and its Controlled Affiliates’ name, place and stead, as Time Warner Cable’s and its Controlled Affiliates’ attorney-in-fact, to cash, deposit, endorse or negotiate checks received on or after the Closing Date made out to Time Warner Cable and its Controlled Affiliates’ in payment for cable services provided by the Transferred Systems and written instructions to Time Warner Cable’s and its Controlled Affiliates’ lock-box service provider or similar agents to promptly forward to Holdco all such cash, deposits and checks representing accounts receivable of the Transferred Systems that it or they may receive. From and after the Closing, Time Warner Cable and its Controlled Affiliates shall not deposit but shall promptly remit to Holdco any payment received by Time Warner Cable or any of its Controlled Affiliates on or after the Closing Date in respect of any such account receivable.

(f) Deeds and Other Real Estate Transfer Documents. Special warranty deeds conveying to Holdco, subject only to the exceptions reflected on the Time Warner Cable Title Policies (if such Time Warner Cable Title Policies have been obtained, or, if such Time Warner Cable Title Policies have not been obtained, subject

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only to such exceptions as are consistent with the representation set forth in Section 6.4 hereof), each parcel of the Owned Property, assignments of leases of Real Property and such other documents as may be necessary to convey other Real Property Interests, in each case, in form and substance reasonably satisfactory to Comcast Subsidiary, provided that in no event shall the warranties in such deed create any greater liability or liability to any other Person on the part of the grantor in excess of that provided for under the other provisions of this Agreement.

(g) Time Warner Cable Title Policies. Time Warner Cable Title Policies with such deletions or modifications as are required pursuant to Section 8.1(o).

(h) GP Redemption and Amendment Agreement. The executed GP Redemption and Amendment Agreement by all parties thereto (other than Comcast Trust I).

(i) Tax Matters Agreement. The executed Tax Matters Agreement by all parties thereto (other than Comcast Parent and Comcast).

(j) Officer’s Certificate. The executed certificate required by Section 8.1(c)

(k) Other. Such other documents and instruments as may be reasonably necessary to effect the intent of this Agreement and consummate the transactions contemplated hereby.

Section 9.3 Comcast Trust's Obligations. At Closing, Comcast and/or Comcast Trust, as applicable, shall deliver or cause to be delivered to Time Warner Cable the following:

(a) Redemption Securities Stock Certificates. Comcast Trust shall deliver to Time Warner Cable a stock certificate evidencing the Redemption Securities which shall be in definitive form and registered in the name of Comcast Trust, in proper form for transfer and, if requested by Time Warner Cable, execute, acknowledge and deliver a stock power or such other customary instruments of transfer as Time Warner Cable may reasonably request; provided, that upon receipt of the Comcast Trust stock certificate, Time Warner Cable shall reissue Comcast Trust a new stock certificate evidencing the remaining shares of Class A Common Stock owned by Comcast Trust after giving effect to the TWC Redemption.

(b) GP Redemption and Amendment Agreement. The executed GP Redemption and Amendment Agreement by Comcast Trust I.

(c) Tax Matters Agreement. The executed Tax Matters Agreement by all parties thereto (other than Time Warner, Time Warner Cable and Holdco).

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(d) Officer's Certificate. The executed certificate required by Section 8.2(c).

(e) Other. Such other documents and instruments as may be

reasonably necessary to effect the intent of this Agreement and consummate the transactions contemplated hereby.

## **ARTICLE 10 Termination and Default**

Section 10.1 Termination Events. This Agreement may be terminated prior to Closing and the transactions contemplated hereby may be abandoned:

(a) by either Comcast Subsidiary or Time Warner Cable, at any time after the earlier (i) of nine months after the termination of the TWC Redemption Agreement without the Closing (as defined thereunder) occurring and (ii) May 31, 2007 (the earlier of (i) and (ii), the "Outside Closing Date");

(b) at any time, by the mutual agreement of Comcast Subsidiary and Time Warner Cable;

(c) by either Comcast Subsidiary or Time Warner Cable, at any time upon written notice to the other, if the other is in material breach or default of its respective covenants, agreements, representations, or other obligations herein or in any Transaction Document to which such Person or its Affiliates is a party and such breach or default (i) has not been cured within 30 days after receipt of written notice or such longer period as may be reasonably required to cure such breach or default (provided, that the breaching or defaulting party shall be using commercially reasonable efforts to cure such breach or default) or (ii) would not reasonably be expected to be cured prior to the Outside Closing Date; provided, that if any covenant, agreement, representation or other obligation in this Agreement is qualified by a reference to materiality or Material Adverse Effect, such qualifier shall be taken into account without duplication;

(d) automatically without action by any party hereto if the Option shall terminate pursuant to Section 2.1(a)(iii);

(e) by Comcast Subsidiary as provided in Section 12.16;

(f) by Comcast Subsidiary, at any time after April 1, 2005, if by notice to the other parties Comcast Subsidiary irrevocably elects not to exercise the Option; or

(g) automatically without action by any party hereto upon the Closing (as defined in the TWC Redemption Agreement), the Closing (as defined in the TWE Redemption Agreement) or the Closing (as such term will be defined in the Alternate Tolling Agreement).

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Section 10.2 Effects of Termination. If this Agreement is terminated pursuant to Sections 10.1 or 12.16, this Agreement shall become void and of no effect without liability of any party hereto (or any Affiliate, shareholder, director, officer, trustee, employee, agent, consultant or representative of such party) to the other parties hereto, except that (a) the agreements contained in Sections 1.1, 1.2, 2.3 and 7.4, this Section 10.2 and Article 12 (other than Section 12.16) shall survive the termination hereof and (b) no such termination shall relieve any party hereto of any liability or damages resulting from any willful breach by such party of this Agreement.

## **ARTICLE 11 Indemnification**

Section 11.1 Indemnification by Time Warner Cable. Subject to Section 11.4, from and after the Closing, Time Warner Cable shall indemnify and hold harmless Holdco from and against any and all Losses suffered by Holdco (which shall be deemed to include any Losses suffered by Holdco or its Affiliates, or by its or their respective officers, directors, trustees, employees, agents or representatives, or any Person claiming by or through any of them, as the case may be), from and against any and all Losses arising out of or resulting from:

(a) any representations and warranties made by Time Warner Cable or any Transferring Person in this Agreement or in any Transaction Document (other than the Tax Matters Agreement) to which it is a party not being true and accurate in all respects, when made or at Closing (or, in the case of any representation or warranty made as of a specific date, as of such date) or any failure by Time Warner Cable to perform in all material respects pursuant to Sections 7.1(j), 7.11 and 7.20;

(b) any failure by Time Warner Cable, or any Transferring Person or, prior to completion of the Closing, Holdco, to perform in all respects any of its covenants, agreements, or obligations in this Agreement (other than pursuant to Sections 7.1(j), 7.11 and 7.20) or in any Transaction Document (other than the Tax Matters Agreement) to which it is a party;

- (c) the Excluded Liabilities;
- (d) the Excluded Assets; or
- (e) the Holdco Indemnified Liabilities.

If, by reason of the claim of any third party relating to any of the matters subject to such indemnification, a Lien is placed or made upon any of the properties or assets owned or leased by Holdco or any other Indemnitee under this Section, in addition to any indemnity obligation of Time Warner Cable under this Section, Time Warner Cable shall furnish a bond sufficient to obtain the prompt release thereof within 10 days after receipt from Holdco of notice thereof.

**Section 11.2 Indemnification by Holdco.** Subject to Section 11.4, from and after the Closing, Holdco shall indemnify and hold harmless Time Warner Cable from and against any and all Losses suffered by Time Warner Cable (which shall be deemed to include any Losses suffered by Time Warner Cable or its Affiliates, or by its or their respective officers, directors, employees, agents or representatives, or any Person claiming by or through any of them, as the case may be), from and against any and all Losses arising out of or resulting from:

(a) any representations and warranties made by Comcast Trust or Comcast Subsidiary in this Agreement or in any Transaction Document (other than the Tax Matters Agreement) to which such Person is a party not being true and accurate in all respects, when made or at Closing (or, in the case of any representation or warranty made as of a specific date, as of such date);

(b) any failure by Comcast Trust, Comcast Subsidiary or, after Closing, Holdco, to perform in all respects any of its covenants, agreements, or obligations in this Agreement or in any Transaction Document (other than the Tax Matters Agreement) to which such Person is a Party;

- (c) the Assumed Liabilities and the Holdco Transaction Liabilities;

(d) other than with respect to the Excluded Liabilities, the ownership and operation of the Transferred Systems or the Transferred Assets after the Closing;

(e) other than with respect to the Excluded Liabilities, any Transferred Asset or any claim or right or any benefit arising thereunder held by Time Warner Cable for the benefit of Holdco pursuant to Section 2.1(e).

If, by reason of the claim of any third party relating to any of the matters subject to such indemnification, a Lien is placed or made upon any of the properties or assets owned or leased by Time Warner Cable or any other Indemnitee under this Section, in addition to any indemnity obligation of Holdco under this Section, Holdco shall furnish a bond sufficient to obtain the prompt release thereof within 10 days after receipt from Time Warner Cable of notice thereof.

**Section 11.3 Procedure for Certain Indemnified Claims.** Promptly after receipt by a party entitled to indemnification hereunder (the “Indemnitee”) of written notice of the assertion or the commencement of any Litigation with respect to any matter referred to in Sections 11.1 or 11.2 or the assertion by any Governmental Authority of a claim of noncompliance under any Franchise relating, in whole or in part, to any pre-Closing period (a “Franchise Matter”), the Indemnitee shall give written notice thereof to the party from whom indemnification is sought pursuant hereto (the “Indemnitor”) and thereafter shall keep the Indemnitor reasonably informed with respect thereto; provided, that failure of the Indemnitee to give the Indemnitor notice and keep it reasonably informed as provided herein shall not relieve the Indemnitor of its obligations

hereunder, except to the extent that such failure to give notice shall prejudice any defense or claim available to the Indemnitor. The Indemnitor shall be entitled to assume the defense of any such Litigation or Franchise Matter with counsel reasonably satisfactory to the Indemnitee, at the Indemnitor’s sole expense; provided that the Indemnitor shall not be entitled to assume or continue control of the defense of any Litigation or Franchise Matter if (i) the Litigation or Franchise Matter relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation; (ii) the Litigation or Franchise Matter seeks an injunction or equitable relief against the Indemnitee; or (iii) the Indemnitor has failed to defend or is failing to defend in good faith the Litigation or Franchise Matter. If the Indemnitor assumes the defense of any Litigation or Franchise Matter, (i) it shall not settle the Litigation or Franchise Matter unless the settlement shall include as an unconditional term thereof the giving by the claimant or the plaintiff of a release of the Indemnitee, reasonably satisfactory to the Indemnitee, from all liability with respect to such Litigation or Franchise Matter and (ii) it shall indemnify and hold the Indemnitee harmless from and against any and all Losses caused by or arising out of any settlement or judgment of such claim and may not claim that it does not have an indemnification obligation with respect thereto. If the Indemnitor does not assume the defense of any Litigation or Franchise Matter, the Indemnitee may defend against or settle such claim in such manner and on such terms as it in good faith deems appropriate and shall be entitled to indemnification in respect thereof in accordance with Section 11.1 or 11.2, as applicable. If the Indemnitor is not entitled to assume the defense or continue to control the defense of any Litigation or Franchise Matter as a result of the proviso in the second sentence of this Section 11.3, the Indemnitee shall not settle the Litigation or Franchise Matter in question if the Indemnitor shall have any obligation as a result of such settlement (whether monetary or otherwise) unless such settlement is consented to in writing by the Indemnitor, such consent not to be unreasonably withheld or delayed. In no event shall the Indemnitee settle any Litigation or Franchise Matter for which the defense thereof is controlled by the Indemnitor absent the consent of the Indemnitor (such consent not to be unreasonably withheld or delayed). Each party shall cooperate, and cause their respective Affiliates to cooperate, in the defense or prosecution of any Litigation or Franchise Matter and shall furnish or cause to be furnished such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be reasonably requested in connection therewith.

