

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

AMENDMENT NO. 21 -- FINAL AMENDMENT

TO

SCHEDULE 14D-1*

Tender Offer Statement Pursuant to Section 14(d)(1)
of the Securities Exchange Act of 1934

QVC, INC.

(Name of Subject Company)

COMCAST CORPORATION
TELE-COMMUNICATIONS, INC.

(Bidders)

COMMON STOCK, \$.01 PAR VALUE PER SHARE

(Title of Class of Securities)

747262 10 3

(CUSIP Number of Class of Securities)

Stanley L. Wang
Comcast Corporation
1500 Market Street
Philadelphia, PA 19102
(215) 665-1700

Stephen M. Brett
Tele-Communications, Inc.
5619 DTC Parkway
Englewood, CO 80111
(303) 267-5500

(Name, Address and Telephone Number of Person Authorized to Receive Notices
and Communications on Behalf of Bidder)

Copies to:

Dennis S. Hersch
Davis Polk & Wardwell
450 Lexington Avenue
New York, NY 10017
(212) 450-4000

Frederick H. McGrath
Baker & Botts, L.L.P.
885 Third Avenue
New York, NY 10022
(212) 705-5000

* This Statement also constitutes Amendment No. 22 to the Schedule
13D filed by Tele-Communications, Inc. and Amendment No. 43 to the
Schedule 13D filed by Comcast Corporation in each case with respect
to the securities of the Subject Company.

Comcast Corporation and Tele-Communications, Inc. hereby amend and supplement the Tender Offer Statement on Schedule 14D-1 of QVC Programming Holdings, Inc., Comcast Corporation and Tele-Communications, Inc. filed with the Securities and Exchange Commission on August 11, 1994 (as previously amended and supplemented, the "Schedule 14D-1") with respect to Bidders' Offer to Purchase for cash all outstanding shares of Common Stock and Preferred Stock of the Company.

Information contained in the Schedule 14D-1 as hereby amended and supplemented with respect to Comcast, Liberty, TCI and the Purchaser and their respective executive officers, directors and controlling persons is given solely by such person, and no other person has responsibility for the accuracy or completeness of information supplied by such other persons.

Capitalized terms used but not defined herein have the meaning assigned to them in the Offer to Purchase and the Schedule 14D-1.

ITEM 4. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(a) and (b) The information set forth under "Special Factors -- Financing of the Transaction" in the Offer to Purchase and "Financing of the Transaction" in the Supplement is hereby amended and supplemented to include the following information:

Immediately following the consummation of the Merger, the Surviving Corporation executed definitive documentation for the Permanent facility. The Credit Agreement, dated as of February 15, 1995, among the Surviving Corporation and the Banks listed on the signature pages thereof relating to the Permanent Facility is attached hereto as Exhibit (b)(6).

ITEM 5. PURPOSE OF THE TENDER OFFER AND PLANS OR PROPOSALS OF THE BIDDERS.

(f) and (g) The information set forth under "Special Factors -- Certain Effects of the Transaction" in the Offer to Purchase is hereby amended and supplemented to include the information set forth in Item 6 of this Amendment.

ITEM 6. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

(a) and (b) The information set forth under "Introduction", "Special Factors - Background of the Transaction", "- Interests of Certain Persons in the Transaction" and "The Tender Offer - 7. Certain Information Concerning the Purchaser and Parent Purchasers" in the Offer to Purchase is hereby amended and supplemented to include the following information:

The Offer expired at 12:00 Midnight, New York City Time, on Thursday, February 9, 1995. As of the close of business on February 16, 1995, approximately 33,400,352 shares of QVC Common Stock, 468 shares of QVC Series B Preferred Stock and 31,639 shares of QVC Series C Preferred Stock, including Shares for which certificates were delivered pursuant to the guaranteed delivery procedure described in the Offer the Purchase and the related Letters of Transmittal, had been validly tendered and not previously withdrawn prior to the Expiration Date. The Purchaser has accepted for purchase all such Shares.

As a result of the consummation of the Transaction, the Common Stock became eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act. On February 16, 1995, the Surviving Corporation filed a certification on Form 15 with the Commission, suspending its obligation to file reports pursuant to Section 13 or Section 15(d) under the Exchange Act. As previously disclosed, the Common Stock has ceased to be traded on the Nasdaq National Market.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(a)(33) Notice of Merger dated February 17, 1995.

(a)(34) Letter of Transmittal to accompany Notice of Merger (including Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9).

(b)(6) Credit Agreement, dated as of February 15, 1995, among the Surviving Corporation and the Banks listed on the signature pages thereof.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 17, 1995

COMCAST CORPORATION

By: /s/ JULIAN A. BRODSKY

Name: Julian A. Brodsky
Title: Vice Chairman

TELE-COMMUNICATIONS, INC.

By: /s/ STEPHEN M. BRETT

Name: Stephen M. Brett
Title: Executive Vice
President

EXHIBIT INDEX

EXHIBIT NUMBER - - - - -	DESCRIPTION - - - - -	SEQUENTIALLY NUMBERED PAGE - - - - -
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QVC, INC.
1365 ENTERPRISE DRIVE
WEST CHESTER, PA 19380

NOTICE OF MERGER

OF

QVC PROGRAMMING HOLDINGS, INC.

WITH AND INTO

QVC, INC.

To the Former Holders of Common Stock,
Series B Preferred Stock and
Series C Preferred Stock
of QVC, INC.:

NOTICE IS HEREBY GIVEN pursuant to Sections 253(d) and 262(d)(2) of the General Corporation Law of the State of Delaware (the "GCL") that the merger (the "Merger") of QVC Programming Holdings, Inc., a Delaware corporation (the "Purchaser"), with and into QVC, Inc., a Delaware corporation ("QVC"), became effective on February 15, 1995 (the "Effective Date of the Merger"). The Purchaser was jointly owned by Comcast Corporation, a Pennsylvania corporation (57.4%), and Liberty Media Corporation (together with Comcast Corporation, the "Parent Purchasers"), a Delaware corporation (42.6%) and a wholly-owned subsidiary of Tele-Communications, Inc., a Delaware corporation. Immediately prior to the Effective Date of the Merger, the Purchaser owned at least 90% of the shares of Common Stock, par value \$.01 per share (the "Common Stock"), at least 90% of the shares of Series B Preferred Stock, par value \$.10 per share, and at least 90% of the shares of Series C Preferred Stock, par value \$.10 per share (together with the Series B Preferred Stock, the "Preferred Stock"), of the Company. This notice is first being mailed on February 17, 1995 to holders of shares of Common Stock and Preferred Stock (together, the "Shares") immediately prior to the Effective Date of the Merger (the "Former Stockholders").

As described below, under the terms of the Merger and the applicable provisions of Delaware law, the Shares ceased to be outstanding at the Effective Date of the Merger, and each such Share (other than Shares held by the Purchaser or any subsidiary of the Purchaser or held in the treasury of QVC or any wholly owned subsidiary of QVC, all of which were cancelled (the "Cancelled Shares"), and Shares held by stockholders who properly exercise the dissenters' rights referred to below) now represents solely a right to receive \$46.00 (in the case of shares of Common Stock) or \$460.00 (in the case of shares of Preferred Stock) per Share in cash without interest. TO RECEIVE PAYMENT OF THE \$46.00 OR \$460.00 PER SHARE IN CASH PAYABLE PURSUANT TO THE MERGER, FORMER STOCKHOLDERS MUST COMPLETE THE ENCLOSED LETTER OF TRANSMITTAL AND MUST PRESENT THE LETTER OF TRANSMITTAL AND THE STOCK CERTIFICATES FORMERLY REPRESENTING SHARES TO THE BANK OF NEW YORK, AS EXCHANGE AGENT, IN THE MANNER DESCRIBED BELOW AND IN THE LETTER OF TRANSMITTAL THAT ACCOMPANIES THIS NOTICE.

The Purchaser acquired its ownership of at least 90% of each class of the outstanding Shares following the consummation of its tender offer for all outstanding Shares of QVC that expired on February 9, 1995 (the "Tender Offer"), at a price of \$46.00 (in the case of shares of Common Stock) or \$460.00 (in the case of shares of Preferred Stock) per Share, net to the seller in cash and without interest. The Tender Offer was made pursuant to an Agreement and Plan of Merger dated as of August 4, 1994 (as amended, the "Merger Agreement") among the Parent Purchasers, TCI Cable Investments, Inc. (f/k/a Liberty Media Corporation), the Purchaser and QVC. Each of the conditions to the Tender Offer or the Merger was satisfied or waived prior to the consummation thereof. For more information concerning the Tender Offer, the Merger Agreement and other related agreements, Former Stockholders should consult the Tender Offer Statement on Schedule 14D-1 filed by the Purchaser and the Parent Purchasers and the Rule 13e-3 Transaction Statement on Schedule 13E-3 filed by the Purchaser, the Parent Purchasers and QVC with the Securities and Exchange Commission (the "SEC") on August 11, 1994, in each case together with the amendments and exhibits thereto (the "Schedule 14D-1" and the "Schedule 13E-3", respectively). For a description of certain federal tax consequences to Former Stockholders in connection with the Merger, Former Stockholders should consult the Offer to Purchase dated August 11, 1994 (as amended by the Supplement to Offer to Purchase dated February 3, 1995, the "Offer

to Purchase") prepared in connection with the Tender Offer, a copy of which accompanies this Notice of Merger. For information with respect to the interest of certain executive officers and directors of QVC in connection with the Tender Offer and the Merger, Former Stockholders should consult the Solicitation/Recommendation Statement on Schedule 14D-9 filed by QVC with the SEC on August 11, 1994 (the "Solicitation/Recommendation Statement"), a copy of which accompanies this Notice of Merger, together with any amendments and exhibits thereto (the "Schedule 14D-9").

Until the Effective Date of the Merger, QVC filed information with the SEC under the Securities Exchange Act of 1934, as amended, relating to its business, financial condition and other matters. Such reports and other information (including proxy statements distributed to QVC's stockholders and filed with the SEC), and the Schedule 14D-1, the Schedule 13E-3 and the Schedule 14D-9, may be inspected and copied at the public reference facilities maintained by the SEC at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and should also be available for inspection and copying at the regional offices of the SEC in New York (Jacob K. Javits Federal Building, 26 Federal Plaza, New York, New York 10278) and Chicago (Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois 60604). Copies of such material can also be obtained from the Public Reference Section of the Commission in Washington, D.C. 20549, at prescribed rates.

Because the Purchaser held in excess of 90% of each class of Shares outstanding, no action was required by any QVC stockholders other than the Purchaser under applicable Delaware law, in order for the Merger to become effective. On the Effective Date of the Merger, the separate corporate existence of the Purchaser terminated and QVC, as the surviving corporation in the Merger (sometimes referred to in this notice as "Surviving QVC"), became jointly owned by the Parent Purchasers in the same proportion as their ownership of the Purchaser prior to the Merger.

Under the terms of the Merger and the applicable provisions of Delaware law, the Shares ceased to be outstanding at the Effective Date of the Merger, and each such Share (other than the Cancelled Shares and Shares as to which appraisal rights are properly exercised) now represents solely a right to receive \$46.00 or \$460.00, as the case may be, per Share in cash without interest. In addition, under the terms of the Merger and the applicable provisions of Delaware law, each share of common stock, par value \$.01 per share, of the Purchaser outstanding at the Effective Date of the Merger (all of which were owned by the Parent Purchasers) was converted into one share of common stock, par value \$.001 per share, of Surviving QVC. As a result, all of the outstanding common stock of Surviving QVC is now owned by the Parent Purchasers.

The conversion of Shares (other than the Cancelled Shares and Shares as to which appraisal rights are properly exercised) into the right solely to receive \$46.00 or \$460.00, as the case may be, per Share in cash occurred at the Effective Date of the Merger. The Bank of New York has been appointed Exchange Agent (the "Exchange Agent") for the purposes of receiving the certificates formerly representing Shares and transmitting cash payments to Former Stockholders. A Letter of Transmittal accompanies this Notice of Merger for your use in surrendering your certificates for Shares to the Exchange Agent. Certificates for Shares, accompanied by a properly completed Letter of Transmittal, should be presented to the Exchange Agent promptly in order to obtain payment of \$46.00 or \$460.00, as the case may be, per Share pursuant to the Merger. At the Effective Date of the Merger, the Share transfer books of QVC were closed and no transfers of Shares could thereafter be made. In the event of a transfer of ownership of Shares which is not registered in the transfer records of QVC, the \$46.00 or \$460.00, as the case may be, per share in cash may be paid to a transferee if the certificate evidencing such Shares is presented to the Exchange Agent accompanied by all documents required to evidence and effect such transfer and by evidence that any applicable stock transfer taxes have been paid. At any time following six months after the Effective Date of the Merger, any funds (including the proceeds of any investments thereof) that have been made available to the Exchange Agent and that have not been disbursed to holders of certificates for Shares shall be repaid to Surviving QVC, and thereafter such holders will be entitled to look to Surviving QVC (subject to abandoned property, escheat or other similar laws) only as general creditors there with respect to the cash payable upon due surrender of such certificates.

Until a certificate that formerly represented Shares (other than the Cancelled Shares and Shares as to which appraisal rights are properly exercised) is actually surrendered for exchange, it shall represent solely the right to receive the cash into which the Shares it theretofore represented were converted, without interest. Upon the surrender and exchange of such a certificate to the Exchange Agent along with a properly completed Letter of Transmittal, the holder thereof shall be paid as soon as practicable, without interest, by check mailed to the address specified by such holder in the Letter of Transmittal, for the Shares held by it at the Effective Date of the Merger.

Under Sections 253(d) and 262 of the GCL, the Former Stockholders on the Effective Date of the Merger who do not wish to accept the cash payment to which they became entitled pursuant to the Merger have the right to seek appraisal of the value of their Shares in the Delaware Court of Chancery. Former Stockholders who do not wish to accept the \$46.00 or \$460.00, as the case may be, in cash per Share and who wish to assert their rights to an appraisal as to such Shares must so notify Surviving QVC in writing at: Secretary, QVC, Inc., 1365 Enterprise Drive, West Chester, PA 19380, within 20 days after the date of mailing of this Notice of Merger, as indicated by the postmark on the envelope containing this Notice of Merger. Surviving QVC recommends that such notification to it be sent by registered or certified mail, with return receipt requested. Such written notice from a Former Stockholder wishing to assert appraisal rights must reasonably inform QVC of the identity of such stockholder, and that such stockholder intends thereby to demand appraisal of its Shares. IN ADDITION, TO PERFECT THEIR APPRAISAL RIGHTS, DISSENTING FORMER STOCKHOLDERS MUST COMPLY WITH ALL OF THE CONDITIONS AND OTHER PROCEDURES EXPLAINED UNDER "RIGHTS OF DISSENTING STOCKHOLDERS" IN ANNEX I TO THIS NOTICE AND SET FORTH IN THE TEXT OF SECTIONS 253(D) AND 262 OF THE GCL, COPIES OF WHICH ARE ATTACHED TO THIS NOTICE AS ANNEX II AND ANNEX III, RESPECTIVELY.

For more information concerning the Tender Offer and the Merger, Former Stockholders are directed to the Offer to Purchase and the Solicitation/Recommendation Statement, copies of which accompany this Notice of Merger.

UNDER DELAWARE LAW, THE PROCEDURES TO OBTAIN APPRAISAL RIGHTS MUST BE CARRIED OUT BY AND IN THE NAME OF HOLDERS OF RECORD OF SHARES. Former Stockholders who are the beneficial but not the record owners of Shares (such as Shares held by a broker in "street name" rather than in the name of the beneficial owner thereof) and who wish to exercise such appraisal rights, are advised to consult promptly with the record owners as to the timely exercise of such rights and to cause such record owner to make the appropriate demand.

FAILURE TO STRICTLY FOLLOW THE PROCEDURES SET FORTH IN SECTION 262 OF THE GCL MAY RESULT IN A TERMINATION OR LOSS OF APPRAISAL RIGHTS UNDER SECTION 262 OF THE GCL.

The foregoing description does not purport to be a complete summary of the applicable provisions of Sections 253(d) and 262 of the GCL, and is qualified in its entirety by reference to such provisions, which are attached hereto in full as Annex II and Annex III, and the summary of Section 262, which is attached hereto as Annex I.

QVC, INC.

Dated: February 17, 1995

RIGHTS OF DISSENTING STOCKHOLDERS

Under Section 262 of the GCL, any Former Stockholder who does not wish to accept the per Share cash consideration pursuant to the Merger has the right to seek an appraisal and be paid the "fair value" of its Shares at the Effective Date of the Merger (exclusive of any element of value arising from the accomplishment or expectation of the Merger) judicially determined and paid to it in cash provided that such holder complies with the provisions of such Section 262 of the GCL. QVC is required to send a notice to that effect to each Former Stockholder within ten days after the Effective Date of the Merger. This Notice of Merger constitutes such notice.

The following is a brief summary of the statutory procedures to be followed by a Former Stockholder in order to dissent from the Merger and perfect appraisal rights under Delaware law. THIS SUMMARY IS NOT INTENDED TO BE COMPLETE AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SECTION 262 OF THE GCL, THE TEXT OF WHICH IS SET FORTH IN ANNEX III. ANY FORMER STOCKHOLDER CONSIDERING DEMANDING APPRAISAL IS ADVISED TO CONSULT LEGAL COUNSEL.

Former Stockholders of record who desire to exercise their appraisal rights must fully satisfy all of the following conditions. A written demand for appraisal of Shares must be delivered to the Secretary of QVC within 20 days after the date of mailing of this Notice of Merger.

A demand for appraisal must be executed by or for the stockholder of record, fully and correctly, as such stockholder's name appears on the stock certificates. If Shares are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, such demand must be executed by the fiduciary. If Shares are owned of record by more than one person, as in a joint tenancy or tenancy in common, such demand must be executed by all joint owners. An authorized agent, including an agent for two or more joint owners, may execute the demand for appraisal for a stockholder of record; however, the agent must identify the record owner and expressly disclose the fact that in exercising the demand, it is acting as agent for the record owner.

A record owner, such as a broker, who holds Shares as a nominee for others, may exercise appraisal rights with respect to the Shares held for all or less than all beneficial owners of Shares as to which the holder is the record owner. In such case the written demand must set forth the number of Shares covered by such demand. Where the number of Shares is not expressly stated, the demand will be presumed to cover all Shares outstanding at the Effective Time of the Merger in the name of such record owner. Beneficial owners who are not record owners and who intend to exercise appraisal rights should instruct the record owner to comply strictly with the statutory requirements with respect to the exercise of appraisal rights before the expiration of the 20-day period.

Former Stockholders who elect to exercise appraisal rights must mail or deliver their written demands to: Secretary, QVC, Inc., 1365 Enterprise Drive, West Chester, Pennsylvania 19380. The written demand for appraisal should specify the stockholder's name and mailing address, the number and class of Shares covered by the demand and that the stockholder is thereby demanding appraisal of such Shares.

Within 120 days after the Effective Date of the Merger, either QVC or any stockholder who has complied with the required conditions of Section 262 of the GCL and who is otherwise entitled to appraisal rights may file a petition in the Delaware Court of Chancery demanding a determination of the fair value of the Shares of the dissenting stockholders. If a petition for an appraisal is timely filed, after a hearing on such petition, the Delaware Court of Chancery will determine which stockholders are entitled to appraisal rights and thereafter will appraise the Shares owned by such stockholders, determining the fair value of such Shares, exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with a fair rate of interest to be paid, if any, upon the amount determined to be the fair value. In determining fair value, the Delaware Court of Chancery is to take into account all relevant factors. In *Weinberger v. UOP, Inc., et al.*, the Delaware Supreme Court discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court" should be considered and that "[f]air price obviously requires consideration of all relevant factors involving the value of a company." The Delaware Supreme Court stated that in making this determination of fair value the court must consider "market value, asset value, dividends, earning prospects, the nature of the enterprise and any other facts which were known or which could be ascertained as of the date of merger which throw any light on future prospects of the merged corporation. . ."

The Delaware Supreme Court has construed Section 262 of the GCL to mean that "elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered." However, the court noted that Section 262 of the GCL provides that fair value is to be determined "exclusive of any element of value arising from the accomplishment or expectation of the merger."

Former Stockholders who in the future consider seeking appraisal should have in mind that the fair value of their Shares determined under Section 262 of the GCL could be more than, the same as, or less than the per Share cash consideration paid pursuant to the Merger if they do seek appraisal of their Shares, and that opinions of investment banking firms as to fairness from a financial point of view are not necessarily opinions as to fair value under Section 262 of the GCL. Moreover, the Parent Purchasers intend to cause Surviving QVC to argue in any appraisal proceeding that, for purposes thereof, the "fair value" of the Shares is less than that paid in the Offer. The cost of the appraisal proceeding may be determined by the Delaware Court of Chancery and taxed upon the parties as the Delaware Court of Chancery deems equitable in the circumstances. Upon application of a dissenting stockholder, the Delaware Court of Chancery may order that all or a portion of the expenses incurred by any dissenting stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts, be charged pro rata against the value of all Shares entitled to appraisal. In the absence of such determination or assessment, each party bears its own expenses.

Any Former Stockholder who has duly demanded appraisal in compliance with Section 262 of the GCL will not, after the Effective Date of the Merger, be entitled to vote for any purpose the Shares subject to such demand or to receive payment of dividends or other distributions on such Shares, except for dividends or other distributions payable to stockholders of record at a date prior to the Effective Date of the Merger.

At any time within 60 days after the Effective Date of the Merger, any Former Stockholder shall have the right to withdraw its demand for appraisal and to accept the per Share cash consideration pursuant to the Merger. After this period, such holder may withdraw its demand for appraisal only with the consent of Surviving QVC. If no petition for appraisal is filed with the Delaware Court of Chancery within 120 days after the Effective Date of the Merger, stockholders' rights to appraisal shall cease and all stockholders shall be entitled to receive the per Share cash consideration pursuant to the Merger. Inasmuch as QVC has no obligation to file such a petition, and the Parent Purchasers have no present intention to cause or permit Surviving QVC to do so, any stockholder who desires such a petition to be filed is advised to file it on a timely basis. However, no petition timely filed in the Delaware Court of Chancery demanding appraisal shall be dismissed as to any stockholder without the approval of the Delaware Court of Chancery, and such approval may be conditioned upon such terms as the Delaware Court of Chancery deems just.

Failure to take any required step in connection with the exercise of appraisal rights may result in the termination or waiver of such rights.

THE FOREGOING IS A BRIEF SUMMARY OF SECTION 262 OF THE GCL WHICH SETS FORTH THE PROCEDURES FOR DISSENTING FROM THE MERGER AND DEMANDING STATUTORY APPRAISAL RIGHTS. THIS SUMMARY IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SECTION 262 OF THE GCL, A COPY OF THE TEXT OF WHICH IS ATTACHED HERETO AS ANNEX III.

GENERAL CORPORATION LAW OF DELAWARE

SEC. 253 MERGER OF PARENT CORPORATION AND SUBSIDIARY OR SUBSIDIARIES

(a) In any case in which at least 90% of the outstanding shares of each class of the stock of a corporation or corporations is owned by another corporation and 1 of the corporations is a corporation of this State and the other or others are corporations of this State, or any other state or states, or the District of Columbia and the laws of other state or states, or the District permit a corporation of such jurisdiction to merge with a corporation of another jurisdiction, the corporation having such stock ownership may either merge the other corporation or corporations into itself and assume all of its or their obligations, or merge itself, or itself and 1 or more of such other corporations, into 1 of the other corporations by executing, acknowledging and filing, in accordance with sec. 103 of this title, a certificate of such ownership and merger setting forth a copy of the resolution of its board of directors to so merge and the date of the adoption; provided, however, that in case the parent corporation shall not own all the outstanding stock of all the subsidiary corporations, parties to a merger as aforesaid, the resolution of the board of directors of the parent corporation shall state the terms and conditions of the merger, including the securities, cash, property, or rights to be issued, paid, delivered or granted by the surviving corporation upon surrender of each share of the subsidiary corporation or corporations not owned by the parent corporation. If the parent corporation be not the surviving corporation, the resolution shall include provision for the pro rata issuance of stock of the surviving corporation to the holders of the stock of the parent corporation on surrender of any certificates therefor, and the certificate of ownership and merger shall state that the proposed merger has been approved by a majority of the outstanding stock of the parent corporation entitled to vote thereon at a meeting duly called and held after 20 days' notice of the purpose of the meeting mailed to each such stockholder at his address as it appears on the records of the corporation if the parent corporation is a corporation of this State or state that the proposed merger has been adopted, approved, certified, executed and acknowledged by the parent corporation in accordance with the laws under which it is organized if the parent corporation is not a corporation of this State. A certified copy of the certificate shall be recorded in the office of the recorder of the county in this State in which the registered office of each constituent corporation which is a corporation of this State is located. If the surviving corporation exists under the laws of the District of Columbia or any state or jurisdiction other than this State, subsection (d) of sec. 252 of this title shall also apply to a merger under this section.

(b) If the surviving corporation is a Delaware corporation, it may change its corporate name by the inclusion of a provision to that effect in the resolution of merger adopted by the directors of the parent corporation and set forth in the certificate of ownership and merger, and upon the effective date of the merger, the name of the corporation shall be so changed.

(c) Subsection (d) of sec. 251 of this title shall apply to a merger under this section, and subsection (e) of sec. 251 of this title shall apply to a merger under this section in which the surviving corporation is the subsidiary corporation and is a corporation of this State. References to "agreement of merger" in subsections (d) and (e) of sec. 251 of this title shall mean for purposes of this subsection the resolution of merger adopted by the board of directors of the parent corporation. Any merger which effects any changes other than those authorized by this section or made applicable by this subsection shall be accomplished under sec. 251 or sec. 252 of this title. Section 262 of this title shall not apply to any merger effected under this section, except as provided in subsection (d) of this section.

(d) In the event all of the stock of a subsidiary Delaware corporation party to a merger effected under this section is not owned by the parent corporation immediately prior to the merger, the stockholders of the subsidiary Delaware corporation party to the merger shall have appraisal rights as set forth in sec. 262 of this title.

(e) A merger may be effected under this section although 1 or more of the corporations parties to the merger is a corporation organized under the laws of a jurisdiction other than 1 of the United States; provided that the laws of such jurisdiction permit a corporation of such jurisdiction to merge with a corporation of another jurisdiction.

GENERAL CORPORATION LAW OF DELAWARE

SEC. 262 APPRAISAL RIGHTS

(a) Any stockholder of a corporation of this State who holds shares of stock on the date of the making of a demand pursuant to subsection (d) of this section with respect to such shares, who continuously holds such shares through the effective date of the merger or consolidation, who has otherwise complied with subsection (d) of this section and who has neither voted in favor of the merger or consolidation nor consented thereto in writing pursuant to sec. 228 of this title shall be entitled to an appraisal by the Court of Chancery of the fair value of his shares of stock under the circumstances described in subsections (b) and (c) of this section. As used in this section, the word "stockholder" means a holder of record of stock in a stock corporation and also a member of record of a nonstock corporation; the words "stock" and "share" mean and include what is ordinarily meant by those words and also membership or membership interest of a member of a nonstock corporation; and the words "depository receipt" mean a receipt or other instrument issued by a depository representing an interest in one or more shares, or fractions thereof, solely of stock of a corporation, which stock is deposited with the depository.

(b) Appraisal rights shall be available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation to be effected pursuant to sec. 251, 252, 254, 257, 258, 263 or 264 of this title:

(1) Provided, however, that no appraisal rights under this section shall be available for the shares of any class or series of stock, which stock, or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of and to vote at the meeting of stockholders to act upon the agreement of merger or consolidation, were either (i) listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or (ii) held of record by more than 2,000 holders; and further provided that no appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the holders of the surviving corporation as provided in subsection (f) of sec. 251 of this title.

(2) Notwithstanding paragraph (1) of this subsection, appraisal rights under this section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an agreement of merger or consolidation pursuant to sec. sec. 251, 252, 254, 257, 258, 263 and 264 of this title to accept for such stock anything except:

a. Shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect thereof;

b. Shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or held of record by more than 2,000 holders;

c. Cash in lieu of fractional shares or fractional depository receipts described in the foregoing subparagraphs a. and b. of this paragraph; or

d. Any combination of the shares of stock depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing subparagraphs a., b. and c. of this paragraph.

(3) In the event all of the stock of a subsidiary Delaware corporation party to a merger effected under sec. 253 of this title is not owned by the parent corporation immediately prior to the merger, appraisal rights shall be available for the shares of the subsidiary Delaware corporation.

(c) Any corporation may provide in its certificate of incorporation that appraisal rights under this section shall be available for the shares of any class or series of its stock as a result of an amendment to its certificate of incorporation, any merger or consolidation in which the corporation is a constituent corporation or the sale of all or substantially all of the assets of the corporation. If the certificate of incorporation contains such a provision, the procedures of this section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as is practicable.

(d) Appraisal rights shall be perfected as follows:

(1) If a proposed merger or consolidation for which appraisal rights are provided under this section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, shall notify each of its stockholders who was such on the record date for such meeting with respect to shares for which appraisal rights are available pursuant to subsections (b) or (c) hereof that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this section. Each stockholder electing to demand the appraisal of his shares shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of his shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of his shares. A proxy or vote against the merger or consolidation shall not constitute such a demand. A stockholder electing to take such action must do so by a separate written demand as herein provided. Within 10 days after the effective date of such merger or consolidation, the surviving or resulting corporation shall notify each stockholder of each constituent corporation who has complied with this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

(2) If the merger or consolidation was approved pursuant to sec. 228 or 253 of this title, the surviving or resulting corporation, either before the effective date of the merger or consolidation or within 10 days thereafter, shall notify each of the stockholders entitled to appraisal rights of the effective date of the merger or consolidation and that appraisal rights are available for any or all of the shares of the constituent corporation, and shall include in such notice a copy of this section. The notice shall be sent by certified or registered mail, return receipt requested, addressed to the stockholder at his address as it appears on the records of the corporation. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of the notice, demand in writing from the surviving or resulting corporation the appraisal of his shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of his shares.

(e) Within 120 days after the effective date of the merger or consolidation, the surviving or resulting corporation or any stockholder who has complied with subsections (a) and (d) hereof and who is otherwise entitled to appraisal rights, may file a petition in the Court of Chancery demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder shall have the right to withdraw his demand for appraisal and to accept the terms offered upon the merger or consolidation. Within 120 days after the effective date of the merger or consolidation, any stockholder who has complied with the requirements of subsections (a) and (d) hereof, upon written request, shall be entitled to receive from the corporation surviving the merger or resulting from the consolidation a statement setting forth the aggregate number of shares not voted in favor of the merger or consolidation and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such written statement shall be mailed to the stockholder within 10 days after his written request for such a statement is received by the surviving or resulting corporation or within 10 days after expiration of the period for delivery of demands for appraisal under subsection (d) hereof, whichever is later.

(f) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the surviving or resulting corporation, which shall within 20 days after such service file in the office of the Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the surviving or resulting corporation. If the petition shall be filed by the surviving or resulting corporation, the petition shall be accompanied by such a duly verified list. The Register in Chancery, if so ordered by the Court, shall give notice of the time and place fixed for the hearing of such petition by registered or certified mail to the surviving or resulting corporation and to the stockholders shown on the list at the addresses therein stated. Such notice shall also be given by 1 or more publications at least 1 week before the day of the hearing, in a newspaper of general circulation published in the City of Wilmington, Delaware or such publication as the Court deems advisable. The forms of the notices by mail and by publication shall be approved by the Court, and the costs thereof shall be borne by the surviving or resulting corporation.

(g) At the hearing on such petition, the Court shall determine the stockholders who have complied with this section and who have become entitled to appraisal rights. The Court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of stock to the Register

in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the Court may dismiss the proceedings as to such stockholder.

(h) After determining the stockholders entitled to an appraisal, the Court shall appraise the shares, determining their fair value exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with a fair rate of interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the Court shall take into account all relevant factors. In determining the fair rate of interest, the Court may consider all relevant factors, including the rate of interest which the surviving or resulting corporation would have had to pay to borrow money during the pendency of the proceeding. Upon application by the surviving or resulting corporation or by any stockholder entitled to participate in the appraisal proceeding, the Court may, in its discretion, permit discovery or other pretrial proceedings and may proceed to trial upon the appraisal prior to the final determination of the stockholder entitled to an appraisal. Any stockholder whose name appears on the list filed by the surviving or resulting corporation pursuant to subsection (f) of this section and who has submitted his certificates of stock to the Register in Chancery, if such is required, may participate fully in all proceedings until it is finally determined that he is not entitled to appraisal rights under this section.

(i) The Court shall direct the payment of the fair value of the shares, together with interest, if any, by the surviving or resulting corporation to the stockholders entitled thereto. Interest may be simple or compound, as the Court may direct. Payment shall be so made to each such stockholder, in the case of holders of uncertificated stock forthwith, and the case of holders of shares represented by certificates upon the surrender to the corporation of the certificates representing such stock. The Court's decree may be enforced as other decrees in the Court of Chancery may be enforced, whether such surviving or resulting corporation be a corporation of this State or of any state.

(j) The costs of the proceeding may be determined by the Court and taxed upon the parties as the Court deems equitable in the circumstances. Upon application of a stockholder, the Court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares entitled to an appraisal.

(k) From and after the effective date of the merger or consolidation, no stockholder who has demanded his appraisal rights as provided in subsection (d) of this section shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the stock (except dividends or other distributions payable to stockholders of record at a date which is prior to the effective date of the merger or consolidation); provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (e) of this section, or if such stockholder shall deliver to the surviving or resulting corporation a written withdrawal of his demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (e) of this section or thereafter with the written approval of the corporation, then the right of such stockholder to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the Court of Chancery shall be dismissed as to any stockholder without the approval of the Court, and such approval may be conditioned upon such terms as the Court deems just.

(l) The shares of the surviving or resulting corporation to which the shares of such objecting stockholders would have been converted had they assented to the merger or consolidation shall have the status of authorized and unissued shares of the surviving or resulting corporation.

LETTER OF TRANSMITTAL

TO ACCOMPANY CERTIFICATES WHICH REPRESENTED SHARES
OF
COMMON STOCK,
SERIES B PREFERRED STOCK
AND
SERIES C PREFERRED STOCK
OF

QVC, INC.
SURRENDERED IN EXCHANGE FOR CASH

To: The Bank of New York, EXCHANGE AGENT

By Mail:
Tender & Exchange Department
P.O. Box 11248
Church Street Station
New York, NY 10286-1248

By Hand or Overnight Courier:
Tender & Exchange Department
101 Barclay Street
Receive and Deliver Window
New York, NY 10286

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED

In connection with the merger (the "Merger") of QVC Programming Holdings, Inc. (the "Purchaser"), a Delaware corporation jointly-owned by Comcast Corporation ("Comcast"), a Pennsylvania corporation (57.4%), and Liberty Media Corporation ("Liberty" and, together with Comcast, the "Parent Purchasers"), a Delaware corporation (42.6%) and a wholly-owned subsidiary of Tele-Communications, Inc. ("TCI"), a Delaware corporation, with and into QVC, Inc. ("QVC" and, following the Merger, "Surviving QVC"), a Delaware corporation, pursuant to the terms of the Agreement and Plan of Merger, dated as of August 4, 1994, among the Parent Purchasers, TCI Cable Investments, Inc. (f/k/a/ Liberty Media Corporation), the Purchaser and QVC (as amended by the First Amendment to Agreement and Plan of Merger, dated as of February 3, 1995, the "Merger Agreement"), which occurred on February 15, 1995 (the "Effective Time"), I hereby surrender the following certificate(s) which represented shares of Common Stock (the "Common Stock"), par value \$.01 per share, of the Company, Series B Preferred Stock (the "Series B Preferred Stock") or Series C Preferred Stock (the "Series C Preferred Stock" and, together with the Series B Preferred Stock, the "Preferred Stock" and, together with the Series B Preferred Stock and the Common Stock, the "Shares"), each par value \$.10 per share, of the Company, in exchange for \$46.00 per share of Common Stock (the "Common Stock Cash Consideration") or \$460.00 per share of Preferred Stock (the "Preferred Stock Cash Consideration"), as the case may be. The Common Stock Cash Consideration and the Preferred Stock Cash Consideration may hereinafter be collectively referred to as the "Cash Consideration".

NAME(S) AND ADDRESS(ES)
OF REGISTERED HOLDER(S)
(PLEASE FILL IN, IF BLANK,
EXACTLY AS NAME(S) APPEAR(S)
ON SHARE CERTIFICATE(S))

SHARE CERTIFICATE(S) ENCLOSED
(ATTACH ADDITIONAL LIST IF NECESSARY)

SHARE CERTIFICATE NUMBER(S)	CLASS AND SERIES OF SHARES REPRESENTED BY SHARE CERTIFICATE(S)	TOTAL NUMBER OF SHARES REPRESENTED BY SHARE CERTIFICATE(S)
-----------------------------------	---	---

TOTAL SHARES OF COMMON STOCK.....

TOTAL SHARES OF SERIES B PREFERRED STOCK.....

TOTAL SHARES OF SERIES C PREFERRED STOCK.....

All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the undersigned, and any obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

LOST CERTIFICATES

/ / I have lost my certificate(s) that represented _____ shares of
 Common Stock, _____ shares of Series B Preferred Stock and
 _____ shares of Series C Preferred Stock and require assistance in
 obtaining replacement certificate(s). I understand that I must contact
 the Exchange Agent to obtain instructions for replacing lost
 certificates. (See Instruction 7.)

SPECIAL PAYMENT INSTRUCTIONS
(SEE INSTRUCTIONS 4 AND 5)

To be completed ONLY if the check is to be issued in the name of someone other than the undersigned.

Issue check to:

Name.....
(Please Print)

.....

Address.....

.....
(Zip Code)

.....
(Taxpayer Identification No.)

(Note: if this box is completed, endorsement on surrendered certificate(s) or signature(s) on the accompanying instrument of transfer MUST BE GUARANTEED in the usual form by a bank or an eligible guarantor institution (see Instruction 4). PLEASE ALSO COMPLETE THE SUBSTITUTE FORM W-9 BELOW.)

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 4 AND 5)

To be completed ONLY if the check is to be mailed to someone other than the registered owner(s) or to an address other than the address of record indicated on this form (see Instruction 4).

Mail check to:

Name.....
(Please Print)

.....

Address.....

.....
(Zip Code)

IMPORTANT -- Please endorse certificates ONLY if the check is to be issued in a different name, as provided by Instructions 4 and 5 herein. Sign in the space below in either case. If this Letter of Transmittal is signed by someone other than the registered holder appearing on the surrendered stock certificates, such signature must be guaranteed. See Instruction 4. The undersigned represents that he or she has read and agrees to all the terms and conditions set forth herein.

.....

Signature(s) of Owner(s)

Name(s)
(Please Print)

.....

Capacity (full title)

Address

.....

.....
(Include Zip Code)

Daytime Area Code and Telephone Number

Dated 1995

(Must be signed by registered holder(s) exactly as name(s) appear(s) on stock certificate(s). If a signature is by a trustee, executor, or other person acting in a fiduciary or representative capacity, please set forth full title and see Instruction 4.)

PAYER'S NAME: THE BANK OF NEW YORK

SUBSTITUTE
FORM W-9
DEPARTMENT OF THE
TREASURY INTERNAL
REVENUE SERVICE
PAYER'S REQUEST FOR
TAXPAYER IDENTIFICATION
NUMBER (TIN)

PART I -- PLEASE PROVIDE YOUR
TIN IN THE BOX AT THE RIGHT AND
CERTIFY BY SIGNING AND DATING
BELOW.

Social Security Number
or

Employer Identification Number

PART II

CERTIFICATION. Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me);
- (2) I am not subject to backup withholding either because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

CERTIFICATION INSTRUCTIONS -- You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out such item (2).

SIGNATURE
1995

DATE

, PART III
Awaiting TIN / /

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 3 OF SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (1) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (2) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number by the time of payment, 31% of all reportable payments made to me will be withheld, but that such amounts will be refunded to me if I then provide a Taxpayer Identification Number within sixty (60) days.

