FORM 10-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED] FOR THE FISCAL YEAR ENDED

DECEMBER 31, 1994

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED] FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission file number 0-6983

COMCAST CORPORATION
[GRAPHIC OMITTED - LOGO]

(Exact name of registrant as specified in its charter)

PENNSYLVANIA	23-1709202
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1500 Market Street, Philadelphia, PA (Address of principal executive offices)	19102-2148 (Zip Code)

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

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:
NONE

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
Class A Common Stock, $1.00 par value
Class A Special Common Stock, $1.00 par value
Zero Coupon Convertible Subordinated Notes Due 1995
3-3/8% / 5-1/2% Step-up Convertible Subordinated Debentures Due 2005
1-1/8% Discount Convertible Subordinated Debentures Due 2007

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K. [ ]

As of February 1, 1995, the aggregate market value of the Class A Common Stock held by non-affiliates of the Registrant was not less than $540 million.

As of February 1, 1995, there were 191,794,271 shares of Class A Special Common Stock, 39,019,809 shares of Class A Common Stock and 8,786,250 shares of Class B Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III - The Registrant's definitive Proxy Statement for its Annual Meeting of Shareholders presently scheduled to be held in June 1995.

COMCAST CORPORATION
1994 FORM 10-K ANNUAL REPORT

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PART I

This Annual Report on Form 10-K for the year ended December 31, 1994, at the time of filing with the Securities and Exchange Commission, modifies and supersedes all prior documents filed pursuant to Sections 13, 14 and 15(d) of the Securities Exchange Act of 1934 for purposes of any offers or sales of any securities after the date of such filing pursuant to any Registration Statement or Prospectus filed pursuant to the Securities Act of 1933 which incorporates by reference this Annual Report.

PART I

ITEM 1 BUSINESS

Comcast Corporation and its subsidiaries (the "Company") is engaged in the development, management and operation of cable and cellular telephone communications systems and the production and distribution of cable programming (see "General Developments of Business"). The Company's consolidated domestic cable operations served more than 3.3 million subscribers and passed more than 5.5 million homes as of December 31, 1994. The Company owns a 50% interest in Garden State Cablevision L.P. ("Garden State"), a cable communications company serving approximately 195,000 subscribers and passing approximately 288,000 homes. In the United Kingdom ("UK"), a subsidiary of the Company, Comcast UK Cable Partners Limited ("Comcast UK Cable"), is constructing a cable telecommunications network that will pass approximately 229,000 homes and holds investments in cable television and telecommunications companies which have the potential to serve an additional 1.2 million homes. The Company provides cellular telephone communications services pursuant to licenses granted by the Federal Communications Commission ("FCC") in markets with a population of over 7.9 million, including the area in and around the City of Philadelphia, Pennsylvania, the State of Delaware and a significant portion of the State of New Jersey.

The Company was organized in 1969 under the laws of the Commonwealth of Pennsylvania and has its principal executive offices at 1500 Market Street, Philadelphia, Pennsylvania, 19102-2148, (215) 665-1700.

FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS

See Note 12 to the Company's consolidated financial statements for information about the Company's operations by industry segment.

GENERAL DEVELOPMENTS OF BUSINESS

QVC

In February 1995, the Company and Tele-Communications, Inc. ("TCI") acquired all of the outstanding stock of QVC, Inc. ("QVC") for $46, in cash, per share. The total cost of acquiring the outstanding shares of QVC not previously owned by the Company and TCI (approximately 65% of such shares on a fully diluted basis) was approximately $1.4 billion. Following the acquisition, the Company and TCI own, through their respective subsidiaries, 57.45% and 42.55%, respectively, of QVC. The Company will account for the QVC acquisition under the purchase method of accounting and QVC will be consolidated with the Company beginning in February 1995.

The acquisition of QVC, including the exercise of certain warrants held by the Company, was financed with cash contributions from the Company and TCI of $296.3 million and $6.6 million, respectively, borrowings of $1.1 billion under a $1.2 billion QVC credit facility and existing cash and cash equivalents held by QVC.

QVC is a nationwide general merchandise retailer, operating as one of the leading televised shopping retailers in the United States. Through its merchandise-focused television programs (the "QVC Service"), QVC sells a wide variety of products directly to consumers. The QVC Service currently reaches approximately 50 million cable television subscribers in the United States.