#### **Section 11.4 Determination of Indemnification Amounts and Related Matters.**

(a) Time Warner Cable shall have no liability under Section 11.1(a) unless the aggregate amount of Losses otherwise subject to its indemnification obligations thereunder exceeds \$5 million (the “Threshold Damage Requirement”), in which case Time Warner Cable shall be liable for the full amount of such Losses including the Losses incurred in reaching the Threshold Damage Requirement; provided, that for purposes of this subsection, the

with respect to copyright payments contained in this Agreement, and (ii) breaches of the representations and warranties in Sections 6.1, 6.2, 6.3, 6.4(a), 6.13, 6.15 and 6.18. The maximum liability of Time Warner Cable under Section 11.1(a) shall not exceed \$50 million (the "Cap"); provided, that the Cap shall not apply to breaches of the representations and warranties in Sections 6.1, 6.2, 6.3, 6.4(a)(i), 6.13, 6.15 and 6.18.

(b) Holdco shall have no liability under Section 11.2(a) unless the aggregate amount of Losses otherwise subject to its indemnification obligations thereunder exceeds the Threshold Damage Requirement, in which case Holdco shall be liable for the full amount of such Losses including the Losses incurred in reaching the Threshold Damage Requirement; provided, that for purposes of this subsection, the Threshold Damage Requirement shall not apply to any Losses resulting from or arising out of breaches of the representations and warranties in Sections 4.1, 4.2, 4.3, 4.5, 4.6, 5.1, 5.2, 5.3, or 5.5. The maximum liability of Holdco in the aggregate under Section 11.2(a) shall not exceed the Cap; provided, that the Cap shall not apply to breaches of the representations and warranties in Sections 4.1, 4.2, 4.3, 4.5, 4.6, 5.1, 5.2, 5.3, or 5.5.

(c) Amounts payable by the Indemnitor to the Indemnitee in respect of any Losses under Sections 11.1 or 11.2 shall be payable by the Indemnitor as incurred by the Indemnitee, and shall bear interest at the Base Interest Rate plus 2% from the date the Losses for which indemnification is sought were incurred by the Indemnitee until the date of payment of indemnification by the Indemnitor.

(d) If the facts and circumstances giving rise to the Loss for which indemnification is sought under Section 11.1(a) also resulted in a Loss to the Time Warner Cable Retained Cable Systems, the Loss for which indemnification is sought under Section 11.1(a) shall only be available (subject to the further limitations in Section 11.4(a)) to the extent such Loss is greater than the proportionate Loss suffered by the Time Warner Cable Retained Cable Systems and the Transferred Systems, where proportionality is based on the percentage that the Redemption Securities represent to the total number of outstanding shares of common stock of Time Warner Cable, in each case immediately prior to giving effect to the Closing; provided that the foregoing shall not apply to the extent the Loss for which indemnification is sought under Section 11.1(a) results from or arises out of a breach of any of the representations and warranties set forth in Sections 6.1, 6.2, 6.3, 6.4(a), 6.5(a), 6.6 (the penultimate sentence only), 6.10 (the first sentence only), 6.12(c), 6.13, 6.15 and 6.18. By way of example only, if the Redemption Securities represent 20% of the total number of outstanding shares of common stock of Time Warner Cable (immediately prior to giving effect to the Closing) and the Losses suffered by the Transferred Systems arising out of certain facts was \$X and the Losses suffered by the Time Warner Cable Retained Cable Systems arising out of those same facts was \$Y, then indemnification would be available under Section 11.1(a) but only in an amount equal to the excess (if any) of (i) \$X over (ii) the sum of \$X and \$Y multiplied by 0.2 (and subject to the further limitations contained in Section 11.4(a)).

(e) The Indemnitor shall not be obligated to indemnify the Indemnitee with respect to any Losses to the extent of any proceeds received in connection with any such Losses by the Indemnitee under any insurance policy of the

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Indemnitee in effect on the Closing Date (including under any rights under any insurance policies or proceeds that are part of the Transferred Assets). The Indemnitee will use commercially reasonable efforts to claim and recover under such insurance policies.

(f) In determining the amount of any Losses in connection with any inaccuracy of a representation and warranty (but not for purposes of determining whether any such inaccuracy has occurred), any materiality or Material Adverse Effect qualifier in such representation or warranty will be disregarded.

(g) Comcast Subsidiary shall have the right to enforce (on behalf and for the benefit of Holdco and any other Indemnitee pursuant to Section 11.1) the right to indemnification under Section 11.1. Notwithstanding anything to the contrary set forth in this Agreement, to the extent that any Indemnitee pursuant to Section 11.1 is or becomes a shareholder of Time Warner Cable or Time Warner or a limited partner of TWE, indemnification hereunder shall not include Losses suffered by such Indemnitee (or its Affiliates) in its shareholder or limited partner capacity by reason of (i) the indemmites being provided by Time Warner Cable hereunder or (ii) Losses suffered in such capacity in respect of any Excluded Assets, Excluded Liabilities or Holdco Indemnified Liabilities.

**Section 11.5 Time and Manner of Certain Claims.** The representations and warranties of Comcast Trust, Comcast Subsidiary, Time Warner Cable or any Transferring Person in this Agreement and any Transaction Document to which such Person is a party shall survive Closing for a period of 1 year; provided, that the representations in Section 6.24 shall not survive Closing. Notwithstanding the foregoing: (a) the liability of the parties shall extend beyond the 1-year period following Closing with respect to any claim which has been asserted in a bona fide written notice before the expiration of such 1-year period specifying in reasonable detail the facts and circumstances giving rise to such right; and (b) (i) the representations and warranties of the parties in Sections 4.1, 4.2, 4.3, 4.5, 4.6, 5.1, 5.2, 5.3, 5.5, 6.1, 6.2, 6.3, 6.4(a)(i), 6.13, 6.15 and 6.18 shall survive Closing and shall continue in full force and effect without limitation and (ii) the representations and warranties of Time Warner Cable in Sections 6.22 and 6.23 shall survive until the expiration of the applicable statute of limitations (giving effect to any waiver, mitigation or extension thereof).

**Section 11.6 Other Indemnification.** The provisions of Sections 11.3, 11.4 and 11.5 shall be applicable to any claim for indemnification made under any other provision of this Agreement, and all references in Sections 11.3, 11.4 and 11.5 to Sections 11.1 and 11.2 shall be deemed to be references to such other provisions of this Agreement.

**Section 11.7 Exclusivity.** Except as specifically set forth in this Agreement or any Transaction Document and except for claims against a party for breach of any provision of this Agreement or any Transaction Document, each party waives any rights and claims it may have against the other parties to this Agreement, whether in law or in equity, relating to the transactions contemplated hereby. The rights and claims waived by each party include claims for contribution or other rights of recovery arising

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out of or relating to claims for breach of contract, breach of representation or warranty, negligent misrepresentation and all other claims for breach of duty. After Closing, Article 11 and the Transaction Documents shall provide the exclusive remedy for any misrepresentation or breach of warranty under this Agreement or

any Transaction Document, other than any claims sounding in fraud.

#### Section 11.8 Release.

(a) Except as provided in Section 11.8(b), effective as of the Closing, each of Comcast, Comcast Subsidiary and Comcast Trust does hereby, for itself and each of its wholly owned Subsidiaries and their respective successors and assigns, and all Persons who at any time prior to the Closing have been shareholders, directors, officers, members, agents, trustees or employees of Comcast, Comcast Subsidiary or Comcast Trust or any of their respective Affiliates, predecessors, successors or assigns (in each case, in their respective capacities as such and to the extent it may legally do so) (collectively, the “Comcast Trust Releasing Parties”), remise, release and forever discharge Time Warner Cable and each of its Subsidiaries and Affiliates, their respective predecessors, successors and assigns, and all Persons who at any time prior to the Closing have been shareholders, directors, officers, members, agents, trustees or employees of Time Warner Cable or any of its respective Subsidiaries, Affiliates, predecessors, successors or assigns (in each case, in their respective capacities as such and to the extent it may legally do so), and their respective heirs, executors, administrators, predecessors, successors and assigns (collectively, the “Time Warner Cable Released Parties”), from any and all Liabilities whatsoever (other than Liabilities based on claims sounding in fraud), whether at law or in equity (including any right of contribution), whether arising under any Contract, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Closing, whether or not known as of the Closing, related to, arising out of or resulting from Comcast Trust’s ownership of the Redemption Securities. Comcast, Comcast Subsidiary and Comcast Trust agree, on behalf of their self and each of the other Comcast Trust Releasing Parties, that they will not assert any claims against any Time Warner Cable Released Party with respect to matters covered by the foregoing release.

(b) Nothing contained in Section 11.8(a) shall impair any right of any Person to enforce this Agreement or any other Transaction Document, in each case in accordance with its terms.

**Section 11.9 Indemnification for Income Taxes.** Notwithstanding any other provision of this Agreement, the provisions of Sections 11.1 through 11.8 shall not apply to any Liability for Income Taxes, which shall be governed exclusively by the Tax Matters Agreement. For the avoidance of doubt, rights under this Agreement shall provide the exclusive remedies for any breach of the representations and warranties provided in Section 6.24 hereof.

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#### Section 11.10 Tax Treatment of Indemnification Payments.

(a) For all Tax purposes (unless required by a change in applicable Tax law or a good faith resolution of a contest) the parties hereto agree to treat and to cause their respective affiliates to treat any payment (i) to Holdco by Time Warner Cable pursuant to an indemnification, reimbursement or refund obligation provided for in this Agreement (a “Time Warner Cable Indemnification Payment”), or (ii) to Time Warner Cable by Holdco pursuant to an indemnification, reimbursement or refund obligation provided for in this Agreement (a “Holdco Indemnification Payment” and collectively with any Time Warner Cable Indemnification Payment, an “Indemnification Payment”) as (x) with respect to a Time Warner Cable Indemnification Payment, a contribution by Time Warner Cable to Holdco occurring immediately prior to the Closing, and (y) with respect to a Holdco Indemnification Payment, an adjustment to the Cash Amount transferred by Time Warner Cable to Holdco pursuant to the Holdco Transaction occurring immediately prior to the Closing.

(b) Notwithstanding Section 11.10(a) above, any Indemnification Payments that represent interest payable under Section 11.4(c) hereof shall be treated for all Tax purposes (unless required by a change in applicable Tax law or a good faith resolution of a contest), as (i) deductible to the Indemnitee and (ii) taxable to the Indemnitee.

(c) The amount of any Loss for which indemnification is provided under this Agreement shall be (i) increased to take account of net Tax cost, if any, incurred by the Indemnitee arising from the receipt or accrual of an Indemnification Payment hereunder, (grossed up for such increase) and (ii) reduced to take account of the net Tax benefit, if any, realized by the Indemnitee arising from incurring or paying such indemnified amount. In computing the amount of any such Tax cost or benefit, (i) the term Indemnitee shall be deemed to include any member of any Affiliated Group of which the Indemnitee is a member, and (ii) the Indemnitee shall be deemed to recognize all other items of income, gain, loss, deduction or credit before recognizing any item arising from the receipt or accrual of any Indemnification Payment hereunder or incurring or paying any indemnified amount hereunder. Any Indemnification Payment hereunder shall initially be made without regard to this Section 11.10(c) and shall be increased or reduced to reflect any such net Tax cost (including gross-up) or net Tax benefit only after the Indemnitee has Actually Realized such cost or benefit. The amount of any increase or reduction hereunder shall be adjusted to reflect any adjustment with respect to the Indemnitee’s liability for Taxes, and payments between the parties hereto to reflect such adjustment shall be made. Notwithstanding the above, this Section 11.10(c) shall not apply to interest as described in Section 11.10(b).

#### Section 11.11 Guaranteed Obligations of Comcast.

(a) From and after the Closing, Comcast hereby agrees to fully and unconditionally guarantee to Time Warner Cable the due and punctual performance, compliance and payment of Holdco, Comcast Trust and Comcast Subsidiary (each, a “Guaranteed Party” and collectively, the “Guaranteed Parties”) of each and every

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covenant, term, condition or other obligation to be performed or complied with by any such party for the benefit of Time Warner Cable (or any Affiliate thereof or any Indemnitee pursuant to Section 11.2) under this Agreement and any Transaction Document to which any Guaranteed Party is a party delivered in connection therewith, and to the extent that, any of the same shall become due and payable or performance of or compliance with any of the same shall be required (collectively, the “Guaranteed Obligations”).