Signature

Date

, 1995

INSTRUCTIONS

FOR SURRENDERING CERTIFICATES WHICH REPRESENTED SHARES OF COMMON STOCK
OR PREFERRED STOCK IN EXCHANGE FOR CASH

1. EXECUTION AND DELIVERY

To receive the Cash Consideration, this Letter of Transmittal or a facsimile hereof must be properly completed, dated, and signed, and must be received together with your certificate(s) that represented Shares by the Exchange Agent at either of the addresses set forth on the front cover of the Letter of Transmittal. Delivery of this Letter of Transmittal to an address other than as set forth on the face hereof will not constitute a valid delivery. The method of delivery to the Exchange Agent is at your option and risk; if sent by mail, certified mail is suggested. A pre-addressed envelope is enclosed for your convenience.

THE CHECK FOR ANY CASH PAYMENT TO WHICH A HOLDER MAY BE ENTITLED WILL BE MAILED AS SOON AS PRACTICABLE FOLLOWING THE PROCESSING BY THE EXCHANGE AGENT OF THE PROPERLY COMPLETED LETTER OF TRANSMITTAL PURSUANT TO AND IN ACCORDANCE WITH THE PROVISIONS OF THIS LETTER OF TRANSMITTAL. IF SPECIAL ISSUANCE INSTRUCTIONS ARE PROVIDED IN THIS LETTER OF TRANSMITTAL, OR IF THESE INSTRUCTIONS ARE NOT PROPERLY FOLLOWED, THE MAILING OF THE CHECK AND ANY SHARE CERTIFICATES MAY BE DELAYED.

2. INADEQUATE SPACE

If there is insufficient space on this Letter of Transmittal to list all your share certificates being submitted to the Exchange Agent, please attach a separate list.

3. SIGNATURES

THE SIGNATURE (OR SIGNATURES, IN THE CASE OF CERTIFICATES OWNED BY TWO OR MORE JOINT HOLDERS) ON THIS LETTER OF TRANSMITTAL SHOULD CORRESPOND EXACTLY WITH THE NAME AS WRITTEN ON THE FACE OF THE SHARE CERTIFICATE(S) TRANSMITTED UNLESS THE SHARES DESCRIBED ON THIS LETTER OF TRANSMITTAL HAVE BEEN ASSIGNED BY THE REGISTERED HOLDER OR HOLDERS. IN THAT CASE, THIS LETTER OF TRANSMITTAL SHOULD BE SIGNED IN EXACTLY THE SAME FORM AS THE NAME OF THE LAST TRANSFEREE INDICATED ON THE TRANSFERS ATTACHED TO OR ENDORSED ON THE CERTIFICATE(S).

If this Letter of Transmittal is signed by a trustee, executor, administrator, guardian, officer of a corporation, or attorney-in-fact, or by a person acting in any other representative or fiduciary capacity, the person signing must give his or her full title, and appropriate evidence of authority to act in such capacity must be forwarded with this Letter of Transmittal. If additional documents are required by the Exchange Agent, you will be so advised. If this Letter of Transmittal is signed on behalf of a partnership, each general partner must sign this Letter of Transmittal and include each partner's name, address and telephone number.

If any stockholder's shares are registered in different ways on different stock certificates, it will be necessary for the stockholder to complete, sign, and submit as many separate Letters of Transmittal as there are different registrations, or the stockholder may provide only one Letter of Transmittal and sign it each way his or her name appears on different stock certificates. However, each signature must be guaranteed as described in Instruction 4.

4. SPECIAL ISSUANCE INSTRUCTIONS AND SPECIAL DELIVERY INSTRUCTIONS

A holder of a certificate(s) that represented Shares should indicate in the applicable space provided the name and address to which a check is to be sent, if different from the name and address of the person signing this Letter of Transmittal. In the case of issuance to a person other than the registered holder appearing on the surrendered stock certificates, the Tax Identification or Social Security Number of that person named must also be indicated.

If this Letter of Transmittal is signed by someone other than the registered holder appearing on the surrendered share certificate(s), or if this registered holder signs this Letter of Transmittal but requests that a check be issued to someone other than the registered holder, then (i) the surrendered certificate(s) that represented Shares must be endorsed on the reverse thereof or accompanied by separate stock powers for each registration and must be signed by the registered holder and (ii) the person submitting this Letter of Transmittal shall pay to the Exchange Agent any transfer or other taxes

required as a result of the requested issuance or establish to the satisfaction of the Exchange Agent that such tax either has been paid or is not payable. The signature must be medallion guaranteed by an eligible guarantor institution. Generally an eligible guarantor institution, as defined in Rule 17Ad-15 of the regulations of the Securities and Exchange Commission under the Securities Exchange Act of 1934, means: (i) banks (as that term is defined in Section 3(a) of the Federal Deposit Insurance Act); (ii) brokers, dealers, municipal securities dealers, municipal securities brokers, government securities dealers, and government securities brokers (as those terms are defined under the Securities Exchange Act of 1934); (iii) credit unions (as that term is defined in Section 19(b)(1)(A) of the Federal Reserve Act); (iv) national securities exchanges, registered securities associates, clearing agencies (as those terms are used under the Securities Exchange Act of 1934); and (v) savings associations (as that term is defined in Section 3(b) of the Federal Deposit Insurance Act). In that case, the signature on this Letter of Transmittal must correspond exactly with the name of the person to whom the check is to be issued, as shown on the assignment from the registered holder of certificate(s) that represented Shares.

5. CORRECTION OR CHANGE OF NAME OR ADDRESS

For correction of name or for a change in name that does not involve a change of ownership, proceed as described in this Instruction 5. For a change in name by marriage or comparable change, the surrendered stock certificate should be endorsed, e.g. "Mary Doe, now by marriage Mary Smith," with the signature guaranteed as described in Instruction 4 above. For a correction in name, the surrendered certificate should be endorsed, e.g. "James E. Jones, incorrectly inscribed J.B. Jones," with the signature guaranteed as described in Instruction 4 above. A correction of or change in address of the registered holder should be indicated by crossing out the address shown on the label and writing in the new or correct address.

6. SUBSTITUTE FORM W-9

Under the federal income tax laws, the Exchange Agent will be required to withhold 31% of the amount of any reportable payments made to certain holders of certificates that represented Shares. In order to avoid backup withholding, each surrendering stockholder and, if applicable, each other payee must provide the Exchange Agent with such stockholder's or payee's correct Taxpayer Identification Number (TIN) and certify that such stockholder or payee is not subject to such backup withholding by completing the Substitute Form W-9 set forth above. In general, if a stockholder or payee is an individual, the TIN is the Social Security Number of such individual. If the Exchange Agent is not provided with the correct TIN, the stockholder or payee may be subject to a \$50 penalty imposed by the Internal Revenue Service. Certain stockholders or payees (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order to satisfy the Exchange Agent that a foreign individual qualifies as an exempt recipient, the stockholder or payee must submit a statement, signed under penalties of perjury, attesting to that individual's exempt status. Forms of such statements can be obtained from the Exchange Agent. FOR FURTHER INFORMATION CONCERNING BACKUP WITHHOLDING AND INSTRUCTIONS FOR COMPLETING THE SUBSTITUTE FORM W-9 (INCLUDING HOW TO OBTAIN A TIN IF YOU DO NOT HAVE ONE AND HOW TO COMPLETE THE SUBSTITUTE FORM W-9 IF SHARES WERE HELD IN MORE THAN ONE NAME), CONSULT THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9.

Failure to complete the Substitute Form W-9 will not, by itself, cause a stockholder's Shares to be deemed invalidly surrendered, but may require the Exchange Agent to withhold 31% of cash proceeds with respect to the surrender of Shares. Backup withholding is not an additional federal income tax. Rather, the federal income tax liability of a person subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained provided that the required information is furnished to the Internal Revenue Service.

7. MUTILATED, LOST, STOLEN OR DESTROYED CERTIFICATES

Any holder of a certificate(s) that represented Shares whose certificate(s) has been mutilated, lost, stolen, or destroyed should (i) complete this Letter of Transmittal and check the appropriate box above and (ii) contact the Exchange Agent immediately. The Exchange Agent will provide such holder with all necessary forms and instructions to replace any mutilated, lost, stolen or destroyed certificates. The holder may also be required to give the Company a bond as indemnity against any claim that may be made against it with respect to the certificate(s) alleged to have been mutilated, lost, stolen, or destroyed.

8. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES

Questions relating to the exchange, as well as requests for assistance or for additional copies of this Letter of Transmittal may be directed to the Exchange Agent at the address set forth on the front cover of the Letter of Transmittal, by telephone at (800) 507-9357 or by facsimile at (212) 815-6213.

9. TERMINATION OF APPOINTMENT OF EXCHANGE AGENT

Following the termination of the appointment of the Exchange Agent, holders of certificates that represented Shares should contact: Secretary, QVC, Inc., 1365 Enterprise Drive, West Chester, PA 19380.

10. CERTIFICATES NOT SURRENDERED

None of the Purchaser, the Parent Purchasers, TCI, QVC or Surviving QVC corporation in the Merger will be liable to any holder for any amount paid to a public official pursuant to applicable abandoned property laws. Six months after the Effective Time, cash made available to the Exchange Agent shall be returned to Surviving QVC upon its request, and thereafter holders of certificates that represented Shares shall look only to Surviving QVC for cash to which they are entitled.

\$1,200,000,000

CREDIT AGREEMENT

Dated as of February 15, 1995

Among

QVC PROGRAMMING HOLDINGS, INC.

THE BANKS LISTED ON THE
SIGNATURE PAGES HEREOF,

THE BANK OF NEW YORK COMPANY, INC.,
BARCLAYS BANK PLC,
CHEMICAL BANK,
NATIONS BANK, N.A. (CAROLINAS)
AND
THE TORONTO-DOMINION BANK

as Managing Agents

and

THE BANK OF NEW YORK,
as Administrative Agent

SCHEDULES AND EXHIBITS

Annex A	-	Banks, Lending Offices and Notice Addresses
Schedule 1.02	-	Form of Notice of Borrowing or Issuance of Letter of Credit
Schedule 1.04(c)(iv)	-	Form of Notice of Conversion or Continuation
Schedule 1.06	-	Form of Notice of Prepayment
Schedule 2.01(a)	-	Form of Certificate as to Resolutions, etc.
Schedule 2.01(d)-1	-	Form of Opinion of Counsel for Borrower and Subsidiaries
Schedule 2.01(d)-2	-	Form of Opinion of Counsel for Each Transaction Party other than Borrower
Schedule 2.01(e)	-	Form of Opinion of Special Counsel for Administrative Agent
Schedule 2.01(l)	-	Form of Certificate as to Solvency and Adequacy of Capital, etc.
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Schedule 3.04	-	Material Litigation
Schedule 3.13	-	Existing Benefit Plans
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Schedule 4.05	-	Existing Liens
Schedule 4.12	-	Permitted Restrictive Covenants
Schedule 4.14	-	Existing Investments
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Schedule 5.01(a)	-	Form of Certificate as to Quarterly Financial Statements
Schedule 5.01(b)	-	Form of Certificate as to Year-End Financial Statements

Schedule 5.02(a)	-	Historical Financial Statements
Schedule 9.10(a)	-	Form of Notice of Assignment
Exhibit A-1	-	Form of Term A Note
Exhibit A-2	-	Form of Term B Note
Exhibit A-3	-	Form of RC Note
Exhibit A-4	-	Form of Working Capital Note
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CREDIT AGREEMENT

Dated as of February 15, 1995

QVC PROGRAMMING HOLDINGS, INC., a Delaware corporation, the BANKS listed on the signature pages hereof, THE BANK OF NEW YORK COMPANY, INC., BARCLAYS BANK PLC, CHEMICAL BANK, NATIONSBANK, N.A. (CAROLINAS) and THE TORONTO-DOMINION BANK, as Managing Agents, and THE BANK OF NEW YORK, as Administrative Agent, agree as follows (with certain terms used herein being defined in Article 10):

ARTICLE 1

CREDIT FACILITY

Section 1.01. Commitment to Lend. (a) Term Loans. (i)

Term A Loans. Upon the terms and subject to the conditions of this Agreement, each Term A Bank agrees to make, on the Merger Date, a Term A Loan to the Borrower in the amount of such Bank's Term A Commitment. The Total Term A Commitment on the Agreement Date is \$600,000,000.

(ii) Term B Loans. Upon the terms and subject to the conditions of this Agreement, each Term B Bank agrees to make, on the Merger Date, a Term B Loan to the Borrower in the amount of such Bank's Term B Commitment. The Total Term B Commitment on the Agreement Date is \$200,000,000.

(b) RC Loans. Upon the terms and subject to the conditions of this Agreement, each RC Bank agrees to make, from time to time during the period from and including the Merger Date to but excluding the RC Maturity Date, one or more RC Loans to the Borrower in an aggregate unpaid principal amount not exceeding at any time such Bank's RC Commitment at such time. The Total RC Commitment on the Agreement Date is \$325,000,000.

(c) Working Capital Loans. Upon the terms and subject to the conditions of this Agreement, each Working Capital Bank agrees to make, from time to time during the period from and including the Merger Date to but excluding the Working Capital Maturity Date, one or more Working Capital Loans to the Borrower in an aggregate unpaid principal amount not exceeding at any time such Bank's Working Capital Commitment at such time minus the sum of (i) the aggregate amount of such Bank's Letter of Credit Participations at such time and (ii) such Bank's Swing Loan Percentage of the aggregate principal amount of the Swing Loans outstanding at such time. The Total Working Capital Commitment on the Agreement Date is \$75,000,000.

(d) Swing Loans. (i) Upon the terms and subject to the conditions of this Agreement, the Swing Loan Lender agrees to make, from time to time from and including the Merger Date to but excluding the Working Capital Maturity Date, make one or more Swing Loans to the Borrower, in an aggregate unpaid principal amount not exceeding at any time the lesser of (A) the Total Working Capital Commitment at such time minus the sum of the aggregate principal amount of all Working Capital Loans outstanding at such time and the aggregate amount of the Letter of Credit Participations outstanding at such time and (B) \$25,000,000. All Swing Loans shall be in an amount not less than \$1,000,000 and shall be in an integral multiple of \$1,000,000 and shall be made and maintained as Base Rate Loans. All Swing Loans shall be disbursed by the Swing Loan Lender in Dollars in funds immediately available to the Borrower by credit to an account of the Borrower at the Swing Loan Lender's Domestic Lending Office, or in such other manner as may have been specified in the applicable notice of borrowing and as shall be acceptable to the Swing Loan Lender, on the day requested, if such request is received not later than 2:00 p.m. (New York time) on such day, and if received thereafter on any Business Day, on the next Business Day. Each request by the Borrower for the making of Swing Loans shall constitute a Representation and Warranty by the Borrower as of the time of the making of such Swing Loans that the conditions specified in Sections 2.02(b) and (c) have been fulfilled at such time. The Swing Loan Lender shall provide prompt notice to the Administrative Agent and the Banks of the making of any Swing Loans to the Borrower.

(ii) The Borrower shall repay each Swing Loan no later than 3:00 p.m. (New York time) on the date specified in the notice of borrowing delivered under Section 1.01(d)(i) (which shall be a date not later than the earlier of (A) the third Business Day after the date on which such Swing Loan is to be made and (B) the Working Capital Maturity Date). The Swing Loan Lender shall provide prompt notice to the Administrative Agent and the Banks of any repayment of Swing Loans by the Borrower.

(iii) Upon demand made to all of the Banks by the Swing Loan Lender, which demand may be made before or after a Default (including a Default arising under Section 1.01(d)(ii)), but subject to the provisions of Section 1.01(d)(iv), each Bank (other than the Swing Loan Lender) shall irrevocably and unconditionally purchase from the Swing Loan Lender, without recourse or warranty, an undivided interest and participation in the Swing Loans then outstanding, by paying to the Swing Loan Lender, without reduction or deduction of any kind, including but not limited to reductions or deductions for set-off, recoupment or counterclaim, in Dollars immediately available to the Swing Loan Lender at the Swing Loan Lender's Domestic Lending Office, an amount equal to such Bank's Swing Loan Percentage of the principal amount of all Swing Loans then outstanding, and thereafter, except as otherwise provided in the second succeeding sentence, the Banks' respective interests in such Swing Loans,

and the remaining interest of the Swing Loan Lender in such Swing Loans, shall in all respects be treated as Working Capital Loans under this Agreement, but such Swing Loans shall continue to be evidenced by the Swing Note, and shall continue to be due and payable by the Borrower in accordance with Section 1.01(d)(ii). If any Bank does not pay any amount which it is required to pay after giving effect to the provisions of Section 1.01(d)(iv) forthwith upon the Swing Loan Lender's demand therefor, the Swing Loan Lender shall be entitled to recover such amount on demand from such Bank, together with interest thereon, at the Federal Funds Rate for the first three Business Days, and thereafter at the Base Rate, for each day from the date of such demand, if made prior to 2:00 p.m. (New York time) on any Business Day, or, if made at any other time, from the next Business Day following the date of such demand, until the date such amount is paid to the Swing Loan Lender by such Bank. If such Bank does not pay such amount forthwith upon the Swing Loan Lender's demand therefor, and until such time as such Bank makes the required payment, the Swing Loan Lender's remaining interest in the applicable Swing Loan shall continue to include the amount of such unpaid participation obligation.

(iv) No Bank shall be obligated to purchase a participation in any Swing Loan unless (A) the Swing Loan Lender believed in good faith that the conditions specified in Sections 2.02(b) and (c) were satisfied at the time such Swing Loan was made or (B) such Bank had actual knowledge, by receipt of information furnished to it pursuant to Section 5.01(e) hereof, or otherwise, that any such condition had not been satisfied and failed to notify the Swing Loan Lender in a writing received by the Swing Loan Lender one Business Day prior to the time that it made such Swing Loan that the Swing Loan Lender was not authorized to make such Swing Loan or (C) the satisfaction of such condition that was not satisfied had been waived in accordance with the provisions of this Agreement.

(e) Type of Loans. Subject to Section 1.06 and the other terms and conditions of this Agreement, the Loans may, at the option of the Borrower, be made as, and from time to time continued as or converted into, Base Rate Loans or Eurodollar Rate Loans of any permitted Type, or any combination thereof.

Section 1.02. Manner of Borrowing. (a) The Borrower shall give the Administrative Agent notice (which shall be irrevocable) no later than 10:00 a.m. (New York time) on, in the case of Base Rate Loans (other than Swing Loans), the requested day for the making of such Loans and, in the case of Eurodollar Rate Loans, the third Eurodollar Business Day before the requested date for the making of such Loans. Each such notice shall be in the form of Schedule 1.02 and shall specify (i) whether the requested Loans are to be Term A Loans, Term B Loans, RC Loans or Working Capital Loans, (ii) the requested date for the making of the requested Loans, which shall be, in the case of Base Rate Loans, a Business Day and, in the case of Eurodollar

Rate Loans, a Eurodollar Business Day, (iii) the Type or Types of Loans requested and (iv) the amount of each such Type of Loan, which amount shall be \$5,000,000 or any integral multiple of \$1,000,000 in excess thereof or the amount of the unused Total RC Commitment or Total Working Capital Commitment, as the case may be. Upon receipt of any such notice, the Administrative Agent shall promptly notify each Bank of the contents thereof and of the amount and Type of each Loan to be made by such Bank on the requested date specified therein.

(b) Not later than 12:00 noon (New York time) on each requested date for the making of Loans (other than Swing Loans), each Bank shall make available to the Administrative Agent, in Dollars in funds immediately available to the Administrative Agent at the Administrative Agent's Office, the Loans to be made by such Bank on such date. The obligations of the Banks hereunder are several and, accordingly, any Bank's failure to make any Loan to be made by it on the requested date therefor shall not relieve any other Bank of its obligation to make any Loan to be made by such other Bank on such date, but such other Bank shall not be liable for such failure.

(c) Unless the Administrative Agent shall have received notice from a Bank prior to 12:00 noon (New York time) on the requested date for the making of any Loan by such Bank that such Bank will not make available to the Administrative Agent the Loans requested to be made by such Bank on such date, the Administrative Agent may assume that such Bank has made such Loans available to the Administrative Agent on such date in accordance with Section 1.02(b) and the Administrative Agent in its sole discretion may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount on behalf of such Bank. If and to the extent such Bank shall not have so made available to the Administrative Agent the Loans requested to be made by such Bank on such date and the Administrative Agent shall have so made available to the Borrower a corresponding amount on behalf of such Bank, such Bank shall, on demand, pay to the Administrative Agent such corresponding amount together with interest thereon, for each day from the date such amount shall have been so made available by the Administrative Agent to the Borrower until the date such amount shall have been paid to the Administrative Agent, at the Federal Funds Rate until (and including) the third Business Day after demand is made and thereafter at the Base Rate. If such Bank does not pay such corresponding amount promptly upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower and the Borrower shall promptly repay such corresponding amount to the Administrative Agent together with accrued interest thereon at the applicable rate or rates provided in Section 1.04(a); provided, however, that, with respect to such repayment, the Borrower shall have no liability with respect to losses, costs or expenses otherwise compensable under Section 7.04 in connection therewith.

(d) All Loans made available to the Administrative Agent in accordance with Section 1.02(b) shall be disbursed by the Administrative Agent promptly but in any event not later than 3:00 p.m. (New York time) on the requested date therefor in Dollars in funds immediately available to the Borrower by credit to an account of the Borrower at the Administrative Agent's Office or in such other manner as may have been specified in the applicable notice and as shall be acceptable to the Administrative Agent.

Section 1.03. Letters of Credit. (a) Upon the terms and subject to the conditions of this Agreement, the Issuing Bank shall, from time to time, on or prior to the tenth Business Day preceding the Working Capital Maturity Date, issue one or more Letters of Credit for the account of the Borrower, provided that (A) the aggregate principal amount of all Letter of Credit Participations shall not exceed the LC Commitment at any time and (B) the aggregate amount of all Letter of Credit Participations together with the aggregate unpaid principal amount of all Working Capital Loans and Swing Loans shall not at any time exceed the Total Working Capital Commitment at such time. Each Letter of Credit shall be in a form and shall contain such terms as shall be reasonably satisfactory to the Issuing Bank. The letters of credit issued in connection with the Predecessor Indebtedness and outstanding on the Closing Date shall, from and after the Closing Date, constitute Letters of Credit for all purposes hereunder.

(b) Each Letter of Credit shall be denominated only in Dollars and shall expire on or before the first anniversary of the issuance thereof and in any event not later than the fifth Business Day preceding the Working Capital Maturity Date. Any extension of the expiry date of a Letter of Credit to a date beyond the first anniversary of the issuance thereof shall constitute an "issuance" of such Letter of Credit for all purposes hereof.

(c) Letters of Credit shall be issued only on a Business Day, and shall be used for the general corporate purposes of the Borrower and the Subsidiaries.

(d) The Borrower shall request the issuance of a Letter of Credit by furnishing to the Administrative Agent and the Issuing Bank, at least one Business Day before the requested date of such issuance, in the case of standby letters of credit, or on the requested date of such issuance, in the case of trade letters of credit, notice thereof in the form of Schedule 1.02 or such other notice as shall be reasonably satisfactory to the Issuing Bank (and, in the case of any such notice, the Borrower shall be deemed to have made the Representation and Warranty with respect to such issuance provided for in the final paragraph of the form of notice set forth in Schedule 1.02).

(e) Upon the date of issuance of a Letter of Credit (or, in the case of the Letters of Credit referred to in the last sentence of Section 1.03(a), on the Closing Date), the Issuing Bank shall be deemed to have granted to each Participating Bank (other than the Issuing Bank), and each Participating Bank (other than the Issuing Bank) shall be deemed to have acquired from the Issuing Bank without further action by any party hereto, a participation in such Letter of Credit and any Drawings that may at any time be made thereunder, to the extent of such Bank's Participating Bank Percentage thereof.

(f) The Issuing Bank shall promptly notify the Borrower of its receipt of each Drawing request with respect to a Letter of Credit, stating the date and amount of the Drawing requested thereby and the date and amount of each Drawing disbursed pursuant to such request. The failure of the Issuing Bank to give, or delay in giving, any such notice shall not release or diminish the obligations hereunder of the Borrower in respect of such Drawing.

(g) The Borrower shall, on the day it receives notice of each Drawing, if such notice is received prior to 10:00 a.m. (New York time) on such day, and on the Business Day following the day it receives such notice, if such notice is received after 10:00 a.m. (New York time) on such day, reimburse such Drawing by paying to the Issuing Bank in immediately available funds the amount of the payment made by the Issuing Bank with respect to such Drawing, together with interest thereon at a rate per annum equal to the Base Rate as in effect from time to time plus the Applicable Margin until the day such reimbursement is made if such Drawing is not reimbursed on the day notice is received. In the event that the Borrower shall fail to make any such payment when due and for so long as such failure shall be continuing, the Issuing Bank may give notice of such failure to the Administrative Agent and each Participating Bank, which notice shall include, in the case of a Participating Bank, the amount of such Participating Bank's Participating Bank Percentage of such Drawing, whereupon each such Participating Bank (other than the Issuing Bank) shall promptly remit such amount to the Administrative Agent for the account of the Issuing Bank as provided in Section 1.03(h).

(h) Each Participating Bank (other than the Issuing Bank) shall, in the event it receives the notice from the Issuing Bank pursuant to Section 1.03(g) at or before 12:00 noon (New York time) on any Business Day, fund its participation in any unreimbursed Drawing by remitting to the Administrative Agent, no later than 2:00 p.m. (New York time) on such day, in immediately available funds its Participating Bank Percentage of the reimbursement obligation in respect of each Drawing. The Administrative Agent shall, in the event it receives such funds from such Participating Bank at or before 2:00 p.m. (New York time) on any day, no later than 4:00 p.m. (New York time) on such day, make available the amount thereof to the Issuing Bank, in

immediately available funds. Any amount payable by any Participating Bank to the Administrative Agent for the account of the Issuing Bank under this Section 1.03(h), and any amount payable by the Administrative Agent to the Issuing Bank under this Section 1.03(h), shall bear interest for each day from the date due (and including such day if paid after 2:00 p.m. (New York time), in the case of any such payment by a Participating Bank to the Administrative Agent, or 4:00 p.m. (New York time), in the case of any such payment by the Administrative Agent to the Issuing Bank, on such day) in accordance with this Section 1.03(h) until the date it is received by the Issuing Bank at a rate equal to the Federal Funds Rate until (and including) the third Business Day after the date due and thereafter at the Base Rate. Each Participating Bank shall, upon the demand of the Issuing Bank, reimburse the Issuing Bank, to the extent the Issuing Bank has not been reimbursed by the Borrower after demand therefor, for the reasonable costs and expenses (including reasonable legal fees) incurred by it (other than as a result of its willful misconduct or gross negligence) in connection with the collection of amounts due under, the administration of, and the preservation and enforcement of any rights conferred by, the Letters of Credit or the performance of the Issuing Bank's obligations under this Agreement in respect thereof (other than its obligation to make Loans in its capacity as a Bank or Swing Loans in its capacity as the Swing Loan Lender), to the extent of such Participating Bank's Participating Bank Percentage (as of the time such costs and expenses are incurred) of the amount of such costs and expenses. The Issuing Bank shall refund any costs and expenses reimbursed by such Participating Bank that are subsequently recovered from the Borrower in an amount equal to such Participating Bank's Participating Bank Percentage thereof.

(i) On or before the tenth Business Day of each month, the Issuing Bank shall provide to the Administrative Agent and each Bank a notice setting forth, with respect to the previous calendar month, the average daily aggregate amount of Contingent Reimbursement Obligations under each Letter of Credit that was a standby letter of credit during such month and the average daily aggregate amount of Contingent Reimbursement Obligations under each Letter of Credit that was a trade letter of credit during such month.

(j) The obligation of each Participating Bank to make available to the Issuing Bank the amounts set forth in this Section 1.03 shall be absolute, unconditional and irrevocable under any and all circumstances without reduction for any set-off or counterclaim of any nature whatsoever, and may not be terminated, suspended or delayed for any reason whatsoever, shall not be subject to any qualification or exception and shall be made in accordance with the terms and conditions of this Agreement under all circumstances, including, without limitation, any of the following circumstances:

(i) any lack of validity or enforceability of this Agreement or any of the other Loan Documents;

(ii) the existence of any claim, setoff, defense or other right which the Borrower may have at any time against a beneficiary named in a Letter of Credit, any transferee of any Letter of Credit (or any Person for whom any such transferee may be acting), any Agent, the Issuing Bank, any Participating Bank or any other Person, whether in connection with this Agreement, any Letter of Credit, the transactions contemplated herein or any unrelated transactions (including any underlying transaction between the Borrower and the beneficiary named in any such Letter of Credit);

(iii) any draft, certificate or any other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(iv) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Loan Documents; or

(v) the occurrence of any Default.

(k) (i) Without affecting any rights the Participating Banks may have under Applicable Law, the Borrower agrees that none of the Participating Banks, the Issuing Bank, the Agents or their respective officers or directors shall be liable or responsible for, and the obligations of the Borrower to the Participating Banks, the Issuing Bank and the Agents hereunder shall not in any manner be affected by: (A) the use that may be made of any Letter of Credit or the proceeds thereof by the beneficiary thereof or any other Person or any acts or omissions of such beneficiary or any other Person; (B) the validity, sufficiency or genuineness of documents presented in connection with any Drawing, or of any endorsements thereon, even if such documents should, in fact, prove to be in any or all respects, invalid, insufficient, fraudulent or forged; or (C) any other circumstances whatsoever in making or failing to make payment under any Letter of Credit or any other action taken or omitted to be taken by any Person under or in connection with any Letter of Credit, except that the Borrower shall have a claim against the Issuing Bank and the Issuing Bank shall be liable to the Borrower, in each case to the extent and only to the extent of any damages suffered by the Borrower that are caused by (1) the Issuing Bank's willful misconduct or gross negligence (as determined by a court of competent jurisdiction) in determining whether documents presented under any Letter of Credit issued by the Issuing Bank complied with the terms of such Letter of Credit or (2) the Issuing Bank's willful failure (as determined by a court of competent jurisdiction) to pay under such Letter of Credit after the presentation to it of documents strictly

complying with the terms and conditions of such Letter of Credit. In furtherance and not in limitation of the foregoing, in determining whether to pay under any Letter of Credit, the Issuing Bank shall not have any obligation relative to the other Banks other than to determine that any documents required to be delivered under such Letter of Credit appear to have been delivered and that they appear to comply on their face with the requirements of such Letter of Credit, regardless of any notice or information to the contrary. Any action taken or omitted to be taken by the Issuing Bank under or in connection with any Letter of Credit if taken or omitted in the absence of gross negligence or willful misconduct, shall not create for the Issuing Bank any resulting liability to any Bank.

(ii) In addition to any other amounts payable under this Agreement, the Borrower agrees to protect, indemnify, pay and hold the Issuing Bank harmless from and against any and all claims, costs, charges and expenses (including reasonable attorneys' fees) which the Issuing Bank may incur or be subject to as a consequence, direct or indirect, of (A) the issuance of, or payment of any drawing under, any Letter of Credit, other than as a result of the gross negligence or willful misconduct of the Issuing Bank as determined by a court of competent jurisdiction or (B) the failure of the Issuing Bank to honor a drawing under any Letter of Credit as a result of any act or omission of any present or future government or governmental authority.

(iii) The Issuing Bank shall not be responsible for:

(A) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the issuance of Letters of Credit,

(B) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof in whole or in part,

(C) errors, omissions, interruptions, or delays in transmissions or delivery of any messages, by mail, cable, telecopy, telex or otherwise, whether or not in cipher,

(D) the misapplication by the beneficiary of any Letter of Credit or the proceeds of any drawing under such Letter of Credit, and

(E) any consequence arising from causes beyond the control of the Issuing Bank, including, without limitation, any governmental acts.

(1) If any Bank Nonparticipation occurs with respect to any Bank, (A) the Administrative Agent and such Bank agree, if requested by the Borrower, to attempt to locate a bank or other financial institution that desires to accept the assignment of the Loans, Letter of Credit Participations, Commitments and other rights and obligations hereunder of such Bank and (B) if such bank or other financial institution is located, such Bank agrees to assign its interest in its Loans, Letter of Credit Participations, Commitments and other rights and obligations hereunder to such bank or other financial institution in accordance with Section 9.10.

Section 1.04. Interest. (a) Rates. Each Loan shall bear interest on the outstanding principal amount thereof until due at a rate per annum equal to, (i) so long as it is a Base Rate Loan, the Base Rate as in effect from time to time plus the Applicable Margin and (ii) so long as it is a Eurodollar Rate Loan, the applicable Eurodollar Rate plus the Applicable Margin. If all or any part of a Loan, reimbursement of a Drawing or any other amount due and payable under the Borrower Loan Documents is not paid when due (whether at maturity, by reason of notice of prepayment or acceleration or otherwise), such unpaid amount shall, to the maximum extent permitted by Applicable Law, bear interest for each day during the period from the date such amount became so due until it shall be paid in full (whether before or after judgment) at a rate per annum equal to the applicable Post-Default Rate.

(b) Payment. Interest shall be payable, (i) in the case of Base Rate Loans, on each Interest Payment Date, (ii) in the case of Eurodollar Rate Loans, on the last day of each applicable Interest Period (and, in the case of a Eurodollar Rate Loan having an Interest Period longer than three months, on each three month anniversary of the first day of such Interest Period) and (iii) in the case of any Loan, when such Loan shall be due (whether at maturity, upon mandatory prepayment, by reason of notice of prepayment or acceleration or otherwise) or converted, but only to the extent then accrued on the amount then so due or converted. Interest at the Post-Default Rate shall be payable on demand.

(c) Conversion and Continuation. (i) All or any part of the principal amount of Loans of any Type may, on any Business Day, be converted into any other Type or Types of Loans, except that (A) Eurodollar Rate Loans may be converted only on the last day of the applicable Interest Periods therefor, (B) Base Rate Loans may be converted into Eurodollar Rate Loans only on a Eurodollar Business Day and (C) Swing Loans shall be maintained as Base Rate Loans at all times.

(ii) Base Rate Loans shall continue as Base Rate Loans unless and until such Loans are converted into Loans of another Type. Eurodollar Rate Loans of any Type shall continue as Loans of such Type until the end of the then current Interest

Period therefor, at which time they shall be automatically converted into Base Rate Loans unless the Borrower shall have given the Administrative Agent notice in accordance with Section 1.04(c)(iv) requesting either that such Loans continue as Loans of such Type for another Interest Period or that such Loans be converted into Loans of another Type at the end of such Interest Period.

(iii) Notwithstanding anything to the contrary contained in Section 1.04(c)(i) or (ii), so long as an Event of Default shall have occurred and be continuing, the Administrative Agent may (and, at the request of Banks having more than 66-2/3% of the Loans and Letter of Credit Participations outstanding (or, if there are not Loans or Letter of Credit Participations then outstanding, more than 66-2/3% of the aggregate amount of the Commitments), shall) notify the Borrower that Loans may only be converted into or continued upon the expiration of the applicable current Interest Period therefor as Loans of certain specified Types and, thereafter, until no Event of Default shall continue to exist, Loans may not be converted into or continued as Loans of any Type other than one or more of such specified Types.

(iv) The Borrower shall give the Administrative Agent notice (which shall be irrevocable) of each conversion of Loans or continuation of Eurodollar Rate Loans no later than 11:00 a.m. (New York time) on, in the case of a conversion into Base Rate Loans, the requested date of such conversion and, in the case of a conversion into or continuation of Eurodollar Rate Loans, the third Eurodollar Business Day before the requested date of such conversion or continuation. Each notice of conversion or continuation shall be in the form of Schedule 1.04(c)(iv) and shall specify (A) the requested date of such conversion or continuation, (B) the amount and Type and, in the case of Eurodollar Rate Loans, the last day of the applicable Interest Period for the Loans to be converted or continued and (C) the amount and Type or Types of Loans into which such Loans are to be converted or as which such Loans are to be continued. Upon receipt of any such notice, the Administrative Agent shall promptly notify each Bank of (x) the contents thereof, (y) the amount and Type and, in the case of Eurodollar Rate Loans, the last day of the applicable Interest Period for each Loan to be converted or continued by such Bank and (z) the amount and Type or Types of Loans into which such Loans are to be converted or as which such Loans are to be continued.

(d) Maximum Interest Rate. Nothing contained in the Loan Documents shall require the Borrower at any time to pay interest at a rate exceeding the Maximum Permissible Rate. If interest payable by the Borrower on any date would exceed the maximum amount permitted by the Maximum Permissible Rate, such interest payment shall automatically be reduced to such maximum amount permitted, and interest for any subsequent period, to the extent less than the maximum amount permitted for such period by the Maximum Permissible Rate, shall be increased by the unpaid

amount of such reduction. Any interest actually received for any period in excess of such maximum amount permitted for such period shall be deemed to have been applied as a prepayment of the corresponding Loans.

Section 1.05. Repayment. (a) Term A Loans. The Term A Loans shall mature and become due and payable and shall be repaid by the Borrower in quarterly installments, payable on successive Installment Payment Dates commencing with April 30, 1996 and ending with the Term A Maturity Date (whether or not such date would otherwise be an Installment Payment Date). Each such installment shall be in an amount equal to one quarter of the amount set forth below for the applicable year, provided that the final installment shall be in an amount equal to the amount of Term A Loans then outstanding.

Year Ending -----	Amount -----
January 31, 1997	\$25,000,000
January 31, 1998	\$50,000,000
January 31, 1999	\$75,000,000
January 31, 2000	\$100,000,000
January 31, 2001	\$100,000,000
January 31, 2002	\$120,000,000
January 31, 2003	\$130,000,000

(b) Term B Loans. The Term B Loans shall mature and become due and payable and shall be repaid by the Borrower in quarterly installments, payable on successive Installment Payment Dates commencing with April 30, 1996 and ending with the Term B Maturity Date (whether or not such date would otherwise be an Installment Payment Date). Each such installment shall be in an amount equal to one quarter of the amount set forth below for the applicable year, provided that the final installment shall be in an amount equal to the amount of Term B Loans then outstanding.

Year Ending -----	Amount -----
January 31, 1997	\$1,000,000
January 31, 1998	\$1,000,000
January 31, 1999	\$1,000,000
January 31, 2000	\$1,000,000
January 31, 2001	\$1,000,000
January 31, 2002	\$1,000,000
January 31, 2003	\$15,000,000

January 31, 2004

\$179,000,000

(c) RC Loans. The aggregate outstanding principal amount of the RC Loans shall mature and become due and payable, and shall be repaid by the Borrower, on the RC Maturity Date.

(d) Working Capital Loans. The aggregate outstanding principal amount of the Working Capital Loans shall mature and become due and payable, and shall be repaid by the Borrower, on the Working Capital Maturity Date.

(e) Drawings. The Borrower shall reimburse the Issuing Bank for each Drawing under a Letter of Credit on the date determined with respect to such Drawing in the manner set forth in Section 1.03(g).

(f) Swing Loans. Each Swing Loan shall mature and become due and payable, and shall be repaid by the Borrower, on the date determined with respect to such Swing Loan in the manner set forth in Section 1.01(d)(ii).