The day to day operations of QVC will, except in certain limited circumstances, be managed by the Company. With certain exceptions, direct or indirect transfers to unaffiliated third parties by the Company or TCI of any stock in QVC are subject to certain restrictions and rights in favor of the other.

Liberty Media Corporation ("Liberty"), a wholly-owned subsidiary of TCI, may, at certain times following February 9, 2000, trigger the exercise of certain exit rights. If the exit rights are triggered, the Company has first right to purchase Liberty's stock in QVC at Liberty's pro rata portion of the fair market value (on a going concern or liquidation basis, whichever is higher, as determined by an appraisal process) of QVC. The Company may pay Liberty for such stock, subject to certain rights of Liberty to consummate the purchase in the most tax-efficient method available, in cash, the Company's promissory note maturing not more than three years after issuance, the Company's equity securities or any combination thereof. If the Company elects not to purchase the stock of QVC held by Liberty, then Liberty will have a similar right to purchase the stock of QVC held by the Company. If Liberty elects not to purchase the stock of QVC held by the Company, then Liberty and the Company will use their best efforts to sell QVC.

Maclean Hunter

On December 22, 1994, the Company, through Comcast MHCP Holdings, L.L.C. (the "LLC"), acquired the U.S. cable television and alternate access operations of Maclean Hunter Limited ("Maclean Hunter") from Rogers Communications Inc. and all of the outstanding shares of Barden Communications, Inc. (collectively, such acquisitions are referred to as the "Maclean Hunter Acquisition") for approximately $1.2 billion (subject to certain adjustments) in cash. The Company and the California Public Employees' Retirement System ("CalPERS") invested approximately $305.0 million and $250.0 million, respectively, in the LLC, which is owned 55% by a wholly-owned subsidiary of the Company and 45% by CalPERS, and is managed by the Company. The Maclean Hunter Acquisition, including certain transaction costs, was financed with cash contributions from the LLC of $555.0 million and borrowings of $715.0 million under an $850.0 million Maclean Hunter credit facility. At any time after December 18, 2001, CalPERS may elect to liquidate its interest in the LLC at a price based upon the fair value of CalPERS' interest in the LLC, adjusted, under certain circumstances, for certain performance criteria relating to the fair value of the LLC or to the Company's common stock. Except in certain limited circumstances, the Company, at its option, may satisfy this liquidity arrangement by purchasing CalPERS' interest for cash, through the issuance of the Company's common stock (subject to certain limitations) or by selling the LLC. The Maclean Hunter Acquisition was accounted for under the purchase method of accounting and Maclean Hunter is consolidated with the Company as of December 31, 1994.

Comcast UK Cable

On September 27, 1994, Comcast UK Cable consummated an initial public offering (the "IPO") of 15 million of its Class A Common Shares for net proceeds of $209.4 million. Contemporaneously with the IPO, the Company and UK Cable Partners Limited ("UKCPL"), which is owned by Warburg, Pincus Investors, L.P. and Bankers Trust Investments PLC, restructured their interests in Comcast UK Cable and terminated UKCPL's right to exchange its equity interests in Comcast UK Cable for convertible debt of the Company (the "Exchange Option"). As a result of the IPO and the restructuring, the Company beneficially owns approximately 31.2% of the total outstanding Comcast UK Cable common shares. Because the Class A Common Shares are entitled to one vote per share and the Class B Common Shares are entitled to ten votes per share, the Company, through its ownership of the Class B Common Shares, controls approximately 81.9% of the total voting power of all outstanding Comcast UK Cable common shares and continues to consolidate Comcast UK Cable. As a result of the termination of the Exchange Option and consummation of the IPO, the Company recorded an aggregate minority interest liability in Comcast UK Cable of $261.4 million. The Company has recorded the increase in its proportionate share of Comcast UK Cable's net assets as an increase in additional capital of $59.3 million.

Heritage

On January 26, 1995, the Company exchanged its interest in Heritage Communications, Inc. with TCI for Class A common shares of TCI with a fair market value of approximately $290 million. Shortly thereafter, the Company sold certain of these shares for total proceeds of approximately $188 million. As a result of these transactions, the Company will recognize a pre-tax gain of $141 million in the first quarter of 1995.