(b) Comcast hereby acknowledges and agrees that this guarantee constitutes an absolute, present, primary, continuing and unconditional guaranty of performance, compliance and payment by each of the Guaranteed Parties of the Guaranteed Obligations when due under this Agreement and any Transaction Document to which any Guaranteed Party is a party delivered in connection herewith and not of collection only and is in no way conditioned or contingent upon any attempt to enforce such performance, compliance or payment by a Guaranteed Party or upon any other condition or contingency. Comcast hereby waives any right to require a proceeding first against any of the Guaranteed Parties.

(c) The obligations of Comcast under this guarantee shall not be subject to any reduction, limitation, impairment or termination for any reason (other than by indefeasible payment or performance in full of any of the Guaranteed Obligations) and shall not be subject to (i) any discharge of any of the Guaranteed Parties from any of the Guaranteed Obligations in a bankruptcy or similar proceeding (except by indefeasible payment or performance in full of the Guaranteed Obligations) or (ii) any other circumstance whatsoever which constitutes, or might be construed to constitute an equitable or legal discharge of Comcast as guarantor under this Section 11.11.

(d) Comcast shall cause any transferee of or successor to all or substantially all of the assets of Comcast to assume Comcast's obligations under this Section 11.11.

## **ARTICLE 12** **Miscellaneous Provisions**

Section 12.1 Expenses. Except as otherwise specifically provided in Sections 3.4, 7.3 or 12.2 or elsewhere in this Agreement, each of the parties shall pay its own expenses and the fees and expenses of its counsel, accountants, and other experts in connection with this Agreement.

Section 12.2 Attorneys' Fees. If any Litigation between the parties hereto with respect to this Agreement, the Transaction Documents or the transactions contemplated hereby or thereby shall be resolved or adjudicated by a Judgment of any court, the party prevailing under such Judgment (as determined by the trier of fact based on all relevant facts, including, but not limited to, amounts demanded or sought in such litigation, amounts, if any, offered in settlement of such litigation and amounts, if any, awarded in such litigation) shall be entitled, as part of such Judgment, to

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recover from the other party its reasonable attorneys' fees and costs and expenses of litigation.

Section 12.3 Waivers. No action taken pursuant to this Agreement, including any investigation by or on behalf of any party hereto, shall be deemed to constitute a waiver by the party taking the action of compliance with any representation, warranty, covenant or agreement contained herein or in any Transaction Document. The waiver by any party hereto of any condition or of a breach of another provision of this Agreement or any Transaction Document shall be in writing and shall not operate or be construed as a waiver of any other condition or subsequent breach. The waiver by any party of any of the conditions precedent to its obligations under this Agreement shall not preclude it from seeking redress for breach of this Agreement other than with respect to the condition so waived.

Section 12.4 Notices. All notices, requests, demands, applications, services of process and other communications which are required to be or may be given under this Agreement or any Transaction Document shall be in writing and shall be deemed to have been duly given if sent by telecopy or facsimile transmission, upon answer back requested, or delivered by courier or mailed, certified first class mail, postage prepaid, return receipt requested, to the parties at the following addresses:

To Comcast or Holdco (after the Closing):

Comcast Cable Communications Holdings, Inc.  
1500 Market Street  
Philadelphia, PA 19102-2184  
ATTN: General Counsel  
Fax: (215) 981-7794

With a Required Copy to:

Davis Polk & Wardwell  
450 Lexington Avenue  
New York, NY 10017  
ATTN: Dennis S. Hersch  
William L. Taylor  
Fax: (212) 450-4800

To Comcast Subsidiary:

MOC Holdco II, Inc.  
1201 N. Market Street  
Suite 1405  
Wilmington, DE 19801  
ATTN: President  
Fax: (302) 658-1600

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With a Required Copy to:

Davis Polk & Wardwell  
450 Lexington Avenue  
New York, NY 10017  
ATTN: Dennis S. Hersch  
William L. Taylor  
Fax: (212) 450-4800

To Comcast Trust:

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TWE Holdings II Trust  
c/o Edith E. Holiday  
801 West Street  
2<sup>nd</sup> Floor  
Wilmington, DE 19801  
Fax: (302) 428-1410

With a Required Copy to:

Hogan & Hartson  
111 South Calvert Street  
Baltimore, MD 21202  
ATTN: Michael J. Silver  
Fax: (410) 539-6981

To Time Warner Cable or Holdco (prior to the Closing):

c/o Time Warner Cable Inc.  
290 Harbor Drive  
Stamford, CT 06902-6732  
ATTN: Chief Executive Officer  
Fax: (203) 328-3295

With Required Copies to:

Legal Department  
Time Warner Cable Inc.  
290 Harbor Drive  
Stamford, CT 06902-6732  
ATTN: General Counsel  
Fax: (203) 328-4094

Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019  
ATTN: Kelley D. Parker  
Robert B. Schumer  
Fax: (212) 757-3990

or to such other address as any party shall have furnished to the other, by notice given in accordance with this Section. Such notice shall be effective, (i) if delivered in person or by courier, upon actual receipt by the intended recipient, (ii) if sent by telecopy or facsimile transmission, upon confirmation of transmission received, or (iii) if mailed, upon the date of delivery as shown by the return receipt therefor.

**Section 12.5 Entire Agreement; Prior Representations; Amendments.** This Agreement, the Confidentiality Agreements (subject to the last sentence of this Section 12.5) and the Transaction Documents executed concurrent herewith embody the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior representations, agreements and understandings, oral or written, with respect thereto. Notwithstanding any representations which may have been made by either party in connection with the transactions contemplated by this Agreement, each party acknowledges that it has not relied on any representation by the other party with respect to such transactions, the Transferred Assets, or the Transferred Systems except those contained in this Agreement, the Schedules or the Exhibits hereto. This Agreement may not be modified orally, but only by an agreement in writing signed by the party or parties against whom any waiver, change, amendment, modification or discharge may be sought to be enforced. The Confidentiality Agreements, as each relates to any obligation to keep confidential information regarding the Transferred Assets, the Transferred Systems and/or the Assumed Liabilities are hereby terminated.

**Section 12.6 Specific Performance.** The parties recognize that their rights under this Agreement are unique and, accordingly, the parties shall, in addition to such other remedies as may be available to any of them at law or in equity, have the right to enforce their rights hereunder by actions for injunctive relief and specific performance to the extent permitted by applicable law so long as the party seeking such relief is prepared to consummate the transactions contemplated hereby. The parties agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach of the provisions of this Agreement and hereby agree to waive the defense in any action for specific performance that a remedy at law would be adequate. The parties waive any requirement for security or the posting of any bond or other surety in connection with any temporary or permanent award or injunctive, mandatory or other equitable relief.

**Section 12.7 Jurisdiction.** Except as otherwise expressly provided in this Agreement, the parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement, the Transaction Documents or the transactions

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contemplated hereby or thereby may be brought in the United States District Court for the Southern District of New York or any other New York State court sitting in New York City, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in

an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 12.4 shall be deemed effective service of process on such party.

**Section 12.8 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.**

Section 12.9 Binding Effect; Benefits. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective heirs, legal representatives, successors, and permitted assigns. No party hereto shall assign this Agreement or delegate any of its duties hereunder to any other Person without the prior written consent of the other parties hereto, which consent shall not be unreasonably withheld or delayed; provided that Comcast Subsidiary may assign its rights and delegate its obligations under this Agreement (in whole or in part) to any Affiliate of Comcast Subsidiary, upon written notice to Time Warner Cable. For purposes of this Section, any change in control of Comcast, Comcast Trust, Comcast Subsidiary or Time Warner Cable shall not constitute an assignment by it of this Agreement. In no event shall any assignment of rights or delegation of obligations relieve any party of its obligations hereunder.

Section 12.10 Headings and Schedules. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. Reference to Schedules shall, unless otherwise indicated, refer to the Schedules attached to this Agreement, which shall be incorporated in and constitute a part of this Agreement by such reference.

Section 12.11 Counterparts. This Agreement may be executed in any number of counterparts (including by facsimile), each of which, when executed, shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

**Section 12.12 GOVERNING LAW. THE VALIDITY, PERFORMANCE, AND ENFORCEMENT OF THIS AGREEMENT AND ALL TRANSACTION DOCUMENTS, UNLESS EXPRESSLY PROVIDED TO THE CONTRARY, SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAW OF SUCH STATE.**

Section 12.13 Severability. Any term or provision of this Agreement which is invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining rights of the Person intended to be benefited by such provision or any other provisions of this Agreement.

Section 12.14 Third Parties; Joint Ventures. This Agreement constitutes an agreement solely among the parties hereto, and, except as otherwise expressly provided herein, is not intended to and shall not confer any rights, remedies, obligations, or liabilities, legal or equitable, including any right of employment, on any Person other than the parties hereto and their respective successors, or assigns, or otherwise constitute any Person a third party beneficiary under or by reason of this Agreement except that Time Warner shall be an express third party beneficiary of Section 2.3. For the avoidance of doubt, no Person other than a party hereto shall have any right to enforce Section 3.1 or any other provision of this Agreement to the extent relating thereto. Nothing in this Agreement, expressed or implied, is intended to or shall constitute the parties hereto partners or participants in a joint venture.

Section 12.15 Construction. This Agreement has been negotiated by Comcast Trust, Comcast Subsidiary and Time Warner Cable and their respective legal counsel, and legal or equitable principles that might require the construction of this Agreement or any provision of this Agreement against the party drafting this Agreement shall not apply in any construction or interpretation of this Agreement.

**Section 12.16 Risk of Loss; Governmental Taking.**

(a) Time Warner Cable shall bear the risk of any loss or damage to the Transferred Assets resulting from fire, theft or other casualty (except reasonable wear and tear) at all times prior to the Closing. In the event any such loss or damage occurs, Time Warner Cable shall (at its expense) use its commercially reasonable efforts to replace or restore such lost or damaged property as soon as practicable and in any event prior to Closing (or, if such damaged property is not replaced or restored prior to Closing, Time Warner shall indemnify Holdco for any Losses arising out of such unrepaired damage or unrestored property). If any loss or damage is equal to or greater than \$50,000,000 and is sufficiently substantial so as to preclude and prevent resumption of normal operations of any material portion of a Transferred System by the Outside Closing Date, Time Warner Cable shall, to the extent reasonably practical, immediately notify Comcast Subsidiary in writing of that fact (which notice shall, to the extent reasonably practical, specify with reasonable particularity the loss or damage incurred, the cause thereof if known or reasonably ascertainable, and the insurance coverage related thereto), and Comcast Subsidiary, at any time within 10 days after receipt of such notice, may elect by written notice to Time Warner Cable, to either (i) waive such defect and proceed toward consummation in accordance with the terms of this Agreement (provided that any such waiver shall also be deemed to be a waiver of any right to

indemnification pursuant to the first sentence of this Section 12.16(a) or pursuant to Section 11.1 for any breach of any (x) representation or warranty of Time Warner Cable set forth in Article 6 resulting from any such loss or damage or (y) covenant hereunder to the extent that compliance therewith is frustrated or made commercially impracticable as a result of such loss or damage) or (ii) terminate this Agreement, subject to Section 10.2. If Comcast Subsidiary elects to so terminate this Agreement, Time Warner Cable shall be discharged of any and all obligations hereunder, subject to Section 10.2. If Comcast Subsidiary elects to consummate the transactions contemplated by this Agreement notwithstanding such loss or damage and does so, there shall be no adjustment in the consideration payable to or by Transferee on account of such loss or damage, but all insurance proceeds received or receivable by Time Warner Cable or its Affiliates (determined on an effective after-tax basis as if TWE and TWE-A/N are, in each case, instead of being partnerships, stand-alone corporations) as a result of the occurrence of the event resulting in such loss or damage (to the extent not already expended by Time Warner Cable or its Affiliates to restore or replace the lost or damaged Transferred Assets), except for any proceeds from business interruption insurance relating to the loss of revenue for any period through and including the Closing Date, shall be delivered by Time Warner Cable or its Affiliates to Holdco, or the rights to such proceeds shall be assigned by Time Warner Cable or its Affiliates to Holdco if not yet received by Time Warner Cable or its Affiliates. Time Warner Cable shall pay any deductible required and/or the self-insured portion of any such loss with respect to all such insurance proceeds payable under any insurance policy held by Time Warner Cable or its Affiliates. Any amounts received or receivable hereunder shall not be included in the Closing Net Liabilities Amount.