Section 1.06. Prepayments. (a) Optional Prepayments. The Borrower may, at any time and from time to time, prepay the Loans in whole or in part, without premium or penalty, except that any optional partial prepayment (other than Swing Loans) shall be in an aggregate principal amount of \$5,000,000 or any integral multiple of \$1,000,000 in excess thereof, and any prepayment of Term Loans shall be made pro rata between the Term A Loans and the Term B Loans at the time outstanding in accordance with the relative aggregate principal amounts thereof. Prepayments of the Term A Loans and the Term B Loans shall be applied to each of the respective remaining installments thereof pro rata in accordance with the relative amounts thereof. Any prepayment of Eurodollar Rate Loans made on a day other than the last day of the applicable Interest Periods therefor shall be accompanied by the amount, if any, required to be paid in respect thereof pursuant to Section 7.04. The Borrower shall give the Administrative Agent notice of each prepayment no later than 11:00 a.m. (New York time) on, in the case of a prepayment of Base Rate Loans (other than Swing Loans), the first Business Day before and, in the case of a prepayment of Eurodollar Rate Loans, the third Eurodollar Business Day before, the date of such prepayment and, in the case of a prepayment of Swing Loans, the day of such prepayment. Each such notice of prepayment shall be in the form of Schedule 1.06 and shall specify (i) the date such prepayment is to be made and (ii) whether the Loans to be prepaid are Term A Loans, Term B Loans, RC Loans, Working Capital Loans or Swing Loans and the amount and Type and, in the case of Eurodollar Rate Loans, the last day of the applicable Interest Periods for the Loans to be prepaid. Upon receipt of any such notice, the Administrative Agent shall promptly notify each Bank of the contents thereof and the amount and Type and, in the case of Eurodollar Rate Loans, the last day of the applicable Interest Periods for the Loans of such Bank to be prepaid. Amounts to be

so prepaid shall irrevocably be due and payable on the date specified in the applicable notice of prepayment, together with interest thereon as provided in Section 1.04(b).

(b) Mandatory Prepayments. (i) Excess Cash Flow. Commencing with the fiscal year of the Borrower ending January 31, 1997, upon the earlier of the date on which the Administrative Agent receives the financial statements specified in Section 5.01(b) hereof with respect to the most recently ended fiscal year of the Borrower and the date by which the Borrower is required to provide the Administrative Agent with such financial statements, the Borrower shall prepay the Loans in an amount equal to, in the case of the fiscal year ending January 31, 1997, 75% of Excess Cash Flow for such fiscal year and, in the case of each subsequent fiscal year, 50% of Excess Cash Flow for such fiscal year; provided, however that no prepayments under this Section 1.06(b)(i) shall be required with respect to Excess Cash Flow for any fiscal year if the Leverage Ratio is less than or equal to 3.50 as of the time that such prepayment would otherwise be required to be made.

(ii) Dispositions. Promptly upon, but in any event within five Business Days following, the receipt by the Borrower or any Subsidiary of any Net Proceeds of any sale or disposition contemplated by Section 4.08(h) (other than the disposition by the Borrower of up to 50% of its interest in QVC, an English unlimited liability company) the amount of which, together with the aggregate amount of Net Proceeds of all other such sales or dispositions contemplated by Section 4.08(h) (other than the disposition by the Borrower of up to 50% of its interest in QVC, an English unlimited liability company) made since the Agreement Date (including all such Net Proceeds that were the basis of a previous mandatory prepayment pursuant to this Section 1.06(b)(ii)), are in excess of \$15,000,000, the Borrower shall prepay the Loans in an amount equal to 75% of such newly-received Net Proceeds.

(iii) Permitted Replacement Debt. Immediately upon the receipt by (A) the Borrower of net proceeds of Permitted Borrower Replacement Debt or (B) Holdco of net proceeds of Permitted Holdco Replacement Debt, the Borrower shall prepay the Term B Loans in a principal amount equal to such net proceeds, together with interest thereon as provided in Section 1.04(b).

(iv) Clean-Up Prepayments. The Borrower shall prepay Working Capital Loans and Swing Loans at such times and in such amounts so that there shall be no Working Capital Loans or Swing Loans outstanding for a period of 30 consecutive days during the period of 365 days immediately preceding the date of determination, other than one Swing Loan made during such 30 day period that is repaid within two Business Days of the date on which such Swing Loan was made.

(v) Reduction of RC Availability. If, after giving effect to any reduction of the Total RC Commitment pursuant to Section 1.08, the aggregate outstanding principal amount of the RC Loans exceeds the Total RC Commitment, the Borrower shall prepay the RC Loans in an aggregate amount equal to the amount of such excess, together with interest thereon as provided in Section 1.04(b), on the date of such reduction.

(vi) Reduction of Working Capital Availability. If, after giving effect to any reduction of the Total Working Capital Commitment pursuant to Section 1.08, the sum of the aggregate outstanding principal amount of the Working Capital Loans and Swing Loans and the aggregate amount of Letter of Credit Participations exceeds the Total Working Capital Commitment, the Borrower shall prepay the Working Capital Loans, the Swing Loans and the Contingent Reimbursement Obligations in an aggregate amount equal to the amount of such excess, together with interest thereon as provided in Section 1.04(b), on the date of such reduction.

(vii) Application and Timing. Amounts prepaid pursuant to Section 1.06(b)(i) or (ii) shall be applied to prepay (A) the Term Loans, (B) to the extent that the amount of any such prepayment exceeds the then outstanding aggregate principal amount of the Term Loans, the RC Loans and (C) to the extent that the amount of such prepayment exceeds the then outstanding aggregate principal amount of the Term Loans and the RC Loans, the Working Capital Loans, the Swing Loans and the Contingent Reimbursement Obligations. Prepayments of the Term Loans pursuant to Section 1.06(b)(i) or (ii) shall be applied pro rata to the Term A Loans and the Term B Loans in accordance with the relative aggregate principal amounts thereof then outstanding and the resulting prepayment of the Term A Loans and the Term B Loans, respectively, shall be applied to each of the respective remaining installments thereof pro rata in accordance with the relative amounts thereof. Prepayments of Loans made pursuant to this Section 1.06(b) shall, unless the Borrower shall have given a notice setting forth the Eurodollar Rate Loans to be prepaid by no later than 11:00 a.m. (New York time) on the third Eurodollar Business Day before the date of such prepayment, be applied first to prepay Base Rate Loans and then to prepay Eurodollar Rate Loans in the order that the Interest Periods for such Loans end. Amounts to be so prepaid shall be paid on the date specified therefor, whether or not such payment would require a prepayment of any Eurodollar Rate Loans prior to the last day of the applicable Interest Periods therefor or would result in losses, costs or expenses compensable under Section 7.04. Any prepayment of the Contingent Reimbursement Obligations shall be held as cash collateral in accordance with Section 9.19.

Section 1.07. Limitation on Types of Loans. Notwithstanding anything to the contrary contained in this Agreement, the Borrower shall borrow, prepay, convert and continue Loans in a manner such that (a) the aggregate principal

amount of Eurodollar Rate Loans of the same Type shall at all times be not less than \$10,000,000 and (b) there shall not be, at any one time, more than ten Interest Periods in effect with respect to Eurodollar Rate Loans of all Types.

Section 1.08. Reductions of Total RC Commitment and Total Working Capital Commitment. (a) Scheduled Reductions of Total RC Commitment. Subject to the adjustments described in Section 1.08(d), the Total RC Commitment shall be automatically reduced on a quarterly basis, on successive Installment Payment Dates commencing with April 30, 1996 and ending with the RC Maturity Date (whether or not such date would otherwise be an Installment Payment Date). Each such reduction shall be in an amount equal to one quarter of the amount set forth below for the applicable year, provided that the final reduction shall be in an amount equal to the Total RC Commitment then outstanding.

Year Ending -----	Amount -----
January 31, 1997	\$10,000,000
January 31, 1998	\$26,250,000
January 31, 1999	\$26,250,000
January 31, 2000	\$35,000,000
January 31, 2001	\$61,250,000
January 31, 2002	\$78,750,000
January 31, 2003	\$87,500,000

(b) Optional Reductions. (i) Total RC Commitment. The Borrower may reduce the Total RC Commitment by giving the Administrative Agent notice (which shall be irrevocable) thereof no later than 11:00 a.m. (New York time) on the third Business Day before the requested date of such reduction, except that each partial reduction thereof shall be in an amount equal to \$5,000,000 or any integral multiple of \$1,000,000 in excess thereof and that no reduction shall reduce the Total RC Commitment to an amount less than the aggregate of the principal amount of all RC Loans outstanding on such date (after giving effect to any repayment or prepayment of RC Loans to be made on or prior to such date). Upon receipt of any such notice, the Administrative Agent shall promptly notify each RC Bank of the contents thereof and the amount to which such RC Bank's RC Commitment is to be reduced.

(ii) Total Working Capital Commitment. The Borrower may reduce the Total Working Capital Commitment by giving the Administrative Agent notice (which shall be irrevocable) thereof no later than 11:00 a.m. (New York time) on the third Business Day before the requested date of such reduction, except that each partial reduction thereof shall be in an amount equal to \$5,000,000 or any integral multiple of

\$1,000,000 in excess thereof and that no reduction shall reduce the Total Working Capital Commitment to an amount less than the sum of the aggregate principal amount of all Working Capital Loans and Swing Loans and the amount of all Letter of Credit Participations outstanding on such date (after giving effect to any repayment or prepayment of Working Capital Loans or Swing Loans to be made, and any expiration or termination of any Letters of Credit to occur, on or prior to such date). Upon receipt of any such notice, the Administrative Agent shall promptly notify each Working Capital Bank of the contents thereof and the amount to which such Working Capital Bank's Working Capital Commitment is to be reduced.

(c) Mandatory Reductions. (i) Total RC Commitment. The Total RC Commitment shall be reduced at the time of each mandatory prepayment of Loans required to be made (or that would have been required to be made if Loans had been outstanding at such time) (A) pursuant to Section 1.06(b)(i) by an amount equal to the excess, if any, of (x) 75% of Excess Cash Flow for the fiscal year of the Borrower ending January 31, 1997 and 50% of Excess Cash Flow for the applicable subsequent fiscal year over (y) the aggregate principal amount of Term Loans outstanding at such time and (B) pursuant to Section 1.06(b)(ii) by an amount equal to the excess, if any, of (x) 75% of the newly-received Net Proceeds referred to in Section 1.06(b)(ii) over (y) the aggregate principal amount of Term Loans outstanding at such time.

(ii) Total Working Capital Commitment. The Total Working Capital Commitment shall be reduced at the time of each mandatory prepayment of Loans required to be made (or that would have been required to be made if Loans had been outstanding at such time) (A) pursuant to Section 1.06(b)(i) by an amount equal to the excess, if any, of (x) 75% of Excess Cash Flow for the fiscal year of the Borrower ending January 31, 1997 and 50% of Excess Cash Flow for the applicable subsequent fiscal year over (y) the sum of (I) the aggregate principal amount of Term Loans outstanding at such time and (II) the Total RC Commitment at such time and (B) pursuant to Section 1.06(b)(ii) by an amount equal to the excess, if any, of (x) 75% of the newly-received Net Proceeds referred to in Section 1.06(b)(ii) over (y) the sum of (I) the aggregate principal amount of Term Loans outstanding at such time and (II) the Total RC Commitment at such time.

(d) Adjustments. Upon each reduction of the Total RC Commitment pursuant to Section 1.08(b) or 1.08(c), the remaining scheduled reductions thereof set forth in Section 1.08(a) shall be adjusted, after giving effect to any prior adjustments thereto pursuant to this Section 1.08(d), by reducing the scheduled reductions in their direct chronological order.

(e) No Reinstatement. No reduction of the Total RC Commitment or the Total Working Capital Commitment may be reinstated.

Section 1.09. Fees. (a) Commitment Fees. (i) RC

Commitment. The Borrower shall pay to the Administrative Agent, for the account of each RC Bank, a commitment fee on the daily unused amount of such RC Bank's RC Commitment for each day from and including the Agreement Date to but excluding the RC Maturity Date at a rate per annum equal to (i) for each day that the Leverage Ratio is greater than or equal to 3.00 to 1, 0.375% or (ii) for each day that the Leverage Ratio is less than 3.00 to 1, 0.300%, payable in arrears on successive Interest Payment Dates, on the date of any reduction of such Commitment (to the extent accrued and unpaid on the amount of such reduction) and on the RC Maturity Date.

(ii) Working Capital Commitment. The Borrower shall pay to the Administrative Agent, for the account of each Working Capital Bank, a commitment fee on the daily unused amount of such Working Capital Bank's Working Capital Commitment for each day from and including the Agreement Date to but excluding the Working Capital Maturity Date at a rate per annum equal to (i) for each day that the Leverage Ratio is greater than or equal to 3.00 to 1, 0.375% or (ii) for each day that the Leverage Ratio is less than 3.00 to 1, 0.300%, payable in arrears on successive Interest Payment Dates, on the date of any reduction of such Commitment (to the extent accrued and unpaid on the amount of such reduction) and on the Working Capital Maturity Date.

(b) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent, for the respective accounts of the Participating Banks, (i) a letter of credit fee on the daily aggregate amount of the Contingent Reimbursement Obligations under each Letter of Credit which is a standby letter of credit at a rate per annum equal to the Applicable Margin that would be applicable to Working Capital Loans that are Eurodollar Rate Loans at such time, and (ii) a letter of credit fee on the daily aggregate amount of the Contingent Reimbursement Obligations under each Letter of Credit which is a trade letter of credit at a rate per annum equal to 50% of the Applicable Margin that would be applicable to Working Capital Loans that are Eurodollar Rate Loans at such time. Such fees shall be payable in arrears on successive Interest Payment Dates.

Section 1.10. Computation of Interest and Fees. Interest calculated on the basis of the Eurodollar Rate or the Federal Funds Rate shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed. Commitment fees, letter of credit fees and interest calculated on the basis of the Prime Rate shall be computed on the basis of a year of 365 or 366 days, as applicable, and paid for the actual number of days elapsed. Interest, commitment fees and letter of credit fees for any period shall be calculated from and including the first day thereof to but excluding the last day thereof.

Section 1.11. Payments by the Borrower. (a) Time, Place and Manner. All payments due to the Administrative Agent,

the Swing Loan Lender or the Issuing Bank under the Borrower Loan Documents shall be made to the Administrative Agent at the Administrative Agent's Office or to such other Person or at such other address as the Administrative Agent, the Swing Loan Lender or the Issuing Bank, respectively, may designate by notice to the Borrower. All payments due to any Bank under the Borrower Loan Documents shall, in the case of payments on account of principal of or interest on the Loans or fees, be made to the Administrative Agent at the Administrative Agent's Office and, in the case of all other payments, be made directly to such Bank at its Domestic Lending Office or at such other address as such Bank may designate by notice to the Borrower. All payments due to any Bank under the Borrower Loan Documents, whether made to the Administrative Agent or directly to such Bank, shall be made for the account of, in the case of payments in respect of Eurodollar Rate Loans, such Bank's Eurodollar Lending Office and, in the case of all other payments, such Bank's Domestic Lending Office. A payment shall not be deemed to have been made on any day unless such payment has been received by the required Person, at the required place of payment, in Dollars in funds immediately available to such Person, no later than 1:00 p.m. (New York time) on such day; provided, however, that the failure of the Borrower to make any such payment by such time shall not constitute a Default hereunder so long as such payment is received no later than 3:00 p.m. (New York time) on such day, but any such payment received later than 1:00 p.m. (New York time) on such day shall be deemed to have been made on the next Business Day for the purpose of calculating interest on the amount paid, which interest, in the case of any such payment received later than 3:00 p.m. (New York time), shall be calculated for such one-day period on the basis of the applicable Post- Default Rate; provided further, however, that any such payment made with the proceeds of Loans under Section 1.01(b), (c) or (d) shall be deemed to have been made on the date of the making of such Loans, so long as such proceeds are immediately so applied and are not otherwise disbursed to the Borrower.

(b) No Reductions. All payments due to the Administrative Agent, the Issuing Bank, the Swing Loan Lender or any Bank under the Borrower Loan Documents, and all other terms, conditions, covenants and agreements to be observed and performed by the Borrower thereunder, shall be made, observed or performed by the Borrower without any reduction or deduction whatsoever, including any reduction or deduction for any set-off, recoupment, counterclaim (whether sounding in tort, contract or otherwise) or Tax, except for, so long as the Borrower is in compliance with Section 1.13, any withholding or deduction for Taxes required to be withheld or deducted under Applicable Law.

(c) Authorization to Charge Accounts. The Borrower hereby authorizes the Administrative Agent, the Issuing Bank, the Swing Loan Lender and each Bank, if and to the extent any amount payable by the Borrower under the Borrower Loan Documents (whether payable to such Person or to any other Person that is

the Administrative Agent, the Issuing Bank, the Swing Loan Lender or a Bank) is not otherwise paid when due, to charge such amount against any or all of the demand deposit or other transaction accounts of the Borrower with such Person or, to the extent permitted under Applicable Law, with any of such Person's Affiliates (whether maintained at a branch or office located within or without the United States), with the Borrower remaining liable for any deficiency. The Person so charging any such account shall give the Borrower prompt notice thereof, but any failure to give or delay in giving such notice shall not affect such Person's right to effect such charge.

(d) Extension of Payment Dates. Whenever any payment to the Administrative Agent, the Issuing Bank, the Swing Loan Lender or any Bank under the Borrower Loan Documents would otherwise be due (except by reason of acceleration) on a day that is not a Business Day or, in the case of payments of the principal of Eurodollar Rate Loans, a Eurodollar Business Day, such payment shall instead be due on the next succeeding Business or Eurodollar Business Day, as the case may be, unless, in the case of a payment of the principal of Eurodollar Rate Loans, such extension would cause payment to be due in the next succeeding calendar month, in which case such due date shall be advanced to the next preceding Eurodollar Business Day. If the due date for any payment under the Borrower Loan Documents is extended (whether by operation of any Borrower Loan Document, Applicable Law or otherwise), such payment shall bear interest for such extended time at the rate of interest applicable hereunder.

Section 1.12. Distribution of Payments by the Administrative Agent. (a) The Administrative Agent shall promptly distribute to the Issuing Bank, the Swing Loan Lender and each Bank its ratable share of each payment received by the Administrative Agent under the Loan Documents for the account of the Issuing Bank, the Swing Loan Lender and the Banks by credit to an account of such Bank, the Swing Loan Lender or the Issuing Bank at the Administrative Agent's Office or by wire transfer to an account of such Bank, the Swing Loan Lender or the Issuing Bank at an office of any other commercial bank located in the United States or at any Federal Reserve Bank, in each case as may be specified by such Bank.

(b) Unless the Administrative Agent shall have received notice from the applicable Loan Party prior to the date on which any payment is due to the Banks under the Loan Documents that such Loan Party will not make such payment in full, the Administrative Agent may assume that such Loan Party has made such payment in full to the Administrative Agent on such date and the Administrative Agent in its sole discretion may, in reliance upon such assumption, cause to be distributed to the Issuing Bank, the Swing Loan Lender and each Bank on such due date a corresponding amount with respect to the amount then due the Issuing Bank, the Swing Loan Lender and such Bank. If and to the extent such Loan Party shall not have so made such payment in

full to the Administrative Agent and the Administrative Agent shall have so distributed to the Issuing Bank, the Swing Loan Lender or any Bank a corresponding amount, the Issuing Bank, the Swing Loan Lender or such Bank shall, on demand, repay to the Administrative Agent the amount so distributed together with interest thereon, for each day from the date such amount is distributed to the Issuing Bank, the Swing Loan Lender or such Bank until the date the Issuing Bank, the Swing Loan Lender or such Bank repays such amount to the Administrative Agent, at the Federal Funds Rate until (and including) the third Business Day after demand is made and thereafter at the Base Rate.

Section 1.13. Taxes on Payments. (a) Taxes Payable by the Borrower. If any Tax is required to be withheld or deducted from, or is otherwise payable by the Borrower in connection with, any payment due to the Issuing Bank, the Swing Loan Lender, any Bank or any Agent that is not a "United States person" (as such term is defined in Section 7701(a)(30) of the Code) hereunder, the Borrower (i) shall, if required, withhold or deduct the amount of such Tax from such payment and, in any case, pay such Tax to the appropriate taxing authority in accordance with Applicable Law and (ii) except in the case of any Bank Tax, shall pay to the Issuing Bank, the Swing Loan Lender, such Bank or Agent such additional amounts as may be necessary so that the net amount received by the Issuing Bank, the Swing Loan Lender, such Bank or Agent with respect to such payment, after withholding or deducting all Taxes required to be withheld or deducted, is equal to the full amount payable hereunder. If any Tax is withheld or deducted from, or is otherwise payable by the Borrower in connection with, any payment due to the Issuing Bank, the Swing Loan Lender, such Bank or Agent hereunder, the Borrower shall furnish to the Issuing Bank, the Swing Loan Lender, such Bank or Agent the original or a certified copy of a receipt (if any) for such Tax from the applicable taxing authority or other evidence of payment thereof satisfactory to such Bank or Agent within 30 days after the date of such payment (or, if such receipt shall not have been made available by such taxing authority within such time, the Borrower shall use reasonable efforts to promptly obtain and furnish such receipt). If the Borrower fails to pay any such Taxes when due to the appropriate taxing authority or fails to remit to the Issuing Bank, the Swing Loan Lender, such Bank or Agent the required receipts or other evidence of payment thereof satisfactory to such Bank or Agent, the Borrower shall indemnify the Issuing Bank, the Swing Loan Lender, such Bank or Agent for any Taxes, interest, penalties or additions to Tax that may become payable by the Issuing Bank, the Swing Loan Lender, such Bank or Agent as a result of any such failure.

(b) Taxes Payable by the Issuing Bank, any Bank or Agent. The Borrower shall, promptly upon request by the Issuing Bank, the Swing Loan Lender, any Bank or Agent that is not a United States person for the payment thereof, pay to the Issuing Bank, the Swing Loan Lender, any such Bank or Agent an amount

equal to (i) all Taxes (other than Bank Taxes and without duplication of amounts paid pursuant to Section 1.13(a)) payable by the Issuing Bank, the Swing Loan Lender, such Bank or Agent with respect to any payment due to the Issuing Bank, the Swing Loan Lender, such Bank or Agent hereunder and (ii) all Taxes (other than Bank Taxes) payable by the Issuing Bank, the Swing Loan Lender, such Bank or Agent as a result of payments made by the Borrower (whether made to a taxing authority or to the Issuing Bank, the Swing Loan Lender, such Bank or Agent) pursuant to Section 1.13(a) or this Section 1.13(b).

(c) Credits and Deductions. If the Issuing Bank, the Swing Loan Lender, any Agent or Bank is, in its sole opinion, able to apply for any refund, offset, credit, deduction or other reduction in Taxes by reason of any payment made by the Borrower under Section 1.13(a) or (b), the Issuing Bank, the Swing Loan Lender, such Agent or Bank, as the case may be, shall use reasonable efforts to obtain such refund, offset, credit, deduction or other reduction and, upon receipt thereof, will pay to the Borrower such amount, not exceeding the increased amount paid by the Borrower, as is equal to the net after-tax value to the Issuing Bank, the Swing Loan Lender, such Agent or Bank, in its sole opinion, of such part of such refund, offset, credit, deduction or other reduction as it considers to be allocable to such payment by the Borrower, having regard to all of the Issuing Bank's, the Swing Loan Lender's, such Agent's or Bank's dealings giving rise to similar refunds, offsets, credits, deductions or other reductions in relation to the same tax period and to the cost of obtaining the same; provided, however, that if the Issuing Bank, the Swing Loan Lender, any Agent or Bank has made a payment to the Borrower pursuant to this Section 1.13(c) and the applicable refund, offset, credit, deduction or other reduction in Tax is subsequently disallowed, the Borrower shall, promptly upon request by the Issuing Bank, the Swing Loan Lender, any Agent or Bank, refund to the Issuing Bank, the Swing Loan Lender, such Agent or Bank that portion of such payment determined by the Issuing Bank, the Swing Loan Lender, such Agent or Bank, in its sole opinion, relating to such disallowance; and provided, further that (i) the Issuing Bank, the Swing Loan Lender, such Agent or Bank, as the case may be, shall not be obligated to disclose to the Borrower any information regarding its Tax affairs or computations and (ii) nothing in this Section 1.13(c) shall interfere with the right of the Issuing Bank, the Swing Loan Lender, such Agent or Bank to arrange its Tax affairs as it deems appropriate.

(d) Exemption from U.S. Withholding Taxes. (i) Each Bank that is not a United States person shall submit to the Borrower and the Administrative Agent, on or before the fifth day prior to the first Interest Payment Date occurring after the Closing Date (or, in the case of a Person that is not a United States person and that became a Bank by assignment, promptly upon such assignment), two duly completed and signed copies of either (A) Form 1001 of the United States Internal Revenue Service

entitling such Bank to a complete exemption from withholding on all amounts to be received by such Bank pursuant to this Agreement and the Loans or (B) Form 4224 of the United States Internal Revenue Service relating to all amounts to be received by such Bank pursuant to this Agreement and the Loans. Each such Bank shall, from time to time after submitting either such Form, submit to the Borrower and the Administrative Agent such additional duly completed and signed copies of one or the other such Forms (or any successor forms as shall be adopted from time to time by the relevant United States taxing authorities) as may be (A) requested in writing by the Borrower or the Administrative Agent and (B) appropriate under the circumstances and under then current United States law or regulations to avoid or reduce United States withholding taxes on payments in respect of all amounts to be received by such Bank pursuant to this Agreement or the Loans. Upon the request of the Borrower or the Administrative Agent, each Bank that is a United States person shall submit to the Borrower and the Administrative Agent a certificate to the effect that it is a United States person.

(ii) If any Bank determines that it is unable to submit to the Borrower or the Administrative Agent any form or certificate that such Bank is obligated to submit pursuant to the preceding paragraph, or that it is required to withdraw or cancel any such form or certificate, or that any such form or certificate previously submitted has otherwise become ineffective or inaccurate, such Bank shall promptly notify the Borrower and the Administrative Agent of such fact.

(iii) Notwithstanding anything to the contrary contained herein, the Borrower shall not be required to pay any additional amount in respect of United States withholding taxes pursuant to Section 1.13(a) or Section 7.02 to any Bank that (A) is not, on the date this Agreement is executed by such Bank (or, in the case of a Person that became a Bank by assignment, on the date of such assignment), either (x) entitled to submit Form 1001 of the United States Internal Revenue Service entitling such Bank to a complete exemption from withholding on all amounts to be received by such Bank pursuant to this Agreement and the Loans or Form 4224 of the United States Internal Revenue Service relating to all amounts to be received by such Bank pursuant to this Agreement and the Loans or (y) a United States person, (B) is no longer entitled or, in the case of a Bank that is no longer a United States person, is not entitled, to submit either such Form (or any successor form as shall be adopted from time to time by the relevant United States taxing authorities) as a result of any change in circumstances or other event other than a Regulatory Change or (C) with respect to any affected interest payments, fails to fulfill its requirements set forth in Section 1.13(d)(i).

(iv) All references to any "Bank" contained in this Section 1.13(d) shall be deemed to be a reference to, in addition

to any Bank, the Issuing Bank, the Swing Loan Lender or any Agent.

Section 1.14. Evidence of Indebtedness. Each Bank's Loans and the Borrower's obligation to repay such Loans with interest in accordance with the terms of this Agreement shall be evidenced by this Agreement, the records of such Bank and, in the case of Term A Loans, a single Term A Note payable to the order of such Bank, in the case of Term B Loans, a single Term B Note payable to the order of such Bank, in the case of RC Loans, a single RC Note payable to the order of such Bank and, in the case of Working Capital Loans, a single Working Capital Note payable to the order of such Bank. The Swing Loans and the Borrower's obligation to repay the Swing Loans with interest in accordance with the terms of this Agreement shall be evidenced by this Agreement, the records of the Swing Loan Lender, and a single Swing Loan Note payable to the order of the Swing Loan Lender. Each Bank's Letter of Credit Participations shall be evidenced by this Agreement, the records of such Bank and the Letters of Credit. The records of each Bank and the Swing Loan Lender shall be prima facie evidence of such Bank's Loans and Letter of Credit Participations, of the Swing Loan Lender's Swing Loans and, in each case, of accrued interest thereon and all payments made in respect thereof.

Section 1.15. Pro Rata Treatment. Except to the extent otherwise provided herein, (a) Loans (other than Swing Loans) shall be made by the Banks pro rata in accordance with their respective Commitments, (b) Loans of the Banks shall be converted and continued pro rata in accordance with their respective amounts of Loans of the Type being so converted or continued, (c) each reduction of the Total RC Commitment or the Total Working Capital Commitment shall be applied to the RC Commitments or the Working Capital Commitments, as the case may be, pro rata in accordance with the respective amounts thereof and (d) each payment of the principal of or interest on the Loans, reimbursement of Drawings under Letters of Credit or of commitment or letter of credit fees shall be made for the account of the Banks and, if applicable, the Issuing Bank or the Swing Loan Lender pro rata in accordance with their respective amounts thereof then due and payable.

ARTICLE 2

CONDITIONS TO LOANS AND LETTERS OF CREDIT

Section 2.01. Conditions to Initial Loans or Letters of Credit. The obligation of each Bank to make its initial Loan (or, if no Loans have been made at such time, the obligation of the Issuing Bank to issue the initial Letter of Credit) is subject to the Managing Agents' receipt of each of the following, in form and substance and, in the case of the materials referred

to in clause (f) below, certified in a manner satisfactory to the Managing Agents:

(a) a certificate of the Secretary or an Assistant Secretary or a Responsible Officer of each of the Transaction Parties, dated the requested date for the making of such Loan or issuance of such Letter of Credit, substantially in the form of Schedule 2.01(a), to which shall be attached copies of the resolutions and by-laws referred to in such certificate;

(b) copies of the certificate of incorporation of each of the Transaction Parties, in each case certified, as of a recent date, by the Secretary of State or other appropriate official of the jurisdiction of incorporation of such Transaction Party;

(c) a good standing certificate with respect to each Transaction Party, issued as of a recent date by the Secretary of State or other appropriate official of such Person's jurisdiction of incorporation, together with a telegram from such Secretary of State or other official, updating the information in such certificate;

(d) an opinion of counsel for the Borrower and an opinion of counsel for each other Transaction Party, each dated the requested date for the making of such Loan or the issuance of such Letter of Credit, in the form of Schedules 2.01(d)-1 and 2.01(d)-2, respectively, with such changes as the Managing Agents shall approve;

(e) an opinion of Winthrop, Stimson, Putnam & Roberts, special counsel for the Managing Agents, dated the requested date for the making of such Loan or the issuance of such Letter of Credit, in the form of Schedule 2.01(e);

(f) except as set forth therein, a copy of each Governmental Approval and other consent or approval listed on Schedule 3.03;

(g) a certificate of a Responsible Officer of the Borrower, dated the requested date for the making of such Loan or issuance of such Letter of Credit, with respect to the conditions set forth in Sections 2.02(b) and (c) and setting forth the calculation of the Leverage Ratio in effect immediately after giving effect to the making of the initial Loans and the application of the proceeds thereof;

(h) a duly executed Term A Note for each Term A Bank, a duly executed Term B Note for each Term B Bank, a duly executed RC Note for each RC Bank, a duly executed Working Capital Note for each Working Capital Bank, a duly executed Swing Note for the Swing Loan Lender and a duly executed copy of each of the other Loan Documents;

(i) such instruments and other documents as the Managing Agents may request, the possession of which is necessary or appropriate in the Managing Agents' determination to create or perfect a security interest in the Collateral under Applicable Law, including but not limited to the certificates representing the Pledged Securities, together with undated stock powers for such certificates duly executed in blank, and duly executed UCC-1 financing statements;

(j) evidence that, prior to or substantially simultaneously with the making of such Loan, (i) the Predecessor Indebtedness will be repaid, (ii) all commitments to lend in respect of the Predecessor Indebtedness shall have been effectively terminated and (iii) all UCC-3 termination statements and all other documents necessary in the determination of the Managing Agents to effectively terminate of record all security interests related to the Predecessor Indebtedness shall have been duly executed by the proper parties and shall have been delivered to the Administrative Agent;

(k) a certificate of a Responsible Officer of Acquisition Corp., dated the date of the making of the initial Tender Offer Loans, to which shall be attached a pro forma balance sheet of and projections for the Borrower and the Consolidated Subsidiaries reflecting the making of the initial Loans, the application of the proceeds thereof and the consummation of the Merger and the other transactions contemplated to occur at such time, including the repayment of the Predecessor Indebtedness (including a pro forma balance sheet as at a date satisfactory to the Managing Agents), which shall be in reasonable detail and in form satisfactory to the Managing Agents;

(l) a certificate of the chief financial officer of the Borrower, substantially in the form of Schedule 2.01(l), with respect to the solvency, ability to pay debts and adequacy of capital of the Borrower after giving effect to the making of the initial Loans, the application of the proceeds thereof and the consummation of the Merger and the other transactions contemplated to occur at such time;

(m) copies of the Tender Offer Documents, the Joint Ownership and Management Agreements and the Merger Agreement, together with evidence reasonably satisfactory to the Managing Agents that the Joint Ownership and Management Agreements and the Merger Agreement remain in full force and effect and that no default shall have occurred and be continuing thereunder;

(n) evidence reasonably satisfactory to the Managing Agents that the Borrower shall have received a capital contribution of the amount of cash as will enable the Borrower, when added to the proceeds of the initial Loans hereunder, to consummate the Merger and to do so in compliance with Regulations G, T, U and X;

(o) evidence reasonably satisfactory to the Managing Agents that all Governmental Approvals necessary in connection with the Merger have been obtained and remain in full force and effect, and all applicable waiting periods shall have expired without any action being taken by any competent authority which restrains, prevents or imposes materially adverse conditions upon the consummation of the Merger;

(p) evidence reasonably satisfactory to the Managing Agents that all conditions to the consummation of the Merger provided for in the Merger Agreement shall have been satisfied (unless waived with the consent of the Managing Agents) to the reasonable satisfaction of the Managing Agents;

(q) evidence reasonably satisfactory to the Managing Agents that there shall not exist any judgment, order, injunction or other restraint prohibiting or imposing materially adverse conditions upon the consummation of the Merger, and that no actions, suits or proceedings shall be pending or threatened with respect to the Borrower or its Subsidiaries that could reasonably be expected to (i) have a Materially Adverse Effect on the Borrower and its Consolidated Subsidiaries, taken as a whole or (ii) have a Materially Adverse Effect on the Merger, the rights and remedies of the Banks hereunder or on the ability of the Borrower to perform its obligations hereunder;

(r) copies of all other agreements relating to the corporate and capital structure of the Borrower and its Subsidiaries and all organizational documents of the Borrower and its Subsidiaries, which structure, agreements and documents shall be consistent with the provisions of Section 6.01(j), and evidence satisfactory to the Managing Agents that there shall exist no options, warrants or other rights to acquire Capital Securities of the Borrower or any of its Subsidiaries except for those owned by or in favor of Comcast, Liberty or Barry Diller, or any of their respective Affiliates, or owned by or in favor of other officers, directors or employees of QVC with respect to an aggregate amount of common stock not in excess of 1,950,000 shares thereof, or those otherwise satisfactory to the Managing Agents;

(s) evidence reasonably satisfactory to the Managing Agents that, except for changes affecting the cable television industry generally, since the making of the Tender Offer Loans, no change in the business, assets, Liabilities, financial condition or results of operations of the Borrower and its Consolidated Subsidiaries, taken as a whole, has occurred, and no event has occurred or failed to occur, that has had or could reasonably be foreseen as having, either alone or in conjunction with all other such changes, events and failures, a Materially Adverse Effect on the Borrower and its Consolidated Subsidiaries, taken as a whole;

(t) a duly executed copy of the Assumption Agreement; and

(u) evidence that the Borrower shall have paid all of the fees and expenses required to be paid in connection herewith on the date of the initial Loans or Letter of Credit.

Section 2.02. Conditions to Each Loan and Letter of Credit.

The obligation of each Bank to make each Loan requested to be made by it, including its initial Loan, and the obligation of the Issuing Bank to issue each Letter of Credit requested to be issued by it (including any request to extend the expiry date of any Letter of Credit to a date beyond the first anniversary of the issuance thereof), is subject to the fulfillment of each of the following conditions:

(a) the Administrative Agent or, in the case of a Swing Loan, the Swing Loan Lender, shall have received a notice of borrowing with respect to such Loan complying with the requirements of Section 1.02 or, in the case of a Swing Loan, a notice of borrowing complying with the requirements of Section 1.01(d)(i) or a notice of issuance with respect to such Letter of Credit complying with the requirement of Section 1.03;

(b) each Loan Document Representation and Warranty shall be true and correct in all material respects at and as of the time such Loan is to be made or such Letter of Credit is to be issued, both with and without giving effect to such Loan or Letter of Credit and all other Loans or Letters of Credit to be made or issued at such time and to the application of the proceeds thereof, except, in the case of Loans and Letters of Credit other than the initial Loans or Letters of Credit, to the extent waived by the Required Banks;

(c) no Default (other than a Default that shall have been waived by the Required Banks) shall have occurred and be continuing at the time such Loan is to be made or such Letter of Credit is to be issued or would result from the making of such Loan or the issuance of such Letter of Credit and all other Loans and Letters of Credit to be made or issued at such time or from the application of the proceeds thereof;

(d) in the case of any such Letter of Credit, the Issuing Bank shall have received such other instruments and agreements relating thereto as the Issuing Bank shall have reasonably requested; and

(e) in the case of any such Loan, such Loan will not contravene any Applicable Law applicable to such Bank, including Regulation U.

Except to the extent that the Borrower shall have disclosed in the notice of borrowing, or in a subsequent notice given to the Banks prior to 5:00 p.m. (New York time) on the

Business Day before the requested date for the making of the requested Loans or the issuance of the requested Letter of Credit, that a condition specified in Section 2.02(b) or (c) will not be fulfilled as of the requested time for the making of such Loans, the Borrower shall be deemed to have made a Representation and Warranty as of the time of the making of such Loans or issuance of such Letter of Credit that the conditions specified in such clauses have been fulfilled as of such time. No such disclosure by the Borrower that a condition specified in Section 2.02(b) or (c) will not be fulfilled as of the requested time for the making of the requested Loans shall affect the right of each Bank to not make the Loans requested to be made by it or of the Issuing Bank not to issue the Letter of Credit requested to be issued by it if such condition has not been fulfilled at such time.

ARTICLE 3

CERTAIN REPRESENTATIONS AND WARRANTIES

In order to induce each Agent, each Bank, the Swing Loan Lender and the Issuing Bank to enter into this Agreement and to make each Loan or issue each Letter of Credit requested to be made or issued by it, the Borrower represents and warrants as follows:

Section 3.01. Organization; Power; Qualification. Each of the Borrower and the Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, has full corporate power and authority to own its properties and to carry on its business as now being and hereafter proposed to be conducted and is duly qualified and in good standing as a foreign corporation, and is authorized to do business, in all jurisdictions in which the character of its properties or the nature of its business requires such qualification or authorization, except for qualifications and authorizations the lack of which, singly or in the aggregate, has not had and is not reasonably likely to have a Materially Adverse Effect on (a) the Borrower and the Consolidated Subsidiaries taken as a whole, (b) any Material Loan Document or (c) the Collateral.

Section 3.02. Capitalization; Subsidiaries. Schedule 3.02 sets forth, immediately after consummation of the Merger, (a) all of the Capital Securities of the Borrower and the Persons owning such Capital Securities, the jurisdictions of organization of such Persons (other than individuals) and the percentages of such Capital Securities so owned and (b) all of the Subsidiaries, their jurisdictions of incorporation and the percentages of the various classes of their Capital Securities owned by the Borrower or another Subsidiary and indicates which Subsidiaries are Consolidated Subsidiaries. The Borrower or another Subsidiary, as the case may be, has the unrestricted right to vote, and

(subject to limitations imposed by Applicable Law) to receive dividends and distributions on, all Capital Securities of the Subsidiaries indicated on Schedule 3.02 as owned by the Borrower or such Subsidiary, other than any such Capital Securities sold, transferred or otherwise disposed of, or canceled, terminated or extinguished, pursuant to a transaction otherwise permitted hereunder. All such Capital Securities have been duly authorized and issued and are fully paid and nonassessable.