Telecommunications Joint Venture

On October 25, 1994, the Company announced a joint venture ("WirelessCo") with Sprint Corporation ("Sprint"), TCI and Cox Cable Communications, Inc. ("Cox") to provide wireless communications services. WirelessCo is owned 40% by Sprint, 30% by TCI and 15% each by the Company and Cox. WirelessCo is participating in the first of several FCC auctions of blocks of spectrum for licenses to provide Personal Communications Services ("PCS"), having filed an application to participate in 39 of 51 Major Trading Area ("MTA") markets nationwide. As of February 21, 1995, WirelessCo's aggregate bids for 38 licenses covering a total population of 168 million were $1.975 billion. There can be no assurances that WirelessCo will be successful in bidding for or otherwise obtaining PCS licenses for these or other MTAs. The Company has obtained letter of credit commitments sufficient to cover its 15% share of the cost of PCS licenses for which WirelessCo is the successful bidder. The Company may have material additional capital requirements relating to the buildout of PCS systems if WirelessCo is successful in the PCS bidding process. WirelessCo is accounted for under the equity method of accounting.

The parties have also signed a joint venture formation agreement which provides the basis upon which they will develop definitive agreements for their local wireline telecommunications activities. The parties anticipate that the wireline joint venture will be owned in the same percentages as WirelessCo. The parties' ability to provide such local services on a nationwide basis, and the timing thereof, will depend upon, among other things, the removal or modification of legal barriers to local telephone competition. The parties anticipate that Teleport Communications Group ("TCG"), which is owned 20% by the Company and by other cable television operators, including TCI and Cox, will be contributed to the local telephone venture. TCG is an alternative provider of local telephone services. The contribution of TCG to the venture is expected to be subject to certain conditions, including obtaining necessary governmental and other approvals.

Cable Rate Regulation Developments

On March 30, 1994, the FCC: (i) modified its existing benchmark methodology to require, absent a successful cost-of-service showing, reductions of approximately 17% in the rates for regulated cable services in effect on September 30, 1992, adjusted for inflation, channel modifications, equipment costs and increases in certain operating costs. The modified benchmarks and regulations are generally designed to cause an additional 7% reduction in the rates for regulated cable services on top of the rate reductions implemented by the Company in September 1993 under the prior FCC benchmarks and regulations; (ii) adopted interim regulations to govern cost-of-service showings by cable operators, establishing an industry-wide 11.25% after tax rate of return and a rebuttable presumption that acquisition costs above original historic book value of tangible assets should be excluded from the rate base; and (iii) reconsidered, among other matters, its regulations concerning rates for the addition of regulated services and the treatment of packages of "a la carte" channels (see "Legislation and Regulation").

In July 1994, the Company reduced rates for regulated services in the majority of its cable systems to comply with the modified benchmarks and regulations. In addition, the Company is currently seeking to justify existing rates in certain other of its cable systems on the basis of cost-of-service showings; however, the interim cost-of-service regulations promulgated by the FCC do not support positions taken by the Company in its cost-of-service filings to date. The Company's reported cable service income reflects the estimated effects of cable regulation. The Company is seeking reconsideration by the FCC of the interim cost-of-service regulations and, if unsuccessful in justifying existing rates under cost-of-service regulations, intends to seek judicial relief. However, no assurance can be given that the Company will be able to offset, to any substantial degree, the adverse impact of rate reductions in compliance with the modified benchmarks and regulations or that it will be successful in cost-of-service proceedings. If the Company is not successful in such efforts, and there is no legislative, administrative or judicial relief in these matters, the FCC regulations will continue to adversely affect the Company's results of operations.

On November 10, 1994, the FCC announced modified "Going Forward" rules which, among other things, permit cable operators to charge an additional $0.20 per month per channel for channels added to the cable programming services tier, up to a maximum of six channels, and to recover an additional $0.30 in monthly fees paid to programmers for such channels. The ruling applies to channels added between May 15, 1994 and December 31, 1996 and became effective January 1, 1995. The FCC concurrently announced regulations permitting cable operators to create new product tiers which would generally not be subject to rate regulation. The Company is currently reviewing the ruling and is unable to predict the effect on its future results of operations.