(b) If, prior to Closing, any material part of or interest in the Transferred Assets is taken or condemned as a result of the exercise of the power of eminent domain, or if a Governmental Authority having such power informs Time Warner Cable or any of its Affiliates that it intends to condemn or take all or any of the Transferred Assets (such event being called, in either case, a “Taking”), then Comcast Subsidiary may terminate this Agreement. If Comcast Subsidiary does not elect to terminate this Agreement, (i) Comcast Subsidiary shall have the sole right, in the name of Time Warner Cable and its Affiliates, if Comcast Subsidiary so elects, to negotiate for, claim, contest and subject to the Closing occurring, and have Holdco receive all damages with respect to the Taking, (ii) Time Warner Cable shall be relieved of its obligation to convey to Holdco the Transferred Assets or interests that are the subject of the Taking if the Taking has occurred (but, subject to the Closing occurring, shall convey to Holdco any interest therein still held by Time Warner Cable or its Affiliates and any replacement property acquired by Time Warner Cable or its Affiliates), (iii) at Closing, Time Warner Cable and its Affiliates shall assign to Holdco all of Time Warner Cable’s and its Affiliates’ rights to all payments received or receivable by Time Warner Cable or its Affiliates (determined on an effective after-tax basis as if TWE and TWE-A/N are, in each case, instead of being partnerships, stand-alone corporations), with respect to such Taking and shall pay to Holdco all such payments previously paid to Time Warner Cable or any of its Affiliates with respect to the Taking (to the extent not already expended by Time Warner Cable or its Affiliates to restore or replace the taken Assets), and (iv) following Closing, Time Warner Cable and its Affiliates shall give Holdco such further

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assurances of such rights and assignment with respect to the Taking as Holdco may from time to time reasonably request. Any amounts received or receivable hereunder shall not be included in the Closing Net Liabilities Amount.

Section 12.17 Commercially Reasonable Efforts. For purposes of this Agreement, “commercially reasonable efforts” shall not, with regard to obtaining any consent, approval or authorization, be deemed to require a party to undertake extraordinary measures, including the initiation or prosecution of legal proceedings or the payment of amounts in excess of normal and usual filing fees and processing fees, if any.

Section 12.18 Time. Time is of the essence under this Agreement. If the last day for the giving of any notice or the performance of any act required or permitted under this Agreement is a day that is not a Business Day, the time for the giving of such notice or the performance of such act shall be extended to the next succeeding Business Day.

[Remainder Of Page Intentionally Left Blank]

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IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Agreement on the date first written above.

**COMCAST CABLE  
COMMUNICATIONS HOLDINGS,  
INC.**

By: \_\_\_\_\_  
Name:  
Title:

**MOC HOLDCO II, INC.**

By: \_\_\_\_\_  
Name:  
Title:

**TWE HOLDINGS II TRUST**

By: \_\_\_\_\_  
Name: Edith E. Holiday, solely in her  
capacity as Operating Trustee

**CABLE HOLDCO INC.**

By: \_\_\_\_\_  
Name:  
Title:

**TIME WARNER CABLE INC.**

By: \_\_\_\_\_  
Name:  
Title:

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Solely for purposes of Section 2.3 and the last sentence of Section 12.

**COMCAST CORPORATION**

By: \_\_\_\_\_  
Name:  
Title:

Solely for purposes the last sentence of Section 12.5:

**TIME WARNER INC.**

By: \_\_\_\_\_  
Name:  
Title:

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Solely for purposes of Section 2.1(b)(iv):

**TWE HOLDINGS I TRUST**

By: \_\_\_\_\_  
Name: Edith E. Holiday, solely in her  
capacity as Operating Trustee

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## EXECUTION COPY

Comcast Corporation  
1500 Market Street  
Philadelphia, PA 19102

Adelphia Communications Corporation  
5619 DTC Parkway  
Greenwood Village, CO 80111

April 20, 2005

Time Warner NY Cable LLC  
c/o Time Warner Cable Inc.  
290 Harbor Drive  
Stamford, CT 06902-6732

**1. Introduction.** This letter agreement (this “Agreement”) confirms the agreement of Time Warner NY Cable LLC (“Buyer”), a Delaware limited liability company and an indirectly wholly owned subsidiary of Time Warner Cable Inc. (“Parent”), a Delaware corporation, Adelphia Communications Corporation, a Delaware corporation (“Seller”), and Comcast Corporation, a Pennsylvania corporation (“Comcast”). Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Comcast Purchase Agreement (as defined below).

**2. Joint Acquisition of Seller and Asset Purchase Agreements.** Seller and certain of its Affiliates have filed voluntary petitions for reorganization under chapter 11 of the United States Bankruptcy Code and are currently subject to chapter 11 proceedings in the United States Bankruptcy Court for the Southern District of New York. Contemporaneously with the execution and delivery of this Agreement, (a) Buyer and Adelphia have entered into an Asset Purchase Agreement (the “Buyer Purchase Agreement”), pursuant to which Buyer is to acquire certain assets of Seller at a closing to be held thereunder (the “Closing”) subject to the terms and conditions set forth therein and (b) Comcast and Adelphia have entered into an Asset Purchase Agreement (the “Comcast Purchase Agreement”), pursuant to which Comcast is to acquire certain assets of Seller subject to the terms and conditions set forth therein.

**3. Termination of the Comcast Purchase Agreement.** If the Comcast Purchase Agreement is terminated prior to the Closing as a result of actions by, or failure to obtain Governmental Authorizations from, any Government Antitrust Entity or the FCC (the “Termination”), pursuant to and subject to the terms of the Buyer Purchase Agreement, the Transaction (as defined in the Buyer Purchase Agreement) will be expanded as described in Section 5.15 thereof (the “Expanded Transaction”) (the closing of such Expanded Transaction, the “Expanded

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Transaction Closing”). Notwithstanding anything to the contrary herein, the obligations of the parties hereunder shall only become effective in the event of a Termination. Seller shall give Buyer prompt notice of any such Termination.

**4. Consummation of the Comcast Joint Venture Transactions and Aggregate Buyer Discharge Amount.**

(a) Notwithstanding the Termination, immediately prior to the Expanded Transaction Closing, with respect to each Transferred Joint Venture Parent, (i) Comcast shall cause the applicable Buyer JV Partner to contribute cash to such Transferred Joint Venture Parent in an amount equal to the Buyer Discharge Amount for such Transferred Joint Venture Parent, (ii) Seller shall cause such Transferred Joint Venture Parent to distribute to the applicable Seller JV Partner (A) cash in the amount of the Buyer Discharge Amount for such Transferred Joint Venture Parent and (B) all Excluded Assets of the Transferred Joint Venture Parent and its Subsidiaries and (iii) Seller shall cause the applicable Seller JV Partner to assume all Liabilities of such Transferred Joint Venture Parent and its Subsidiaries (other than any such Liabilities that constitute Assumed Liabilities) (the “Seller Assumption”).

(b) For purposes of this Agreement and the Buyer Purchase Agreement, the term “Buyer Discharge Amount” means, with respect to each Transferred Joint Venture Parent, the applicable Buyer Joint Venture Percentage multiplied by the total amount of Liabilities of such Transferred Joint Venture Parent and its Subsidiaries as of the Expanded Transaction Closing (excluding any such Liabilities that are Assumed Liabilities) as determined pursuant to Section 4(d).

(c) For purposes of this Agreement and the Buyer Purchase Agreement, the term “Aggregate Buyer Discharge Amount” shall mean the sum of the Buyer Discharge Amounts for the three Transferred Joint Venture Parents.

(d) For purposes of making the determination of the Buyer Discharge Amount, the following procedures shall apply:

(i) No later than 30 Business Days prior to the Expanded Transaction Closing, Seller shall prepare, or cause to be prepared, and deliver to Buyer and Comcast a statement (the “Discharge Statement”) setting forth Seller’s good faith estimate of each Buyer Discharge Amount as of the expected Expanded Transaction Closing (the “Seller’s Estimate”). The Discharge Statement shall be accompanied by a certification of Seller’s Chief Financial Officer to the effect that such Discharge Statement has been prepared in good faith based on the books and records of the Transferred Joint Venture Parent or any of its Subsidiaries and shall be reasonably satisfactory to Buyer and Comcast.

(ii) If Buyer or Comcast in good faith dispute Seller’s Estimate (each, a “Disputing Party”), such Disputing Party shall, on or before the tenth day

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following receipt of the Discharge Statement, so inform each of the other parties hereto in writing, setting forth a specific description of the basis of determination, and the adjustments to the Discharge Statement and the corresponding adjustments to Seller’s Estimate that such Disputing Party believes should be made (each, an “Objection”).

(iii) If no Objection is received by Seller on or before the tenth day following receipt of the Discharge Statement, then the Seller’s estimates contained in the Discharge Statement of each Buyer Discharge Amount shall be final and binding on the parties.

(iv) If (A) an Objection is received by Seller on or before the tenth day following receipt of the Discharge Statement and (B) Seller, Buyer and Comcast are unable to resolve their disagreement regarding any Buyer Discharge Amounts within the tenth day following receipt of the Discharge Statement, then Seller, Buyer and Comcast shall refer any remaining disagreements to the CPA Firm which, acting as expert and not as arbitrator, shall determine, based on the books and records of each Transferred Joint Venture Parent or any of its Subsidiaries, and only with respect to the remaining differences so submitted (and within the range of dispute between the Discharge Statement and any Objection with respect to each such difference), whether and to what extent, if any, Seller’s Estimate requires adjustment. Buyer, Seller and Comcast shall instruct the CPA Firm to deliver its written determination to the parties no later than the five days prior to the expected date of the Expanded Transaction Closing. The CPA Firm’s determination shall be conclusive and binding upon Buyer, Seller, Comcast and their respective Affiliates. The fees and disbursements of the CPA Firm shall be borne equally by Seller, Buyer and Comcast. Seller shall make readily available to the CPA Firm all relevant books and records and any work papers (including those of the parties’ respective accountants, to the extent permitted by such accountants) relating to the determination of any Buyer Discharge Amount and the Aggregate Buyer Discharge Amount and all other items reasonably requested by the CPA Firm in connection therewith.

(v) Notwithstanding anything to the contrary contained herein, the parties agree (and, if applicable, shall instruct the CPA Firm) that the Buyer Discharge Amount in respect of (1) Century, shall not be less than \$297 million or more than \$325 million, (2) Parnassos, shall not be less than \$252 million or more than \$275 million and (3) Western, shall, subject to the last sentence of Section 5.22 of the Comcast Purchase Agreement, be \$0.00.

(e) Notwithstanding the Termination and the Expanded Transaction Closing, the Plan (as defined in the Buyer Purchase Agreement) shall comply with subsection (E) of the fourth sentence of section 5.11(a) of the Comcast Purchase Agreement to the extent applicable to the Buyer JV Partners and the Joint Venture Securities.

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(f) Nothing herein shall be deemed to limit, release, discharge or otherwise diminish the Buyer JV Partners’ rights in respect of Retained Claims as against Seller Releasing Parties (other than the Transferred Joint Venture Parents or any of their respective Subsidiaries).

##### *5. Release from Retained Claims.*

(a) Effective upon the Expanded Transaction Closing, Comcast, for itself and its Subsidiaries, and to the extent of Comcast’s authority to do so, for its privies, Affiliates, predecessors, successors, assigns, employees, agents, attorneys, legal representatives, heirs, executors and administrators, and their respective shareholders, members, managers, officers and directors in their capacities as such (the “Comcast Releasing Parties”), hereby releases, acquits and forever discharges the Transferred Joint Venture Parent and its Subsidiaries and Buyer and Buyer’s Affiliates, predecessors and successors, as well as Buyer’s direct and indirect privies, advisors, consultants, assigns, employees, agents, attorneys, legal representatives, shareholders, members, managers, officers and directors in their capacities as such (other than Seller and its Affiliates except for the Transferred Joint Venture Parent and its Subsidiaries) (the “Buyer Released Parties”) of and from any Loss arising out of, related to or derived from (i) any claims, demands, damages, actions, causes of action, rights, costs, losses, expenses, compensation or suits in equity, of whatsoever kind or

nature (including Retained Claims), against any Buyer Released Parties with respect to any action or omission by any Transferred Joint Venture Parent or any of its Subsidiaries prior to the Expanded Transaction Closing and (ii) any Pre-Closing Management Liabilities (as defined below), in each case whenever accruing, whether foreseen or unforeseen, whether known or unknown, whether or not well founded in fact or in law, whether in law or in equity or otherwise, whether direct, consequential, compensatory, exemplary, liquidated or unliquidated, which such Comcast Releasing Party, or which its legal representatives, successors, assigns, heirs, executors or administrators ever had, now has, can, shall or may have for or by reason of any matter, cause or anything whatsoever, for all periods.