Section 3.03. Authorization; Enforceability; Required Consents; Absence of Conflicts. Each of the Borrower and the Loan Parties has the power, and has taken all necessary action (including, if a corporation, any necessary stockholder action) to authorize it, to execute, deliver and perform in accordance with their respective terms the Loan Documents to which it is a party and, in the case of the Borrower, to borrow hereunder in the amount of the unused Total Term A Commitment, Total Term B Commitment, Total RC Commitment and Total Working Capital Commitment. This Agreement has been, and each of the other Loan Documents to which the Borrower is a party when delivered to the Administrative Agent will have been, duly executed and delivered by the Borrower and is, or when so delivered will be, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and equitable principles of general application. The execution, delivery and performance in accordance with their respective terms by the Borrower of the Loan Documents to which it is a party, and each borrowing hereunder, whether or not in the amount of the unused Total Term A Commitment, Total Term B Commitment, Total RC Commitment and Total Working Capital Commitment, and the transactions contemplated by the Merger Agreement, including the Tender Offer and the Merger, do not and (absent any change in any Applicable Law or applicable Contract) will not (a) require any Governmental Approval or any other consent or approval, including any consent or approval of any Subsidiary or any consent or approval of the stockholders of the Borrower or any Subsidiary, other than Governmental Approvals and other consents and approvals that have been obtained, are in full force and effect and are final and, in the case of Governmental Approvals, not subject to review on appeal or to collateral attack or, with respect to the transactions contemplated by the Merger Agreement, the absence of which could not reasonably be expected to have a Materially Adverse Effect on (i) the Borrower and the Consolidated Subsidiaries taken as a whole, (ii) any Material Loan Document or (iii) the Collateral, and, in the case of any such Governmental Approval or other consent or approval required under any Applicable Law or Contract as in effect on the Agreement Date, are listed on Schedule 3.03 or (b) violate, conflict with, result in a breach of, constitute a default under, or result in or require the creation of any Lien upon any assets of the Borrower or any Subsidiary under, (i) any Contract to which the Borrower or any Subsidiary is a party or by which the

Borrower or any Subsidiary or any of their respective properties may be bound or (ii) any Applicable Law, except for such violations, breaches or defaults of or under Contracts or Applicable Law (A) so long as, in the case of any Contract, such Contract is not expressly identified or contemplated herein or in any other Loan Document, and no Loan Party is party thereto, or, in the case of Applicable Law, such Applicable Law is not applicable to the Borrower, (B) that could not reasonably be expected to expose any Agent or Bank to any liability, loss, cost or expense and (C) that, either alone or in conjunction with all other such violations, breaches or defaults, could not have a Materially Adverse Effect on (x) the Borrower and the Consolidated Subsidiaries taken as a whole, (y) any Material Loan Document or (z) the Collateral.

Section 3.04. Litigation. Except as set forth on Schedule 3.04, there are not, in any court or before any arbitrator of any kind or before or by any governmental or non-governmental body, any actions, suits or proceedings pending or, to the knowledge of the Borrower and the Subsidiaries, threatened against or in any other way relating to or affecting (i) the Borrower or any Subsidiary or any of their respective businesses or properties, (ii) any Material Loan Document to which the Borrower or any Subsidiary is a party or (iii) the Collateral (except actions, suits or proceedings that may affect the cable television industry generally but with respect to which neither the Borrower nor any Subsidiary nor any other Loan Party is a party) with respect to which there is a reasonable probability of a determination adverse to the interests of the Borrower or any Subsidiary that, if adversely determined, would, singly or in the aggregate, have a Materially Adverse Effect on (A) the Borrower and the Consolidated Subsidiaries taken as a whole, (B) any Material Loan Document or (C) the Collateral.

Section 3.05. Burdensome Provisions. As of the Agreement Date and as of the Closing Date, neither the Borrower nor any Subsidiary is a party to or bound by any Contract or Applicable Law (other than Applicable Law affecting the cable television industry generally), compliance with which could reasonably be expected to have a Materially Adverse Effect on (a) the Borrower and the Consolidated Subsidiaries taken as a whole, (b) any Material Loan Document or (c) the Collateral.

Section 3.06. No Adverse Change or Event. Except for events affecting the cable television industry generally, since the date of the making of the initial Tender Offer Loans, no change in the business, assets, Liabilities, financial condition or results of operations of the Borrower or any Subsidiary has occurred, and no event has occurred or, in the case of events anticipated by the Borrower to have occurred prior to the making of this representation and warranty, failed to occur, that has had or could reasonably be expected to have, either alone or in conjunction with all other such changes, events and failures, a Materially Adverse Effect on (a) the Borrower and the

Consolidated Subsidiaries taken as a whole, (b) any Material Loan Document or (c) the Collateral. Such an adverse change may have occurred, and such an event may have occurred or failed to occur, within the meaning of this Section 3.06 at any particular time without regard to whether such change, event or failure constitutes a Default or whether any other Default shall have occurred and be continuing.

Section 3.07. Taxes. Each of the Borrower and the Subsidiaries has filed (either directly or indirectly through the Affiliate of the Borrower or such Subsidiary responsible (whether as common parent or agent of a filing group or otherwise) under Applicable Law for such filing) all United States Federal income tax returns and all other material Tax returns that are required to be filed by such Person and have paid (either directly or indirectly through the Affiliate of the Borrower or such Subsidiary responsible (whether as common parent or agent of a filing group or otherwise) under Applicable Law for such payment) all Taxes due pursuant to such returns or pursuant to any assessment received by the Borrower or any of its Affiliates and relating to the Borrower or any Subsidiary, except (i) such Taxes, if any, as are being contested in good faith by appropriate proceedings, if any, and as to which reserves have been provided to the extent required by Generally Accepted Accounting Principles and (ii) such tax returns and Taxes the failure to file or pay which could not reasonably be expected to have a Materially Adverse Effect on (A) the Borrower and the Consolidated Subsidiaries taken as a whole, (B) any Material Loan Document or (C) the Collateral. There is currently in effect no tax sharing, tax allocation or similar agreement to which the Borrower or any Subsidiary is a party, other than the First Amended and Restated Joint Venture Agreement dated as of February 1, 1995 among QVC, QVC Britain, British Sky Broadcasting Limited, Precis (1192) and QVC, an English unlimited liability company.

Section 3.08. No Default. Neither the Borrower nor any of the Subsidiaries is in default in the payment or performance or observance of any Contract to which it is a party or by which it or its properties or assets may be bound that, individually or together with all other such defaults, could have a Materially Adverse Effect on (a) the Borrower and the Consolidated Subsidiaries taken as a whole, (b) any Material Loan Document or (c) the Collateral.

Section 3.09. Not an Investment Company. Neither the Borrower nor any of the Subsidiaries is an "investment company" within the meaning of the Investment Company Act of 1940.

Section 3.10. Hazardous Materials. The Borrower and each of the Subsidiaries have obtained all permits, licenses and other authorizations which are required under all Environmental Laws, except to the extent failure to have any such permit, license or authorization would not reasonably be expected to have a Materially Adverse Effect on (a) the Borrower and the

Consolidated Subsidiaries taken as a whole, (b) any Material Loan Document or (c) the Collateral. The Borrower and each of the Subsidiaries are in compliance with the terms and conditions of all such permits, licenses and authorizations, and are also in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in any applicable Environmental Law or in any regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder, except to the extent failure to comply would not reasonably be expected to have a Materially Adverse Effect on (i) the Borrower and the Consolidated Subsidiaries taken as a whole, (ii) any Material Loan Document or (iii) the Collateral. In addition, to the knowledge of the Borrower, no notice, notification, demand, request for information, citation, summons or order has been issued, no complaint has been filed, no penalty has been assessed and no investigation or review is pending or threatened by any governmental or other entity with respect to any alleged failure by the Borrower or any of the Subsidiaries to have any permit, license or authorization required in connection with the conduct of the business of the Borrower or any of the Subsidiaries or with respect to any generation, treatment, storage, recycling, transportation, discharge, disposal or "release" (as such term is defined in 42 U.S.C. Section 9601(22)) of Hazardous Materials generated by the Borrower or any of the Subsidiaries, the consequences of any of which would not reasonably be expected to have a Materially Adverse Effect on (x) the Borrower and the Consolidated Subsidiaries taken as a whole, (y) any Material Loan Document or (z) the Collateral.

Section 3.11. Solvency. As of the Closing Date, and after giving effect to the making of the initial Loans and the application of the proceeds thereof (a) the Fair Saleable Value of the assets of the Borrower exceeds the amount that will be required to be paid on or in respect of the existing debts and other liabilities (including contingent liabilities) of the Borrower, as such debts and liabilities become absolute and mature, (b) the property of the Borrower does not constitute unreasonably small capital for it to carry on its business as now conducted and as proposed to be conducted, including the capital needs of the Borrower, taking into account the particular capital requirements of the business conducted by it and projected capital requirements and capital availability and (c) the Borrower does not intend to incur debts or liabilities beyond its ability to pay such debts and liabilities as they mature, taking into account the timing and amounts of cash to be received by it and of amounts to be payable on or in respect of debts and liabilities of it. The Borrower believes that its cash flow, after taking into account all anticipated uses of its cash, will at all times be sufficient to pay all such amounts on or in respect of debt and liabilities of the Borrower when such amounts are scheduled to be paid. For purposes of this Section 3.11, "Fair Saleable Value" means, with respect to any asset at any time, the amount that a willing buyer would pay a willing seller

for such asset on the assumption that the sale of such asset must take place within a reasonable period after such time.

Section 3.12. Senior Debt. The obligations of the Borrower under the Borrower Loan Documents and under any Interest Rate Protection Agreement entered into with any Bank constitute "Senior Debt" within the meaning and pursuant to the terms of the Affiliate Subordination Agreement.

Section 3.13. Benefit Plans. As of the Agreement Date, neither the Borrower nor any Subsidiary has any Benefit Plans other than Existing Benefit Plans.

Section 3.14. Security Interest. The Security Interest constitutes a valid and perfected security interest in the Collateral, which is subject to no other Lien except for Permitted Liens.

ARTICLE 4

CERTAIN COVENANTS

From the Agreement Date until the Repayment Date,

A. The Borrower shall and shall cause each Subsidiary to:

Section 4.01. Preservation of Existence and Properties, Scope of Business, Compliance with Law, Payment of Taxes and Claims, Preservation of Enforceability. (a) Except for transactions to which Sections 4.07 and 4.08 hereof are by their express terms inapplicable, preserve and maintain its corporate existence and all of its other franchises, licenses, rights and privileges, (b) preserve, protect and obtain all Intellectual Property, and preserve and maintain in good repair, working order and condition all other properties, required for the conduct of its business, (c) comply with Applicable Law, (d) pay or discharge when due all Taxes and all Liabilities that might become a Lien on any of its properties and (e) take all action and obtain all consents and Governmental Approvals required so that its obligations under the Loan Documents will at all times be legal, valid and binding and enforceable in accordance with their respective terms, except that this Section 4.01 (other than clause (a) above (insofar as it requires any Loan Party to preserve its corporate existence) and clause (e) above) shall not apply in any circumstance where noncompliance, together with all other noncompliances with this Section 4.01, will not have a Materially Adverse Effect on (i) the Borrower and the Consolidated Subsidiaries taken as a whole, (ii) any Material Loan Document or (iii) the Collateral.

Section 4.02. Insurance. Maintain insurance with responsible insurance companies against at least such risks and in at least such amounts (a) as is customarily maintained by

similar businesses or (b) as may be required by Applicable Law, except, in the case of clause (b) above, to the extent that the failure to maintain such insurance could not have a Materially Adverse Effect on (i) the Borrower and the Consolidated Subsidiaries taken as a whole, (ii) any Material Loan Document or (iii) the Collateral. Whether or not customarily maintained by similar businesses, the Borrower shall, and shall cause the Subsidiaries to, maintain business interruption insurance.

Section 4.03. Use of Proceeds. (a) Use the proceeds of the Loans only to (i) repay in full the Predecessor Indebtedness and any accrued and unpaid interest and fees related thereto, (ii) pay transaction costs in connection herewith, (iii) pay amounts due and payable pursuant to the Merger Agreement, and pay any related fees and transaction costs, and (iv) fund working capital and capital expenditure requirements and other general corporate purposes, and (b) use the Letters of Credit only for the purpose specified in Section 1.03(c). None of the proceeds of any of the Loans shall be used to purchase or carry, or to reduce or retire or refinance any credit incurred to purchase or carry, any margin stock (within the meaning of Regulations U and X) or to extend credit to others for the purpose of purchasing or carrying any margin stock, in any such case in violation of Regulation U. If requested by any Bank, the Borrower shall complete and sign Part I of a copy of Federal Reserve Form U-1 referred to in Regulation U and deliver such copy to such Bank.

B. The Borrower shall not, and shall not permit or suffer any Subsidiary to, directly or indirectly:

Section 4.04. Guaranties. Be obligated, at any time, in respect of any Guaranty, except that this Section 4.04 shall not apply to (a) Existing Guaranties, (b) Permitted Guaranties or and (c) other Guaranties of obligations which do not constitute Indebtedness and which are in an aggregate amount not in excess of \$5,000,000 for any fiscal year of the Borrower.

Section 4.05. Liens. Permit to exist, at any time, any Lien upon any of its properties or assets of any character, whether now owned or hereafter acquired, or upon any income or profits therefrom, except that this Section 4.05 shall not apply to Permitted Liens; provided, however, that if, notwithstanding this Section 4.05, any Lien prohibited by this Section 4.05 shall be created or arise, the Liabilities of the Loan Parties under the Loan Documents shall, to the extent such Lien attaches to any asset that does not constitute Collateral or to any asset with respect to which such Lien would be prior to the Security Interest, automatically be secured by such Lien to the full extent permitted by Applicable Law equally and ratably with the other Liabilities secured thereby, and the holder of such other Liabilities, by accepting such Lien, shall, to such extent, be deemed to have agreed thereto and to share with the Banks, on that basis, the proceeds of such Lien, whether or not the Banks'

security interest shall be perfected; provided further, however, that notwithstanding such equal and ratable securing and sharing, the existence of such Lien shall constitute a default by the Borrower in the performance or observance of this Section 4.05.

Section 4.06. Restricted Payments. Make or declare or otherwise become obligated to make any Restricted Payment, except that, so long as, at both the time of any such Restricted Payment and immediately after giving effect thereto, no Default shall have occurred and be continuing, this Section 4.06 shall not apply to (a) any Restricted Payment made after the receipt by the Administrative Agent of the financial statements and other materials required to be delivered under Section 5.01(b) for the fiscal year ended January 31, 1998 and each fiscal year thereafter, in an amount, together with the amount of all other Restricted Payments made with respect to such fiscal year pursuant to this Section 4.06(a), not in excess of 50% of Excess Cash Flow for such fiscal year, less the portion, if any, of Excess Cash Flow for such fiscal year used to make acquisitions or investments pursuant to Sections 4.07(f)(ii)(A) and 4.14(m)(ii)(A), respectively, so long as, in all such cases, (i) no Default under Section 4.15, 4.16, 4.17 or 4.18 shall have occurred at any time during the most recently ended two fiscal quarters of the Borrower that shall have been cured pursuant to Section 6.03 hereof and (ii) the Borrower shall have made the prepayment, if any, required to be made pursuant to Section 1.06(b)(i) with respect to such Excess Cash Flow for such fiscal year, or (b) any Restricted Payment paid to Holdco in an amount equal to the amount of cash debt service payments required to be made at such time pursuant to the terms of any Permitted Holdco Replacement Debt.

Section 4.07. Merger or Consolidation; Acquisitions. Merge or consolidate with any Person, or acquire substantially all the assets or any business, business unit or division from or substantially all the Capital Securities of any Person, except that, if after giving effect thereto no Default would exist, this Section 4.07 shall not apply to (a) the Merger, (b) any merger or consolidation of the Borrower with any one or more Wholly Owned Subsidiaries, provided that the Borrower shall be the continuing Person, (c) any merger or consolidation of any Subsidiary with any one or more other Subsidiaries so long as the continuing Person is a Wholly-Owned Subsidiary, and so long as, if such Subsidiary is a Loan Party, such Subsidiary shall be the continuing Person unless the other Subsidiary is also a Loan Party and it is the continuing Person, or the continuing Person shall have assumed the obligations of the Loan Party under the Loan Documents in a manner satisfactory to the Managing Agents, provided that any consideration paid to minority shareholders of any such Subsidiary shall be considered an acquisition made pursuant to Section 4.07(f), and shall comply with the provisions of such subsection, (d) any merger or consolidation of any Subsidiary that is not a Material Subsidiary into any one or more other Subsidiaries that are not Material Subsidiaries, so long as

the continuing Person is not a Material Subsidiary, (e) any investment that is contemplated by Section 4.14 (other than under clause (i) thereof) and (f) any other acquisition, so long as the purchase price of all such acquisitions contemplated by this Section 4.07(f), together with all investments contemplated by Section 4.14(m), is not in excess of the sum of (i) (A) if at the time of such acquisition the Leverage Ratio is greater than 3.50 to 1, (x) \$30,000,000 in any fiscal year of the Borrower plus, in any fiscal year of the Borrower after the fiscal year ending January 31, 1996, the lesser of (1) the difference between \$30,000,000 and the aggregate purchase price of all such acquisitions and investments made in the previous fiscal year of the Borrower and (2) \$10,000,000, and (y) \$90,000,000 in the aggregate for all such acquisitions and investments or (B) if at the time of such acquisition the Leverage Ratio is less than or equal to 3.50 to 1, \$160,000,000 in the aggregate for all such acquisitions and investments and (ii) the sum of (A) the amount of any Restricted Payment that the Borrower would be permitted to make at such time pursuant to, and subject to the terms and conditions of, Section 4.06(a) but that has in fact not been made and (B) if at the time of such acquisition the Leverage Ratio is less than or equal to 3.50 to 1, 50% of Excess Cash Flow for all preceding fiscal years of the Borrower (commencing with the fiscal year ending January 31, 1996) on the last days of which the Leverage Ratio was less than or equal to 3.50 to 1.

Section 4.08. Disposition of Assets. Sell, lease, license, transfer or otherwise dispose of any asset or any interest therein, except that this Section 4.08 shall not apply to (a) any disposition of inventory in the ordinary course of business, (b) any disposition of any obsolete or retired property not used or useful in its business, (c) any disposition of any asset or any interest therein by a Subsidiary to the Borrower or a Wholly Owned Subsidiary or any disposition of any asset or any interest therein by the Borrower to a Wholly Owned Subsidiary, (d) any sale or assignment of delinquent accounts receivable or other trade receivables (or notes evidencing such receivables) to a collection agency or similar service in the ordinary course of business, (e) any sale of credit card receivables pursuant to a Permitted Receivables Program, (f) any transaction to which any of the other provisions of this Agreement (other than Section 4.10) is by its express terms inapplicable, (g) licenses of intellectual property and computer software in the ordinary course of business and (h) any other disposition of (i) any Subsidiary that is not, or any asset of any Subsidiary that is not, a Material Subsidiary at the time of such disposition and (ii) any other asset, the fair market value or sale price of which (whichever is greater), together with the fair market value or sale price (whichever is greater) of all other assets sold or disposed of pursuant to this Section 4.08(h)(ii), is not in excess of \$75,000,000.

Section 4.09. Indebtedness. Incur, create, assume or suffer to exist any Indebtedness, except that this Section 4.09

shall not apply to (a) Indebtedness under the Loan Documents, (b) Junior Subordinated Indebtedness, (c) Permitted Mortgage Indebtedness, (d) Permitted Borrower Replacement Debt, (e) Indebtedness to which Section 4.14 is by its express terms inapplicable by virtue of clause (h) thereof, (f) Indebtedness arising under a Permitted Receivables Program and (g) other Indebtedness in an aggregate principal amount at any time not in excess of (i) so long as the Leverage Ratio is greater than 4.00 to 1, \$30,000,000 and (ii) so long as the Leverage Ratio is less than or equal to 4.00 to 1, \$50,000,000.

Section 4.10. Transactions with Affiliates. Effect any transaction with any Affiliate (other than the Borrower or any Subsidiary) on a basis less favorable than would at the time be obtainable for a comparable transaction in arms-length dealing with an unrelated third party, except that this Section 4.10 shall not apply to (a) transactions to which this Agreement is by its express terms inapplicable, (b) the Shareholders Agreement, (c) the Merger Agreement, (d) the affiliation agreements contemplated by Section 4.21 and (e) the waiver by the Borrower of "Company Repurchase Rights," as contemplated by Section 1 of the Joint Bidding Agreement.

Section 4.11. Management Fees. (a) Make payments or accrue obligations to any Person for the supervision and management of the Borrower and the Subsidiaries other than Management Fees, and (b) make payments in respect of, or accrue, Management Fees at any time other than Permitted Management Fees. For purposes of this Agreement, "Permitted Management Fees" means, at any time during any fiscal year of the Borrower, (i) Management Fees in an amount equal to 4% of Total Revenue at such time, which may be paid in cash or accrued to the extent not currently paid in cash as provided below, and (ii) the accrued and unpaid portion of Management Fees from prior fiscal years, commencing with the fiscal year in which the Closing Date shall have occurred. Notwithstanding the foregoing, Permitted Management Fees shall not be paid in cash (i) prior to January 31, 1998, (ii) at any time a Default exists or, immediately after giving effect thereto, would exist or (iii) if the amount of such payment, together with the aggregate amount of all other payments of Management Fees made during the same fiscal quarter of the Borrower, would, if deducted from Cash Flow at such time, result in the Leverage Ratio, the Fixed Charge Coverage Ratio, the Interest Coverage Ratio or the Pro Forma Debt Service Ratio at such time being in an amount that does not comply with the requirements at such time of Section 4.15, 4.16, 4.17 or 4.18, as applicable. For purposes of this Section 4.11, "Total Revenue" means, at any time during any fiscal year of the Borrower, consolidated net sales of the Borrower and the Subsidiaries during the period commencing with the first day of such fiscal year and ending at such time.

Section 4.12. Limitation on Restrictive Covenants. Permit to exist, at any time, any consensual restriction limiting

the ability (whether by covenant, event of default, subordination or otherwise) of any Subsidiary to (a) pay dividends or make any other distributions on shares of its Capital Securities held by the Borrower or any other Subsidiary, (b) pay any obligation owed to the Borrower or any other Subsidiary, (c) make any loans or advances to or investments in the Borrower or in any other Subsidiary, (d) transfer any of its property or assets (other than property or assets subject to Permitted Liens) to the Borrower or any other Subsidiary, except for contracts, leases or licenses which by their terms are non-assignable or (e) create any Lien upon its property or assets (other than property or assets subject to Permitted Liens) whether now owned or hereafter acquired or upon any income or profits therefrom (other than contracts, leases or other licenses which by their terms may not be pledged or otherwise encumbered), except that this Section 4.12 shall not apply to Permitted Restrictive Covenants.

Section 4.13. Issuance or Disposition of Capital Securities.

Issue any of its Capital Securities or sell, transfer or otherwise dispose of any Capital Securities of any Subsidiary, except that this Section 4.13 shall not apply to (a) any issuance by a Subsidiary of any of its Capital Securities to the Borrower or a Wholly Owned Subsidiary, (b) any issuance by a Subsidiary of any of its Capital Securities to the holders of the common stock or other ownership interests of such Subsidiary made pro rata to the relative amounts of such common stock or other ownership interests, respectively, held by such holder, (c) any disposition by the Borrower or any Subsidiary of any Capital Securities of a Subsidiary to the Borrower or a Wholly Owned Subsidiary, (d) any disposition of Capital Securities of any Subsidiary pursuant to Section 4.08(h) or in consideration of the acquisition of an investment pursuant to Section 4.14, (e) any issuance by the Borrower of its Capital Securities so long as such issuance shall not constitute or result in an Event of Default under Section 6.01(j) and so long as any such Capital Securities so issued are subject to the Security Interest and (f) prior to the formation of Holdco, any issuance by the Borrower of its Capital Securities to any of its officers, directors and other employees, so long as such issuance shall not constitute or result in an Event of Default under Section 6.01(j) and so long as (i) if the Leverage Ratio at the time of such issuance is less than or equal to 4.50 to 1, such Capital Securities, together with all other Capital Securities issued pursuant to this Section 4.13(f), constitute no more than 2.5% of the total equity value of the Borrower, (ii) if the Leverage Ratio at the time of such issuance is less than or equal to 4.00 to 1, such Capital Securities, together with all other Capital Securities issued pursuant to this Section 4.13(f), constitute no more than 5.0% of the total equity value of the Borrower, or (iii) if the Leverage Ratio at the time of such issuance is less than or equal to 3.25 to 1, such Capital Securities, together with all other Capital Securities issued pursuant to this Section 4.13(f), constitute no more than 10.0% of the total equity value of the Borrower.

Section 4.14. Investments. Purchase or acquire obligations or Capital Securities of, or any other interest in, or make loans to, or otherwise enter into joint venture or similar arrangements with, any Person, except that this Section 4.14 shall not apply to any such obligation, Capital Security, interest, loan or arrangement consisting of (a) obligations issued or guaranteed by the United States of America with a remaining maturity not exceeding one year, (b) commercial paper with maturities of not more than 270 days and a published rating of not less than A-1 by Standard & Poor's Ratings Group ("S&P") or P-1 by Moody's Investors Service, Inc. ("Moody's") (or the equivalent rating), (c) certificates of time deposit and bankers' acceptances having maturities of not more than one year of any Bank or other commercial bank if (i) such other bank has a combined capital and surplus of at least \$100,000,000 and (ii) its unsecured long-term debt obligations, or those of a holding company of which it is a Subsidiary, are rated not less than A- or A3 (or the equivalent rating) by a nationally recognized investment rating agency, (d) repurchase agreements with any Bank for periods not in excess of 180 days fully collateralized by securities constituting obligations issued or guaranteed by the United States of America, (e) notes and other instruments that are exempt from Federal income taxation with a remaining maturity not exceeding one year, provided that such notes and other instruments are rated in the highest safety category (MIG1 or equivalent) by Moody's or S&P, (f) purchases of foreign currencies in amounts not in excess of anticipated purchases from foreign suppliers and other anticipated expenses incurred in such currencies, and investments thereof in instruments, loans or arrangements generally considered to be cash equivalents in the home country of such currencies, pending the funding of such purchases and expenses, (g) advances and loans to officers, directors and other employees in an aggregate amount not in excess of \$2,000,000 at any time, (h) stock or interests in, loans or advances to, or transfers of assets to, the Borrower or any of the Consolidated Subsidiaries, provided that no such loans or advances to a Consolidated Subsidiary shall remain outstanding after any sale, exchange or disposition of such Subsidiary, (i) acquisitions referred to in Section 4.07, (j) Interest Rate Protection Agreements having a designated notional amount not exceeding, at the time entered into, 100% of the Total Term A Commitment, Total Term B Commitment, Total RC Commitment and Total Working Capital Commitment then in effect, having a maturity not later than the RC Maturity Date and that provide for regularly scheduled net settlement payments based upon nominal interest amounts computed on the basis of fixed or floating rates of interest, (k) Existing Investments, (l) foreign currency exchange agreements, exchange rate hedging arrangements or other agreements or arrangements entered into by the Borrower in the ordinary course of business in order to protect the Borrower or any Subsidiary against fluctuations in currency rates and (m) other investments, including investments in international joint ventures, at any time owned by the Borrower and the Subsidiaries and acquired for a purchase price not in excess of, together with

the purchase price of all other such investments acquired pursuant to this Section 4.14(m) and all acquisitions permitted pursuant to Section 4.07(f), the sum of (i) (A) if at the time of such investment the Leverage Ratio is greater than 3.50 to 1, (x) \$30,000,000 in any fiscal year of the Borrower plus, in any fiscal year of the Borrower after the fiscal year ending January 31, 1996, the lesser of (1) the difference between \$30,000,000 and the aggregate purchase price of all such acquisitions and investments made in the previous fiscal year of the Borrower and (2) \$10,000,000, and (y) \$90,000,000 in the aggregate for all such acquisitions and investments or (B) if at the time of such investment the Leverage Ratio is less than or equal to 3.50 to 1, \$160,000,000 in the aggregate for all such acquisitions and investments and (ii) the sum of (A) the amount of any Restricted Payment that the Borrower would be permitted to make at such time pursuant to, and subject to the terms and conditions of, Section 4.06(a) but that has in fact not been made and (B) if at the time of such investment the Leverage Ratio is less than or equal to 3.50 to 1, 50% of Excess Cash Flow for all preceding fiscal years of the Borrower (commencing with the fiscal year ending January 31, 1996) on which the last days of which the Leverage Ratio was less than or equal to 3.50 to 1.

C. The Borrower shall not:

Section 4.15. Leverage Ratio. Permit the Leverage Ratio to be greater than the following respective amounts at any time during the following respective periods:

Period -----	Leverage Ratio -----
Closing Date through April 30, 1996	5.50 to 1
May 1, 1996 through October 31, 1996	5.00 to 1
November 1, 1996 through April 30, 1997	4.75 to 1
May 1, 1997 through April 30, 1998	4.50 to 1
May 1, 1998 through April 30, 1999	4.00 to 1
May 1, 1999 and thereafter	3.50 to 1

; provided, however, that if the Borrower shall have made an acquisition pursuant to Section 4.07(f)(i)(B) or (ii)(B), or an investment pursuant to Section 4.14(m)(i)(B) or (ii)(B), at any time prior to May 1, 1999, the Borrower shall not permit the Leverage Ratio to be greater than 3.75 to 1 at any time from the date of the making of such acquisition or investment through April 30, 1999; provided further, however, that if the Borrower issues any of its Capital Securities pursuant to Section 4.13(f), (i) if all Capital Securities so issued constitute no more than 2.5% of the total equity value of the Borrower, the Borrower shall not permit the Leverage Ratio to be greater than 4.75 to 1 at any time from the first such issuance of such Capital

Securities through October 31, 1996, (ii) if all Capital Securities so issued constitute more than 2.5% but no more than 5.0% of the total equity value of the Borrower, the Borrower shall not permit the Leverage Ratio to be greater than 4.25 to 1 at any time from the first date upon which such Capital Securities so issued constitute more than 2.5% of the total equity value of the Borrower through April 30, 1998, and (iii) if all Capital Securities so issued constitute more than 5.0% of the total equity value of the Borrower, the Borrower shall not permit the Leverage Ratio to be greater than 3.50 to 1 at any time from and after the first date upon which all Capital Securities so issued constitute more than 5.0% of the total equity value of the Borrower.

Section 4.16. Fixed Charge Coverage Ratio. Permit the Fixed Charge Coverage Ratio to be less than 1.00 to 1 at any time.

Section 4.17. Interest Coverage Ratio. Permit the Interest Coverage Ratio to be less than 1.75 to 1 at any time prior to February 1, 1996, and 2.00 to 1 at any time on or after February 1, 1996.

Section 4.18. Pro Forma Debt Service Ratio. Permit the Pro Forma Debt Service Ratio to be less than 1.10 to 1 at any time.

Section 4.19. Interest Rate Protection Agreements. At any time on and after the date that is 180 days after the Closing Date, fail to maintain in full force and effect Interest Rate Protection Agreements or other similar arrangements satisfactory in form and substance to a majority of the Managing Agents with respect to a notional principal amount equal to or greater than 40% of the sum of (a) the aggregate principal amount of the Loans outstanding at such time plus (b) the aggregate principal amount of Indebtedness incurred pursuant to Section 4.09(d) or permitted under Section 6.01(1) (other than Junior Subordinated Indebtedness) outstanding at such time; provided, however, that the Borrower shall not be bound by the requirements of this Section 4.19 at any time that the Leverage Ratio is less than or equal to 4.00 to 1.

Section 4.20. Revenues. Permit at any time the portion of consolidated gross revenues of the Borrower and the Consolidated Subsidiaries for any fiscal quarter of the Borrower derived from the businesses engaged in by the Borrower and the Consolidated Subsidiaries on the Agreement Date and related businesses to be less than 90% of the total consolidated gross revenues of the Borrower and its Consolidated Subsidiaries for such fiscal quarter.

Section 4.21. Carriage and Related Matters. Permit the affiliation agreements or other arrangements with Comcast or any of its Subsidiaries or TCI or any of its Subsidiaries (to the

extent such Subsidiaries were Subsidiaries of Comcast or TCI on the Agreement Date) in effect on the date on which the Tender Offer was commenced and pertaining to carriage or distribution of the Borrower's or any Subsidiary's programming ("Existing Carriage Agreements"), the payment of commissions and related matters to be altered or modified in any way that is materially adverse to the Borrower, or agree to, or otherwise cause, the termination of any such Existing Carriage Agreements, except for (a) the waiver of "Company Repurchase Rights" as contemplated by Section 1 of the Joint Bidding Agreement and (b) alterations and modifications of any Existing Carriage Agreements to incorporate the terms of similar agreements made by the Borrower with Persons who are not Affiliates of the Borrower, so long as such incorporation is required pursuant to the terms of such Existing Carriage Agreements as in effect on the date on which the Tender Offer was commenced.

- D. The Borrower shall, and shall cause each Wholly-Owned Subsidiary (other than a Subsidiary organized under the laws of a jurisdiction other than the United States or any State or other political subdivision thereof or therein) to:

Section 4.22. Material Subsidiaries. (a) Enter into a Guaranty Agreement, and deliver any opinions of counsel and related closing documents reasonably requested by the Administrative Agent in connection with such Guaranty Agreement, at any time such Subsidiary becomes a Material Subsidiary, and (b) enter into a Pledge Agreement, and deliver any opinions of counsel and related closing documents reasonably requested by the Administrative Agent in connection with such Pledge Agreement, at any time a Subsidiary of such Person becomes a Material Subsidiary.

- E. The Borrower shall not, and shall not permit or suffer any Subsidiary to, directly or indirectly:

Section 4.23. Taxes of Other Persons. File a consolidated tax return with any other Person other than, in the case of the Borrower, a Consolidated Subsidiary and, in the case of any Subsidiary, the Borrower or a Consolidated Subsidiary, or, except as required by Applicable Law, pay or enter into any Contract to pay any Taxes owing by any Person other than the Borrower or a Consolidated Subsidiary, unless, in each case, the Borrower shall have entered into a tax sharing agreement with such Person satisfactory in form and substance to no fewer than four of the Managing Agents.

ARTICLE 5

FINANCIAL STATEMENTS AND INFORMATION

Section 5.01. Financial Statements and Information to Be Furnished. From the Agreement Date until the Repayment Date,

the Borrower shall furnish to the Administrative Agent, with sufficient copies for each of the Banks:

(a) Quarterly Financial Statements; Officer's Certificate.

As soon as available and in any event within 60 days after the close of each of the first three quarterly accounting periods in each fiscal year of the Borrower, commencing with the quarterly period ending April 30, 1995:

(i) a consolidated balance sheet of the Borrower and the Consolidated Subsidiaries as at the end of such quarterly period and the related consolidated statements of income, retained earnings and cash flows of the Borrower and the Consolidated Subsidiaries for such quarterly period and for the elapsed portion of the fiscal year of the Borrower ended with the last day of such quarterly period, setting forth in each case in comparative form the figures for the corresponding periods of the previous fiscal year of the Borrower; and

(ii) a certificate with respect thereto of a Responsible Officer of the Borrower in the form of Schedule 5.01(a).

(b) Year-End Financial Statements; Accountants' and Officer's Certificates. As soon as available and in any event within 120 days after the end of each fiscal year of the Borrower, commencing with the fiscal year ended January 31, 1995:

(i) a consolidated balance sheet of the Borrower and the Consolidated Subsidiaries as at the end of such fiscal year and the related consolidated statements of income, retained earnings and cash flows of the Borrower and the Consolidated Subsidiaries for such fiscal year, setting forth in each case in comparative form the figures as at the end of and for the previous fiscal year of the Borrower;

(ii) an audit report of KPMG Peat Marwick, or other independent certified public accountants of nationally recognized standing, on the consolidated financial statements referred to in clause (i) above, which report shall state that such consolidated financial statements fairly present the consolidated financial condition and results of operations of the Borrower and the Consolidated Subsidiaries in conformity with Generally Accepted Accounting Principles as at the end of and for such fiscal year;

(iii) a certificate of the accountants referred to in clause (ii) above addressed to the Banks and in form satisfactory to the Managing Agents stating that in making the examination necessary for their report on such consolidated financial statements nothing came to their attention that caused them to believe that, as of the date

of such financial statements, any Default exists or, if such is not the case, specifying such Default and its nature, when it occurred and whether it is continuing; provided, however, that the furnishing of such certificate shall not require any expansion of the scope of the audit conducted by such accountants; and

(iv) a certificate of a Responsible Officer of the Borrower in the form of Schedule 5.01(b).

(c) Reports and Filings. (i) During any period while the most recent financial statements of the Borrower and the Consolidated Subsidiaries delivered pursuant to Sections 5.01(a) or (b) shall have been accompanied by a qualified opinion of the Borrower's independent public accountants or by a similar written statement of material inadequacy with respect to such financial statements, then, promptly upon receipt thereof, copies of all reports, if any, submitted to the Borrower or any Subsidiary, or the Board of Directors of the Borrower or any Subsidiary, by such independent certified public accountants, including any management letter; and (ii) together with the financial statements next required to be furnished pursuant to Section 5.01(a) or (b), copies of all financial statements and reports as the Borrower or any Subsidiary shall send to its stockholders (other than, in the case of the Borrower or any Subsidiary, its Affiliates) and of all registration statements and all regular or periodic reports that the Borrower or any Subsidiary shall file with the Securities and Exchange Commission.

(d) Requested Information. From time to time and with reasonable promptness upon request of any Bank, such Information regarding the Loan Documents, the Loans or the business, assets, Liabilities, financial condition, results of operations or business prospects of Holdco, the Borrower and the Subsidiaries as such Bank may reasonably request.

(e) Notice of Events of Defaults and Other Matters. Prompt notice of: (i) any Event of Default, after a Responsible Officer of the Borrower shall have become aware thereof, describing such Event of Default and the action, if any, that the Borrower is proposing to take with respect thereto, (ii) the occurrence or non-occurrence of any change or event that would cause the Representation and Warranty contained in Section 3.09 to be incorrect if made at such time and (iii) any material amendment to the certificate of incorporation or by-laws of the Borrower.

Section 5.02. Accuracy of Financial Statements and Information.

(a) Historical Financial Statements. The Borrower hereby represents and warrants that (i) Schedule 5.02(a) sets forth a complete and correct list of the financial statements (other than projections) submitted by the Borrower to the Banks

in order to induce them to execute and deliver this Agreement, (ii) such financial statements present fairly, in accordance with Generally Accepted Accounting Principles (except for pro forma balance sheets and, in the case of quarterly financial statements, the absence of footnotes and normal year-end audit adjustments), the consolidated financial position of QVC and its Consolidated Subsidiaries as at their respective dates and the consolidated results of operations, retained earnings and cash flows of QVC and its Consolidated Subsidiaries for the respective periods to which such statements relate and (iii) except as disclosed or reflected in such financial statements, or otherwise set forth herein (including the Schedules hereto), as at January 31, 1994, neither QVC nor any of its Subsidiaries had any Liability, contingent or otherwise, or any unrealized or anticipated loss, that, singly or in the aggregate, has had or could reasonably be expected to have a Materially Adverse Effect on the Borrower and the Consolidated Subsidiaries taken as a whole.

(b) Future Financial Statements. The financial statements delivered pursuant to Section 5.01(a) or (b) shall present fairly, in accordance with Generally Accepted Accounting Principles (except for changes therein or departures therefrom, subject to satisfaction of the exception set forth in Section 10.02), the consolidated financial position of the Borrower and the Consolidated Subsidiaries as at their respective dates and the consolidated results of operations, retained earnings and cash flows of the Borrower and such Subsidiaries for the respective periods to which such statements relate. The furnishing of the financial statements pursuant to Section 5.01(a) and (b) shall constitute a representation and warranty by the Borrower made on the date the same are furnished to the Administrative Agent to that effect and to the further effect that, except as disclosed or reflected in such financial statements, as at the respective dates thereof, neither the Borrower nor any Subsidiary had any Liability, contingent or otherwise, or any unrealized or anticipated loss, that, singly or in the aggregate, has had or could reasonably be expected to have a Materially Adverse Effect on the Borrower and the Consolidated Subsidiaries taken as a whole.

(c) Historical Information. The Borrower hereby represents and warrants that all Information (other than the financial statements listed on Schedule 5.02(a) and financial projections) furnished to the Administrative Agent or the Banks in writing by or on behalf of the Borrower or any Subsidiary and concerning such Person, and not the cable television industry generally, prior to the Agreement Date in connection with or pursuant to the Loan Documents and the relationships established thereunder, at the time the same was so furnished, but in the case of Information dated as of a prior date, as of such date, when taken together (giving effect to Information so furnished that corrects, supplements or supersedes Information previously furnished), (i) in the case of any Information prepared in the

ordinary course of business, was correct in all material respects in the light of the purpose for which it was prepared and (ii) in the case of any Information the preparation of which was requested by any Bank, (A) did not contain any untrue statement of a material fact and (B) did not omit to state a material fact necessary in order to make the statements contained therein not misleading in the light of the circumstances under which they were made. The Borrower hereby represents and warrants that the final financial projections furnished to the Administrative Agent or the Banks in writing by or on behalf of the Borrower or any Subsidiary prior to the Agreement Date, which are not to be construed as guaranties of the financial performance of the Borrower and the Consolidated Subsidiaries for the period or periods to which such projections relate, were based on reasonable estimates and assumptions made by the Borrower in good faith and are the projections used in the capitalization and financial planning of the Borrower and the Consolidated Subsidiaries for such period or periods, and no fact is known to the Borrower on the Agreement Date that has not been disclosed in writing to the Banks that would result in any material change in any such projections or in any estimate or assumption reflected therein.

(d) Future Information. All Information (other than financial statements delivered pursuant to Section 5.01(a) or (b)) furnished to the Administrative Agent or the Banks in writing by or on behalf of the Borrower or any Subsidiary and concerning such Person, and not the cable television industry generally, on or after the Agreement Date in connection with or pursuant to the Loan Documents or in connection with or pursuant to any amendment or modification of, or waiver of rights under, the Loan Documents, shall, at the time the same is so furnished, but in the case of Information dated as of a prior date, as of such date, when taken together (giving effect to Information so furnished that corrects, supplements or supersedes Information previously so furnished) (i) in the case of any Information prepared in the ordinary course of business, be correct in all material respects in the light of the purpose for which it was prepared and (ii) in the case of any Information required by the terms of the Loan Documents or the preparation of which was requested by any Bank, not contain any untrue statement of a material fact, and not omit to state a material fact necessary in order to make the statements contained therein not misleading in the light of the circumstances under which they were made, and the furnishing of the same to the Administrative Agent or any Bank shall constitute a representation and warranty by the Borrower made on the date the same are so furnished to the effect specified in clauses (i) and (ii) above.

Section 5.03. Additional Covenants Relating to Disclosure.
From the Agreement Date until the Repayment Date, the Borrower shall and shall cause each Subsidiary to:

(a) Accounting Methods and Financial Records. Maintain a system of accounting, and keep such books, records and accounts (which shall be true and complete) as may be required or necessary to permit (i) the preparation of financial statements required to be delivered pursuant to Sections 5.01(a) and (b) and (ii) the determination of the compliance of the Borrower and the Subsidiaries with the terms of the Loan Documents.

(b) Fiscal Year. Maintain the same opening and closing dates for each fiscal year as for the fiscal year reflected in the Base Financial Statements or, if the opening and closing dates for the fiscal year reflected in the Base Financial Statements were determined pursuant to a formula, determine the opening and closing dates for each fiscal year pursuant to the same formula; provided that if the Borrower becomes a consolidated Subsidiary of any Person that has a fiscal year ending on December 31, the Borrower and the Subsidiaries may change their fiscal year to end on December 31, and in such event the Borrower and the Banks agree to enter into any amendments to this Agreement and the other Borrower Loan Documents reasonably requested by the Managing Agents in order to reflect such change of fiscal year in a manner designed to preserve the intent of the provisions hereof.

(c) Visits, Inspections and Discussions. Permit representatives (whether or not officers or employees) of any Bank, from time to time, as often as may be reasonably requested and upon reasonable notice, but, unless an Event of Default shall have occurred and be continuing, at such Bank's expense, to (i) visit any of its premises or property or any premises or property of others on which any of its property or books and records (or books and records of others relating to it) may be located, (ii) inspect, and verify the amount, character and condition of, any of its property, (iii) review and make extracts from its books and records and books and records of others relating to it and (iv) discuss its affairs, finances and accounts with its officers, employees and, upon prior notice to the Borrower and subject to the Borrower's right, unless an Event of Default shall have occurred and be continuing, to have a representative present at such discussion, its independent public accountants (and by this provision the Borrower authorizes such accountants to discuss the finances and affairs of the Borrower and the Subsidiaries).

Section 5.04. Authorization of Third Parties to Deliver Information. The Borrower hereby agrees that any opinion, report or other Information delivered to the Administrative Agent, the Managing Agents or the Banks pursuant to the Loan Document (including under Article 2 or this Article 5) is hereby deemed to have been authorized and directed by the Borrower to be delivered for the benefit of the Administrative Agent, the Managing Agents and the Banks.

ARTICLE 6

DEFAULT

Section 6.01. Events of Default. Each of the following shall constitute an Event of Default, whatever the reason for such event and whether it shall be voluntary or involuntary, or within or without the control of the Borrower, any Subsidiary or any other Loan Party, or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or nongovernmental body:

(a) Any payment of principal of or interest on any of the Loans or the Notes, any reimbursement of any Drawing or any payment of any fee, or any cash collateralization of any Contingent Reimbursement Obligation shall not be made when and as due (whether at maturity, upon mandatory prepayment, by reason of notice of prepayment or acceleration or otherwise) and in accordance with the terms of this Agreement and the Notes and, except in the case of payments of principal or reimbursements of Drawings, such failure shall continue for three Business Days;

(b) Any Loan Document Representation and Warranty shall at any time prove to have been incorrect or misleading in any material respect when made;

(c) (i) The Borrower shall default in the performance or observance of:

(A) any term, covenant, condition or agreement contained in (x) Section 4.01(a) (insofar as such Section requires the preservation of the corporate existence of each of the Loan Parties), 4.03 through 4.18, 4.20, 4.21, 4.23, 5.01(e)(i) or 5.03(b) of this Agreement or (y) Sections 2 and 3 of the Pledge Agreement to which it is a party; or

(B) any term, covenant, condition or agreement contained in any Borrower Loan Document (other than a term, covenant, condition or agreement a default in the performance or observance of which is elsewhere in this Section 6.01 specifically dealt with) and, if capable of being remedied, such default shall continue unremedied for a period of 30 days; or

(ii) Any Transaction Party (other than the Borrower) shall default in the performance or observance of:

(A) any term, covenant, condition or agreement contained in (x) the Guaranty Agreement to which it is a party or (y) Sections 2 and 3 of the Pledge Agreement to which it is a party; or

(B) any term, covenant, condition or agreement contained in any Loan Document to which it is a party (other than a term, covenant, condition or agreement a default in the performance or observation of which is elsewhere in this Section 6.01 specifically dealt with) and, if capable of being remedied, such default shall continue unremedied for a period of 30 days;

(d) (i) The Borrower, any Subsidiary or Holdco shall fail to pay, in accordance with its terms and when due and payable (after giving effect to any applicable grace period), any of the principal of or interest on any Indebtedness (other than the Loans and Affiliate Subordinated Indebtedness) having a then outstanding principal amount in excess of \$20,000,000, (ii) the maturity of any such Indebtedness shall, in whole or in part, have been accelerated, or any such Indebtedness shall, in whole or in part, have been required to be prepaid or purchased prior to the stated maturity thereof (other than pursuant to any customary due-on-sale clause or any provision requiring prepayment of such Indebtedness based on excess cash flow or other similar arrangement), in accordance with the provisions of any Contract evidencing, providing for the creation of or concerning such Indebtedness or (iii) (A) any event shall have occurred and be continuing that, after giving effect to any applicable waivers or amendments, permits (or, with the passage of time or the giving of notice or both, would permit) any holder or holders of such Indebtedness, any trustee or agent acting on behalf of such holder or holders or any other Person so to accelerate such maturity or require any such prepayment or purchase and (B) if the Contract evidencing, providing for the creation of or concerning such Indebtedness provides for a cure period for such event, such event shall not be cured prior to the end of such cure period;

(e) A default by the Borrower or any Subsidiary shall be continuing under any Contract (other than a Contract relating to Indebtedness to which clause (d) of this Section 6.01 is applicable) binding upon the Borrower or any Subsidiary, except a default that, together with all other such defaults, has not had and will not have a Materially Adverse Effect on (i) the Borrower and the Consolidated Subsidiaries taken as a whole, (ii) any Material Loan Document or (iii) the Collateral;

(f) (i) The Borrower, any Material Subsidiary or any other Loan Party shall (A) commence a voluntary case under the Federal bankruptcy laws (as now or hereafter in effect), (B) file a petition seeking to take advantage of any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, (C) consent to or fail to contest in a timely and appropriate manner any petition filed against it in an involuntary case under such bankruptcy laws or other laws, (D) apply for, or consent to, or fail to contest in a timely and appropriate manner, the

appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of itself or of a substantial part of its assets, domestic or foreign, (E) generally not be paying its debts (other than those that are the subject of bona fide disputes) as they become due, (F) make a general assignment for the benefit of creditors or (G) take any corporate action for the purpose of effecting any of the foregoing, except that no event or condition referred to in clauses (A) through (G) above with respect to any Pledgor which is not the Borrower or a Subsidiary shall constitute an Event of Default if it, together with all other such events or conditions at the time existing, has not had and could not reasonably be expected to have a Materially Adverse Effect on (x) the Borrower and the Consolidated Subsidiaries taken as a whole, (y) any Material Loan Document (other than the Pledge Agreement to which such Pledgor is a party) or (z) the Collateral (other than the Collateral subject to the Lien created by the Pledge Agreement to which such Pledgor is a party); or

(ii) (A) A case or other proceeding shall be commenced against the Borrower, any Material Subsidiary or any other Loan Party seeking (x) relief under the Federal bankruptcy laws (as now or hereafter in effect) or under any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts or (y) the appointment of a trustee, receiver, custodian, liquidator or the like of the Borrower, any Material Subsidiary or any other Loan Party, or of all or any substantial part of the assets, domestic or foreign, of the Borrower, any Material Subsidiary or any other Loan Party, and such case or proceeding shall continue undismissed or unstayed for a period of 60 days or (B) an order granting the relief requested in such case or proceeding against the Borrower, any Material Subsidiary or any other Loan Party (including an order for relief under such Federal bankruptcy laws) shall be entered, except that no event or condition referred to in clauses (A) through (B) above with respect to any Pledgor which is not the Borrower or a Subsidiary shall constitute an Event of Default if it, together with all other such events or conditions at the time existing, has not had and could not reasonably be expected to have a Materially Adverse Effect on (x) the Borrower and the Consolidated Subsidiaries taken as a whole, (y) any Material Loan Document (other than the Pledge Agreement to which such Pledgor is a party) or (z) the Collateral (other than the Collateral subject to the Lien created by the Pledge Agreement to which such Pledgor is a party);

(g) A judgment or order shall be entered against the Borrower or any Material Subsidiary by any court and (i) in the case of a judgment or order for the payment of money, such judgment or order shall continue undismissed, unbonded, undischarged or unstayed for a period of 30 days in which the aggregate amount of all such judgments and orders exceeds \$10,000,000 and (ii) in the case of any judgment or order for other than the payment of money, such judgment or order could, in

the reasonable judgment of the Required Banks, together with all other such judgments or orders, have a Materially Adverse Effect on the Borrower and the Consolidated Subsidiaries taken as a whole;

(h) (i) any Termination Event shall occur with respect to any Benefit Plan of the Borrower or any Material Subsidiary or any of their respective ERISA Affiliates, (ii) any Accumulated Funding Deficiency, whether or not waived, shall exist with respect to any such Benefit Plan, (iii) any Person shall engage in any Prohibited Transaction involving any such Benefit Plan, (iv) the Borrower, any Material Subsidiary or any of their respective ERISA Affiliates shall be in "default" (as defined in Section 4219(c)(5) of ERISA) with respect to payments owing to any such Benefit Plan that is a Multiemployer Benefit Plan as a result of such Person's complete or partial withdrawal (as described in Section 4203 or 4205 of ERISA) therefrom, (v) the Borrower, any Material Subsidiary or any of their respective ERISA Affiliates shall fail to pay when due an amount that is payable by it to the PBGC or to any such Benefit Plan under Title IV of ERISA, (vi) a proceeding shall be instituted by a fiduciary of any such Benefit Plan against the Borrower, any Material Subsidiary or any of their respective ERISA Affiliates to enforce Section 515 of ERISA and such proceeding shall not have been dismissed within 30 days thereafter or (vii) any other event or condition shall occur or exist with respect to any such Benefit Plan, except that no event or condition referred to in clauses (i) through (vii) above shall constitute an Event of Default if it, together with all other such events or conditions at the time existing, has not subjected and is not reasonably likely to subject the Borrower or any Subsidiary to any Liability that, alone or in the aggregate, has had or could have a Materially Adverse Effect on (x) the Borrower and the Consolidated Subsidiaries taken as a whole, (y) any Material Loan Document or (z) the Collateral;

(i) Any Transaction Party asserts, or any Loan Party institutes any proceedings seeking to establish, that (i) any provision of the Loan Documents is invalid, not binding or unenforceable or (ii) the Security Interest is not a valid and perfected first priority security interest in the Collateral subject only to Permitted Liens;

(j) (i) Comcast and Liberty, collectively, shall at any time cease to beneficially own issued and outstanding capital stock and other issued and outstanding Capital Securities of the Borrower having not less than 51% of the total equity value of the Borrower, or Comcast, any of its Affiliates, Liberty or any of its Affiliates, collectively, shall at any time cease to have at least 51% control over the Borrower or (ii) either Comcast or Liberty, individually, shall at any time prior to February 9, 2000 cease to beneficially own issued and outstanding capital stock and other issued and outstanding Capital Securities of the Borrower having at least 19.9% of the total equity value of the

Borrower; provided, however, that all references to the Borrower in this Section 6.01(j) shall be deemed to be references to Holdco following the formation of Holdco;

(k) The Joint Ownership and Management Agreements shall have been amended, modified or supplemented in any respect material to the Banks, other than any such amendment, modification or supplement that has been consented to in writing by the Required Banks (such consent not to be unreasonably withheld); and

(l) Holdco shall incur, create, assume or suffer to exist any Indebtedness, except for Permitted Holdco Replacement Debt and Junior Subordinated Indebtedness.

As used in Section 6.01(j), the term "beneficially own" refers to a Person's proportionate direct and indirect attributable economic interest in another Person's Capital Securities, and the term "51% control" refers to a Person's or group of Persons' direct ownership of another Person's Capital Securities having 51% or more of the ordinary voting power for the election of directors (or other persons having similar functions) of such other Person.

Section 6.02. Remedies upon Event of Default. During the continuance of any Event of Default (other than one specified in Section 6.01(f) with respect to the Borrower) and in every such event, the Administrative Agent, upon notice to the Borrower, may (but shall not be obligated to), and if so directed by the Required Banks shall, do either or both of the following: (a) declare, in whole or, from time to time, in part, the principal of and interest on the Loans and the Notes and all other amounts owing under the Borrower Loan Documents to be, and the Loans and the Notes and all such other amounts shall thereupon and to that extent become, due and payable, (b) demand that the Borrower deliver cash collateral to the Administrative Agent in an amount equal to the aggregate amount of Contingent Reimbursement Obligations then outstanding to be held in accordance with Section 9.19 and such amount shall thereupon become due and payable to the Administrative Agent and (c) terminate, in whole or, from time to time, in part, the Commitments. Upon the occurrence of an Event of Default specified in Section 6.01(f) with respect to the Borrower, automatically and without any notice to the Borrower, (i) the principal of and interest on the Loans and the Notes and all other amounts owing under the Borrower Loan Documents shall be due and payable and (ii) the Commitments shall terminate. Presentment, demand, protest or notice of any kind (other than the notice provided for in the first sentence of this Section 6.02) are hereby expressly waived.

Section 6.03. Certain Cure Rights. Notwithstanding the provisions of Sections 6.01 and 6.02, but without limiting the obligations of the Borrower under Sections 4.15, 4.16, 4.17

and 4.18, if the Borrower shall default in the performance or observance of any term, covenant, condition or agreement contained in Section 4.15, 4.16, 4.17 or 4.18, such default shall not constitute an Event of Default (but shall constitute a Default) until the Cure Date, and if on or before the Cure Date the respective actions set forth below shall have been taken and evidence thereof shall have been delivered to the Banks, then such default shall be deemed to have been cured:

(a) With respect to Section 4.15, the Borrower shall have prepaid Loans, either from cash on hand or the proceeds of new capital contributions or Junior Subordinated Indebtedness in an aggregate amount sufficient so that, after giving effect to the application of such prepayments and the reduction of Consolidated Indebtedness by the amount thereof for the purpose of determining compliance with Section 4.15, the Borrower would be in compliance therewith as recalculated at the date of receipt of such proceeds; and

(b) With respect to Section 4.16, 4.17 or 4.18, the Borrower shall have prepaid Loans, either from the proceeds of new capital contributions or the proceeds of Junior Subordinated Indebtedness, in an aggregate amount sufficient so that, if the respective ratios set forth in Section 4.16, 4.17 or 4.18 as at the date of receipt of such proceeds were recalculated in a manner which would include as additional Cash Flow of the Borrower and the Consolidated Subsidiaries the amount of such proceeds, the Borrower would be in compliance with Section 4.16, 4.17 or 4.18, as applicable, as at such date;

provided, however, that (i) any such default may not be deemed to be cured pursuant to this Section 6.03 more than an aggregate of four times during the term of this Agreement or with respect to consecutive fiscal quarters of the Borrower and, for purposes of this proviso, in the event that the receipt and application by the Borrower of the proceeds of any Junior Subordinated Indebtedness shall at any time have the effect of enabling the Borrower to avoid any such default, the Borrower shall be deemed to have cured any such default pursuant to this Section 6.03 and (ii) the recalculations described in this Section 6.03 shall not be deemed to constitute a recalculation for any other purpose of this Agreement, including the determination of the Applicable Margin. For purposes of this Section 6.03, "Cure Date" means, with respect to any breach of the covenants contained in Sections 4.15, 4.16, 4.17 and 4.18, the date that is 30 days after the earlier of (A) the day on which financial statements for the fiscal quarter (or fiscal year, in the case of any such breach occurring in the fourth quarter of any fiscal year) in which such breach occurred are delivered to the Banks pursuant to Section 5.01 and (B) the day by which such financial statements are required to be delivered pursuant to Section 5.01.

ARTICLE 7

ADDITIONAL CREDIT FACILITY PROVISIONS

Section 7.01. Mandatory Suspension and Conversion of Eurodollar Rate Loans. A Bank's obligations to make, continue or convert into Eurodollar Rate Loans of any Type shall be suspended, all such Bank's outstanding Loans of such Type shall be converted on the last day of their applicable Interest Periods (or, if earlier, in the case of clause (c) below, on the last day such Bank may lawfully continue to maintain Loans of such Type or, in the case of clause (d) below, on the day determined by such Bank to be the last Business Day before the effective date of the applicable restriction) into, and all pending requests for the making or continuation of or conversion into Loans of such Type by such Bank shall be deemed requests for, Base Rate Loans, if:

(a) on or prior to the determination of an interest rate for a Eurodollar Rate Loan of such Type for any Interest Period, the Administrative Agent determines that for any reason appropriate information is not available to it for purposes of determining the Eurodollar Rate for such Interest Period;

(b) on or prior to the first day of any Interest Period for a Eurodollar Rate Loan of such Type, the Required Banks have informed the Administrative Agent of their determination that the Eurodollar Rate as determined by the Administrative Agent for such Interest Period would not accurately reflect the cost to such Banks of making, continuing or converting into a Eurodollar Rate Loan of such Type for such Interest Period;

(c) at any time such Bank determines that any Regulatory Change makes it unlawful or impracticable for such Bank or its applicable Lending Office to make, continue or convert into a Eurodollar Rate Loan of such Type, or to comply with its obligations hereunder in respect thereof; or

(d) such Bank notifies the Administrative Agent of its determination that (i) by reason of any Regulatory Change, such Bank or its applicable Lending Office is restricted, directly or indirectly, in the amount that it may hold of (A) a category of liabilities that includes deposits by reference to which, or on the basis of which, the interest rate applicable to Eurodollar Rate Loans of such Type is directly or indirectly determined or (B) the category of assets that includes Eurodollar Rate Loans of such Type and (ii) such Bank has elected that this Section 7.01(d) shall apply to its Eurodollar Rate Loans of such Type.

If, as a result of this Section 7.01, any Loan of any Bank that would otherwise be made or maintained as or converted into a Eurodollar Rate Loan of any Type for any Interest Period is instead made or maintained as or converted into a Base Rate Loan,

then, unless the corresponding Loan of each of the other Banks is also to be made or maintained as or converted into a Base Rate Loan, such Loan shall be treated as being a Eurodollar Rate Loan of such Type for such Interest Period for all purposes of this Agreement (including the timing, application and proration among the Banks of interest payments, conversions and prepayments) except for the calculation of the interest rate borne by such Loan. The Administrative Agent shall promptly notify the Borrower and each Bank of the existence or occurrence of any condition or circumstance specified in clause (a) or (b) above, and each Bank shall promptly notify the Borrower and the Administrative Agent of the existence, occurrence or termination of any condition or circumstance specified in clause (c) or (d) above applicable to such Bank's Loans, but the failure by the Administrative Agent or such Bank to give any such notice shall not affect such Bank's rights hereunder.

Section 7.02. Regulatory Changes. If in the determination of any Bank or, in the case of any Letter of Credit or Drawing, the Issuing Bank (a) any Regulatory Change shall directly or indirectly (i) reduce the amount of any sum received or receivable by (A) such Bank with respect to any Eurodollar Rate Loan or Letter of Credit Participation or the return to be earned by such Bank on any Eurodollar Rate Loan or Letter of Credit Participation or (B) the Issuing Bank with respect to any Letter of Credit or Drawing, (ii) impose a cost on (A) such Bank or any Affiliate of such Bank that is attributable to the making or maintaining of, or such Bank's commitment to make or acquire, any Eurodollar Rate Loan or Letter of Credit Participation or (B) the Issuing Bank or any of its Affiliates that is attributable to the issuance or maintaining of, or the commitment to issue, any Letter of Credit or the making or maintaining of any Drawing, (iii) require (A) such Bank or any Affiliate of such Bank to make any payment on or calculated by reference to the gross amount of any amount received by such Bank under any Loan Document in respect of its Eurodollar Rate Loans or its obligations to make Eurodollar Rate Loans or (B) the Issuing Bank or any of its Affiliates to make any payment on or calculated by reference to the gross amount of any amount received by the Issuing Bank or any of its Affiliates in respect of any Letter of Credit or its commitment to issue any Letter of Credit or Drawing or (iv) reduce, or have the effect of reducing, the rate of return on any capital of (A) such Bank or any Affiliate of such Bank that such Bank or such Affiliate is required to maintain on account of any Eurodollar Rate Loan or Letter of Credit Participation or such Bank's commitment to make any Eurodollar Rate Loan or Letter of Credit Participation or (B) the Issuing Bank or any of its Affiliates that the Issuing Bank or such Affiliate is required to maintain on account of any Letter of Credit or Drawing or the Issuing Bank's commitment to issue any Letter of Credit and (b) such reduction, increased cost or payment shall not be fully compensated for by an adjustment in the applicable rates of interest payable under the Loan Documents, then the Borrower shall pay to such Bank or the Issuing Bank, as the case may be,

such additional amounts as such Bank or the Issuing Bank, as the case may be, determines will, together with any adjustment in the applicable rates of interest payable hereunder, fully compensate for such reduction, increased cost or payment. Such additional amounts shall be payable, in the case of those applicable to prior periods, within 15 Business Days after request by such Bank or the Issuing Bank, as the case may be, for such payment accompanied by the certificate described in Section 7.05 and, in the case of those applicable to future periods, on the dates specified, or determined in accordance with a method specified, by such Bank or the Issuing Bank, as the case may be. Each Bank and the Issuing Bank will promptly notify the Borrower of any determination made by it referred to in clauses (a) and (b) above, but the failure to give such notice shall not affect such Bank's, or the Issuing Bank's, as the case may be, right to such compensation; provided, however, that the Borrower shall not be required to pay such additional amounts in respect of any Regulatory Change for any period ending prior to the date that is 90 days prior to the giving of the notice of the determination of such additional amounts (unless such period shall have commenced after the date that such Bank or the Issuing Bank, as the case may be, notified the Borrower of the possibility that additional amounts may be payable as a result of such Regulatory Change), except, if such Regulatory Change shall have been imposed retroactively, for the period from the effective date of such Regulatory Change to the date that is 90 days after the first date on which such Bank or the Issuing Bank, as the case may be, reasonably should have had knowledge of such Regulatory Change.

Section 7.03. Capital and Reserve Requirements. If, in the determination of any Bank or the Issuing Bank, as the case may be, such Bank, the Issuing Bank or any Affiliate of such Bank or the Issuing Bank is required, under Applicable Law (including Regulation D), interpretations, directives, requests and governmental or regulatory guidelines (whether or not having the force of law), to maintain capital or deposit any reserve on account of any Loan, any Letter of Credit (whether drawn or undrawn) or such Bank's, or the Issuing Bank's, as the case may be, commitment to make any Loan or issue any Letter of Credit, then, upon request by such Bank or the Issuing Bank, as the case may be, the Borrower shall from time to time thereafter pay to such Bank or the Issuing Bank, as the case may be, such additional amounts as such Bank or the Issuing Bank, as the case may be, determines will fully compensate for any reduction in the rate of return on the capital that such Bank, the Issuing Bank or such Affiliate is so required to maintain on account of such Loan, Letter of Credit or commitment suffered as a result of such capital requirement or for the cost imposed on such Bank, the Issuing Bank or such Affiliate by such reserve requirement. Such additional amounts shall be payable, in the case of those applicable to prior periods, within 15 Business Days after request by such Bank or the Issuing Bank, as the case may be, for such payment accompanied by the certificate described in Section 7.05 and, in the case of those relating to future periods, on the

dates specified, or determined in accordance with a method specified, by such Bank or the Issuing Bank, as the case may be; provided, however, that the Borrower shall not be required to pay such additional amounts in respect of any capital or reserve requirement for any period ending prior to the date that is 90 days prior to the making of such Bank's or the Issuing Bank's, as the case may be, initial request for such additional amounts (unless such period shall have commenced after the date that such Bank or the Issuing Bank, as the case may be, notified the Borrower of the possibility that additional amounts may be payable as a result of such capital or reserve requirement), except, if such capital or reserve requirement shall have been imposed retroactively, for the period from the effective date of such capital or reserve requirement to the date that is 90 days after the first date on which such Bank or the Issuing Bank, as the case may be, reasonably should have had knowledge of such capital or reserve requirement.

Section 7.04. Funding Losses. The Borrower shall pay to each Bank, upon request, such amount or amounts as such Bank determines are necessary to compensate it for any loss, cost or expense (excluding loss of the Applicable Margin) incurred by it as a result of (a) any payment, prepayment or conversion of a Eurodollar Rate Loan on a date other than the last day of an Interest Period for such Eurodollar Rate Loan or (b) a Eurodollar Rate Loan for any reason not being made or converted, or any payment of principal thereof or interest thereon not being made, on the date therefor determined in accordance with the applicable provisions of this Agreement. At the election of such Bank, and without limiting the generality of the foregoing, but without duplication, such compensation on account of losses may include an amount equal to the excess of (i) the interest that would have been received from the Borrower under this Agreement (excluding the Applicable Margin) on any amounts to be reemployed during an Interest Period or its remaining portion over (ii) the interest component of the return that such Bank determines it could have obtained had it placed such amount on deposit in the interbank Dollar market selected by it for a period equal to such Interest Period or remaining portion.

Section 7.05. Determinations. In making the determinations contemplated by Sections 7.01, 7.02, 7.03 and 7.04, each Bank and the Issuing Bank may make such estimates, assumptions, allocations and the like that such Person in good faith determines to be appropriate, and such Person's selection thereof in accordance with this Section 7.05, and the determinations made by such Person on the basis thereof, shall be final, binding and conclusive upon the Borrower, except, in the case of such determinations, for manifest errors. Each Bank and the Issuing Bank shall furnish to the Borrower, at the time of any request for compensation under Section 7.02 or 7.03 and otherwise upon request, a certificate outlining in reasonable detail the computation of any amounts claimed by it under this Article 7 and the assumptions underlying such computations, which

shall include a statement of an officer of such Person certifying that such request for compensation is being made pursuant to a policy adopted by such Person to seek such compensation generally from customers similar to the Borrower and having similar provisions in agreements with such Person.

Section 7.06. Change of Lending Office. If an event occurs with respect to a Lending Office of any Bank or, in the case of any Letter of Credit or Drawing, the Issuing Bank, that obligates the Borrower to pay any amount under Section 1.13, makes operable the provisions of Section 7.01(c) or (d) or entitles such Bank or the Issuing Bank, as the case may be, to make a claim under Section 7.02 or 7.03, such Bank or the Issuing Bank, as the case may be, shall, if requested by the Borrower, use reasonable efforts to designate another Lending Office or Offices the designation of which will reduce the amount the Borrower is so obligated to pay, eliminate such operability or reduce the amount such Bank or the Issuing Bank, as the case may be, is so entitled to claim, provided that such designation would not, in the sole and absolute discretion of such Bank or the Issuing Bank, as the case may be, be disadvantageous to such Bank or the Issuing Bank, as the case may be, in any manner or contrary to such Bank's or the Issuing Bank's, as the case may be, policies. Each Bank and the Issuing Bank may at any time and from time to time change any Lending Office and shall give notice of any such change to the Administrative Agent and the Borrower. Except in the case of a change in Lending Offices made at the written request of the Borrower, the designation of a new Lending Office by any Bank or the Issuing Bank shall not obligate the Borrower to pay any amount to such Bank under Section 1.13, make operable the provisions of Section 7.01(c) or (d) or entitle such Bank or the Issuing Bank to make a claim under Section 7.02 or 7.03 if such obligation, the operability of such clause or such claim results solely from such designation and not from a subsequent Regulatory Change.

Section 7.07. Replacement of Banks. If any Bank requests compensation pursuant to Section 1.13, 7.02 or 7.03, or such Bank's obligation to make or continue, or to convert Loans of any other Type into, any Type of Eurodollar Rate Loan shall be suspended pursuant to Section 7.01, the Borrower, upon three Business Days' notice, may require that such Bank transfer all of its right, title and interest under this Agreement and such Bank's Notes to any bank or financial institution identified by the Borrower with the consent of the Administrative Agent (which consent shall not be unreasonably withheld) (a) if such proposed transferee agrees to assume all of the obligations of such Bank for consideration equal to the outstanding principal amount of such Bank's Loans and such Bank's pro rata share of Drawings with respect to which it has made its required payments under Section 1.03(g), together with interest thereon to the date of such transfer, and satisfactory arrangements are made for payment to such Bank of all other amounts payable hereunder to such Bank on or prior to the date of such transfer (including any fees

accrued hereunder and any amounts that would be payable under Section 7.04 as if all of such Bank's Loans were being prepaid in full on such date) and (b) if such Bank being replaced has requested compensation pursuant to Section 1.13, 7.02 or 7.03, such proposed transferee's aggregate requested compensation, if any, pursuant to Section 1.13, 7.02 or 7.03 with respect to such replaced Bank's Loans is lower than that of the Bank replaced. Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements of the Borrower contained in Sections 1.13, 7.02, 7.03, 7.04 and 9.02 (without duplication of any payments made to such Bank by the Borrower or the proposed transferee) shall survive for the benefit of any Bank replaced under this Section 7.07 with respect to the time prior to such replacement.

ARTICLE 8

THE AGENTS

Section 8.01. Appointment and Powers. Each Bank hereby irrevocably appoints and authorizes the Agents, individually in their respective capacities as Agents, to act as the agents for such Bank under the Loan Documents with such powers as are delegated to the respective Agents by the terms thereof, together with such other powers as are reasonably incidental thereto. The Agents' duties shall be purely ministerial and they shall have no duties or responsibilities except those expressly set forth in the Loan Documents. None of the Agents shall be required under any circumstances to take any action that, in its judgment, (a) is contrary to any provision of the Loan Documents or Applicable Law or (b) would expose it to any Liability or expense against which it has not been indemnified to its satisfaction. None of the Agents shall, by reason of its serving as an Agent, be a trustee or other fiduciary for any Bank. By its execution and delivery hereof, each Bank, in its capacity as a Bank and in its capacity, if any, as a party to an Interest Rate Protection Agreement, authorizes the Administrative Agent to act as its agent under, and to execute and deliver, in its name and on its behalf, the Security Agreement, the Pledge Agreements, the Subsidiary Security Agreements, the Guaranty Agreements and the Affiliate Subordination Agreement. The Administrative Agent shall consent to any amendment of any term, covenant, agreement or condition of, or to any waiver of any right under, the Pledge Agreements, the Guaranty Agreements or the Affiliate Subordination Agreement if, but only if, the Administrative Agent is directed to do so in writing by the Required Banks; provided, however, that the Administrative Agent shall not (i) be required to consent to any such amendment or waiver that affects its rights or duties and (ii) unless directed to do so in writing by each Bank, or unless pursuant to a transaction that is expressly permitted under the Loan Documents, consent to any assignment by any other Person party to the Pledge Agreements, the Guaranty Agreements or the

Affiliate Subordination Agreement of any of such Person's rights or obligations thereunder or release such Person from its obligations thereunder or release any portion of the Collateral from the Security Interest.

Section 8.02. Limitation on Agents' Liability. None of the Agents nor any of their respective directors, officers, employees or agents shall be liable or responsible for any action taken or omitted to be taken by them under or in connection with the Loan Documents, except for its or their own gross negligence or willful misconduct. None of the Agents shall be responsible to any Bank for (a) any recitals, statements, representations or warranties contained in the Loan Documents or in any certificate or other document referred to or provided for in, or received by any of the Banks under, the Loan Documents, (b) the validity, effectiveness or enforceability of the Loan Documents or any such certificate or other document, (c) the value or sufficiency of the Collateral or (d) any failure by the Loan Parties to perform any of their obligations under the Loan Documents. Each of the Agents may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact so long as such Agent was not grossly negligent in selecting or directing such agents or attorneys-in-fact. Each of the Agents shall be entitled to rely upon any certification, notice or other communication (including any thereof by telephone, telex, telecopier, telegram or cable) believed by it to be genuine and correct and to have been signed or given by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by such Agent. As to any matters not expressly provided for by the Loan Documents, each of the Agents shall in all cases be fully protected in acting, or in refraining from acting, under the Loan Documents in accordance with instructions signed by the Required Banks, and such instructions of the Required Banks and any action taken or failure to act pursuant thereto shall be binding on all of the Banks.

Section 8.03. Defaults. The Administrative Agent shall not be deemed to have knowledge of the occurrence of a Default (other than the non-payment to it of fees or principal of or interest on Loans) unless the Administrative Agent has received notice from a Bank or the Borrower specifying such Default and stating that such notice is a "Notice of Default." In the event that the Administrative Agent receives such a notice of the occurrence of a Default, the Administrative Agent shall give prompt notice thereof to the Banks. In the event of any Default, the Administrative Agent shall (a) in the case of a Default that constitutes an Event of Default, take any or all of the actions referred to in Section 6.02(a), Section 6.02(b) and Section 6.02(c) if so directed by the Required Banks and (b) in the case of any Default, take such other action with respect to such Default as shall be reasonably directed by the Required Banks. Unless and until the Administrative Agent shall have

received such directions, in the event of any Default, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interests of the Banks.

Section 8.04. Rights as a Bank. Each Person acting as an Agent that is also a Bank shall, in its capacity as a Bank, have the same rights and powers under the Loan Documents as any other Bank and may exercise the same as though it were not acting as an Agent, and the term "Bank" or "Banks" shall include such Person in its individual capacity. Each Person acting as an Agent and its Affiliates may (without having to account therefor to any Bank) accept deposits from, lend money to and generally engage in any kind of banking, trust or other business with the Loan Parties and their Affiliates as if it were not acting as an Agent, and such Person and its Affiliates may accept fees and other consideration from the Borrower and its Affiliates for services in connection with the Loan Documents or otherwise without having to account for the same to the Banks.

Section 8.05. Indemnification. The Banks agree to indemnify each of the Agents (to the extent not reimbursed by the Loan Parties under the Loan Documents), ratably on the basis of the respective principal amounts of the Loans outstanding made by the Banks (or, if no Loans are at the time outstanding, ratably on the basis of their respective Commitments), for any and all Liabilities, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever that may be imposed on, incurred by or asserted against such Agent in its capacity as an Agent (including the costs and expenses that the Loan Parties are obligated to pay under the Loan Documents) in any way relating to or arising out of the Loan Documents or any other documents contemplated thereby or referred to therein or the transactions contemplated thereby or the enforcement of any of the terms thereof or of any such other documents, provided that no Bank shall be liable for any of the foregoing to the extent they arise from gross negligence or willful misconduct by such Agent.

Section 8.06. Non-Reliance on Agents and Other Banks. Each Bank agrees that it has made and will continue to make, independently and without reliance on any of the Agents or any other Bank, and based on such documents and information as it deems appropriate, its own credit analysis of the Loan Parties, its own evaluation of the Collateral and its own decision to enter into the Loan Documents and to take or refrain from taking any action in connection therewith. None of the Agents shall be required to keep itself informed as to the performance or observance by the Loan Parties of the Loan Documents or any other document referred to or provided for therein or to inspect the properties or books of any Loan Party or any Subsidiary thereof or the Collateral. Except for notices, reports and other documents and information expressly required to be furnished to

the Banks by the Administrative Agent under the Loan Documents, none of the Agents shall have any obligation to provide any Bank with any information concerning the business, status or condition of any Loan Party or any Subsidiary thereof, the Loan Documents or the Collateral that may come into the possession of such Agent or any of its Affiliates.

Section 8.07. Resignation of the Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by giving notice thereof to the Banks and the Borrower. Upon receipt of any such notice of resignation, the Required Banks may, with the consent of the Borrower (which consent shall not be unreasonably withheld), appoint any bank or financial institution as the successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Banks and shall have accepted such appointment within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Banks and with the consent of the Borrower (which consent shall not be unreasonably withheld), appoint any bank or financial institution as the successor Administrative Agent. Upon the acceptance by any Person of its appointment as a successor Administrative Agent, such Person shall thereupon succeed to and become vested with all the rights, powers, privileges, duties and obligations of the retiring Administrative Agent and the retiring Administrative Agent shall be discharged from its duties and obligations as Administrative Agent under the Loan Documents. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Article 8 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent.

ARTICLE 9

MISCELLANEOUS

Section 9.01. Notices and Deliveries.

(a) Manner of Delivery. All notices, communications and materials (including all Information) to be given or delivered pursuant to the Borrower Loan Documents shall, except in those cases where giving notice by telephone is expressly permitted, be given or delivered in writing (which shall include telecopy transmissions). Notices under Sections 1.02, 1.04(c), 1.06, 1.08 and 6.02 may be by telephone, promptly confirmed in writing. In the event of a discrepancy between any telephonic notice and any written confirmation thereof, such written confirmation shall be deemed the effective notice except to the extent that the Administrative Agent has acted in reliance on such telephonic notice.