(b) Effective upon the Expanded Transaction Closing, Seller, for itself and its Subsidiaries, and to the extent of Seller's authority to do so, for its privies, Affiliates, predecessors, successors, assigns, employees, agents, attorneys, legal representatives, heirs, executors and administrators, and their respective shareholders, members, managers, officers and directors in their capacities as such (the "Seller Releasing Parties"), hereby releases, acquits and forever discharges the Buyer Released Parties of and from any Loss arising out of, related to or derived from (i) any claims, demands, damages, actions, causes of action, rights, costs, losses, expenses, compensation or suits in equity, of whatsoever kind or nature (including in respect of Retained Claims), against any Buyer Released Parties with respect to any action or omission by any Transferred Joint Venture Parent or any of its Subsidiaries prior to the Expanded Transaction Closing or (ii) any Pre-Closing-Management Liabilities, in each case whenever accruing, whether foreseen or unforeseen, whether known or unknown, whether or not well

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founded in fact or in law, whether in law or in equity or otherwise, whether direct, consequential, compensatory, exemplary, liquidated or unliquidated, which such Seller Releasing Party, or which its legal representatives, successors, assigns, heirs, executors or administrators ever had, now has, can, shall or may have for or by reason of any matter, cause or anything whatsoever, for all periods.

(c) Notwithstanding the foregoing, the parties expressly understand and agree that the waivers and releases granted in clauses (a) and (b) of this paragraph 5 are made solely for the purpose of inducing Buyer to consummate the Expanded Transaction by providing evidence of the effectiveness of the Seller Assumption as provided under paragraph 4(a) above and shall not (and shall not be deemed in any way to) limit, diminish or otherwise adversely affect any Liabilities (i) of the Seller or its Affiliates (other than the Transferred Joint Venture Parent and its Subsidiaries) to Comcast or its Affiliates, or (ii) of the Transferred Joint Venture Parent and its Subsidiaries payable to Comcast or its Affiliates under the Plan with respect to Claims asserted in their capacity as creditors (unless and to the extent the Seller Assumption is effected in accordance with this Agreement and such amounts are payable by Seller and its Affiliates under the Plan).

*6. Assignment of Management Contracts.* Effective upon the Expanded Transaction Closing, Seller shall, and shall cause each of its Affiliates to, convey, transfer, assign and deliver to Buyer all right, title and interest under (a) the Management Agreement, dated December 7, 1999, between Century-TCI California, L.P., and Chelsea Communications, LLC, (b) the Management Agreement, dated January 8, 1998, between Western NY Cablevision, L.P. (f/k/a Parnassos, L.P.), and Adelphia Cablevision, LLC (f/k/a Adelphia Cablevision, Inc.), a limited liability company, and (c) the Management Agreement, dated December 30, 1998, between Parnassos, L.P., and Adelphia Cablevision, LLC (f/k/a Adelphia Cablevision, Inc.), (the agreements referred to in clauses (a), (b) and (c), collectively, the "Management Contracts"); provided, however, that Seller and its Affiliates shall retain, and there shall be excluded from the sale, conveyance, assignment or transfer to or assumption by Buyer under the Buyer Purchase Agreement any Liabilities arising under or related to the Management Contracts and attributable to, arising under or related to actions, omissions, circumstances or conditions occurring prior to the Expanded Transaction Closing (the "Pre-Closing Management Liabilities"); it being understood that all Pre-Closing Management Liabilities shall be Excluded Liabilities for all purposes, pursuant to the Buyer Purchase Agreement. Seller hereby represents and warrants to Buyer that on or prior to the date hereof it has delivered or made available to Buyer true and complete copies of the Management Contracts. Seller hereby covenants and agrees that from and after the date hereof it will not amend, supplement or otherwise modify a Management Contract in any manner that is adverse to the Buyer Indemnified Parties.

*7. Cooperation and Consent of Comcast; Books and Records.* Comcast shall, and shall cause each of its Affiliates (including each Buyer JV

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Partner) to, cooperate and following the Termination to use good faith efforts to fulfill as promptly as practicable the conditions precedent (other than the Termination itself) to the respective obligations of Buyer and Seller under Section 5.15 of the Buyer Purchase Agreement. Comcast hereby expressly consents to the Expanded Transaction. From and after the Expanded Transaction Closing, Buyer shall not, and shall not permit its Affiliates to, provide Comcast or any of its Affiliates any Excluded Books and Records that Adelphia identifies to Buyer (in a manner that is readily apparent to Buyer) as "Excluded Books and Records" at the

Expanded Transaction Closing; provided, however, that Buyer may provide Comcast with any such Excluded Books and Records if it is required to do so pursuant to applicable Law. So long as Buyer uses good faith efforts to comply with the immediately preceding sentence (in a manner that is consistent with Buyer's policies regarding treatment of its own confidential information), Buyer and its Affiliates will have no Liability for any Loss suffered as a result of any disclosure of Excluded Books and Records, whether to any Seller Releasing Party, Comcast Releasing Party, Transferred Joint Venture Party (or any of their respective Subsidiaries). Comcast acknowledges on behalf of its and its Affiliates that the foregoing sentence shall be deemed to modify and amend any requirement in any of the JV Documents to provide Books or Records to Comcast or any of its Affiliates. Comcast shall not take any action that would cause the condition set forth in Section 6.2(j) of the Comcast Purchase Agreement not to be satisfied, provided, that nothing herein shall limit, release, discharge or otherwise diminish the Buyer JV Partners' rights in respect of Retained Claims.

**8. Termination.** This Agreement shall terminate automatically upon the earlier to occur of (a) the termination of the Comcast Purchase Agreement in accordance with its terms for any reason other than a Termination; (b) the termination of the Buyer Purchase Agreement in accordance with its terms and (c) the Closing. If this Agreement is terminated pursuant to this Section 8, this Agreement shall become void and of no effect without liability of any party hereto (or any Affiliate, shareholder, director, officer, employee, agent, consultant or representative of such party) to the other parties hereto, except that no such termination shall relieve any party hereto of any Liability resulting from any willful breach by such party of this Agreement.

**9. Fees and Expenses.** All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses except as otherwise provided for herein.

**10. Specific Performance.** The parties recognize that their rights under this Agreement are unique and, accordingly, the parties shall, in addition to such other remedies as may be available to any of them at law or in equity, have the right to enforce their rights hereunder by actions for injunctive relief and specific performance to the extent permitted by applicable law so long as the party seeking such relief is prepared to consummate the transactions contemplated hereby. The parties agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach of the provisions of this Agreement and

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hereby agree to waive the defense in any action for specific performance that a remedy at law would be adequate. The parties waive any requirement for security or the posting of any bond or other surety in connection with any temporary or permanent award or injunctive, mandatory or other equitable relief.

**11. Counterparts; Effectiveness.** This Agreement may be signed in any number of counterparts (including by facsimile), each of which when executed shall be an original and all of which taken together shall be deemed to be one and the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto.

**12. Governing Law; Submission to Jurisdiction; Selection of Forum; Waiver of Trial by Jury.** THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. Each party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement or the transactions contained in or contemplated by this Agreement exclusively in the Chosen Courts and solely in connection with claims arising under this Agreement or the transactions that are the subject of this Agreement (a) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (b) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (c) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party hereto and (d) agrees that service of process upon such party in any such action or proceeding shall be effective if notice is given in accordance with Section 13. Seller irrevocably designates The Corporation Trust Company as its agent and attorney-in-fact for the acceptance of service of process and making an appearance on its behalf in any such claim or proceeding and for the taking of all such acts as may be necessary or appropriate in order to confer jurisdiction over it before the Chosen Courts and further stipulates that such consent and appointment is irrevocable and coupled with an interest. Each party hereto irrevocably waives any and all rights to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

**13. Notices.** All notices, requests, demands, approvals, consents and other communications hereunder shall be in writing and shall be deemed to have been duly given and made if served by personal delivery upon the party for whom it is intended or delivered by registered or certified mail, return receipt requested, or if sent by telecopier or email, provided that the telecopy or email is promptly confirmed by telephone confirmation thereof, to the Person at the address set forth below, or such other address as may be designated in writing hereafter, in the same manner, by such Person:

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To Buyer:

c/o Time Warner Cable Inc.  
290 Harbor Drive  
Stamford, CT 06902-6732  
Telephone: (203) 328-0670  
Telecopy: (203) 328-3295  
Email: glenn.britt@twcable.com  
Attention: Chief Executive Officer

With a copy to:

Legal Department  
Time Warner Cable Inc.  
290 Harbor Drive  
Stamford, CT 06902-6732  
Telephone: (203) 328-0631  
Telecopy: (203) 328-4094  
Email: marc.lawrence-  
apfelbaum@twcable.com  
Attention: General Counsel

-and-

Time Warner Inc.  
One Time Warner Center  
New York, NY 10019  
Telephone: (212) 484-7980  
Telecopy: (212) 258-3172  
Email: Paul.Cappuccio@timewarner.com  
Attention: General Counsel

-and-

Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019-6064  
Telephone: (212) 373-3000  
Telecopy: (212) 757-3990  
Email: kparker@paulweiss.com  
rschumer@paulweiss.com  
Attention: Kelley D. Parker  
Robert B. Schumer

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To Comcast:

Comcast Corporation  
1500 Market Street  
Philadelphia, PA 19102  
Telephone: (215) 665-1700  
Telecopy: (215) 981-7794  
Email: ablock@comcast.com  
Attention: General Counsel

With a copy to:

Davis Polk & Wardwell  
450 Lexington Avenue  
New York, NY 10017  
Telephone: (212) 450-4000  
Telecopy: (212) 450-3800  
Email: dennis.hersch@dpw.com

Attention: william.taylor@dpw.com  
Dennis S. Hersch  
William L. Taylor

To Seller:

Adelphia Communications Corporation  
5619 DTC Parkway  
Greenwood Village, CO 80111  
Telephone: (303) 268-6458  
Telecopy: (303) 268-6662  
Email: brad.sonnenberg@adelphia.com  
Attention: Brad Sonnenberg

With a copy to:

Sullivan & Cromwell LLP  
125 Broad Street  
New York, NY 10004  
Telephone: (212) 558-4000  
Telecopy: (212) 558-3588  
Email: korrya@sullcrom.com  
Attention: Alexandra D. Korry

*[Remainder of page intentionally left blank.]*

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Please confirm your agreement with the foregoing by signing and returning a copy of this Agreement to the undersigned.

Very truly yours,

**ADELPHIA COMMUNICATIONS  
CORPORATION**

By: /s/ William Schleyer

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Name: William Schleyer  
Title: Chief Executive Officer and Chairman

**COMCAST CORPORATION**

By: /s/ Arthur R. Block

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Name: Arthur R. Block  
Title: Senior Vice President

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Agreed and Acknowledged:

**TIME WARNER NY CABLE LLC**

By: /s/ David E. O'Hayre

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Name: David E. O'Hayre

Title: Executive Vice President, Investments

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**TIME WARNER CABLE INC.**

**290 Harbor Drive**

**Stamford, CT 06902**

April 20, 2005

COMCAST CORPORATION  
1500 Market Street  
Philadelphia, PA 19102  
Attention: Larry Smith

Ladies and Gentlemen:

This letter agreement (this “Agreement”) confirms the agreement of Time Warner Cable Inc., a Delaware corporation (“TWC”), and Comcast Corporation, a Pennsylvania corporation (“Comcast”), with respect to the matters described herein.