(b) Addresses. All notices, communications and materials to be given or delivered pursuant to the Borrower Loan Documents shall be given or delivered at the following respective addresses and telecopier and telephone numbers and to the attention of the following individuals or departments:

(i) if to the Borrower, to it at:

1365 Enterprise Drive
West Chester, PA 19380

Telecopier No.: (610) 701-8974
Telephone No.: (610) 701-1380

Attention: General Counsel

with a copy to:

Comcast Corporation
1500 Market Street
Philadelphia, PA 19102-4735

Telecopier No.: (215) 981-7744
Telephone No.: (215) 981-7503

Attention: John R. Alchin, Senior
Vice President and Treasurer

and:

Tele-Communications, Inc.
5619 DTC Parkway
Englewood, CO 80111

Telecopier No.: (303) 488-3216
Telephone No.: (303) 267-5500

Attention: Chief Financial Officer

and:

Liberty Media Corporation
8101 E. Prentice Avenue, Suite 500
Englewood, CO 80111

Telecopier No.: (303) 721-5415
Telephone No.: (303) 721-5400

Attention: David Koff

(ii) if to the Administrative Agent or the Secured Party,
to it at:

One Wall Street

16th Floor
New York, New York 10286

Telecopier No.: (212) 635-8593 or 8595
Telephone No.: (212) 635-8843

Attention: James W. Whitaker

with a copy to:

The Bank of New York
One Wall Street
18th Floor
New York, New York 10286

Telecopier No.: (212) 635-6365 or 6366
Telephone No.: (212) 635-4696

Attention: Patricia Clancy

- (iii) if to any Bank (including any Bank in its capacity as the Issuing Bank or the Swing Loan Lender), to it at the address or telecopier or telephone number and to the attention of the individual or department set forth below such Bank's name under the heading "Notice Address" on Annex A or, in the case of a Bank that becomes a Bank pursuant to an assignment, set forth under the heading "Notice Address" in the Notice of Assignment given to the Borrower and the Administrative Agent with respect to such assignment;

or at such other address or telecopier or telephone number or to the attention of such other individual or department as the party to which such information pertains may hereafter specify for the purpose in a notice specifically captioned "Notice of Change of Address" given to (x) if the party to which such information pertains is the Borrower, the Administrative Agent and each Bank, (y) if the party to which such information pertains is the Administrative Agent, the Borrower and each Bank and (z) if the party to which such information pertains is a Bank, the Borrower and the Administrative Agent.

(c) Effectiveness. Each notice and communication and any material to be given or delivered pursuant to the Borrower Loan Documents shall be deemed so given or delivered (i) if sent by registered or certified mail, postage prepaid, return receipt requested, on the third Business Day after such notice, communication or material, addressed as above provided, is delivered to a United States post office and a receipt therefor is issued thereby, (ii) if sent by any other means of physical delivery, when such notice, communication or material is delivered to the appropriate address as above provided, (iii) if sent by telecopier, when such notice, communication or material

is transmitted to the appropriate telecopier number as above provided and is received at such number and (iv) if given by telephone, when communicated to the individual or any member of the department specified as the individual or department to whose attention notices, communications and materials are to be given or delivered, or, in the case of notice by the Administrative Agent to the Borrower under Section 6.02 given by telephone as above provided, if any individual or any member of the department to whose attention notices, communications and materials are to be given or delivered is unavailable at the time, to any other officer of the Borrower, except that notices of a change of address, telecopier or telephone number or individual or department to whose attention notices, communications and materials are to be given or delivered shall not be deemed given until received.

Section 9.02. Expenses; Indemnification. Whether or not any Loans are made hereunder, the Borrower shall:

(a) pay or reimburse the Administrative Agent, the Issuing Bank, the Swing Loan Lender and each Bank for all transfer, documentary, stamp and similar taxes, and all recording and filing fees and taxes, payable in connection with, arising out of, or in any way related to, the execution, delivery and performance of the Loan Documents or the making of the Loans, excluding any such taxes imposed as a result of the assignment of any Loan or portion thereof;

(b) pay or reimburse the Administrative Agent for all reasonable out-of-pocket costs and expenses (including reasonable fees and disbursements of legal counsel collectively retained by the Managing Agents or, other than with respect to clause (i) below, appraisers, accountants and other experts employed or retained collectively by the Managing Agents or the Administrative Agent) incurred by the Administrative Agent (or, in the case of fees and disbursements of legal counsel, the Managing Agents) in connection with, arising out of, or in any way related to (i) the negotiation, preparation, execution and delivery of (A) the Loan Documents and (B) whether or not executed, any waiver, amendment or consent thereunder or thereto, (ii) the administration of and any operations under the Loan Documents, (iii) consulting with respect to any matter in any way arising out of, related to, or connected with, the Loan Documents, including (A) the protection or preservation of the Collateral, (B) the protection, preservation, exercise or enforcement of any of the rights of the Administrative Agent, the Issuing Bank, the Swing Loan Lender or the Banks in, under or related to the Collateral or the Loan Documents during a Default or (C) the performance of any of the obligations of the Administrative Agent, the Issuing Bank, the Swing Loan Lender or the Banks under or related to the Loan Documents, (iv) protecting or preserving the Collateral or (v) protecting, preserving, exercising or enforcing any of the rights of the Administrative Agent, the Issuing Bank, the Swing Loan Lender or the Banks in,

under or related to the Collateral or the Loan Documents during a Default, including defending the Security Interest as a valid, perfected, first priority security interest in the Collateral subject only to Permitted Liens;

(c) pay or reimburse each Bank, the Swing Loan Lender and the Issuing Bank for all reasonable costs and expenses (including reasonable fees and disbursements of legal counsel and other experts employed or retained by such Bank) incurred by such Bank, the Swing Loan Lender or the Issuing Bank in connection with, arising out of, or in any way related to protecting, preserving, exercising or enforcing during a Default any of its rights in, under or related to the Collateral or the Loan Documents; and

(d) indemnify and hold each Indemnified Person harmless from and against all losses (including judgments, penalties and fines) suffered, and pay or reimburse each Indemnified Person for all costs and reasonable expenses (including reasonable fees and disbursements of legal counsel and other experts employed or retained by such Indemnified Person) incurred, by such Indemnified Person in connection with, arising out of or in any way related to (i) any Loan Document Related Claim (whether asserted by such Indemnified Person or the Borrower or any other Person), including the prosecution or defense thereof and any litigation or proceeding with respect thereto (whether or not, in the case of any such litigation or proceeding, such Indemnified Person is a party thereto), or (ii) any investigation, governmental or otherwise, arising out of, related to, or in any way connected with, the Loan Documents or the relationships established thereunder, except that the foregoing indemnity shall not be applicable to (A) any loss suffered by any Indemnified Person to the extent such loss is determined by a judgment of a court that is binding on the Borrower and such Indemnified Person, final and not subject to review on appeal to be the result of acts or omissions on the part of such Indemnified Person constituting gross negligence or willful misconduct or (B) any such losses, costs and expenses incurred in connection with any examination of such Indemnified Person by governmental authorities and arising other than with respect to this Agreement and the Loans specifically.

Section 9.03. Amounts Payable Due upon Request for Payment.

All amounts payable by the Borrower under Section 9.02 and under the other provisions of the Borrower Loan Documents shall, except as otherwise expressly provided, be immediately due upon request for the payment thereof accompanied by a certificate of the requesting Bank setting forth the basis for the request and the computation for the amount thereof in reasonable detail.

Section 9.04. Remedies of the Essence. The various rights

and remedies of the Administrative Agent, the Issuing Bank, the Swing Loan Lender and the Banks under the Borrower Loan Documents are of the essence of those agreements, and, to the

extent permitted under Applicable Law, the Administrative Agent, the Issuing Bank, the Swing Loan Lender and the Banks shall be entitled to obtain a decree requiring specific performance of each such right and remedy.

Section 9.05. Rights Cumulative. Each of the rights and remedies of the Administrative Agent, the Issuing Bank, the Swing Loan Lender and the Banks under the Loan Documents shall be in addition to all of their other rights and remedies under the Loan Documents and Applicable Law, and nothing in the Loan Documents shall be construed as limiting any such rights or remedies.

Section 9.06. Confidentiality. Each Bank agrees to exercise all reasonable efforts to keep any information delivered or made available by any Transaction Party confidential from anyone other than persons employed or retained by such Bank or an Affiliate of such Bank who are or are expected to become engaged in evaluating, approving, structuring or administering the Loans; provided, however, that nothing herein shall prevent any Bank from disclosing such information (a) to any other Bank, (b) upon the order of any court or administrative agency, (c) upon the request or demand of any regulatory agency or authority having jurisdiction over such Bank, (d) that has been publicly disclosed other than in breach hereof, (e) in connection with any litigation relating to the Loans, this Agreement or any transaction contemplated hereby to which any Bank, any Loan Party, the Issuing Bank, the Swing Loan Lender or any Agent may be a party, (f) to the extent reasonably required in connection with the exercise of any remedy hereunder, (g) to such Bank's legal counsel and independent auditors and (h) to any actual or proposed participant or assignee of all or any part of its Loans hereunder, if such other Person, prior to such disclosure, agrees for the benefit of the Transaction Parties to comply with the provisions of this Section 9.06.

Section 9.07. Amendments; Waivers. Any term, covenant, agreement or condition of any Loan Document to which the Banks are party may be amended, and any right under the Loan Documents may be waived, if, but only if, such amendment or waiver is in writing and is signed by the Required Banks and, if the rights and duties of the Administrative Agent, the Swing Loan Lender or the Issuing Bank are affected thereby, by the Administrative Agent, the Swing Loan Lender or the Issuing Bank, as the case may be, and by each Loan Party that is a party thereto; provided, however, that no such amendment or waiver shall be effective, unless in writing and signed by each Bank affected thereby, to the extent it (a) changes the amount or extends the term of such Bank's Commitment, (b) reduces the principal of or the rate of interest on such Bank's Loans or Notes, the amount of such Bank's Letter of Credit Participations or any fees payable to such Bank hereunder, (c) postpones any date fixed under Sections 1.04(b), 1.05, 1.08 or 1.09 for, or reduces the amount of, any scheduled reduction of Commitments or

any scheduled payment of principal of or interest on such Bank's Loans, Notes or Letter of Credit Participations or any fees payable to such Bank hereunder, (d) releases any portion of the Collateral from the Security Interest or releases any Guarantor from any of its obligations under the Guaranty Agreement, (e) waives any material condition precedent under Section 2.01 or 2.02 (as Section 2.02 applies to the initial Loans hereunder) or (f) amends this Section 9.07 or any provision of this Agreement requiring the consent or other action of all of the Banks; provided further, however, that no amendment or waiver of Sections 1.06(b), 1.15 or 9.07 that would have an effect on the Term B Banks that is (x) adverse to the Term B Banks and (y) disproportionate to the effect that such waiver or amendment would have on the Term A Banks, the RC Banks and the Working Capital Banks shall be effective unless in writing and signed by the Required Term B Banks. Unless otherwise specified in such waiver, a waiver of any right under the Borrower Loan Documents shall be effective only in the specific instance and for the specific purpose for which given. No election not to exercise, failure to exercise or delay in exercising any right, nor any course of dealing or performance, shall operate as a waiver of any right of the Administrative Agent, the Issuing Bank, the Swing Loan Lender or any Bank under the Borrower Loan Documents or Applicable Law, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right of the Administrative Agent, the Issuing Bank, the Swing Loan Lender or any Bank under the Borrower Loan Documents or Applicable Law.

Section 9.08. Set-Off; Suspension of Payment and Performance.

The Administrative Agent, the Issuing Bank, the Swing Loan Lender and each Bank is hereby authorized by the Borrower, to the extent permitted under Applicable Law, at any time and from time to time, without notice, (a) during any Event of Default, to set off against, and to appropriate and apply to the payment of, the Liabilities of the Borrower under the Borrower Loan Documents (whether owing to such Person or to any other Person that is the Administrative Agent, the Issuing Bank, the Swing Loan Lender or a Bank and whether matured or unmatured, fixed or contingent or liquidated or unliquidated and including amounts to which a Bank is entitled with respect to its Letter of Credit Participations) any and all Liabilities owing by such Person to the Borrower (whether payable in Dollars or any other currency, whether matured or unmatured and, in the case of Liabilities that are deposits, whether general or special, time or demand and however evidenced and whether maintained at a branch or office located within or without the United States) and (b) during any Event of Default, to suspend the payment and performance of such Liabilities owing by such Person and, in the case of Liabilities that are deposits, to return as unpaid for insufficient funds any and all checks and other items drawn against such deposits.

Section 9.09. Sharing of Recoveries. (a) Each Bank agrees that, if, for any reason, including as a result of (i) the exercise of any right of counterclaim, set-off, banker's lien or similar right, (ii) its claim in any applicable bankruptcy, insolvency or other similar proceeding being deemed secured by a Debt owed by it to any Loan Party, including a claim deemed secured under Section 506 of the Bankruptcy Code, or (iii) the allocation of payments by the Administrative Agent or any Loan Party in a manner contrary to the provisions of Section 1.15, such Bank shall receive payment of a proportion of the aggregate amount due and payable to it hereunder as principal, interest or fees that is greater than the proportion received by any other Bank in respect of the aggregate of such amounts due and payable to such other Bank hereunder, then the Bank receiving such proportionately greater payment shall purchase participations (which it shall be deemed to have done simultaneously upon the receipt of such payment) in the rights of the other Banks hereunder so that all such recoveries with respect to such amounts due and payable hereunder (net of costs of collection) shall be pro rata; provided, however, that if all or part of such proportionately greater payment received by the purchasing Bank is thereafter recovered by or on behalf of any Loan Party from such Bank, such purchases shall be rescinded and the purchase prices paid for such participation shall be returned to such Bank to the extent of such recovery, but without interest (unless the purchasing Bank is required to pay interest on the amount recovered to the Person recovering such amount, in which case the selling Bank shall be required to pay interest at a like rate). The Borrower expressly consents to the foregoing arrangements and agrees that any holder of a participation in any rights hereunder so purchased or acquired pursuant to this Section 9.09(a) shall, with respect to such participation, to the extent permitted under Applicable Law, be entitled to all of the rights of a Bank under Sections 7.02, 9.02 and 9.08 and may exercise any and all rights of set-off with respect to such participation as fully as though the Borrower were directly indebted to the holder of such participation for Loans in the amount of such participation.

(b) Notwithstanding anything to the contrary contained herein, Section 9.09(a) shall not be deemed to limit each Bank's entitlement to exercise any right of counterclaim, set-off, banker's lien or similar right that it may have in respect of any Loan Party in any manner as it may choose and to apply the amount subject to such exercise to the payment of Liabilities of such Loan Party other than obligations subject to the sharing provisions of Section 9.09(a).

Section 9.10. Assignments and Participations. (a) Assignments. (i) The Borrower may not assign any of its rights or obligations under the Borrower Loan Documents without the prior written consent of the Administrative Agent, the Issuing Bank, the Swing Loan Lender and each Bank, and no assignment of any such obligation shall release the Borrower therefrom unless the Administrative Agent, the Issuing Bank, the Swing Loan Lender

or each Bank, as applicable, shall have consented to such release in a writing specifically referring to the obligation from which the Borrower is to be released.

(ii) Each Bank may from time to time assign any or all of its rights and obligations under the Loan Documents and with respect to the Collateral to one or more banks or other financial institutions with the consent of the Borrower, the Administrative Agent, the Swing Loan Lender and the Issuing Bank (which consents shall not be unreasonably withheld); provided, however, that no such assignment shall be effective unless and until (A) a Notice of Assignment with respect thereto, duly executed by the assignor and the assignee, shall have been given to the Borrower, the Administrative Agent, the Swing Loan Lender and the Issuing Bank and (B) except in the case of an assignment by the Bank or an Affiliate thereof that is the Administrative Agent or an assignment by any Bank to an Affiliate of such Bank, the Administrative Agent shall have been paid an assignment fee of \$2,500; provided further, however, that (A) no such partial assignment, other than a partial assignment by any Bank to an Affiliate of such Bank, shall be made or shall be effective unless (x) if such assignment is made other than to another Bank, the amount thereof is not less than \$5,000,000 (so long as, in the case of any such assignment to an assignee that is not already a Bank, the aggregate amount assigned to such assignee at such time is not less than \$10,000,000) and (y) after giving effect to such assignment and all other assignments made and participations granted by such Bank, the Commitment (or, if the Commitments shall have terminated, the Loans), net of the amount of such participations, retained by such Bank is not less than (1) in the case of each Managing Agent, 20% of the Commitment of such Managing Agent in effect on the Agreement Date and (2) in the case of each other Bank, the lesser of (I) \$25,000,000 and (II) the greater of (aa) 50% of the Commitment of such Bank in effect on the Agreement Date or, if such Bank became a Bank pursuant to an assignment, on the day it became a Bank and (bb) \$10,000,000 and (B) any assignment of any Term A Loans, Term A Commitments, RC Loans, RC Commitments, Working Capital Loans or Working Capital Commitments to any assignee shall include a pro rata portion of all of the Term A Loans, Term A Commitments, RC Loans, RC Commitments, Working Capital Loans and Working Capital Commitments of the assignor, unless otherwise consented to by the Borrower (such consent not to be unreasonably withheld). Any such assignment by a Bank of any or all of its obligations under the Borrower Loan Documents shall release such Bank from the obligations so assigned. In the event of any such assignment by a Bank, the Borrower shall, against receipt of the existing Notes of the assignor Bank, issue new Notes to the assignee Bank and, in the case of a partial assignment, to the assignor Bank, appropriately reflecting such assignment. Nothing in this Section 9.10 shall limit the right of any Bank to assign its interest in the Loans and Notes to a Federal Reserve Bank as collateral security under Regulation A of the Board of Governors

of the Federal Reserve System, but no such assignment shall release such Bank from its obligations hereunder.

(b) Participations. Each Bank may from time to time sell or otherwise grant participations in any or all of its rights and obligations under the Borrower Loan Documents and with respect to the Collateral without the consent of the Borrower, the Administrative Agent, the Issuing Bank, the Swing Loan Lender or any other Bank; provided, however, that (A) no such participation, other than a participation sold or granted by any Bank to an Affiliate of such Bank, shall be made or shall be effective unless (x) the amount thereof is not less than \$5,000,000 and (y) after giving effect to such participation and all other participations granted and assignments made by such Bank, the Commitment (or, if the Commitments shall have terminated, the Loans), net of the amount of such participations, retained by such Bank is not less than (1) in the case of each Managing Agent, 20% of the Commitment of such Managing Agent in effect on the Agreement Date and (2) in the case of each other Bank, the lesser of (I) \$25,000,000 and (II) the greater of (aa) 50% of the Commitment of such Bank in effect on the Agreement Date or, if such Bank became a Bank pursuant to an assignment, on the day it became a Bank and (bb) \$10,000,000. No sale by a Bank of any participation shall relieve such Bank of any of its obligations to the Borrower hereunder.

(c) Rights of Assignees and Participants. Each assignee of, and each holder of a participation in, the rights of any Bank under the Borrower Loan Documents and with respect to the Collateral, if and to the extent the applicable assignment or participation agreement so provides, (i) shall, in the case of assignees and with respect to its assignment, be entitled to all of the rights of a Bank and (ii) may, to the extent permitted under Applicable Law, exercise any and all rights of set-off or banker's lien with respect thereto (as fully, in the case of a holder of a participation, as though the Borrower were directly indebted to such holder for amounts payable under the Borrower Loan Documents to which such holder is entitled under the applicable participation agreement); provided, however, that each such participation agreement shall provide that the Bank that shall have sold or granted the participation shall retain the sole right to take or refrain from taking any action under the Loan Documents except that such participation agreement may provide that such Bank shall not, without the consent of the participant, agree to any amendment or waiver that would have any of the effects described in the proviso to the first sentence of Section 9.07, to the extent that the participant would be affected thereby. All amounts payable to any Bank under Section 1.13 or Article 7 shall be determined as if such Bank had not sold any participations. Each Bank that sells or grants a participation shall (A) withhold or deduct from each payment to the holder of such participation the amount of any Tax required under Applicable Law to be withheld or deducted from such payment and not withheld or deducted therefrom by the Borrower or the

Administrative Agent, (B) pay any Tax so withheld or deducted by it to the appropriate taxing authority in accordance with Applicable Law and (C) indemnify the Borrower and the Administrative Agent for any losses, costs and expenses that they may incur as a result of any failure to so withhold or deduct and pay such Tax.

Section 9.11. Governing Law. This Agreement and the Notes (including matters relating to the Maximum Permissible Rate) shall be construed in accordance with and governed by the law of the State of New York (without giving effect to its choice of law principles, other than Sections 5-1401 and 5-1402 of the General Obligations Law of the State of New York).

Section 9.12. Judicial Proceedings; Waiver of Jury Trial. Any judicial proceeding brought against the Borrower with respect to any Loan Document Related Claim may be brought in any court of competent jurisdiction in the City of New York, and, by execution and delivery of this Agreement, the Borrower (a) accepts, generally and unconditionally, the nonexclusive jurisdiction of such courts and any related appellate court and irrevocably agrees to be bound by any judgment rendered thereby in connection with any Loan Document Related Claim and (b) to the extent permitted under Applicable Law, irrevocably waives any objection it may now or hereafter have as to the venue of any such proceeding brought in such a court or that such a court is an inconvenient forum. The Borrower hereby waives personal service of process and consents that service of process upon it may be made by certified or registered mail, return receipt requested, at its address specified or determined in accordance with the provisions of Section 9.01(b)(i), and service so made shall be deemed completed on the third Business Day after such service is deposited in the mail. Nothing herein shall affect the right of any Agent, Bank, the Swing Loan Lender or the Issuing Bank or any other Indemnified Person to serve process in any other manner permitted by law or shall limit the right of any Agent, Bank, the Swing Loan Lender or the Issuing Bank or any other Indemnified Person to bring proceedings against the Borrower in the courts of any other jurisdiction. To the extent permitted in accordance with Applicable Law (including Applicable Law relating to jurisdiction and venue), any judicial proceeding by the Borrower against the Administrative Agent, the Issuing Bank, the Swing Loan Lender or any Bank involving any Loan Document Related Claim shall be brought only in a court located in the City and State of New York. THE BORROWER, THE AGENTS, THE ISSUING BANK, THE SWING LOAN LENDER AND EACH BANK HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING ANY LOAN DOCUMENT RELATED CLAIM.

Section 9.13. Severability of Provisions. Any provision of the Borrower Loan Documents that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions

thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 9.14. Counterparts. 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 hereto and thereto were upon the same instrument.

Section 9.15. Survival of Obligations. Except as otherwise expressly provided therein, the obligations of the Borrower under Sections 1.13, 7.02, 7.03, 7.04 and 9.02, and the obligations of the Banks under Sections 8.05 and 9.06, shall survive the Repayment Date and the termination of the Security Interest.

Section 9.16. Entire Agreement. This Agreement, the Notes and the other Loan Documents embody the entire agreement among the Borrower, the Agents, the Swing Loan Lender, the Issuing Bank and the Banks relating to the subject matter hereof and supersede all prior agreements, representations and understandings, if any, relating to the subject matter hereof.

Section 9.17. Successors and Assigns. All of the provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 9.18. Reference Banks. Each Reference Bank shall furnish to the Administrative Agent timely information for the purpose of determining the Eurodollar Rate. If any Reference Bank shall notify the Administrative Agent that thenceforth it shall not be able to furnish such information in a timely manner or shall assign all of its Loans or Commitment to a Person that is not an Affiliate of such Reference Bank, the Administrative Agent shall, with the consent of the Required Banks and after consultation with the Borrower, appoint another Bank (which Bank, or, in the event that the long-term debt securities of such Bank shall not be rated by a nationally-recognized credit rating agency, the parent holding company in the corporate group of which such Bank is a member, shall have a credit rating with respect to long-term debt securities from a nationally-recognized credit rating agency substantially equivalent to the Bank, or the parent holding company in the corporate group of which such Bank is a member, being replaced) as a Reference Bank in place of such Reference Bank.

Section 9.19. Cash Collateral. If, at any time, payment, prepayment or cash collateralization of Contingent Reimbursement Obligations shall be required pursuant to any provision of any of the Loan Documents, such payment, prepayment or cash collateralization shall be made by deposit of funds in Dollars, in the amount of such payment, prepayment or cash collateralization, into a cash collateral account at the Administrative Agent's Office, which account shall be under the

sole dominion and control of the Administrative Agent and is hereby pledged to the Administrative Agent for the benefit of itself, the Banks and the Issuing Bank as security for the payment of the Contingent Reimbursement Obligations and any other amounts that may become payable hereunder. Funds deposited in such account, and any income thereon, may be applied by the Administrative Agent against amounts payable under the Loan Documents as such amounts become due. Any funds remaining in such account when all Contingent Reimbursement Obligations and other amounts payable under the Loan Documents have been paid and the Repayment Date shall have occurred shall be promptly remitted to the Borrower.

ARTICLE 10

INTERPRETATION

Section 10.01. Definitional Provisions. (a) Defined Terms.

For the purposes of this Agreement:

"Accumulated Funding Deficiency" has the meaning ascribed to such term in Section 302 of ERISA.

"Acquisition Corp." means QVC Programming Holdings, Inc. (formerly known as Comcast QMerger, Inc.), a Delaware corporation.

"Administrative Agent" means The Bank of New York, as Administrative Agent for the Banks under the Loan Documents, and any successor Administrative Agent appointed pursuant to Section 8.07.

"Administrative Agent's Office" means the address of the Administrative Agent specified in or determined in accordance with the provisions of Section 9.01(b)(ii).

"Affiliate" means, with respect to a Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person; unless otherwise specified, "Affiliate" means an Affiliate of the Borrower. As used in this definition, "control" (including, with correlative meanings, "controlled by" and "under common control with") means possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by Contract or otherwise); provided, however, that, in any event, any Person that owns directly or indirectly Capital Securities having 15% or more of the ordinary voting power for the election of directors or other governing body of a corporation or 15% or more of the partnership or other ownership interests in any other Person (other than as a limited partner of such other Person) will be deemed to control such corporation or other Person. Notwithstanding the foregoing, no individual shall

be deemed to be an Affiliate of a Person solely by reason of such individual being an officer or director of such Person.

"Affiliate Subordinated Indebtedness" has the meaning ascribed to such term in the Affiliate Subordination Agreement, and, as provided therein, includes accrued Management Fees and Junior Subordinated Indebtedness.

"Affiliate Subordination Agreement" means the Affiliate Subordination Agreement, dated as of the date hereof, among the Borrower, Comcast, Liberty, Affiliates of Comcast or Liberty from time to time party thereto and the Administrative Agent.

"Agent" means the Administrative Agent or any of the Managing Agents.

"Agreement" means this Agreement, including all Schedules, Annexes and Exhibits hereto.

"Agreement Date" means the date set forth as such on the last signature page hereof, which date is the date that executed copies of this Agreement were delivered by all parties hereto and, accordingly, this Agreement became effective.

"Applicable Law" means, anything in Section 9.11 to the contrary notwithstanding, (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of governmental bodies, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity or admiralty) and arbitrators.

"Applicable Margin" means: (i) with respect to Term B Loans, at any time, 1.875%, in the case of Base Rate Loans, and 3.000%, in the case of Eurodollar Rate Loans, and (ii) with respect to the Term A Loans, the RC Loans and the Working Capital Loans, at any time, the respective percentage set forth below under the caption for the applicable Type of Loan opposite the applicable Leverage Ratio at such time set forth below:

Leverage Ratio	Base Rate	Eurodollar Rate
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- 5.00 to 1	1.125%	2.250%
- 4.50 to 1 but < 5.00 to 1	0.750%	1.875%
- 4.00 to 1 but < 4.50 to 1	0.500%	1.625%
- 3.50 to 1 but < 4.00 to 1	0.125%	1.250%
- 3.00 to 1 but < 3.50 to 1	0.000%	1.000%
< 3.00 to 1	0.000%	0.875%

The Leverage Ratio shall be determined initially on the basis of the certificate provided for in Section 2.01(g) and subsequently on the basis of the most recent financial statements delivered pursuant to Section 5.01. Any change in the Applicable Margin as a result of a change in the Leverage Ratio shall be effective as of the third Business Day after the day on which financial statements are delivered to the Administrative Agent pursuant to Section 5.01 that indicate such change in the Leverage Ratio.

"Assumption Agreement" means the Assumption Agreement, dated the date of the making of the initial Loans (or, if no Loans have been made, the issuance of the initial Letter of Credit), between QVC and the Administrative Agent, in the form of Exhibit B.

"Bank" means (i) any Person listed on the signature pages hereof following the Administrative Agent and (ii) any Person that has been assigned any or all of the rights or obligations of a Bank pursuant to Section 9.10(a).

"Bank Nonparticipation" means (i) the inability of any Working Capital Bank to acquire any Letter of Credit Participation pursuant to Section 1.03(e) or to make any payment required by it under Section 1.03(h) because of such Bank's having been subject to receivership, insolvency or other similar laws, (ii) the refusal of any Working Capital Bank to acquire any Letter of Credit Participation pursuant to Section 1.03(e) or to make any payment required by it under Section 1.03(h) or (iii) the giving by any Working Capital Bank to the Issuing Bank of any notice (which has not been retracted) of its intention not to so acquire any Letter of Credit Participation or to make any such required payment.

"Bank Tax" means (i) any Tax based on or measured by net income, any franchise Tax and any doing business Tax imposed upon the Issuing Bank, the Swing Loan Lender, any Bank or any Agent by any jurisdiction (or any political subdivision thereof) in which the Issuing Bank, the Swing Loan Lender, such Bank, such Agent or any Lending Office is organized, located or doing business and (ii) for the purposes of Section 1.13, any other Tax imposed by a jurisdiction other than the United States or a political subdivision thereof that would not have been imposed but for a present or former connection between the Issuing Bank, the Swing Loan Lender, Bank, Agent or Lending Office (as the case may be) and such jurisdiction.

"Base Financial Statements" means the consolidated balance sheet of QVC and its Consolidated Subsidiaries as of January 31, 1994 and the related statements of income, retained earnings and cash flows for the fiscal year ended with the date of such balance sheet.

"Base Rate" means, for any day, a rate per annum equal to the higher of (i) the Prime Rate in effect on such day and (ii) the Federal Funds Rate in effect on such day plus 1/2%.

"Base Rate Loan" means any Loan the interest on which is, or is to be, as the context may require, computed on the basis of the Base Rate.

"Benefit Plan" means, with respect to any Person at any time, any employee pension benefit plan (including a Multiemployer Benefit Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code, the funding requirements of which (under Section 302 of ERISA or Section 412 of the Code) are, or at any time within five years preceding the time in question were, in whole or in part, the responsibility of such Person.

"Borrower" means (i) prior to the execution of the Assumption Agreement, QVC Programming Holdings, Inc., a Delaware corporation and (ii) at all times thereafter, QVC.

"Borrower Loan Documents" means the Loan Documents to which the Borrower is a party.

"Business Day" means any day other than a Saturday, Sunday or other day on which banks in New York City are authorized to close.

"Capital Security" means, with respect to any Person, (i) any share of capital stock of such Person or (ii) any security convertible into, or any option, warrant or other right to acquire, any share of capital stock of such Person.

"Cash Flow" means, as of any date of determination, (i) the operating income (which shall be consolidated, as appropriate and shall include income (net of expenses) derived from credit card operations) of the Borrower and the Consolidated Subsidiaries, for the four consecutive fiscal quarters of the Borrower ending on, or most recently ended prior to, such date, plus (ii) Management Fees accrued and not paid in cash, Q2/On Q Net Operating Costs (for the period (A) from and including the first day of the period of four consecutive fiscal quarters of the Borrower ending on, or most recently ended prior to, the Agreement Date to (B) January 31, 1997, up to a maximum of \$25,000,000 but only to the extent deducted in determining operating income), depreciation, amortization and all other non-cash charges to income and extraordinary items (to the extent deducted in determining operating income), for such period plus (iii) to the extent deducted in determining operating income for such period, compensation expense associated with cash payments made in exchange for the surrender of employee stock options in connection with the Tender Offer or the Merger minus (iv) except to the extent deducted in determining such operating income, Management Fees paid in cash during such period.

"Closing Date" means the date of the making of the initial Loans hereunder.

"Code" means the Internal Revenue Code of 1986.

"Collateral" means all property in which a Lien is created pursuant to the Loan Documents.

"Comcast" means Comcast Corporation, a Pennsylvania corporation.

"Commitment" means, with respect to any Bank, such Bank's Term A Commitment, Term B Commitment, RC Commitment and Working Capital Commitment.

"Consolidated Indebtedness" means, at any time, the consolidated Indebtedness of the Borrower and the Consolidated Subsidiaries (other than Junior Subordinated Indebtedness) plus all Permitted Holdco Replacement Debt, to the extent such Permitted Holdco Replacement Debt is such pursuant to clause (i)(A)(y) of the definition thereof, in each case as of such time.

"Consolidated Subsidiary" means, with respect to any Person at any time, any Subsidiary or other Person the accounts of which would be consolidated with those of such first Person in its consolidated financial statements as of such time; unless otherwise specified, "Consolidated Subsidiary" means a Consolidated Subsidiary of the Borrower.

"Contingent Reimbursement Obligation" means the contingent obligation of the Borrower to reimburse the Issuing Bank for any Drawings that may in the future be made under an outstanding Letter of Credit, whenever issued. Without limiting the foregoing, the amount of all Contingent Reimbursement Obligations at any time shall be the aggregate amount available to be drawn under outstanding Letters of Credit at such time.

"Contract" means (i) any agreement (whether executory or non-executory and whether a Person entitled to rights thereunder is so entitled directly or as a third-party beneficiary), including an indenture, lease or license, (ii) any deed or other instrument of conveyance, (iii) any certificate of incorporation or charter and (iv) any by-law.

"Cure Date" has the meaning ascribed to such term in Section 6.03.

"Debt" means any Liability that constitutes "debt" or "Debt" under Section 101(11) of the Bankruptcy Code or under the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any analogous Applicable Law.

"Default" means any condition or event that constitutes an Event of Default or that with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"Dollars" and the sign "\$" mean lawful money of the United States of America.

"Domestic Lending Office" means, with respect to any Bank or the Swing Loan Lender, (i) the branch or office of such Bank or the Swing Loan Lender set forth below such Bank's or the Swing Loan Lender's name under the heading "Domestic Lending Office" on Annex A or, in the case of a Bank that becomes a Bank pursuant to an assignment, the branch or office of such Bank set forth under the heading "Domestic Lending Office" in the Notice of Assignment given to the Borrower and the Administrative Agent with respect to such assignment or (ii) such other branch or office of such Bank or the Swing Loan Lender designated by such Bank or the Swing Loan Lender from time to time as the branch or office at which its Base Rate Loans and Letter of Credit Participations or Swing Loans, as the case may be, are to be made or maintained.

"Drawing" means (a) any amount disbursed by the Issuing Bank pursuant to the terms of any Letter of Credit or (b) as the context may require, the obligation of the Borrower to reimburse the Issuing Bank for such disbursement.

"Environmental Laws" means any and all Federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment, including ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or waste.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means, with respect to any Person, any other Person, including a Subsidiary or other Affiliate of such first Person, that is a member of any group of organizations within the meaning of Section 414(b), (c), (m) or (o) of the Code of which such first Person is a member.

"Eurodollar Business Day" means any Business Day on which dealings in Dollar deposits are carried on in the London interbank market and on which commercial banks are open for

domestic and international business (including dealings in Dollar deposits) in London, England.

"Eurodollar Lending Office" means, with respect to any Bank, (i) the branch or office of such Bank set forth below such Bank's name under the heading "Eurodollar Lending Office" on Annex A or, in the case of a Bank that becomes a Bank pursuant to an assignment, the branch or office of such Bank set forth under the heading "Eurodollar Lending Office" in the Notice of Assignment given to the Borrower and the Administrative Agent with respect to such assignment or (ii) such other branch or office of such Bank designated by such Bank from time to time as the branch or office at which its Eurodollar Rate Loans are to be made or maintained.

"Eurodollar Rate" means, for any Interest Period, the rate per annum determined by the Administrative Agent to be the average (rounded upward, if necessary, to the next higher 1/100 of 1%) of the rates per annum determined, respectively, by each Reference Bank to be the rate at which such Reference Bank offered or would have offered, at 11:00 a.m. (London time) on the second Eurodollar Business Day before the first day of such Interest Period, to place with first-class banks in the London interbank market on the first day of such Interest Period deposits in Dollars in amounts comparable to the Eurodollar Rate Loan of such Reference Bank to which such Interest Period applies, for a period equal to such Interest Period. If any Reference Bank is unable or otherwise fails to furnish the Administrative Agent with appropriate rate information in a timely manner, the Administrative Agent shall determine the Eurodollar Rate based on the rate information furnished by the remaining Reference Banks.

"Eurodollar Rate Loan" means any Loan the interest on which is, or is to be, as the context may require, computed on the basis of the Eurodollar Rate.

"Event of Default" means any of the events specified in Section 6.01.

"Excess Capital Expenditures" means any capital expenditures funded in any fiscal year of the Borrower out of Excess Cash Flow for any previous fiscal year ending after January 31, 1996, but only to the extent that such Excess Cash Flow had not been previously applied in accordance with, or otherwise been the basis for, prepayments of the Loans, Restricted Payments, acquisitions or investments pursuant to, Section 1.06(b)(i), 4.06(a), 4.07(f)(ii) or 4.14(m)(ii), respectively.

"Excess Cash Flow" means, for any fiscal year of the Borrower, the amount, if any, by which Cash Flow for such fiscal year exceeds the sum of, in each case for the Borrower and the Consolidated Subsidiaries, on a consolidated basis, for such

fiscal year, (i) Interest Expense, (ii) capital expenditures (other than Excess Capital Expenditures), (iii) payments of principal on the Term Loans and all Required RC Repayments (other than payments made in accordance with Section 1.06(b)), (iv) Taxes paid or payable in cash less all cash refunds in respect of Taxes, (v) cash investments under Section 4.14(m) (other than cash investments contemplated by Section 4.14(m)(ii)) and cash acquisitions (other than cash acquisitions contemplated by Section 4.07(f)(ii)), (vi) payments under affiliation agreements (to the extent not deducted in determining operating income), (vii) Q2/On Q Net Operating Costs (to the extent added to operating income in determining such Cash Flow pursuant to clause (ii) of the definition of Cash Flow), (viii) cash payments in respect of extraordinary items (to the extent deducted in determining operating income) and (ix) \$10,000,000. For purposes of this definition, "Required RC Repayments" means, for any fiscal year of the Borrower, the excess, if any, of (x) the outstanding amount of RC Loans on the first day of such fiscal year over (y) the Total RC Commitment on the last day of such fiscal year (without giving effect to any mandatory reduction of the Total RC Commitment pursuant to Section 1.08(c)(i) hereof).

"Existing Benefit Plan" means any Benefit Plan listed on Schedule 3.13.

"Existing Guaranty" means (i) any Guaranty outstanding on the Agreement Date, to the extent (in the case of any such Guaranty in an amount greater than \$250,000) set forth on Schedule 4.04, and (ii) any Guaranty that constitutes a renewal, extension or replacement of an Existing Guaranty, but only if (A) at the time such Guaranty is entered into and after giving effect thereto, no Event of Default would exist, (B) such Guaranty is binding only on the obligor or obligors under the Guaranty so renewed, extended or replaced, (C) the principal amount of the obligations Guaranteed by such Guaranty does not exceed the principal amount of the obligations Guaranteed by the Guaranty so renewed, extended or replaced and (D) the obligations Guaranteed by such Guaranty bear interest at a rate per annum not exceeding the rate borne by the obligations Guaranteed by the Guaranty so renewed, extended or replaced except for any increase that is commercially reasonable at the time of such increase.

"Existing Investment" means any investment outstanding on the Agreement Date, to the extent (in the case of any investment in an amount greater than \$250,000) set forth on Schedule 4.14, and any renewal or extension thereof not involving an increase therein as the result of an additional investment by the Borrower or any Subsidiary.

"Fair Saleable Value" has the meaning ascribed to such term in Section 3.11.

"Federal Funds Rate" means, for any day, the weighted average of the rates on overnight Federal funds transactions with

members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York or, if such rate is not so published for any day that is a Business Day, the average of quotations for such day on such transactions received by The Bank of New York from three Federal funds brokers of recognized standing selected by such bank.

"Fixed Charge Coverage Ratio" means, as of any date of determination, the ratio of (a) the sum of (i) Cash Flow at such date, (ii) the aggregate unused and available amount of the RC Commitments and the Working Capital Commitments at such time, up to a maximum of \$20,000,000 at any time prior to February 1, 1996, \$15,000,000 at any time from and including February 1, 1996 through and including January 31, 1997 and \$10,000,000 at any time from and including February 1, 1997 through and including January 31, 1998, and thereafter, zero, and (iii) the aggregate amount of dividends and other payments received in cash by the Borrower or any Consolidated Subsidiary from any Subsidiary that is not a Consolidated Subsidiary during the four consecutive fiscal quarters of the Borrower ending on, or most recently ended prior to, such date to (b) the sum of, in each case for the four consecutive fiscal quarters of the Borrower ending on, or most recently ended prior to, such date, (i) Interest Expense, (ii) capital expenditures (other than Excess Capital Expenditures), (iii) cash investments under Section 4.14(m) (other than cash investments contemplated by Section 4.14(m)(ii)) and cash acquisitions (other than cash acquisitions contemplated by Section 4.07(f)(ii)), (iv) payments under affiliation agreements (to the extent not deducted in determining operating income), (v) Q2/On Q Net Operating Costs (to the extent added to operating income in determining such Cash Flow pursuant to clause (ii) of the definition of Cash Flow), (vi) Taxes (other than Taxes deducted in determining operating income) paid or payable in cash less all cash refunds in respect of Taxes and (vii) all payments of principal on the Term Loans (other than payments made in accordance with Section 1.06) and all Required RC Repayments (as such term is defined in the definition of "Excess Cash Flow" above).

"GECC Agreement" means the credit card programs agreement, dated as of March 4, 1988, by and between General Electric Capital Corporation and CVN Companies, Inc., as amended by the Addendum, dated March 2, 1990, the Second Addendum, dated March 30, 1990, the Third Addendum, dated April 17, 1990 and the Fourth Addendum, dated April 25, 1990, each by and among CVN Companies, Inc., C.O.M.B. Direct Marketing Corp., Cable Value Network, Inc., the Borrower and General Electric Capital Corporation.

"Generally Accepted Accounting Principles" means (i) in the case of the Base Financial Statements, generally accepted accounting principles at the time of the issuance of the Base

Financial Statements and (ii) in all other cases, the accounting principles followed in the preparation of the Base Financial Statements, except as provided in Section 10.02.

"Governmental Approval" means any authorization, consent, approval, license or exemption of, registration or filing with, or report or notice to, any governmental unit.

"Guarantor" means any of the Material Subsidiaries.

"Guaranty" means, with respect to any Person, any contractual obligation, contingent or otherwise, of such Person (i) to pay any Indebtedness or other obligation of any other Person or to otherwise protect the holder of any such Indebtedness or other obligation against loss (whether such obligation arises by agreement to pay, to keep well, to purchase assets, goods, securities or services or otherwise) or (ii) incurred in connection with the issuance by a third Person of a Guaranty of any Indebtedness or other obligation of any other Person (whether such obligation arises by agreement to reimburse or indemnify such third Person or otherwise by Contract); provided, however, that the term "Guaranty" shall not include an endorsement for collection or deposit in the ordinary course of business. The word "Guarantee" when used as a verb has the correlative meaning.

"Guaranty Agreement" means any of the Guaranty Agreements, dated as of the date hereof or hereinafter entered into, between the Material Subsidiaries and the Administrative Agent.

"Hazardous Material" means any oil, hazardous waste, hazardous material or hazardous substance listed, defined or otherwise identified as hazardous in the Resource Conservation and Recovery Act, 42 U.S.C. Section 6921 et seq., the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., or any other Federal or state Environmental Law.

"Holdco" means any Person (i) of which substantially all the Capital Securities after its formation are owned by holders of Capital Securities of the Borrower, in substantially the same proportion, immediately prior to its formation, and (ii) which, immediately following its formation and at all times thereafter, owns all of the Capital Securities of the Borrower.

"Indebtedness" means, with respect to any Person (in each case, whether such obligation is with full or limited recourse), without duplication, (i) any obligation of such Person for borrowed money, (ii) any obligation of such Person evidenced by a bond, debenture, note or other similar instrument, (iii) any obligation of such Person to pay the deferred purchase price of property or services, except (A) a trade account payable that arises in the ordinary course of business but only if and so long as the same is payable on customary trade terms and (B) unpaid

Management Fees, (iv) any obligation of such Person as lessee under a capital lease, (v) any Mandatorily Redeemable Securities of such Person owned by any Person other than such Person or a Wholly Owned Subsidiary of such Person (the amount of such Mandatorily Redeemable Securities to be determined for this purpose as the higher of the liquidation preference of and the amount payable upon redemption of such Mandatorily Redeemable Securities), (vi) any obligation of such Person to purchase securities or other property that arises out of or in connection with the sale of the same or substantially similar securities or property, (vii) any contractual obligation, contingent or otherwise, of such Person to reimburse any other Person in respect of amounts paid under a letter of credit or performance or other bond issued by such other Person (other than bonds issued in connection with (A) sweepstakes programs arising in the ordinary course of business and (B) liabilities for state sales or use taxes incurred in the ordinary course of business), (viii) any Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) a Lien on any asset of such Person and (ix) any Indebtedness of others Guaranteed by such Person; provided that letters of credit issued in support of workman's compensation or other insurance programs shall not constitute Indebtedness for purposes of this Agreement.

"Indemnified Person" means, at any time, any Person that is, or at such time was, the Administrative Agent, any other Agent, the Issuing Bank, the Swing Loan Lender, a Bank, an Affiliate of the Administrative Agent, any other Agent, the Issuing Bank, the Swing Loan Lender or a Bank or a director, officer, employee or agent of any such Person.

"Information" means written data, certificates, reports, statements (excluding financial statements), documents and other written information.

"Installment Payment Date" means the last Eurodollar Business Day of each January, April, July and October.

"Intellectual Property" means (i) (A) patents and patent rights, (B) trademarks, trademark rights, trade names, trade name rights, corporate names, business names, trade styles, service marks, logos and general intangibles of like nature and (C) copyrights, in each case whether registered, unregistered or under pending registration and, in the case of any such that are registered or under pending registration, whether registered or under pending registration under the laws of the United States or any other country, (ii) reissues, continuations, continuations-in-part and extensions of any Intellectual Property referred to in clause (i) above and (iii) rights relating to any Intellectual Property referred to in clause (i) or (ii) above, including rights under applications (whether pending under the laws of the United States or any other country) or licenses relating thereto.

"Interest Coverage Ratio" means, as of any date of determination, the ratio of (i) Cash Flow at such date to (ii) Designated Interest Expense. For purposes of this definition, "Designated Interest Expense" shall mean (A) at any time prior to the last day of the first full fiscal quarter following the fiscal quarter in which the Closing Date shall have occurred, the annualized interest expense for the period from the Closing Date until the date of determination, (B) at any time from and including the last day of such first full fiscal quarter to but excluding the last day of the second full fiscal quarter following the Closing Date, four times the Interest Expense for such first full fiscal quarter, (C) at any time from and including the last day of such second full fiscal quarter to but excluding the last day of the third full fiscal quarter following the Closing Date, two times the Interest Expense for such first two full fiscal quarters, (D) at any time from and including the last day of such third full fiscal quarter to but excluding the last day of the fourth full fiscal quarter following the Closing Date, the Interest Expense for such first three full fiscal quarters divided by 0.75 and (E) at any time on or after the last day of such fourth full fiscal quarter, the Interest Expense for the four consecutive fiscal quarters of the Borrower ending on, or most recently ended prior to, such date.

"Interest Expense" means, for any Person, for any period, without duplication, (i) all cash interest on Indebtedness (other than Junior Subordinated Indebtedness) of such Person (including, in the case of the Borrower, all interest on Permitted Holdco Replacement Debt to the extent such interest is paid from the proceeds of a Restricted Payment made from the Borrower to Holdco), and commitment fees in respect of such Indebtedness, accrued during such period plus (ii) the net amount payable accrued by such Person pursuant to any Interest Rate Protection Agreement during such period (or minus the net amount receivable accrued by such Person thereunder during such period).

"Interest Payment Date" means the last day of January, April, July and October of each year.

"Interest Period" means a period commencing, in the case of the first Interest Period applicable to a Eurodollar Rate Loan, on the day of the making of, or conversion into, such Loan, and, in the case of each subsequent, successive Interest Period applicable thereto, on the last day of the next preceding Interest Period, and ending, depending on the Type of Loan, on the same day in the first, second, third or sixth (or, if made available by each of the Banks, ninth or twelfth) calendar month thereafter, as elected by the Borrower in the applicable notice of borrowing under Section 1.02 or notice of conversion or continuation under Section 1.04(c), except that (i) any Interest Period that would otherwise end on a day that is not a Eurodollar Business Day shall be extended to the next succeeding Eurodollar Business Day, unless such Eurodollar Business Day falls in another calendar month, in which case such Interest Period shall

end on the next preceding Eurodollar Business Day and (ii) any Interest Period that begins on the last Eurodollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month in which such Interest Period ends) shall end on the last Eurodollar Business Day of a calendar month.

"Interest Rate Protection Agreements" means, for any Person, an interest rate swap, cap or collar agreement or similar arrangement between such Person and a Bank or other financial institution having combined capital and surplus of at least \$200,000,000 or that has (or that is a subsidiary of a bank holding company that has) publicly traded unsecured long-term debt securities given a rating of A- (or the equivalent rating then in effect) or better by Standard & Poor's Ratings Group or a rating of A3 (or the equivalent rating then in effect) or better by Moody's Investors Service, Inc. in either case at the time that such interest rate swap, cap or collar agreement or similar arrangement is established, providing for the transfer or mitigation of interest risks either generally or under specific contingencies.

"Issuing Bank" means The Bank of New York, or such other Bank as the Borrower and such Bank shall agree, in each case in its capacity as the issuer of each Letter of Credit.

"Joint Bidding Agreement" means the letter agreement dated August 4, 1994 among Comcast, Liberty and TCI.

"Joint Ownership and Management Agreements" means all shareholders', management or similar agreements between Comcast or any of its Affiliates and Liberty or any of its Affiliates with respect to the Borrower, including but not limited to the Shareholders' Agreement.

"Junior Subordinated Indebtedness" means Affiliate Subordinated Indebtedness (other than accrued Management Fees) advanced to the Borrower or Holdco (to the extent, in the case of Holdco, that the proceeds of such Indebtedness shall have been advanced to the Borrower as Junior Subordinated Indebtedness or capital contributions) by Comcast, Liberty or an Affiliate of Comcast or Liberty that shall have become a party to the Affiliate Subordination Agreement (or, in the case of Affiliate Subordinated Indebtedness advanced to the Borrower, by Holdco).

"LC Commitment" means at any time \$75,000,000 minus the pro rata share thereof (computed on the basis of the Working Capital Commitments at such time) of each Nonparticipating Bank.

"Lending Office" means, with respect to any Bank, the Domestic Lending Office or the Eurodollar Lending Office of such Bank.

"Letter of Credit" means a letter of credit issued by the Issuing Bank pursuant to Section 1.03.

"Letter of Credit Participation" means, in the case of any Bank (other than the Issuing Bank) with respect to any Letter of Credit, the participation interest of such Bank in such Letter of Credit acquired pursuant to Section 1.03(e) and, in the case of the Issuing Bank, its retained interest in such Letter of Credit. The amount of the Letter of Credit Participation of a Bank (including the Issuing Bank) in any Letter of Credit at any time shall be deemed to be the amount equal to such Bank's pro rata share (determined on the basis of the Working Capital Commitments at such time of each of the Banks) of the sum of (a) the aggregate unpaid amount of all Drawings thereunder at such time and (b) the amount of the Contingent Reimbursement Obligation with respect thereto at such time that shall not have been prepaid or cash collateralized at such time.

"Leverage Ratio" means, as of any date of determination, the ratio of (i) Consolidated Indebtedness on such date to (ii) Cash Flow as of such date.

"Liability" means, with respect to any Person, any indebtedness, liability or obligation of or binding upon such Person or any of its assets.

"Liberty" means Liberty Media Corporation, a Delaware corporation.

"Lien" means, with respect to any property or asset (or any income or profits therefrom) of any Person (in each case whether the same is consensual or nonconsensual or arises by Contract, operation of law, legal process or otherwise), (i) any mortgage, lien, pledge, attachment, levy or other security interest of any kind thereupon or in respect thereof or (ii) any other arrangement under which the same is transferred, sequestered or otherwise identified with the intention of subjecting the same to, or making the same available for, the payment or performance of any Liability in priority to the payment of the ordinary, unsecured creditors of such Person. For the purposes of this Agreement, a Person shall be deemed to own subject to a Lien 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.

"Loan" means any Term A Loan, any Term B Loan, any RC Loan, any Working Capital Loan or any Swing Loan.

"Loan Document Related Claim" means any claim (whether civil, criminal or administrative and whether sounding in tort, contract or otherwise) arising out of, related to, or connected with, the Loan Documents, whether such claim arises or is

asserted before or after the Agreement Date or before or after the Repayment Date.

"Loan Document Representation and Warranty" means any "Representation and Warranty" as defined in any Loan Document and any other representation or warranty made or deemed made pursuant to the terms of any Loan Document.

"Loan Documents" means (i) this Agreement, the Notes, the Pledge Agreements, the Guaranty Agreements and the Affiliate Subordination Agreement and (ii) all other agreements, documents and instruments arising out of (A) any agreement, document or instrument referred to in clause (i) above, (B) any other agreement, document or instrument referred to in this clause (ii) or (C) any of the transactions pursuant to any agreement, document or instrument referred to in clause (i) above or in this clause (ii).

"Loan Parties" means the Borrower, each Subsidiary party to a Guaranty Agreement and each Pledgor.

"Management Fees" means all fees and other amounts payable to Comcast or Liberty or any of their respective Affiliates (other than the Borrower and the Subsidiaries) for the supervision and management of the Borrower and the Subsidiaries (other than amounts paid in reimbursement of out-of-pocket costs and expenses incurred on behalf of the Borrower or the Subsidiaries).

"Managing Agents" means The Bank of New York Company, Inc., Barclays Bank PLC, Chemical Bank, NationsBank, N.A. (Carolinas) and The Toronto-Dominion Bank, as Managing Agents for the Banks under the Loan Documents.

"Mandatorily Redeemable Securities" means, with respect to any Person, any Capital Securities of such Person to the extent that they are (i) redeemable, payable or required to be purchased or otherwise retired or extinguished, or convertible into any Indebtedness or other Liability of such Person, at any time prior to the first anniversary of the Term B Maturity Date, (A) at a fixed or determinable date, whether by operation of a sinking fund or otherwise, (B) at the option of any Person other than such Person or (C) upon the occurrence of a condition not solely within the control of such Person, such as a redemption required to be made out of future earnings or (ii) convertible into Mandatorily Redeemable Securities at the option of any Person other than such Person.

"Material Loan Documents" means this Agreement, the Notes, the Pledge Agreements, the Guaranty Agreements and the Affiliate Subordination Agreement.

"Materially Adverse Effect" means, (i) with respect to any Person, any materially adverse effect on such Person's

business, assets, Liabilities, financial condition or results of operations, (ii) with respect to a group of Persons "taken as a whole," any materially adverse effect on such Persons' business, assets, Liabilities, financial condition or results of operations taken as a whole on, where appropriate, a consolidated basis in accordance with Generally Accepted Accounting Principles, (iii) with respect to any Loan Document, any material adverse effect on the binding nature, validity or enforceability thereof as an obligation of any Loan Party that is a party thereto and (iv) with respect to any Collateral, or any category of Collateral, pledged by any Loan Party, a materially adverse effect on the validity, perfection, priority or enforceability of the Security Interest therein.

"Material Subsidiary" means, as of any date of determination, any Subsidiary (a) listed on Schedule 4.22, (b) whose (i) operating revenue for the four consecutive fiscal quarters of such Subsidiary ending on, or most recently ended prior to, such date or (ii) Subsidiary Cash Flow as of such date exceeds 5% of the operating revenue of the Borrower and the Consolidated Subsidiaries for such period or the Cash Flow as of such date, respectively, or (c) whose assets as of such date constitute greater than 5% of the consolidated assets of the Borrower and the Consolidated Subsidiaries as of such date.

"Maximum Permissible Rate" means, with respect to interest payable on any amount, the rate of interest on such amount that, if exceeded, could, under Applicable Law, result in (i) civil or criminal penalties being imposed on the payee or (ii) the payee's being unable to enforce payment of (or, if collected, to retain) all or any part of such amount or the interest payable thereon.

"Merger" means the merger of Acquisition Corp. with and into QVC pursuant to the Merger Agreement.

"Merger Agreement" means the Agreement and Plan of Merger dated as of August 4, 1994 among Comcast, Liberty, Acquisition Corp. and QVC, as amended by the First Amendment, dated as of February 3, 1995.

"Merger Date" means the date on which the Merger shall have been consummated and become effective, which date shall be a Business Day occurring no later than April 30, 1995.

"Multiemployer Benefit Plan" means any Benefit Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Proceeds" means, with respect to any sale or disposition of assets, the gross amount of consideration (other than consideration in the form of Indebtedness and other Liabilities assumed directly or indirectly by the purchaser of such assets) or other amounts, excluding condemnation awards and

insurance settlements, paid to or received by the Borrower or any Subsidiary in respect of such sale or disposition, less the sum of (a) reasonable and customary fees, costs and expenses incurred in connection with such sale or disposition and payable by or on behalf of the seller or the transferor of the assets to which such sale or disposition relates, (b) the amount, reasonably estimated by the Borrower, of taxes payable to federal, state and local taxing authorities by such seller or transferor in connection with such sale or disposition and (c) the amount of Indebtedness and other Liabilities attributable to or associated with such assets (other than any such Indebtedness or Liability owed to the Borrower or any Subsidiary) required to be paid or repaid or, in the case of any such Liability, retained on a primary obligor basis by the Borrower or any Subsidiary in connection with such sale or disposition. For purposes hereof, the value of any noncash consideration received from purchasers of assets shall be the fair market value thereof, as determined in good faith by the Borrower.

"Nonparticipating Bank" means a Working Capital Bank designated by the Issuing Bank as a Bank with respect to which a Bank Nonparticipation has occurred. The designation of a Working Capital Bank by the Issuing Bank as a "Nonparticipating Bank" shall not affect the status of such Bank as a Participating Bank in respect of Letters of Credit issued prior to such designation.

"Note" means any Term A Note, Term B Note, RC Note, Working Capital Note or Swing Note.

"Notice of Assignment" means any notice to the Borrower and the Administrative Agent with respect to an assignment pursuant to Section 9.10(a) in the form of Schedule 9.10(a).

"Offer to Purchase" means Acquisition Corp.'s Offer to Purchase all outstanding shares of the common stock and certain preferred stock of QVC dated August 11, 1994.

"Participating Bank" means a Working Capital Bank that is not a Nonparticipating Bank. A Participating Bank shall remain a Participating Bank in all Letters of Credit with respect to which it was a Participating Bank prior to its designation as a Nonparticipating Bank.

"Participating Bank Percentage" means, for a Participating Bank, with respect to any Letter of Credit, the fraction, expressed as a percentage, the numerator of which is such Participating Bank's Working Capital Commitment and the denominator of which is the sum of the Working Capital Commitments of all Banks that are, at the time of issuance of such Letter of Credit, Participating Banks.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Permitted Borrower Replacement Debt" means Indebtedness of the Borrower, the proceeds of which are used to prepay the Term B Loan pursuant to Section 1.06(b)(iii) hereof and the terms and conditions of which are reasonably satisfactory to no fewer than four of the Managing Agents.

"Permitted Guaranty" means (i) Guaranties to which Section 4.09 is by its express terms inapplicable by virtue of clause (e) or (g) thereof and (ii) Guaranties of obligations of the Borrower or any Subsidiary.

"Permitted Holdco Replacement Debt" means Indebtedness of Holdco (i) the terms and conditions of which (A) either (x) do not require any cash debt service (whether of principal or interest) at any time prior to the Term A Maturity Date or (y) if such terms and conditions do require any cash debt service prior to the Term A Maturity Date, the aggregate principal amount of such Indebtedness shall not exceed \$200,000,000 and the terms and conditions of such required cash debt service shall be reasonably satisfactory to no fewer than four of the Managing Agents and (B) are otherwise reasonably satisfactory to no fewer than four of the Managing Agents and (ii) the net proceeds of which, up to the amount of the outstanding Term B Loans, are used to prepay the Term B Loans pursuant to Section 1.06(b)(iii).

"Permitted Lien" means (i) the Security Interest; (ii) any Lien securing the Permitted Mortgage Indebtedness and the obligations of the obligor in respect of Indebtedness to which Section 4.09 is by its express terms inapplicable by virtue of clause (e) thereof; (iii) any right of set-off arising under law and not under Contract, any Lien securing a tax, assessment or other governmental charge or levy or the claim of a materialman, mechanic, carrier, warehouseman or landlord for labor, materials, supplies or rentals incurred in the ordinary course of business, but only if payment thereof shall not at the time be required to be made in accordance with Section 4.01(e) and foreclosure, distraint, sale or other similar proceedings shall not have been commenced and remained unstayed or undismissed for more than 30 days; (iv) any Lien on the properties and assets of a Subsidiary securing an obligation owing to the Borrower or a Wholly Owned Subsidiary; (v) any Lien consisting of a deposit or pledge made in the ordinary course of business in connection with, or to secure payment of, obligations under workers' compensation, unemployment insurance, state sales or use taxes, or similar legislation, or in connection with sweepstakes obligations undertaken in the ordinary course of business; (vi) any Lien (other than a Lien on the Collateral) arising pursuant to an order of attachment, distraint or similar legal process arising in connection with legal proceedings, but only if and so long as, in the case of any such Lien arising in connection with a judgment, no Event of Default set forth in Section 6.01(g) shall exist and, in each other case, the execution or other enforcement thereof is not unstayed for more than 20 days; (vii) any Lien existing on (A) any property or

asset of any Person at the time such Person becomes a Subsidiary or (B) any property or asset at the time such property or asset is acquired by the Borrower or a Subsidiary, but only, in the case of either (A) or (B), if and so long as (w) such Lien was not created in contemplation of such Person becoming a Subsidiary or such property or asset being acquired, (x) such Lien is and will remain confined to the property or asset subject to it at the time such Person becomes a Subsidiary or such property or asset is acquired and to fixed improvements thereafter erected on such property or asset and (y) such Lien secures only the obligation secured thereby at the time such Person becomes a Subsidiary or such property or asset is acquired; (viii) any Lien in existence on the Agreement Date to the extent, in the case of any Lien securing an amount in excess of \$250,000, set forth on Schedule 4.05, but only, in the case of each such Lien, to the extent it secures an obligation outstanding on the Agreement Date to the extent set forth on such Schedule; (ix) any Lien securing any Indebtedness permitted pursuant to Section 4.09(f) or (g); (x) any Lien arising with respect to certain of the Pledged Securities pursuant to the "Excluded Repurchase Rights", as such term is defined in the Stockholders Agreement; or (xi) any Lien constituting a renewal, extension or replacement of a Lien constituting a Permitted Lien by virtue of clause (vii), (viii) or (ix) above, but only if (A) at the time such Lien is granted and after giving effect thereto, no Default would exist, (B) such Lien is limited to all or a part of the property or asset that was subject to the Lien so renewed, extended or replaced and to fixed improvements thereafter erected on such property or asset, (C) the principal amount of the obligations secured by such Lien does not exceed the principal amount of the obligations secured by the Lien so renewed, extended or replaced and (D) the obligations secured by such Lien bear interest at a rate per annum not exceeding the rate borne by the obligations secured by the Lien so renewed, extended or replaced except for any increase that is commercially reasonable at the time of such increase.

"Permitted Management Fees" has the meaning ascribed to such term in Section 4.11(b).

"Permitted Mortgage Indebtedness" means Indebtedness secured by one or more mortgages on real property owned or leased by the Borrower or any of its Subsidiaries in an aggregate outstanding principal amount not in excess of \$20,000,000 at any time.

"Permitted Receivables Program" means (a) the GECC Agreement as in effect on the Agreement Date, as the same may be amended or supplemented from time to time thereafter, provided that any such amendment or supplement that is adverse to the Borrower may be made only with the consent of no fewer than four Managing Agents, and (b) any agreement entered into by the Borrower in substitution for the GECC Agreement as so amended, so long as such substitute agreement is, taken as a whole, no less

favorable to the Borrower than the GECC Agreement as so amended or supplemented.

"Permitted Restrictive Covenant" means (i) any covenant or restriction contained in any Loan Document, (ii) any covenant or restriction binding upon any Person at the time such Person becomes a Subsidiary of the Borrower if the same is not created in contemplation thereof, (iii) any covenant or restriction described in Schedule 4.12, but only to the extent such covenant or restriction is there identified by specific reference to the provision of the Contract in which such covenant or restriction is contained, (iv) any covenant or restriction that (A) is not more burdensome than an existing Permitted Restrictive Covenant that is such by virtue of clause (ii), (iii) or (iv) above, (B) is contained in a Contract constituting a renewal, extension or replacement of the Contract in which such existing Permitted Restrictive Covenant is contained and (C) is binding only on the Person or Persons bound by such existing Permitted Restrictive Covenant or (v) any covenant or restriction contained in any Permitted Mortgage Indebtedness or any document relating to any Permitted Receivables Program that is customarily contained in documentation for mortgage indebtedness and receivables programs for borrowers thereunder or sellers of receivables thereunder that are similarly situated to such of the Borrower and the Subsidiaries as is party to such Permitted Mortgage Indebtedness or Permitted Receivables Program.

"Person" means any individual, sole proprietorship, corporation, partnership, trust, unincorporated organization, mutual company, joint stock company, estate, union, employee organization, government or any agency or political subdivision thereof or, for the purpose of the definition of "ERISA Affiliate," any trade or business.

"Pledge Agreements" means each of the Pledge Agreements dated the date hereof or hereafter entered into between each of the Pledgors and the Secured Party.

"Pledged Securities" has the meaning ascribed to such term in the Pledge Agreements.

"Pledgors" means, at any time, the Borrower, all Persons who own Capital Securities of the Borrower at such time, and each of the Borrower and any Subsidiary who owns Capital Securities of a Material Subsidiary at such time.

"Post-Default Rate" means the rate otherwise applicable under Section 1.04(a) plus 2% or, if there is no such rate, the Base Rate plus the Applicable Margin plus 2%.

"Predecessor Indebtedness" means the Tender Offer Loans and the Indebtedness under the \$60,000,000 Credit Agreement, dated as of March 5, 1993 between QVC Network, Inc. and The Bank

of New York, together with all other amounts payable by QVC or Acquisition Corp. in connection therewith.

"Prime Rate" means the prime commercial lending rate of The Bank of New York, as publicly announced to be in effect from time to time. The Prime Rate shall be adjusted automatically, without notice, on the effective date of any change in such prime commercial lending rate. The Prime Rate is not necessarily the lowest rate of interest of The Bank of New York.

"Pro Forma Debt Service" means, as of any date of determination, the sum of (i) all scheduled payments of principal on the Loans and all other Consolidated Indebtedness and scheduled reductions of the Total RC Commitment pursuant to Section 1.08(a) during the period commencing with the day next succeeding such date and ending on the date corresponding to such date of determination in the following calendar year and (ii) Interest Expense for such period; provided, however, that Interest Expense shall be calculated, for purposes of this definition, on the basis of (A) in the case of Eurodollar Rate Loans, the interest rate or rates then in effect with respect to such Eurodollar Rate Loans, (B) in the case of Base Rate Loans, the average interest rate applicable to such Loans during the period of 90 days preceding the date of determination and (C) in the case of all Consolidated Indebtedness (other than the Loans) bearing interest at a floating rate, the interest rate or rates then in effect with respect to such Indebtedness.

"Pro Forma Debt Service Ratio" means, as of any date of determination, the ratio of (i) Cash Flow as of such date to (ii) Pro Forma Debt Service as of such date.

"Prohibited Transaction" means any transaction that is prohibited under Section 4975 of the Code or Section 406 of ERISA and not exempt under Section 4975 of the Code or Section 408 of ERISA.

"Q2/On Q Net Operating Costs" means, for any period, (a) prior to January 31, 1997, the operating costs (exclusive of depreciation, amortization and other non-cash charges to income) incurred by the Borrower in connection with Q2, On Q or any similar channel or service during or with respect to such period minus (but not less than zero) the operating revenue earned by the Borrower therefrom during or with respect to such period, and (b) thereafter, zero.

"QVC" means QVC, Inc., a Delaware corporation.

"RC Bank" means (i) any Bank that has an amount greater than zero set forth opposite such Bank's name under the heading "RC Commitment" on Annex A and (ii) any Person that has been assigned any or all of the rights or obligations of an RC Bank with respect to its RC Commitment or RC Loans pursuant to Section 9.10(a).

"RC Commitment" means, with respect to any Bank, (i) the amount set forth opposite such Bank's name under the heading "RC Commitment" on Annex A or, in the case of a Bank that becomes a Bank pursuant to an assignment, the amount of the assignor's RC Commitment assigned to such Bank, in either case as the same may be reduced from time to time pursuant to Section 1.08 or increased or reduced from time to time pursuant to assignments in accordance with Section 9.10(a) or (ii) as the context may require, the obligation of such Bank to make RC Loans in an aggregate unpaid principal amount not exceeding such amount.

"RC Loan" means any amount advanced by a Bank pursuant to Section 1.01(b).

"RC Maturity Date" means January 31, 2003.

"RC Note" means any promissory note in the form of Exhibit A-3.

"Reference Banks" means The Bank of New York Company, Inc., Barclays Bank PLC, Chemical Bank, NationsBank, N.A. (Carolinas) and The Toronto-Dominion Bank, and any replacement Reference Bank appointed pursuant to Section 9.18.

"Regulations D, G, T, U and X" means Regulation D, G, T, U and X, respectively, of the Board of Governors of the Federal Reserve System.

"Regulatory Change" means any Applicable Law, interpretation, directive, request or guideline (whether or not having the force of law), or any change therein or in the administration or enforcement thereof, that becomes effective or is implemented or first required or expected to be complied with after the Agreement Date (including any Applicable Law that shall have become such as the result of any act of omission of the Borrower or any of its Affiliates, without regard to when such Applicable Law shall have been enacted or implemented), whether the same is (i) the result of an enactment by a government or any agency or political subdivision thereof, a determination of a court or regulatory authority or otherwise or (ii) enacted, adopted, issued or proposed before or after the Agreement Date, including any such that imposes, increases or modifies any Tax, reserve requirement, insurance charge, special deposit requirement, assessment or capital adequacy requirement, but excluding any such that imposes, increases or modifies any Bank Tax.

"Repayment Date" means the later of (i) the termination of the Commitments in their entirety (whether as a result of the occurrence of the Term A Maturity Date, Term B Maturity Date, RC Maturity Date and Working Capital Maturity Date, the reduction thereof to zero pursuant to Section 1.08 or the termination thereof pursuant to Section 6.02), (ii) the payment in full of all principal of and interest on the Loans and Drawings and all

fees payable or accrued hereunder and (iii) the expiration or cancellation of, or the reduction to zero of the amount available to be drawn under, all outstanding Letters of Credit.

"Reportable Event" means, with respect to any Benefit Plan of any Person, (i) the occurrence of any of the events set forth in Section 4043(b) (other than a Reportable Event as to which the provision of 30 days' notice to the PBGC is waived under applicable regulations), 4062(e) or 4063(a) of ERISA or the regulations thereunder with respect to such Benefit Plan, (ii) any event requiring such Person or any of its ERISA Affiliates to provide security to such Benefit Plan under Section 401(a)(29) of the Code or (iii) any failure to make a payment required by Section 412(m) of the Code with respect to such Benefit Plan.

"Representation and Warranty" means any written representation or warranty made pursuant to or under (i) Section 2.02, Article 3, Section 5.02 or any other provision of this Agreement or (ii) any amendment to, or waiver of rights under, this Agreement, WHETHER OR NOT, IN THE CASE OF ANY REPRESENTATION OR WARRANTY REFERRED TO IN CLAUSE (i) OR (ii) ABOVE (EXCEPT, IN EACH CASE, TO THE EXTENT OTHERWISE EXPRESSLY PROVIDED), THE INFORMATION THAT IS THE SUBJECT MATTER THEREOF IS WITHIN THE KNOWLEDGE OF THE BORROWER.

"Required Banks" means, at any time, Banks having at least 51% of the Loans and Letter of Credit Participations outstanding or, if there are no Loans or Letter of Credit Participations outstanding, at least 51% of the sum of the Total Term A Commitment, the Total Term B Commitment, the Total RC Commitment and the Total Working Capital Commitment.

"Required Term B Banks" means, at any time, Term B Banks having at least 51% of the Term B Loans outstanding or, if there are no Term B Loans outstanding, at least 51% of the Total Term B Commitment.

"Responsible Officer" means (i) with respect to QVC or any Subsidiary of QVC, the Chairman of the Board, the Vice-Chairman of the Board, the President, any Executive Vice-President, the Treasurer or the Secretary thereof, (ii) with respect to Liberty or any Subsidiary of Liberty, the Chairman of the Board, the Vice-Chairman of the Board, the President, any Vice President, the Chief Financial Officer, the Treasurer or Assistant Treasurer and (iii) with respect to any other Transaction Party, the Chairman of the Board, the Vice-Chairman of the Board, the President, any Senior Vice President or the Chief Financial Officer of such Transaction Party.

"Restricted Payment" means (i) (A) any dividend or other distribution on account of any Capital Securities of the Borrower or any Subsidiary (other than (1) dividends payable solely in such Capital Securities other than Mandatorily Redeemable Securities and (2) dividends and other distributions

payable to the Borrower or a Wholly Owned Subsidiary), (B) any payment on account of the principal of or premium, if any, on any Indebtedness convertible into Capital Securities of the Borrower or any Subsidiary (other than any such payment to the Borrower or a Wholly Owned Subsidiary) or (C) any payment on account of any purchase, redemption, retirement, exchange or conversion of any Capital Securities of the Borrower or any Subsidiary (other than any such payment to the Borrower or a Wholly Owned Subsidiary) and (ii) payments of interest on, or payments or prepayments of principal of, or the setting apart of money for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of, any principal of or interest on Junior Subordinated Indebtedness. For the purposes of this definition, a "payment" or "prepayment" shall include the transfer of any asset or the issuance of any Indebtedness or other obligation (the amount of any such payment to be the fair market value of such asset or the amount of such obligation, respectively) but shall not include the issuance of any Capital Securities other than Mandatorily Redeemable Securities.

"Secured Party" has the meaning ascribed to such term in the Pledge Agreements.

"Security Interest" means the Liens created, or purported to be created, by the Loan Documents.

"Shareholders' Agreement" means (i) at all times prior to the effectiveness of the Stockholders Agreement, the Joint Bidding Agreement and (ii) at all times thereafter, the Stockholders Agreement.

"Stockholders Agreement" means the Stockholders Agreement, dated as of February 9, 1995 among Comcast, Comcast QVC, Inc., Acquisition Corp., Liberty, QVC Investments, Inc. and Liberty QVC, Inc.

"Subsidiary" means, with respect to any Person, any other Person (i) securities of which having ordinary voting power to elect a majority of the board of directors (or other persons having similar functions) of such Person or (ii) other ownership interests of which ordinarily constituting a majority voting interest are at the time, directly or indirectly, owned or controlled by such first Person, or by one or more of its Subsidiaries, or by such first Person and one or more of its Subsidiaries; unless otherwise specified, "Subsidiary" means a Subsidiary of the Borrower.

"Subsidiary Cash Flow" means, with respect to any Subsidiary, as of any date of determination, (i) the operating income (which shall be consolidated, as appropriate and shall include income (net of expenses) derived from credit card operations) of such Subsidiary, plus (ii) depreciation, amortization and all other non-cash charges to income and extraordinary items (to the extent deducted in determining

operating income), in each case for the four consecutive fiscal quarters of such Subsidiary ending on, or most recently ended prior to, such date.

"Swing Loan" means an amount advanced by the Swing Loan Lender pursuant to Section 1.01(d) hereof.

"Swing Loan Percentage" means, for any Working Capital Bank, at any time, a fraction, expressed as a percentage, the numerator of which is such Working Capital Bank's Working Capital Commitment and the denominator of which is the Total Working Capital Commitment.

"Swing Loan Lender" means The Bank of New York.

"Swing Note" means any promissory note in the form of Exhibit A-5.

"Tax" means any Federal, State or foreign tax, assessment or other governmental charge or levy (including any withholding tax) upon a Person or upon its assets, revenues, income or profits.

"TCI" means Tele-Communications, Inc., a Delaware corporation.

"Tender Offer" means the offer to purchase up to all outstanding shares of the common stock and certain preferred stock of QVC made by Acquisition Corp. pursuant to the Offer to Purchase.

"Tender Offer Documents" means (i) the Offer to Purchase, (ii) all documents filed by or on behalf of the Borrower or QVC with the Securities and Exchange Commission in connection with the Tender Offer and (iii) all amendment, modifications or supplements to any of the foregoing.

"Tender Offer Loans" means the Indebtedness of Acquisition Corp. to the Managing Agents pursuant to that certain Credit Agreement, dated as of February 9, 1995, among Acquisition Corp., the banks listed on the signature pages thereof, the Managing Agents and The Bank of New York, as Administrative Agent.

"Term A Bank" means (i) any Bank that has an amount greater than zero set forth opposite such Bank's name under the heading "Term A Commitment" on Annex A and (ii) any Person that has been assigned any or all of the rights or obligations of a Term A Bank with respect to its Term A Commitment or Term A Loans pursuant to Section 9.10(a).

"Term A Commitment" means, with respect to any Term A Bank, (a) at any time prior to the making of the Term A Loans on the Merger Date, (i) the amount set forth opposite such Bank's

name under the heading "Term A Commitment" on Annex A or, in the case of a Bank that becomes a Bank pursuant to an assignment, the amount of the assignor's Term A Commitment assigned to such Bank, in either case as the same may be increased or reduced from time to time pursuant to assignments in accordance with Section 9.10(a) or (ii) as the context may require, the obligation of such Bank to make Term A Loans in an aggregate unpaid principal amount not exceeding such amount, and (b) thereafter, zero.

"Term A Loan" means any amount advanced by a Term A Bank pursuant to Section 1.01(a)(i).

"Term A Maturity Date" means January 31, 2003.

"Term A Note" means any promissory note in the form of Exhibit A-1.

"Term B Bank" means (i) any Bank that has an amount greater than zero set forth opposite such Bank's name under the heading "Term B Commitment" on Annex A and (ii) any Person that has been assigned any or all of the rights or obligations of a Term B Bank with respect to its Term B Commitment or Term B Loans pursuant to Section 9.10(a).

"Term B Commitment" means, with respect to any Term B Bank, (a) at any time prior to the making of the Term B Loans on the Merger Date, (i) the amount set forth opposite such Bank's name under the heading "Term B Commitment" on Annex A or, in the case of a Bank that becomes a Bank pursuant to an assignment, the amount of the assignor's Term B Commitment assigned to such Bank, in either case as the same may be increased or reduced from time to time pursuant to assignments in accordance with Section 9.10(a) or (ii) as the context may require, the obligation of such Bank to make Term B Loans in an aggregate unpaid principal amount not exceeding such amount and (b) thereafter, zero.

"Term B Loan" means any amount advanced by a Term B Bank pursuant to Section 1.01(a)(ii).

"Term B Maturity Date" means January 31, 2004.

"Term B Note" means any promissory note in the form of Exhibit A-2.

"Termination Event" means, with respect to any Benefit Plan, (i) any Reportable Event with respect to such Benefit Plan, (ii) the termination of such Benefit Plan, or the filing of a notice of intent to terminate such Benefit Plan, or the treatment of any amendment to such Benefit Plan as a termination under Section 4041(c) of ERISA, (iii) the institution of proceedings to terminate such Benefit Plan under Section 4042 of ERISA or (iv) the appointment of a trustee to administer such Benefit Plan under Section 4042 of ERISA.

"Term Loan" means any Term A Loan or any Term B Loan.

"Total RC Commitment" means the aggregate amount of the RC Commitments as the same may be reduced from time to time pursuant to Section 1.08.

"Total Revenue" has the meaning ascribed to such term in Section 4.11(b).

"Total Term A Commitment" means the aggregate amount of the Term A Commitments.

"Total Term B Commitment" means the aggregate amount of the Term B Commitments.

"Total Working Capital Commitment" means the aggregate amount of the Working Capital Commitments as the same may be reduced from time to time pursuant to Section 1.08.