We each agree as follows:

1. Exchange. In the event that Comcast receives the Kansas & SW Asset Pool pursuant to the Dissolution Procedure, Comcast shall have the option (the “Option”), exercisable at any time during the period commencing on the one-year anniversary of the Distribution Date for the Kansas & SW Asset Pool (the “KSW Distribution Date”) and ending at 5:00 p.m. (NYT) on the earlier of (i) the expiration of 18 months following the KSW Distribution Date and (ii) the date that is 60 days following the Good Faith Notice Date (as defined below) (such earlier date, the “Option Expiration Date”), to effect the Exchange (as defined below). If Comcast exercises the Option then (the date of such exercise, the “Option Exercise Date”), subject to the terms and conditions of this Agreement, at the closing of the Exchange (the “Closing”): (i) TWC will transfer (or cause its affiliates to transfer) to Comcast (or its designated affiliates) the cable communications systems serving the communities listed on Schedule A (the “TWC Exchange Systems”) together with any required Adjustment Cash (as defined below); and (ii) in exchange therefor, Comcast will transfer (or cause its affiliates to transfer) to TWC (or its designated affiliates) the cable communications systems that are identified on Schedule C to the Partnership Agreement (as defined below) as being part of the Southwest Business that are received on the KSW Distribution Date pursuant to the Dissolution Procedure (the

“Comcast Exchange Systems”, and together with the TWC Exchange Systems, the “Exchange Systems”) together with any required Adjustment Cash, in each case excluding any long-term debt of such systems (the “Exchange”). Capitalized terms used in this paragraph 1 and not defined shall have the meanings specified in the Limited Partnership Agreement of Texas and Kansas City Cable Partners, L.P., dated as of June 23, 1998, as amended (the “Partnership Agreement”).

2. Good Faith Notice; Definitive Agreement.

(a) At any time during the period beginning on the one-year anniversary of the KSW Distribution Date and ending 60 days prior to the expiration of 18 months following the KSW Distribution Date, Comcast may deliver to TWC a written notice (the “Good Faith Notice” and the date such notice is so delivered, the “Good Faith Notice Date”) stating that Comcast intends in good faith to exercise the Option on or prior to the Option Expiration Date unless as a result of its diligence review Comcast determines that it is not in its best interests to exercise the Option. For the avoidance of doubt, only one Good Faith Notice may be delivered. Between the Good Faith Notice Date and the Option Expiration Date, Comcast and TWC shall: (i) cooperate in good faith to permit each other to conduct a customary due diligence investigation of the Exchange Systems to be received by such party and (ii) use their respective commercially reasonable efforts to negotiate a definitive exchange agreement, including the disclosure schedules thereto (the “Definitive Agreement”), having terms and conditions (including terms relating to closing adjustments) substantially the same as the terms and conditions of the Exchange Agreement dated as of the date hereof among Comcast, TWC and the other parties thereto (the “Exchange Agreement”) to the extent relating to the Native Systems (as defined in the Exchange Agreement) *mutatis mutandis*; provided that, (a) the Closing will be conditioned on the Adelphia Closing (as defined in the Exchange Agreement) occurring, (b) the Closing will be conditioned upon the Closing (as defined in the Exchange Agreement) occurring, (c) Comcast’s representations and warranties with respect to the Comcast Exchange Systems shall be limited to events, circumstances and conditions following the KSW Distribution Date, (d) TWC’s representations and warranties with respect to the TWC Exchange Systems acquired pursuant to the TWC/Adelphia Purchase Agreement (as defined in the Exchange Agreement) shall be limited to events, circumstances and conditions following the Closing (as defined in the TWC/Adelphia Purchase Agreement), (e) Section 2.1(e)(iii) of the Exchange

Agreement shall be disregarded and (f) the Definitive Agreement shall provide for a subscriber adjustment based on the change (positive or negative) in the number of Individual Subscribers (as defined in the Exchange Agreement with respect to each party) served by each party's Exchange Systems between the Option Exercise Date and the Closing, with the adjustment per

Individual Subscriber equal to the Fair Market Value of such Exchange Systems divided by the number of Individual Subscribers served by such Exchange Systems as of the Option Exercise Date.

(b) If Comcast and TWC agree to the form of the Definitive Agreement prior to the Option Exercise Date and Comcast exercises the Option, then Comcast and TWC shall enter into the Definitive Agreement in such agreed form on the Option Exercise Date. If Comcast and TWC do not agree to the form of the Definitive Agreement prior to the Option Exercise Date and Comcast exercises the Option, then, (i) this Agreement shall, automatically and without any further act being required, be deemed to be the definitive documentation upon which the Exchange will be consummated and to incorporate terms and conditions (including terms relating to closing adjustments) substantially the same as the terms and conditions of the Exchange Agreement *mutatis mutandis* but subject to the proviso to the last sentence of paragraph 2(a).

(c) The parties intend that, and agree to use commercially reasonable efforts to structure the Exchange in such a way that, to the maximum extent possible, such Exchange will be of "like-kind assets," within the meaning of Section 1031 of the Code, that are of equivalent value, including (i) structuring the Exchange as one or more exchanges, (ii) assignment of the parties' rights under this Agreement to a "qualified intermediary" engaged by one or more of the parties to effectuate a deferred exchange and (iii) cooperating in good faith to minimize any adverse Tax effect resulting from the Exchange, including, but not limited to matching property transferred in the Exchange into "Exchange Groups" (as defined under Treasury Regulation Section 1.1031(j) -1(b)(2)).

(d) The parties acknowledge and agree that certain of the cable communications systems listed on Schedule A are subject to transfer to Comcast (or affiliates or related parties of Comcast) pursuant to the Tolling and Optional Redemption Agreement dated as of September 24, 2004, as amended, among TWC, Comcast and certain other parties named therein (the "Tolling Agreement"). If the transactions contemplated by such agreement have closed or such agreement has not been terminated by the Option Exercise Date, Schedule A hereto will be amended to delete the systems noted thereon as subject to the Tolling Agreement.

3. Fair Market Value Adjustment. If the aggregate Fair Market Value as of the Option Exercise Date of the Exchange Systems to be transferred by one party is less than the aggregate Fair Market Value as of such date of the Exchange Systems to be transferred by the other party, then the party transferring the Exchange Systems with the lower valuation shall at the Closing also transfer to the other party cash (any such cash, "Adjustment Cash") in an

amount equal to the difference. Any payments of Adjustment Cash and other purchase price adjustments will be netted so that as between each transferor and transferee only one cash payment will be made. For purposes of this Agreement, the "Fair Market Value" of any Exchange Systems shall be the fair market value of such system as of the Option Exercise Date, valued on a private market basis assuming a willing buyer and a willing seller, each party acting without compulsion in a orderly sale, taking into account the matters disclosed in the representations and warranties set forth in the Definitive Agreement and in the disclosure schedules to the Definitive Agreement, and disregarding the Net Liabilities (as defined in the Exchange Agreement) of such Exchange System. Fair Market Value shall, in each instance, be determined by mutual agreement of Comcast and TWC; provided that if Comcast and TWC cannot agree within 15 days following the Option Exercise Date, then the Fair Market Value will be determined by an appraiser jointly selected and retained by Comcast and TWC, or if the parties cannot agree on such selection within such 15 day period, then by a third appraiser selected by two other appraisers chosen on the last day of such 15 day period, one chosen by Comcast and one chosen by TWC. Upon designation of such appraiser (who shall serve as the third appraiser for all purposes hereunder, including for purposes of determining the Fair Market Value of each group of Exchange Systems), each of Comcast and TWC shall deliver to such appraiser their good faith determinations of the applicable Fair Market Value and, no later than 45 days following the Option Exercise Date, such appraiser shall select from between Comcast's and TWC's determinations the amount that most appropriately reflects such Fair Market Value. Each party shall (and shall cause its affiliates to) provide to the others and to the appraisers such information and access as shall be reasonably required in connection with the determination of

any Fair Market Value. The determination of the appraiser shall be final and binding upon, and the costs of the appraiser shall be shared equally by, Comcast and TWC.

**4. Access to Information.** From the Good Faith Notice Date until the Closing, each party transferring Exchange Systems (the “Transferring Party”) shall (i) give the other party (the “Receiving Party”), its counsel, financial advisors, auditors and other authorized representatives reasonable access to the offices, properties, books and records relating to the Exchange Systems or other assets or liabilities to be transferred by the Transferring Party, (ii) furnish to the Receiving Party, its counsel, financial advisors, auditors and other authorized representatives such financial and operating data and other information as such persons may reasonably request with respect to such Exchange Systems or other assets or liabilities and (iii) instruct the employees, counsel, financial advisors, auditors and other authorized representatives of the Transferring Party and its subsidiaries to cooperate reasonably with the Receiving Party in its investigation of such Exchange Systems or other assets or liabilities; provided that nothing herein shall require a party to disclose any programming records or agreements (other than system specific retransmission consent agreements and system specific programming agreements) or, to the extent necessary to protect the

legitimate business and confidentiality concerns of such party, but taking into account the transferee’s need for such information in connection with the transactions contemplated hereby, other documents containing competitively sensitive information, trade secrets, or other sensitive information relating thereto. Any investigation pursuant to this paragraph shall be conducted in such manner as not to interfere unreasonably with the conduct of the business of the Transferring Party and its subsidiaries and affiliates. No information or knowledge obtained by the Receiving Party in any investigation pursuant to this paragraph shall affect or be deemed to modify any representation or warranty made by the Transferring Party hereunder or in the Definitive Agreement. Any information obtained by the Receiving Party will be held in accordance with the terms of the letter agreement, dated November 9, 2004, as amended from time to time, between Comcast and Time Warner Inc. relating to the confidentiality of information regarding Comcast and its affiliates, or the letter agreement, dated November 9, 2004, as amended from time to time, between Comcast and Time Warner Inc., relating to the confidentiality of certain information regarding Time Warner Inc. and its affiliates (together, the “Confidentiality Agreements”), as applicable; provided, that the term of each Confidentiality Agreement shall, with respect to information provided pursuant to this paragraph 4, be extended to two years following the Good Faith Notice Date.

**5. Affiliate Transactions.** Prior to the Closing, all transactions and agreements between the Transferring Party or its affiliates, on the one hand, and the applicable Exchange Systems, on the other hand, will no longer be binding upon such Exchange Systems from and after Closing and with no further liability with respect to the Exchange Systems (other than arrangements with Time Warner Telecom Inc. which are on arm’s length terms consistent with those arrangements disclosed to Comcast prior to the date hereof regarding TWC’s cable television systems in Memphis and Minneapolis). At the applicable Closing, no Exchange Systems being transferred will be subject to any agreement with an Internet service provider.

**6. Representations and Warranties of TWC.** TWC represents and warrants to Comcast that: (a) TWC is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and has full power and authority to execute, deliver and perform this Agreement and the performance of TWC’s obligations hereunder have been duly authorized by all necessary corporate action on the part of TWC; (b) this Agreement has been duly executed and delivered by TWC and, assuming the due execution and delivery thereof by Comcast, is a valid and binding obligation of TWC, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and by general principles of equity; (c) except for compliance with the Securities Exchange Act of 1934, as amended (the “1934 Act”), and the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”), and customary Federal Communications Commission

(“FCC”) and franchising authority approvals and assuming consummation of the Closing (as defined in the TWC/Adelphia Agreement) and the transactions contemplated by the Exchange Agreement, the execution and delivery of this Agreement and the performance of TWC’s obligations hereunder do not and will not (i) require any material consent, approval or authorization of, or any registration, qualification or filing with, any governmental agency or authority or any other person or (ii) conflict with or result in a material breach or violation of (A) any material agreement to which TWC or any of its affiliates is a party or (B) any applicable law or regulation that is material; (d) there is no material litigation, governmental or other proceeding, investigation or controversy pending or, to TWC’s knowledge, threatened against TWC or its affiliates relating to the Exchange that could reasonably be expected to materially interfere with the Exchange; and (e) TWC owns (and as of the Closing will own) 100% of ownership interests in each TWC Exchange System, and as of the applicable Closing, assuming compliance with the matters referred to in

clause (c) above, will have the right to transfer to Comcast 100% of the ownership interests in such TWC Exchange System, free and clear of any material liens or other restrictions or limitations.