"Transaction Parties" means the Loan Parties, Comcast, Liberty and each Affiliate of Comcast or Liberty that shall have become a party to the Affiliate Subordination Agreement.

"Type" means, with respect to Loans, any of the following, each of which shall be deemed to be a different "Type" of Loan: Base Rate Loans, Eurodollar Rate Loans having a one-month Interest Period, Eurodollar Rate Loans having a two-month Interest Period, Eurodollar Rate Loans having a three-month Interest Period, Eurodollar Rate Loans having a six-month Interest Period, and, if made available by each of the Banks, Eurodollar Rate Loans having a nine-month Interest Period and Eurodollar Rate Loans having a twelve-month Interest Period. Any Eurodollar Rate Loan having an Interest Period with a duration that differs from the duration specified for a Type of Eurodollar Rate Loan listed above solely as a result of the operation of clauses (i) and (ii) of the definition of "Interest Period" shall be deemed to be a Loan of such Type notwithstanding such difference in duration of Interest Periods.

"United States person" has the meaning ascribed to such term in Section 1.13(a).

"Wholly Owned Subsidiary" means, with respect to any Person, any Subsidiary of such Person all of the Capital Securities and all other ownership interests and rights to acquire ownership interests of which (except directors' qualifying shares) are, directly or indirectly, owned or controlled by such Person or one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more of such Subsidiaries; unless otherwise specified, "Wholly Owned Subsidiary" means a Wholly Owned Subsidiary of the Borrower.

"Working Capital Bank" means (i) any Bank that has an amount greater than zero set forth opposite such Bank's name

under the heading "Working Capital Commitment" on Annex A and (ii) any Person that has been assigned any or all of the rights or obligations of a Working Capital Bank in respect of its Working Capital Commitment, Working Capital Loans or Letter of Credit Participations pursuant to Section 9.10(a).

"Working Capital Commitment" means, with respect to any Bank, (i) the amount set forth opposite such Bank's name under the heading "Working Capital Commitment" on Annex A or, in the case of a Bank that becomes a Bank pursuant to an assignment, the amount of the assignor's Working Capital Commitment assigned to such Bank, in either case as the same may be reduced from time to time pursuant to Section 1.08 or increased or reduced from time to time pursuant to assignments in accordance with Section 9.10(a) or (ii) as the context may require, the obligation of such Bank to make Working Capital Loans or Letter of Credit Participations in an aggregate unpaid principal amount not exceeding such amount.

"Working Capital Loan" means any amount advanced by a Bank pursuant to Section 1.01(c).

"Working Capital Maturity Date" means January 31, 2003.

"Working Capital Note" means any promissory note in the form of Exhibit A-4.

(b) Other Definitional Provisions. (i) Except as otherwise specified herein, all references herein (A) to any Person shall be deemed to include such Person's successors and assigns, (B) to any Applicable Law defined or referred to herein shall be deemed references to such Applicable Law or any successor Applicable Law as the same may have been or may be amended or supplemented from time to time and (C) to any Loan Document or Contract defined or referred to herein shall be deemed references to such Loan Document or Contract (and, in the case of any Note or any other instrument, any instrument issued in substitution therefor) as the terms thereof may have been or may be amended, supplemented, waived or otherwise modified from time to time.

(ii) When used in this Agreement, the words "herein," "hereof" and "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any provision of this Agreement, and the words "Article," "Section," "Annex," "Schedule" and "Exhibit" shall refer to Articles and Sections of, and Annexes, Schedules and Exhibits to, this Agreement unless otherwise specified.

(iii) Whenever the context so requires, the singular number includes the plural and vice versa.

(iv) Any item or list of items set forth following the word "including," "include" or "includes" is set forth only

for the purpose of indicating that, regardless of whatever other items are in the category in which such item or items are "included," such item or items are in such category, and shall not be construed as indicating that the items in the category in which such item or items are "included" are limited to such items or to items similar to such items.

(v) Each authorization in favor of the Administrative Agent, the Issuing Bank, the Swing Loan Lender, the Banks, the Borrower or any other Person granted by or pursuant to this Agreement shall be deemed to be irrevocable and coupled with an interest.

(vi) Except as otherwise specified herein, all references herein to the Administrative Agent, the Issuing Bank, the Swing Loan Lender, any Bank or any Loan Party shall be deemed to refer to such Person, acting in such capacity, however designated in the Loan Documents, so that (A) a reference to rights or duties of the Administrative Agent under the Loan Documents shall be deemed to include the rights or duties of such Person as the Secured Party under any Pledge Agreement, as the Guaranteed Party under any Guaranty Agreement and as a party under the Affiliate Subordination Agreement, (B) a reference to costs incurred by a Bank in connection with the Loan Documents shall be deemed to include costs incurred by such Person as a beneficiary of the Security Interest under any Pledge Agreement and as a beneficiary of the terms of the Affiliate Subordination Agreement and the Guaranty Agreements, (C) a reference to the obligations of the Loan Parties (other than the Borrower) under the Loan Documents shall be deemed to include the obligations of such Persons as parties under the Pledge Agreements and the Guaranty Agreements.

(vii) Except as otherwise specified therein, all terms defined in this Agreement shall have the meanings herein ascribed to them when used in the Notes or any certificate, opinion or other document delivered pursuant hereto or thereto.

Section 10.02. Accounting Matters. Unless otherwise specified herein, all accounting determinations hereunder and all computations utilized by the Borrower in complying with the covenants contained herein shall be made, all accounting terms used herein shall be interpreted, and all financial statements required to be delivered hereunder shall be prepared, in accordance with Generally Accepted Accounting Principles, except for departures from Generally Accepted Accounting Principles as to which (a) the Borrower shall have delivered to the Administrative Agent, with sufficient copies for each of the Banks, not later than the first time that such financial statements or computations are prepared or made on the basis of such departures, a notice setting forth in reasonable detail the nature and substance of such departures and the application thereof to such financial statements or computations and (b) the Required Banks shall not have notified the Borrower within 60

days of the receipt of the Borrower's notice that such financial statements or computations may not be prepared or made in accordance with or on the basis of such departures.

Section 10.03. Representations and Warranties. Except to the extent that any Representation or Warranty is expressly stated to be made only at or as of a specified time or times, all Representations and Warranties shall be deemed made (a) in the case of any Representation and Warranty contained in this Agreement at the time of its initial execution and delivery, at and as of the Agreement Date, (b) in the case of any Representation and Warranty contained in this Agreement or any other document at the time any Loan is made, at and as of such time and (c) in the case of any particular Representation and Warranty, wherever contained, at such other time or times as such Representation and Warranty is made or deemed made in accordance with the provisions of this Agreement or the document pursuant to, under or in connection with which such Representation and Warranty is made or deemed made.

Section 10.04. Captions. Captions to Articles, Sections and subsections of, and Annexes, Schedules and Exhibits to, this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or in any way affect the meaning or construction of any provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers all as of the Agreement Date.

QVC PROGRAMMING HOLDINGS, INC.

By: _____
Name:
Title:

THE BANK OF NEW YORK, as
Administrative Agent and Bank

By: _____
Name:
Title:

THE BANK OF NEW YORK COMPANY, INC.,
as Managing Agent and Bank

By: _____
Name:
Title:

BARCLAYS BANK PLC,
as Managing Agent and Bank

By: _____
Name:
Title:

By: _____
Name:
Title:

CHEMICAL BANK,
as Managing Agent and Bank

By: -----
Name:
Title:

NATIONSBANK, N.A. (CAROLINAS),
as Managing Agent and Bank

By: -----
Name:
Title:

THE TORONTO-DOMINION BANK,
as Managing Agent and Bank

By: -----
Name:
Title:

Agreement Date: _____, 1995

				ANNEX A

Banks, Lending Office and Notice Addresses	Term A Commitment	Term B Commitment	RC Commitment	Working Capital Commitment
- - - - -	-----	-----	-----	-----
THE BANK OF NEW YORK COMPANY, INC.	\$140,000,000	\$46,666,,666.68	\$ 75,833,333.32	---
Domestic Lending Office:				
One Wall Street New York, New York 10286				
Eurodollar Lending Office:				
One Wall Street New York, New York 10286				
Notice Address:				
The Bank of New York Company, Inc. One Wall Street New York, New York 10286				
Telecopier No.: (212) 635-8593 or 8595 Telephone No.: (212) 635-8843 Attention: James W. Whitaker				

Banks, Lending Office and Notice Addresses -----	Term A Commitment -----	Term B Commitment -----	RC Commitment -----	Working Capital Commitment -----
THE BANK OF NEW YORK	---	---	---	\$17,500,000
Domestic Lending Office:				
One Wall Street New York, New York 10286				
Eurodollar Lending Office:				
One Wall Street New York, New York 10286				
Notice Address:				
The Bank of New York Company, Inc. One Wall Street New York, New York 10286				
Telecopier No.: (212) 635-8593 or 8595 Telephone No.: (212) 635-8843 Attention: James W. Whitaker				

Banks, Lending Office and Notice Addresses - - - - -	Term A Commitment -----	Term B Commitment -----	RC Commitment -----	Working Capital Commitment -----
BARCLAYS BANK PLC	\$115,000,000	\$ 38,333,333.33	\$ 62,291,666.67	\$14,375,000

Domestic Lending Office:

75 Wall Street
New York, NY 10265

Eurodollar Lending Office:

Bay Street, Nassau, Bahamas
c/o Barclays Bank PLC
75 Wall Street
New York, NY 10265

Notice Address for Credit Issues:

BZW Division
388 Market Street, Suite 1700
San Francisco, CA 94111-5317

Telecopier No.: (415) 765-4703
Telephone No.: (415) 765-4760
Attention: Michael Ballard

Notice Address for Borrowing and Other Issues:

222 Broadway, 12th Floor
New York, NY 10038

Telecopier No.: (212) 412-5002/4090
Telephone No.: (212) 412-4014
Attention: Sandra Coye

Banks, Lending Office and Notice Addresses -----	Term A Commitment -----	Term B Commitment -----	RC Commitment -----	Working Capital Commitment -----
CHEMICAL BANK	\$115,000,000	\$ 38,333,333.33	\$ 62,291,666.67	\$14,375,000
Domestic Lending Office:				
270 Park Avenue New York, NY 10017				
Eurodollar Lending Office:				
270 Park Avenue New York, NY 10017				
Notice Address:				
270 Park Avenue New York, NY 10017				
Telecopier No.: (212) 270-3942 Telephone No.: (212) 270-2511 Attention: Ganesh Persaud				

Banks, Lending Office and Notice Addresses -----	Term A Commitment -----	Term B Commitment -----	RC Commitment -----	Working Capital Commitment -----
NATIONSBANK, N.A. (CAROLINAS)	\$115,000,000	\$ 38,333,333.33	\$ 62,291,666.67	\$14,375,000
Domestic Lending Office:				
1 Independence Center Charlotte, NC 28255				
Eurodollar Lending Office:				
1 Independence Center Charlotte, NC 28255				
Notice Address:				
1 Independence Center Charlotte, NC 28255				
Telecopier No.: (704) 386-8694 Telephone No.: (704) 388-1111 Attention: Jacquetta Talford				

Banks, Lending Office and Notice Addresses - - - - -	Term A Commitment -----	Term B Commitment -----	RC Commitment -----	Working Capital Commitment -----
THE TORONTO-DOMINION BANK	\$115,000,000	\$ 38,333,333.33	\$ 62,291,666.67	\$14,375,000
Domestic Lending Office:				
31 West 52nd Street New York, NY 10019-6101				
Eurodollar Lending Office:				
31 West 52nd Street New York, NY 10019-6101				
Notice Address:				
31 West 52nd Street New York, NY 10019-6101				
Telecopier No.: (212) 262-1928/1923 Telephone No.: (212) 468-0713 Attention: Michael Bandzierz				

FORM OF NOTICE OF BORROWING
OR ISSUANCE OF LETTER OF CREDIT

[Name and address of Administrative Agent [and Issuing Bank, in the case of a request for issuance of a Letter of Credit] in accordance with Section 9.01(b)(ii)]

Date:

Ladies and Gentlemen:

Reference is made to the Credit Agreement, dated as of _____, 1995, among QVC Programming Holdings, Inc., the banks listed on the signature pages thereof, The Bank of New York Company, Inc., Barclays Bank PLC, Chemical Bank, NationsBank, N.A. (Carolinas) and The Toronto-Dominion Bank, as Managing Agents, and The Bank of New York, as Administrative Agent (the "Credit Agreement"). Terms defined in the Credit Agreement that are not otherwise defined herein are used herein with the meanings therein ascribed to them. The undersigned hereby gives notice pursuant to Section 1.02 [1.03(d) in the case of Letters of Credit] of the Credit Agreement of its request to have the following [Term A] [Term B] [RC] [Working Capital] Loans made to it [Letters of Credit issued] on [insert requested date of borrowing or issuance]:

Type of Loan ¹	Amount
-----	-----
-----	-----
-----	-----
-----	-----

[Description of Letter of Credit, setting forth amount, beneficiary and other pertinent information.]

[Please disburse the proceeds of the Loans by [insert requested method of disbursement]].²

The undersigned represents and warrants that (a) the borrowing [issuance] requested hereby complies with the requirements of Section 1.02 [1.03] of the Credit Agreement and

(b) [except to the extent set forth on Annex A hereto,]3 (i) each Loan Document Representation and Warranty is true and correct in all material respects at and as of the date hereof and (except to the extent the undersigned gives notice to the Banks to the contrary prior to 5:00 p.m. (New York time) on the Business Day before the requested date for the making of the Loans [issuance of the Letter of Credit]) will be true and correct at and as of the time the Loans are made [Letter of Credit is issued], in each case both with and without giving effect to the Loans [Letter of Credit] and the application of the proceeds thereof, and (ii) no Default (other than a Default that has been waived by the Required Banks), including a Default under Section 4.15, 4.16, 4.17 or 4.18, has occurred and is continuing as of the date hereof and (except to the extent the undersigned gives notice to the Banks to the contrary prior to 5:00 p.m. (New York time) on the Business Day before the requested date for the making of the Loans [issuance of the Letter of Credit]) no Default will have occurred and be continuing at the time the Loans are to be made [Letter of Credit is to be issued] or would result from the making of the Loans [issuance of the Letter of Credit] or from the application of the proceeds thereof.

QVC PROGRAMMING HOLDINGS, INC.

By: _____

Name:

Title:

-
1. Specify the duration of the Interest Period in the case of Eurodollar Rate Loans (e.g., one-month Eurodollar Rate).
 2. Include and complete this sentence if the proceeds of the requested Loans are to be disbursed in a manner other than by credit to an account of the Borrower at the Administrative Agent's Office.
 3. If the representation and warranty in either clause (b)(i) or (b)(ii) would be incorrect, include the material in brackets and set forth the reasons such representation and warranty would be incorrect on an attachment labeled Annex A.

Schedule 1.04(c)(iv)

FORM OF NOTICE OF CONVERSION OR CONTINUATION

[Name and address of Administrative Agent in accordance with Section 9.01(b)(ii)]

Date:

Ladies and Gentlemen:

Reference is made to the Credit Agreement, dated as of _____, 1995, among QVC Programming Holdings, Inc., the banks listed on the signature pages thereof, The Bank of New York Company, Inc., Barclays Bank PLC, Chemical Bank, NationsBank, N.A. (Carolinas) and The Toronto-Dominion Bank, as Managing Agents, and The Bank of New York, as Administrative Agent (the "Credit Agreement"). Terms defined in the Credit Agreement that are not otherwise defined herein are used herein with the meanings therein ascribed to them. The undersigned hereby gives notice pursuant to Section 1.04(c)(iv) of the Credit Agreement of its desire to convert or continue the Loans specified below into or as Loans of the Types and in the amounts specified below on [insert date of conversion or continuation]:

Loans to be Converted or Continued -----			Converted or Continued Loans -----		
Type of Loan1 -----	Last Day of Current Interest Period -----	Amount -----	Date of Conversion or Continuation -----	Type of Loan1 -----	Amount -----
-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----

QVC, INC.

By: _____
Name:
Title:

1. Specify the duration of the Interest Period in the case of Eurodollar Rate Loans (e.g., one-month Eurodollar Rate).

FORM OF NOTICE OF PREPAYMENT

[Name and address of Administrative Agent in accordance with Section 9.01(b)(ii)]

Date:

Ladies and Gentlemen:

Reference is made to the Credit Agreement, dated as of _____, 1995, among QVC Programming Holdings, Inc., the banks listed on the signature pages thereof, The Bank of New York Company, Inc., Barclays Bank PLC, Chemical Bank, NationsBank, N.A. (Carolinas) and The Toronto-Dominion Bank, as Managing Agents, and The Bank of New York, as Administrative Agent (the "Credit Agreement"). Terms defined in the Credit Agreement that are not otherwise defined herein are used herein with the meanings therein ascribed to them. The undersigned hereby gives notice pursuant to Section 1.06 of the Credit Agreement that it will prepay the Loans specified below on [insert date of prepayment]:

Type of Loan(1)	Last Day of Current Interest Period	Amount
-----	-----	-----
- -----	-----	-----
- -----	-----	-----
- -----	-----	-----

QVC, INC.

By: _____
Name:
Title:

1. Specify the duration of the Interest Period in the case of Eurodollar Rate Loans (e.g., one-month Eurodollar Rate).

FORM OF CERTIFICATE AS TO RESOLUTIONS, ETC.

[NAME OF TRANSACTION PARTY]

I, _____, [Secretary/Assistant Secretary/Responsible Officer] of [NAME OF TRANSACTION PARTY], a _____ corporation (the "Company"), hereby certify, pursuant to Section 2.01(a) of the Credit Agreement (the "Credit Agreement"), dated as of _____, 1995, among QVC Programming Holdings, Inc., the banks listed on the signature pages thereof, The Bank of New York Company, Inc., Barclays Bank PLC, Chemical Bank, NationsBank, N.A. (Carolinas) and The Toronto-Dominion Bank, as Managing Agents, and The Bank of New York, as Administrative Agent, that (capitalized terms used herein but not otherwise defined herein shall have the meanings given to them in the Credit Agreement):

1. The below named persons have been duly elected (or appointed) and have duly qualified as, and on this day are, officers of the Company holding the respective offices below set opposite their names, and the signatures below set opposite their names are their genuine signatures:

Name	Office	Signature
[]	[]	-----
[]	[]	-----
[]	[]	-----
[]	[]	-----

2. Attached as Annex A is a true and correct copy of resolutions duly adopted by the Board of Directors of the Company. Such resolutions have not been amended, modified or revoked and are in full force and effect on the date hereof.

3. [List the Loan Documents to which the Company is a party], in each case as executed and delivered on behalf of the Company, are consistent with the terms thereof approved by the Board of Directors of the Company, except for such changes as have been approved by the officer or officers of the Company executing such documents.

4. There has been no amendment to the certificate of incorporation of the Company since _____.

5. Attached as Annex B is a true and correct copy of the by-laws of the Company as in effect on _____, 1995 and at all subsequent times to and including the date hereof.

IN WITNESS WHEREOF, I have signed this certificate this __ day of

____, 1995.

By:

Name:

Title:

I, _____, _____ of the Company, hereby certify that
_____ has been duly elected or appointed and has been duly qualified as,
and on this day is, [Secretary/Assistant Secretary/Responsible Officer] of the
Company, and the signature in paragraph 1 above is such individual's genuine
signature.

IN WITNESS WHEREOF, I have signed this certificate this __ day of

____, 1995.

By:

Name:

Title:

Schedule 2.01(d)-1

FORM OF OPINION OF COUNSEL
FOR THE BORROWER

Schedule 2.01(d)-2

FORM OF OPINION OF COUNSEL
FOR EACH TRANSACTION PARTY OTHER THAN BORROWER

FORM OF OPINION OF SPECIAL
COUNSEL FOR THE ADMINISTRATIVE AGENT

[Letterhead of Winthrop, Stimson, Putnam & Roberts]

_____, 1995

To the Administrative Agent and each Bank party to the Credit Agreement referred to below

Ladies and Gentlemen:

We have acted as counsel to The Bank of New York, as Administrative Agent, in connection with the negotiation, execution and delivery of the Credit Agreement, dated as of _____, 1995, among QVC, Inc., the banks listed on the signature pages thereof, The Bank of New York Company, Inc., Barclays Bank PLC, Chemical Bank, NationsBank, N.A. (Carolinas) and The Toronto- Dominion Bank, as Managing Agents, and The Bank of New York, as Administrative Agent (the "Credit Agreement"). Terms defined in the Credit Agreement that are not otherwise defined herein are used herein with the meanings therein ascribed to them.

For the purposes of rendering the opinions contained in this letter, we have examined executed counterparts of the Credit Agreement, the Notes delivered on the date hereof, the Pledge Agreements, the Guaranty Agreements and the Affiliate Subordination Agreement (collectively, the "Loan Documents").

For the purposes of this opinion, we have assumed (i) the authenticity of all such documents submitted to us as originals, (ii) the due authorization, execution and delivery by the Administrative Agent and the Banks of the Loan Documents to which they are parties, (iii) that each of the Loan Parties has the corporate power, and has taken all necessary corporate action to authorize it, to execute, deliver and perform each of the Loan Documents to which it is a party, (iv) that the Loan Documents have been duly executed and delivered by each of the Loan Parties and (v) that the execution, delivery and performance in accordance with their respective terms by each of the Loan Parties of the Loan Documents to which it is a party do not and will not (A) require any Governmental Approval or any other consent or approval, other than Governmental Approvals and other consents or approvals that have been obtained, are final and not subject to review or collateral attack and are in full force and effect, or (B) violate or conflict with, result in a breach of, or constitute a default under (1) any Contract to which any of the Loan Parties

is a party or by which it or its properties may be bound or (2) any Applicable Law referred to in clause (ii)(B) or (C) of the definition thereof contained in the Credit Agreement.

Based upon the foregoing, and subject to the qualifications and limitations set forth herein, we are of the opinion that the Loan Documents are legal, valid and binding obligations of the Loan Parties party thereto, enforceable against such Loan Parties in accordance with their respective terms.

Our opinion above is subject to the following qualifications and limitations:

(a) Our opinion is subject to the effect of applicable bankruptcy, insolvency, reorganization, fraudulent conveyance and other laws affecting the enforcement of creditors' rights generally and to the effect of general equitable principles (whether considered in a proceeding in equity or at law). Such principles applied by a court might include a requirement that a creditor act with reasonableness and good faith. Furthermore, a court may refuse to enforce a covenant where a court deems such covenant to be violative of applicable public policy.

(b) Our opinions are limited to the law of the State of New York and the Federal law of the United States. Without limiting the generality of the foregoing, we express no opinion as to the effect of the law of any jurisdiction other than the State of New York wherein any Bank may be located or wherein enforcement of the Loan Documents may be sought that limits the rates of interest legally chargeable or collectable.

(c) Certain remedial provisions of the Pledge Agreements may be unenforceable in whole or in part, but the inclusion of such provisions does not affect the validity of the Pledge Agreements, and the Pledge Agreements taken as a whole contains adequate provisions for enforcing the obligations of the Loan Parties pursuant thereto and for the practical realization of the benefits created thereby. In addition, certain remedial provisions of the Pledge Agreements may be subject to procedural requirements not set forth therein.

(d) Our opinion (to the extent it relates to the Pledge Agreements) is also subject to the limitation that we express no

opinion with respect to:

(i) the perfection or priority of the Security

Interest;

(ii) each Loan Party's rights in or title to or legal

or beneficial ownership of any of the Collateral; and

(iii) the validity or enforceability of the Security

Interest except to the extent that the creation thereof is governed by Article 8 or 9 of the Uniform Commercial Code as in effect on the date hereof in the State of New York.

This opinion is intended for the sole benefit of the Administrative Agent and the Banks and no other Person shall be entitled to rely hereon for any purpose.

Very truly yours,

Schedule 2.01(1)

FORM OF CERTIFICATE AS TO SOLVENCY AND
ADEQUACY OF CAPITAL, ETC.

CAPITALIZATION

Capital Securities of Borrower

SUBSIDIARIES

REQUIRED CONSENTS AND GOVERNMENTAL APPROVALS

MATERIAL LITIGATION

EXISTING BENEFIT PLANS

EXISTING GUARANTIES

EXISTING LIENS

PERMITTED RESTRICTIVE COVENANTS

EXISTING INVESTMENTS

MATERIAL SUBSIDIARIES

Schedule 5.01(a)

FORM OF CERTIFICATE AS TO QUARTERLY FINANCIAL STATEMENTS

QVC, INC.

I, _____, [Responsible Officer] of QVC, INC., a Delaware corporation (the "Borrower"), hereby certify, pursuant to Section 5.01(a) of the Credit Agreement, dated as of _____, 1995, among the Borrower, the banks listed on the signature pages thereof, The Bank of New York Company, Inc., Barclays Bank PLC, Chemical Bank, NationsBank, N.A. (Carolinas) and The Toronto- Dominion Bank, as Managing Agents, and The Bank of New York, as Administrative Agent (the "Credit Agreement"), that (terms defined in the Credit Agreement that are not otherwise defined herein are used herein with the meanings therein ascribed to them):

1. (a) The accompanying unaudited consolidated financial statements of the Borrower and the Consolidated Subsidiaries as at _____ and for the quarterly accounting period ending _____, 19__, present fairly, in accordance with Generally Accepted Accounting Principles (except for changes therein or departures therefrom described below that have been explained in the financial statements), the consolidated financial position of the Borrower and the Consolidated Subsidiaries as at the end of such quarterly period, and the consolidated results of operations and cash flows for such quarterly period, and for the elapsed portion of the fiscal year ended with the last day of such quarterly period, subject only to normal year-end auditing adjustments.

(b) Except as disclosed or reflected in such financial statements, as at _____, neither the Borrower nor any Subsidiary had any Liability, contingent or otherwise, or any unrealized or anticipated loss, that, singly or in the aggregate, have had or could reasonably be expected to have a Materially Adverse Effect on the Borrower and the Consolidated Subsidiaries taken as a whole.

2. The changes in and departures from Generally Accepted Accounting Principles are as follows:

3. The calculations required to establish whether or not the Borrower was in compliance with the following Sections of the Credit Agreement are as follows:

- (a) Section 4.11.
- (b) Section 4.15.
- (c) Section 4.16.
- (d) Section 4.17.
- (e) Section 4.18.

4. Based on an examination sufficient in my judgment to enable me to make an informed statement, no Default exists, including, in particular, any such arising under the provisions of Article 4 of the Credit Agreement, except the following:

[If none such exist, insert "None"; if any do exist, specify the same by Section, give the date the same occurred, whether it is continuing, and the steps being taken by the Borrower or a Subsidiary with respect thereto.]

Dated:

[Responsible Officer]

Schedule 5.01(b)

FORM OF CERTIFICATE AS TO YEAR-END FINANCIAL STATEMENTS

QVC, INC.

I, _____, [Responsible Officer] of QVC, INC., a Delaware corporation (the "Borrower"), hereby certify, pursuant to Section 5.01(b) of the Credit Agreement, dated as of _____, 1995, among the Borrower, the banks listed on the signature pages thereof, The Bank of New York Company, Inc., Barclays Bank PLC, Chemical Bank, NationsBank, N.A. (Carolinas) and The Toronto-Dominion Bank, as Managing Agents, and The Bank of New York, as Administrative Agent (the "Credit Agreement"), that (terms defined in the Credit Agreement that are not otherwise defined herein are used herein with the meanings therein ascribed to them):

1. (a) The accompanying consolidated financial statements of the Borrower and the Consolidated Subsidiaries as at _____ and for the fiscal year ending _____, 19 , present fairly, in accordance with Generally Accepted Accounting Principles (except for changes therein or departures therefrom described below, that have been explained in the financial statements), the consolidated financial position of the Borrower and the Consolidated Subsidiaries as at the end of such fiscal year, and the consolidated results of operations and cash flows for such fiscal year.

(b) Except as disclosed or reflected in such financial statements, as at _____, neither the Borrower nor any Subsidiary had any Liability, contingent or otherwise, or any unrealized or anticipated loss, that, singly or in the aggregate, have had or could reasonably be expected to have a Materially Adverse Effect on the Borrower and the Consolidated Subsidiaries taken as a whole.

2. The changes in and departures from Generally Accepted Accounting Principles are as follows:

3. The calculations required to establish whether or not the Borrower was in compliance with the following Sections of the Credit Agreement are as follows:

- (a) Section 1.06(b).
- (b) Section 4.11.
- (c) Section 4.15.
- (d) Section 4.16.
- (e) Section 4.17.
- (f) Section 4.18.

4. Based on an examination sufficient to enable me to make an informed statement, no Default exists, including, in particular, any such arising under the provisions of Article 4 of the Credit Agreement, except the following:

[If none such exist, insert "None"; if any do exist, specify the same by Section, give the date the same occurred, whether it is continuing, and the steps being taken by the Borrower or a Subsidiary with respect thereto.]

Dated:

[Responsible Officer]

HISTORICAL FINANCIAL STATEMENTS

Schedule 9.10(a)

FORM OF NOTICE OF ASSIGNMENT

[Name and address
of Borrower in accordance with
Section 9.01(b)(i)]

[Name and address
of Administrative Agent in accordance with
Section 9.01(b)(ii)]

[Name and address
of Issuing Bank in accordance with
Section 9.01(b)(iii)]

Date:

Ladies and Gentlemen:

Reference is made to the Credit Agreement, dated as of _____, 1995, among QVC Programming Holdings, Inc., the banks listed on the signature pages thereof, The Bank of New York Company, Inc., Barclays Bank PLC, Chemical Bank, NationsBank, N.A. (Carolinas) and The Toronto- Dominion Bank, as Managing Agents, and The Bank of New York, as Administrative Agent (the "Credit Agreement"). Terms defined in the Credit Agreement that are not otherwise defined herein are used herein with the meanings therein ascribed to them. The undersigned hereby give notice pursuant to Section 9.10(a) of the Credit Agreement that [name of Assignor] [(the "Assignor")] has made the following assignment to [name of Assignee] [(the "Assignee")]:

Amount of rights and obligations assigned:

Effective date of
assignment:

[The Assignee's Lending Offices and address for
notices are as follows:

Domestic Lending Office:

Eurodollar Lending Office:

Notice address:]1

The Assignor hereby requests that the Borrower and the Administrative Agent consent to the assignment described above by signing a copy of this letter in the space provided below and returning it to the Assignor.

[NAME OF ASSIGNOR]

By: _____
 Name:
 Title:

[NAME OF ASSIGNEE]

By: _____
 Name:
 Title:

Assignment and release consented to:

QVC, INC.

By: _____
 Name:
 Title:

THE BANK OF NEW YORK,
 as Administrative Agent and
 Swing Loan Lender

By: _____
 Name:
 Title:

_____,
 as Issuing Bank

By: _____
 Name:
 Title:

1. Omit if the Assignee is a Bank prior to such assignment.

EXHIBIT A-1

FORM OF TERM A NOTE

QVC, INC.

_____, 19__

FOR VALUE RECEIVED, QVC, INC., a Delaware corporation (the "Borrower"), hereby promises to pay to the order of _____ (the "Bank") the principal amount of _____ Dollars (\$ _____) or, if less, the principal amount of the Term A Loans of the Bank outstanding, on the dates and in the amounts specified in Section 1.05 of the Credit Agreement referred to below, and to pay interest on such principal amount on the dates and at the rates specified in Section 1.04 of such Credit Agreement. All payments due the Bank hereunder shall be made to the Bank at the place, in the type of money and funds and in the manner specified in Section 1.11 of such Credit Agreement.

Each holder hereof is authorized to endorse on the grid attached hereto, or on a continuation thereof, each Term A Loan of the Bank and each payment, prepayment or conversion with respect thereto.

Presentment, demand, protest, notice of dishonor and notice of intent to accelerate are hereby waived by the undersigned.

This Term A Note evidences Term A Loans made under, and is entitled to the benefits of, the Credit Agreement, dated as of _____, 1995, among the Borrower (as successor to QVC Programming Holdings, Inc.), the banks listed on the signature pages thereof, The Bank of New York Company, Inc., Barclays Bank PLC, Chemical Bank, NationsBank, N.A. (Carolinas) and The Toronto-Dominion Bank, as Managing Agents, and The Bank of New York, as Administrative Agent, as the same may be amended from time to time. Reference is made to such Credit Agreement, as so amended, for provisions relating to the prepayment and the acceleration of the maturity of, and for the respective meanings assigned to the capitalized terms used and not otherwise defined in, this Term A Note. This Term A Note is also entitled to the benefits of the Pledge Agreements and the Guaranty Agreements.

This Term A Note shall be construed in accordance with and governed by the law of the State of New York (without giving effect to its choice of law principles).

QVC, INC.

By:

Name:

Title:

[illegible]

EXHIBIT A-2

FORM OF TERM B NOTE

QVC, INC.

_____, 19__

FOR VALUE RECEIVED, QVC, INC., a Delaware corporation (the "Borrower"), hereby promises to pay to the order of _____ (the "Bank") the principal amount of _____ Dollars (\$_____) or, if less, the principal amount of the Term B Loans of the Bank outstanding, on the dates and in the amounts specified in Section 1.05 of the Credit Agreement referred to below, and to pay interest on such principal amount on the dates and at the rates specified in Section 1.04 of such Credit Agreement. All payments due the Bank hereunder shall be made to the Bank at the place, in the type of money and funds and in the manner specified in Section 1.11 of such Credit Agreement.

Each holder hereof is authorized to endorse on the grid attached hereto, or on a continuation thereof, each Term B Loan of the Bank and each payment, prepayment or conversion with respect thereto.

Presentment, demand, protest, notice of dishonor and notice of intent to accelerate are hereby waived by the undersigned.

This Term B Note evidences Term B Loans made under, and is entitled to the benefits of, the Credit Agreement, dated as of _____, 1995, among the Borrower (as successor to QVC Programming Holdings, Inc.), the banks listed on the signature pages thereof, The Bank of New York Company, Inc., Barclays Bank PLC, Chemical Bank, NationsBank, N.A. (Carolinas) and The Toronto-Dominion Bank, as Managing Agents, and The Bank of New York, as Administrative Agent, as the same may be amended from time to time. Reference is made to such Credit Agreement, as so amended, for provisions relating to the prepayment and the acceleration of the maturity of, and for the respective meanings assigned to the capitalized terms used and not otherwise defined in, this Term B Note. This Term B Note is also entitled to the benefits of the Pledge Agreements and the Guaranty Agreements.

This Term B Note shall be construed in accordance with and governed by the law of the State of New York (without giving effect to its choice of law principles).

QVC, INC.

By: _____
 Name:
 Title:

[illegible]

FORM OF RC NOTE

QVC, INC.

, 19__

FOR VALUE RECEIVED, QVC, INC., a Delaware corporation (the "Borrower"), hereby promises to pay to the order of _____ (the "Bank") the principal amount of _____ Dollars (\$____) or, if less, the principal amount of the RC Loans of the Bank outstanding, on the dates and in the amounts specified in Section 1.05 of the Credit Agreement referred to below, and to pay interest on such principal amount on the dates and at the rates specified in Section 1.04 of such Credit Agreement. All payments due the Bank hereunder shall be made to the Bank at the place, in the type of money and funds and in the manner specified in Section 1.11 of such Credit Agreement.

Each holder hereof is authorized to endorse on the grid attached hereto, or on a continuation thereof, each RC Loan of the Bank and each payment, prepayment or conversion with respect thereto.

Presentment, demand, protest, notice of dishonor and notice of intent to accelerate are hereby waived by the undersigned.

This RC Note evidences RC Loans made under, and is entitled to the benefits of, the Credit Agreement, dated as of _____, 1995, among the Borrower (as successor to QVC Programming Holdings, Inc.), the banks listed on the signature pages thereof, The Bank of New York Company, Inc., Barclays Bank PLC, Chemical Bank, NationsBank, N.A. (Carolinas) and The Toronto-Dominion Bank, as Managing Agents, and The Bank of New York, as Administrative Agent, as the same may be amended from time to time. Reference is made to such Credit Agreement, as so amended, for provisions relating to the prepayment and the acceleration of the maturity of, and for the respective meanings assigned to the capitalized terms used and not otherwise defined in, this RC Note. This RC Note is also entitled to the benefits of the Pledge Agreements and the Guaranty Agreements.

This RC Note shall be construed in accordance with and governed by the law of the State of New York (without giving effect to its choice of law principles).

QVC, INC.

By: _____
 Name:
 Title:

[illegible]

FORM OF WORKING CAPITAL NOTE

QVC, INC.

_____, 19__

FOR VALUE RECEIVED, QVC, INC., a Delaware corporation (the "Borrower"), hereby promises to pay to the order of _____ (the "Bank") the principal amount of _____ Dollars (\$_____) or, if less, the principal amount of the Working Capital Loans of the Bank outstanding, on the dates and in the amounts specified in Section 1.05 of the Credit Agreement referred to below, and to pay interest on such principal amount on the dates and at the rates specified in Section 1.04 of such Credit Agreement. All payments due the Bank hereunder shall be made to the Bank at the place, in the type of money and funds and in the manner specified in Section 1.11 of such Credit Agreement.

Each holder hereof is authorized to endorse on the grid attached hereto, or on a continuation thereof, each Working Capital Loan of the Bank and each payment, prepayment or conversion with respect thereto.

Presentment, demand, protest, notice of dishonor and notice of intent to accelerate are hereby waived by the undersigned.

This Working Capital Note evidences Working Capital Loans made under, and is entitled to the benefits of, the Credit Agreement, dated as of _____, 1995, among the Borrower (as successor to QVC Programming Holdings, Inc.), the banks listed on the signature pages thereof, The Bank of New York Company, Inc., Barclays Bank PLC, Chemical Bank, NationsBank, N.A. (Carolinas) and The Toronto-Dominion Bank, as Managing Agents, and The Bank of New York, as Administrative Agent, as the same may be amended from time to time. Reference is made to such Credit Agreement, as so amended, for provisions relating to the prepayment and the acceleration of the maturity of, and for the respective meanings assigned to the capitalized terms used and not otherwise defined in, this Working Capital Note. This Working Capital Note is also entitled to the benefits of the Pledge Agreements and the Guaranty Agreements.

This Working Capital Note shall be construed in accordance with and governed by the law of the State of New York (without giving effect to its choice of law principles).

QVC, INC.

By: _____
 Name:
 Title:

[illegible]

FORM OF SWING NOTE

QVC, INC.

_____, 19__

FOR VALUE RECEIVED, QVC, INC., a Delaware corporation (the "Borrower"), hereby promises to pay to the order of _____ (the "Bank") the principal amount of Twenty-Five Million Dollars (\$25,000,000) or, if less, the principal amount of the Swing Loans of the Bank outstanding, on the dates and in the amounts specified in Section 1.05 of the Credit Agreement referred to below, and to pay interest on such principal amount on the dates and at the rates specified in Section 1.04 of such Credit Agreement. All payments due the Bank hereunder shall be made to the Bank at the place, in the type of money and funds and in the manner specified in Section 1.11 of such Credit Agreement.

Each holder hereof is authorized to endorse on the grid attached hereto, or on a continuation thereof, each Swing Loan of the Bank and each payment, prepayment or conversion with respect thereto.

Presentment, demand, protest, notice of dishonor and notice of intent to accelerate are hereby waived by the undersigned.

This Swing Note evidences Swing Loans made under, and is entitled to the benefits of, the Credit Agreement, dated as of _____, 1995, among the Borrower, the banks listed on the signature pages thereof, The Bank of New York Company, Inc., Barclays Bank PLC, Chemical Bank, NationsBank, N.A. (Carolinas) and The Toronto-Dominion Bank, as Managing Agents, and The Bank of New York, as Administrative Agent, as the same may be amended from time to time. Reference is made to such Credit Agreement, as so amended, for provisions relating to the prepayment and the acceleration of the maturity of, and for the respective meanings assigned to the capitalized terms used and not otherwise defined in, this Swing Note. This Swing Note is also entitled to the benefits of the Pledge Agreements and the Guaranty Agreements.

This Swing Note shall be construed in accordance with and governed by the law of the State of New York (without giving effect to its choice of law principles).

QVC, INC.

By: _____
Name:
Title:

[illegible]