**7. Representations and Warranties of Comcast.** Comcast represents and warrants to TWC that: (a) Comcast is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, and has full power and authority to execute, deliver and perform this Agreement and the performance of Comcast's obligations hereunder have been duly authorized by all necessary corporate action on the part of Comcast; (b) this Agreement has been duly executed and delivered by Comcast and, assuming the due execution and delivery thereof by TWC, is a valid and binding obligation of such Comcast, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and by general principles of equity; (c) except for compliance with the 1934 Act and the HSR Act, and customary FCC and franchising authority approvals and assuming consummation of the Closing (as defined in the Comcast/Adelphia Purchase Agreement (as defined in the Exchange Agreement)) and the transactions contemplated by the Exchange Agreement, the execution and delivery of this Agreement and the performance of Comcast's obligations hereunder do not and will not (to Comcast's knowledge, to the extent relating to the Comcast Exchange Systems) (i) require any material consent, approval or authorization of, or any registration, qualification or filing with, any governmental agency or authority or any other person or (ii) conflict with or result in a material breach or violation of (A) any material agreement to which Comcast or any of its affiliates is a party or (B) any applicable law or regulation that is material; (d) there is no material litigation, governmental or other proceeding, investigation or controversy pending or, to Comcast's knowledge, threatened against Comcast or its affiliates relating to the Exchange that could reasonably be expected to materially interfere with the Exchange; (f) if Comcast exercises the Option, to

Comcast's knowledge Comcast, as of the Closing, will own 100% of ownership interests in each Comcast Exchange System and, assuming compliance with the matters referred to in clause (c) above, will have the right to transfer to TWC 100% of the ownership interests in such Comcast Exchange System, free and clear of any material liens or other restrictions or limitations.

**8. Termination.**

(a) This Agreement may be terminated and the Exchange may be abandoned at any time prior to the Closing:

(i) by mutual written agreement of TWC and Comcast; or

(ii) by either TWC or Comcast if (A) there shall be any law (other than any law having only an immaterial effect and that does not impose criminal liability or criminal penalties) that makes consummation of the Exchange illegal or otherwise prohibited (provided that solely for purposes of this clause the failure of the parties to obtain franchise consents shall be considered not to make consummation of the Exchange illegal or otherwise prohibited); or (B) any governmental authority (other than a franchising authority) having competent jurisdiction shall have issued an order, decree or ruling or taken any other action (which the terminating party shall have used its commercially reasonable efforts to resist, resolve or lift, as applicable) permanently restraining, enjoining or otherwise prohibiting the Exchange, and such order, decree, ruling or other action shall have become final and nonappealable;

(iii) by either TWC or Comcast upon termination of the TWC/Adelphia Purchase Agreement prior to the earlier of the Closing (as defined in the TWC/Adelphia Purchase Agreement) or the Closing (as defined in the Comcast/Adelphia Purchase Agreement); or

(iv) by either TWC or Comcast upon termination of the Exchange Agreement prior to the Closing (as defined in the Exchange Agreement).

(b) This Agreement shall terminate and the Exchange shall be abandoned automatically without action by any party (i) on the Option Expiration Date if Comcast shall not have exercised the Option prior to 5:00 p.m. (NYT) on such date, (ii) upon execution and delivery of the Definitive Agreement (which such agreement shall supersede this Agreement in all respects) or (iii) upon completion of the Asset Pool selection process pursuant to Section 8.4(c) of the Partnership Agreement

(c) The party hereto desiring to terminate this Agreement pursuant to paragraph 8(a) shall give notice of such termination to the other parties. If this Agreement is terminated pursuant to this paragraph 8, this Agreement shall become void and of no effect without liability of any party hereto (or any shareholder, director, officer, employee, agent, consultant or representative of such party) to the other parties hereto, except that paragraphs 10 through 13, 15, 16 and 17 hereof shall survive and no such termination shall relieve any party hereto of any liability or damages resulting from any willful breach by such party of this Agreement.

## 9. Releases.

(a) Effective as of the date hereof, TWC does hereby, for itself and each of its wholly owned subsidiaries and their respective successors and assigns, and all persons who at any time prior to such Closing have been partners, shareholders, directors, officers, members, agents, trustees or employees of TWC or any of its affiliates, predecessors, successors or assigns (in each case, in their respective capacities as such and to the extent it may legally do so) (collectively, the “TWC Releasing Parties”), remise, release and forever discharge Comcast and each of its subsidiaries and affiliates, their respective predecessors, successors and assigns, and all persons who at any time prior to the Closing have been beneficiaries, shareholders, directors, officers, members, agents, trustees or employees of Comcast or any of its respective subsidiaries, affiliates, predecessors, successors or assigns (in each case, in their respective capacities as such and to the extent it may legally do so), and their respective heirs, executors, administrators, predecessors, successors and assigns (collectively, the “Comcast Released Parties”) from any and all claims and liabilities whatsoever (other than liabilities based on claims sounding in fraud) whether at law or in equity (including any right of contribution), whether arising under any contract, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Closing, whether or not known as of such Closing, related to, arising out of, resulting from or based upon any breach of the representations or covenants (or actions arising under the indemnities) set forth in Sections 5(b)(iii), 5(b)(iv), and 6(p)(i) of the Agreement of Merger and Transaction Agreement, dated as of December 1, 2003 among Texas Cable Partners, L.P., Kansas City Cable Partners, Tiger Entertainment-Advance/Newhouse Partnership, TWE-A/N Texas Cable Partners General Partner LLC, TWE, TCI Texas Cable Holdings LLC, TCI Texas Cable, Inc., TCI of Missouri, Inc. (formerly known as Liberty Cable of Missouri,

Inc.), and TCI of Overland Park, Inc. and solely for purposes of being bound by Sections 3 and 6(p), Comcast and TWC, as amended (the “TKCCP Merger and Transaction Agreement”), in each case, by reason of the execution and delivery of this Agreement or the Definitive Agreement or the consummation of the transactions contemplated hereby or thereby. TWC, on behalf of itself and each of the TWC Releasing Parties, agrees that it will not assert, and will cause each TWC Releasing Party not to assert, any claims against any Comcast Released Party with respect to matters covered by this release. Nothing contained in this paragraph 9(a) shall impair any right of any Person to enforce this Agreement or the Definitive Agreement, in each case in accordance with its terms.

(b) Effective as of the date hereof, Comcast does hereby, for itself and each of its wholly owned subsidiaries and their respective successors and assigns, and all persons who at any time prior to such Closing have been partners, shareholders, directors, officers, members, agents, trustees or employees of Comcast or any of its affiliates, predecessors, successors or assigns (in each case, in their respective capacities as such and to the extent it may legally do so) (collectively, the “Comcast Releasing Parties”), remise, release and forever discharge TWC and each of its subsidiaries and affiliates, their respective predecessors, successors and assigns, and all persons who at any time prior to the Closing have been beneficiaries, shareholders, directors, officers, members, agents, trustees or employees of TWC or any of its respective subsidiaries, affiliates, predecessors, successors or assigns (in each case, in their respective capacities as such and to the extent it may legally do so), and their respective heirs, executors, administrators, predecessors, successors and assigns (collectively, the “TWC Released Parties”) from any and all claims and liabilities whatsoever (other than liabilities based on claims sounding in fraud) whether at law or in equity (including any right of contribution), whether arising under any contract, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Closing, whether or not known as of such Closing, related to, arising out of, resulting from or based upon any breach of the representations or covenants (or actions arising under the indemnities) set forth in Sections 5(b)(i), 5(b)(ii), and 6(p)(ii) of the TKCCP Merger and Transaction Agreement, in each case, by reason of the execution or delivery of this Agreement or the Definitive Agreement and the consummation of the transactions contemplated hereby or thereby. Comcast, on behalf of itself and each of the Comcast Releasing Parties, agrees that it will not assert, and will cause each Comcast Releasing Party not to assert, any claims against any TWC Released Party with respect to matters covered by this release. Nothing contained in this paragraph 9(b) shall impair any right of

any Person to enforce this Agreement or the Definitive Agreement, in each case in accordance with its terms.

10. Fees and Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses, except that all fees under the HSR Act and all transfer taxes shall be paid 50% by Comcast and 50% by TWC.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the substantive law of the State of New York, without reference to conflicts of laws principles thereof.

12. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

13. Binding Obligation. It is understood that this Agreement constitutes a legally binding obligation of the parties hereto regardless of whether the Definitive Agreement is entered into by the parties.

14. Specific Performance. The parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof in any federal court located in the State of New York or any New York state court, in addition to any other remedy to which they are entitled at law or in equity.

15. Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto.

16. Entire Agreement; Severability. This Agreement and the Confidentiality Agreements constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter of this Agreement. No representation, inducement, promise, understanding, condition or warranty not made or incorporated herein has been made or relied upon by either party hereto. In case any one or more of the provisions or part of a provision contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall be deemed not to affect any other provision or part of a provision of this Agreement, but this Agreement shall be reformed and construed

as if such provision or part of a provision held to be invalid, illegal or unenforceable had never been contained herein and such provision or part reformed so that it would be valid, legal and enforceable.

17. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission) and shall be given as follows,

To Comcast: Comcast Corporation  
1500 Market Street  
Philadelphia, PA 19102-2184  
ATTN: General Counsel  
Fax: (215) 981-7794

With a Required Copy to: Davis Polk & Wardwell  
450 Lexington Avenue  
New York, NY 10017  
ATTN: Dennis S. Hersch  
William L. Taylor  
Fax: (212) 450-4800

To TWC: c/o Time Warner Cable Inc.  
290 Harbor Drive  
Stamford, CT 06902-6732  
ATTN: Chief Executive Officer  
Fax: (203) 328-3295

With Required Copies to:

Legal Department  
Time Warner Cable Inc.  
290 Harbor Drive  
Stamford, CT 06902-6732  
ATTN: General Counsel  
Fax: (203) 328-4094

Paul, Weiss, Rifkind, Wharton  
& Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019  
ATTN: Kelley D. Parker  
Robert B. Schumer  
Fax: (212) 757-3990

All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5 p.m. in the place of receipt and such day is a business day in the place of receipt.

11

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Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding business day in the place of receipt.

12

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Please confirm your agreement with the foregoing by signing and returning a copy of this Agreement to the undersigned.

Very truly yours,

**TIME WARNER CABLE INC.**

By: /s/ David E. O'Hayre

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Name: David E. O'Hayre  
Title: Executive Vice President, Investments

**ACCEPTED AND AGREED:**

**COMCAST CORPORATION**

By: /s/ Arthur R. Block

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Name: Arthur R. Block  
Title: Senior Vice President

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## **Time Warner Cable and Comcast to Acquire Assets of Adelphia Communications; Companies Also to Swap Certain Cable Systems and Unwind Comcast's Interests in Time Warner Cable and Time Warner Entertainment Company**

NEW YORK & PHILADELPHIA--April 21, 2005--

### **Transactions to Expand Both Companies' Cable Footprints and Enhance Their Geographic Subscriber Clusters, Speeding the Delivery of New Products in Areas Currently Served by Adelphia**

Time Warner Inc. (NYSE:TWX) and Comcast Corporation (Nasdaq:CMCSA, CMCSK) today announced that they have reached definitive agreements to acquire substantially all the assets of Adelphia Communications Corporation (OTC: ADELQ) for a total of \$12.7 billion in cash and 16% of the common stock of Time Warner's cable subsidiary, Time Warner Cable Inc. Time Warner Cable and Comcast also will swap certain cable systems. In addition, Time Warner Cable will redeem Comcast's interests of 17.9% in Time Warner Cable and 4.7% in Time Warner Entertainment Company, L.P. (TWE) (together an effective 21% economic ownership of Time Warner Cable) in an efficient and mutually beneficial way.

These transactions will serve to expand both companies' cable footprints and improve the geographic clusters of their subscribers. Importantly, consumers in areas now served by Adelphia will benefit significantly from the accelerated deployment of video, high-speed data, voice and other advanced services.

As a result of these transactions, Time Warner Cable will gain systems passing approximately 7.5 million homes, with approximately 3.5 million basic subscribers. Time Warner Cable will then manage a total of approximately 14.4 million well-clustered basic subscribers. Time Warner will own 84% of Time Warner Cable's common stock, and the cable company will become a publicly traded company at the time of closing.

Comcast will emerge from these transactions with approximately 1.8 million additional basic subscribers for a net cash investment of approximately \$1.5 billion. Following these transactions, Comcast will serve a total of approximately 23.3 million customers. Comcast's clusters in Washington, D.C., Florida, Massachusetts and Pennsylvania will be enhanced, and Comcast will divest its interests in Time Warner Cable and TWE in transactions designed to be tax-free to all parties. Comcast's attributable subscribers, as calculated under the Federal Communications Commission (FCC) rules, will remain under 30% of the multi-channel video subscribers in the United States.

Time Warner Chairman and Chief Executive Officer Dick Parsons said: "I'm very pleased that we're able to take full advantage of this unique opportunity to grow our company at a fair price and move it forward - strategically, operationally and financially. Consistent with our strategy, these transactions will better position us to compete, improve returns and create shareholder value. At Time Warner Cable, we'll gain important scale, enhance our subscriber clusters and accelerate growth. As we plan the smooth integration of these new cable systems, we'll stay focused on meeting all of Time Warner's financial and operational objectives, while evaluating how to best employ our significant remaining capacity to improve shareholder returns. My thanks to Brian Roberts and his Comcast team for being such fine partners in this process that produced beneficial results for both companies."

Brian L. Roberts, Chairman and Chief Executive Officer of Comcast, said: "These transactions underscore our belief that there has never been a better time to be in the cable business. Adding these subscribers, many of whom are in high-growth, geographically desirable areas, will allow us to roll out our new products and services rapidly. Our vision remains to provide customers with more choice and control of their entertainment and communication services, and to generate superior shareholder returns. I would like to thank Dick Parsons and everyone at Time Warner for helping to achieve such a positive outcome for all parties."

### **Terms of Proposed Transactions**

In the proposed transactions:

- Time Warner Cable and Comcast will each acquire a portion of Adelphia's assets, representing approximately 5.0 million basic cable subscribers in the aggregate. Time Warner Cable will pay \$9.2 billion in cash and will issue common shares representing 16% of Time Warner Cable's outstanding common equity (taking into account the redemption transaction with Comcast) to Adelphia stakeholders in connection with its acquisition agreement. Comcast will pay \$3.5 billion in cash.
- Time Warner Cable and Comcast have agreed to swap certain cable systems to enhance their respective geographic clusters of subscribers.
- Time Warner Cable will redeem Comcast's 17.9% interest in Time Warner Cable, now held in an FCC- mandated trust, in exchange for a subsidiary holding Time Warner Cable systems serving nearly 600,000 subscribers, as well as approximately \$1.856 billion in cash.
- TWE will redeem Comcast's 4.7% interest in TWE, now held in an FCC-mandated trust, in exchange for cable systems serving more than 150,000 subscribers, as well as approximately \$133 million in cash.
- Comcast's net cash investment in these transactions will be \$1.5 billion.

- The purchase of the Adelphia assets is not dependent on the occurrence of the system swaps and redemption transactions between Time Warner and Comcast.

Steve Burke, Chief Operating Officer of Comcast, said, "The Adelphia transaction, the various system swaps, and the redemption of our Time Warner Cable interests will allow us to enhance our key clusters. It is truly a perfect fit. We look forward to quickly integrating the 1.8 million additional subscribers just as we did when we acquired AT&T Broadband and its 13 million subscribers in 2002. Most importantly, we look forward to providing all our subscribers, both old and new, with a complete suite of integrated communications and entertainment products."

Don Logan, Chairman of Time Warner's Media & Communications Group, said: "We like the cable business. It's the only platform today that can deliver enhanced digital video, high-speed data and voice services to consumers, and we have great confidence in its future. Our newly acquired systems will give us a bigger and better-clustered cable footprint, built around five large clusters, including New York City and Los Angeles. Together with Glenn Britt and the Time Warner Cable team, we'll bring our experience in innovation and proven operating track record to improving and growing the performance of these new systems."

### **Outcome for Time Warner**

When these transactions close, Time Warner will own 84% of Time Warner Cable's common stock, which will continue to consist of Class A shares and Class B super-voting shares. The remaining 16% of Time Warner Cable's common equity initially will be owned by Adelphia stakeholders and is expected to be publicly traded in the form of Class A shares. In addition to its 84% stake in the publicly traded Time Warner Cable, Time Warner also will own a direct non-voting common equity interest of approximately \$2.9 billion in a subsidiary of Time Warner Cable. The acquisition will be accounted for as an asset purchase. Time Warner said that it expects to retain significant financial flexibility, while maintaining its strong investment-grade debt rating.

Taking into account the proposed acquisition, swaps and redemptions, on a net basis, Time Warner Cable will gain approximately 3.5 million basic video subscribers. Specifically, Time Warner Cable will add around 3 million Adelphia subscribers and more than 1 million Comcast subscribers, and will give Comcast approximately 750,000 current Time Warner Cable subscribers. It will then manage a total of approximately 14.4 million basic subscribers - 12.9 million consolidated and 1.5 million in 50%-owned continuing joint ventures with Comcast. That will make Time Warner Cable the second-largest multi-channel video provider in the U.S. - ahead of all other cable operators, except for Comcast, and ahead of both major satellite companies.

Once these transactions are complete, 85% of Time Warner Cable's managed subscribers will be located in five large clusters, including (in round numbers): 3.1 million in New York, 2.6 million in Texas, 2.4 million in California, 2.3 million in Ohio and 1.9 million in the Carolinas. Time Warner Cable will be the largest cable provider in both New York City and Los Angeles, cities which anchor the country's two largest designated market areas (DMAs).

As part of his current duties as Chairman of Time Warner's Media & Communications Group, Mr. Logan will become non-executive Chairman of Time Warner Cable's board of directors. Glenn Britt, who now serves as Time Warner Cable's Chairman and Chief Executive Officer, will remain Chief Executive Officer and also will be named President.

Mr. Britt said: "We're very excited about this opportunity and look forward to taking over the day-to-day management of these new systems. Over the last few months, we've done extensive due diligence on the Adelphia properties and have a very realistic view of how we can create new value. We expect a smooth integration, and we'll quickly bring greater choice to consumers with our popular enhanced digital video and high-speed data services. We also are well positioned to compete effectively for telephone customers with our new Digital Phone service. We have the technological, managerial and operational expertise that will allow us to drive penetration rates and improve performance."

### **Outcome for Comcast**

Taking into account the proposed acquisition, swaps and redemptions, on a net basis, Comcast will gain approximately 1.8 million basic video subscribers. Specifically, Comcast will add approximately 2.1 million Adelphia subscribers through the acquisition and the swap, and approximately 750,000 Time Warner cable subscribers through the redemptions of Comcast's interest in Time Warner Cable and TWE and the swap. Comcast will give Time Warner more than 1 million subscribers. Comcast will serve approximately 23.3 million owned and operated subscribers and be attributed with approximately 3.5 million additional subscribers held in various partnerships. Comcast will remain the largest multi-channel video provider in the U.S. and the nation's largest high-speed Internet provider. As a result of these transactions, Comcast will expand its presence in such key geographic areas as Washington D.C., West Palm Beach, Boston and Pittsburgh.

### **Approvals and Advisors**

These transactions between Time Warner Cable, Comcast and Adelphia are subject to customary regulatory review and approvals, including Hart-Scott-Rodino, FCC and local franchise approvals, as well as the Adelphia bankruptcy process, which involves approvals by the bankruptcy court having jurisdiction of Adelphia's Chapter 11 case and Adelphia's creditors. Closing is expected in about 9 to 12 months.

Bear Stearns and Lehman Brothers acted as financial advisors to Time Warner. The Blackstone Group acted as financial advisor to Comcast on the Adelphia transaction and assisted on Time Warner. Morgan Stanley acted as financial advisor to Comcast on the Time Warner transaction and assisted on Adelphia. Paul, Weiss, Rifkind, Wharton & Garrison LLP is legal advisor to Time Warner. Davis Polk & Wardwell is legal advisor to Comcast. Ballard Spahr Andrews & Ingersoll, LLP advised Comcast on bankruptcy-related issues.

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### **Subscriber Information**

The subscriber information contained herein with regard to reporting basic video subscribers has been approximated because each company uses somewhat different methodologies with respect to reporting subscriber counts of multiple-dwelling units. Time Warner will provide additional information with respect to its subscriber count methodology and the impact of these transactions in materials furnished to the Securities and Exchange Commission and in a conference call for investors scheduled for today (see details below).

## **About Time Warner Inc.**

Time Warner Inc. is a leading media and entertainment company, whose businesses include interactive services, cable systems, filmed entertainment, television networks and publishing.

## **About Comcast Corporation**

Comcast Corporation is the nation's leading provider of cable, entertainment and communications products and services. With 21.5 million cable customers and 7 million high-speed Internet customers, Comcast is principally involved in the development, management and operation of broadband cable networks and in the delivery of programming content.

Comcast's content networks and investments include E! Entertainment Television, Style Network, The Golf Channel, Outdoor Life Network, G4, AZN Television, TV One and four Comcast SportsNets. The Company also has a majority ownership in Comcast-Spectacor, whose major holdings include the Philadelphia Flyers NHL hockey team, the Philadelphia 76ers NBA basketball team and two large multipurpose arenas in Philadelphia.

## **About Time Warner Cable Inc.**

Time Warner Cable owns or manages cable systems serving 10.9 million subscribers in 27 states, which include some of the most technologically advanced, best-clustered cable systems in the country with more than 75% of the Company's customers in systems of 300,000 subscribers or more. Utilizing a fully upgraded advanced cable network and a steadfast commitment to providing consumers with choice, value and world-class customer service, Time Warner Cable is an industry leader in delivering advanced products and services such as video on demand, high-definition television, digital video recorders, high-speed data, wireless home networking and Digital Phone. Time Warner Cable is a majority-owned subsidiary of Time Warner Inc.

### ***Information on Conference Calls***

*Time Warner's management will discuss today's announcement on a conference call for investors at 8:30 a.m. ET on Thursday, April 21, 2005. The dial-in numbers are: Domestic - (888) 566 1710 and International - (773) 799 3956. The Passcode is "Time Warner Investor."*

*Please dial in at least ten minutes before the call's scheduled start time to ensure you are connected by the start of the meeting. Slide presentations to accompany the conference call, as well as a live audio webcast of the conference call, will be available online at [www.timewarner.com/investors](http://www.timewarner.com/investors). To listen to the live webcast, please go to the Web site 15 minutes prior to the start of the presentation to register, download and install any necessary software. Members of the media are invited to listen to this conference call.*

*A Comcast conference call for investors and analysts will be held at 9:30 a.m. ET on Thursday, April 21, 2005. Members of the media are invited to listen to this conference call.*

*The conference call will be broadcast live via the Company's Investor Relations Web site at [www.cmcsa.com](http://www.cmcsa.com) or [www.cmcsk.com](http://www.cmcsk.com). A recording of the call will be available on the Investor Relations Web site starting at 1:30 p.m. ET on Thursday, April 21, 2005.*

*Those parties interested in participating via telephone should dial (866) 206 2777. A telephone replay will begin immediately following the call and will be available until Friday, April 22, 2005 at midnight ET. To access the rebroadcast, please dial (630) 652 3000 and enter Passcode number 11528460#.*

### **Caution Concerning Forward-Looking Statements**

This document includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current expectations and beliefs of the management of Time Warner and Comcast, respectively, and are subject to uncertainty and changes in circumstances.

Actual results may vary materially from those expressed or implied by the statements herein due to the bankruptcy court approval process, regulatory review and approval process and changes in economic, business, competitive, technological and/or other regulatory factors, as well as other factors affecting the operation of the businesses of Time Warner Inc. and Comcast Corporation. More detailed information about these factors may be found in the respective filings by Time Warner and Comcast with the Securities and Exchange Commission, including their most recent annual reports on Form 10-K. Time Warner and Comcast are under no obligation to, and expressly disclaim any such obligation to, update or alter the forward-looking statements, whether as a result of new information, future events, or otherwise.

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## **DISTRIBUTION OF PRINCIPAL PROPERTIES**

### To Time Warner

#### **From Adelphia**

New York (principally Buffalo)  
California (principally Los Angeles)  
Ohio (principally Cleveland)  
Carolinas Maine (Portland-Bangor)

#### **From Comcast**

Dallas  
Los Angeles  
Cleveland

**From Adelphia**

Florida (principally Palm Beach and Miami)  
Virginia (principally D.C. area)  
New England (Boston area, Hartford area, Vermont)  
Pennsylvania (principally Pittsburgh area,  
Johnstown area and Scranton area)  
Colorado Springs

**From Time Warner**

Minneapolis  
Memphis  
Jackson  
Louisiana (principally Shreveport and Monroe)  
Florida (principally Cape Coral and St. Augustine)