DESCRIPTION OF THE COMPANY'S BUSINESSES

Cable Communications

General

A cable communications system receives signals by means of special antennae, microwave relay systems and earth stations. The system amplifies such signals, provides locally originated programs and ancillary services and distributes programs to subscribers through a fiber optic and coaxial cable system.

Cable communications systems generally offer subscribers the signals of all national television networks; local and distant independent, specialty and educational television stations; satellite-delivered non-broadcast channels; locally originated programs; educational programs; home shopping and public service announcements. In addition, each of the Company's systems offer, for an extra monthly charge, one or more special services ("Pay Cable") such as Home

Box Office (Registered Trademark), Cinemax (Registered Trademark), Showtime (Registered Trademark), The Movie Channel (Trademark) and The (Copyright)Disney Channel, which generally offer, without commercial interruption, feature motion pictures, live and taped sports events, concerts and other special features. A majority of the Company's systems offer pay per view services, which permit a subscriber to order, for a separate fee, movies and individual events.

Cable communications systems are generally constructed and operated under non-exclusive franchises granted by state or local governmental authorities. Franchises typically contain many conditions, such as time limitations on commencement or completion of construction; conditions of service, including number of channels, types of programming and free service to schools and other public institutions; and the maintenance of insurance and indemnity bonds. The provisions of franchises are subject to both the Cable Communications Policy Act of 1984 (the "1984 Cable Act") and the Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act"-and together with the 1984 Cable Act, the "Cable Acts" -- see "Legislation and Regulation").

The Company's franchises typically provide for periodic payments to the governmental authority of franchise fees of up to 5% of revenues derived from the operation of the cable system. Franchises are generally nontransferable without the consent of the governmental authority. The Company's franchises generally were granted for an initial term of 15 years. Although franchises historically have been renewed and, under the Cable Acts, should continue to be renewed for companies that have provided adequate service and have complied generally with franchise terms, renewal may be more difficult as a result of the 1992 Cable Act and may include less favorable terms and conditions. Furthermore, the governmental authority may choose to award additional franchises to competing companies at any time (see "Competition" and "Legislation and Regulation").

Company's Systems

The table below sets forth a summary of Homes Passed and Cable Subscriber information for the Company's domestic cable communications systems for the five years ended December 31, 1994, including the consolidated systems of Maclean Hunter as of December 31, 1994. This table does not reflect Homes Passed or subscriber information for the Company's investment in Garden State.

	At December 31,				
	1994	1993	1992	1991	1990
	(In thousands)				
Homes Passed (1)					
Consolidated Systems (2)	5,491	4,211	4,154	4,218	4,127
Managed Systems (3)	34	58	57	57	57
Cable Subscribers (4)					
Consolidated Systems (2)	3,307	2,648	2,583	2,474	2,402
Managed Systems (3)	22	37	36	35	34

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(1) A home is deemed "passed" if it can be connected to the distribution system without further extension of the transmission lines.
(2) Consists of systems whose financial results are consolidated with those of the Company as well as 50% of the Homes Passed and Cable Subscribers of Storer Communications, Inc. ("Storer") prior to 1992. Homes Passed decreased in 1992 due to the difference between 50% of the total of Storer's Homes Passed as set forth for the years prior to 1992 and those Homes Passed received in the Storer split-off (see Note 2 to the Company's consolidated financial statements).
(3) Consists of systems managed by the Company in which the Company has less than a 50% interest. The decrease from 1993 to 1994 is a result of the Company's acquisition of a Managed System.
(4) A dwelling with one or more television sets connected to a system is counted as one Cable Subscriber.

Revenue Sources

The Company's cable communications systems offer varying levels of service, depending primarily on their respective channel capacities. At December 31, 1994, substantially all of the Company's systems had the capacity to carry in excess of 35 channels.

Monthly service rates and related charges vary in accordance with the type of service selected by the subscriber. The Company may receive an additional monthly fee for Pay Cable service, the charge for which varies with the type and level of service selected by the subscriber. Additional charges are often imposed for installation services, commercial subscribers, program guides and other services. The Company also generates revenue from pay per view services and advertising sales. Subscribers typically pay on a monthly basis and generally may discontinue services at any time (see "Legislation and Regulation").

Programming and Suppliers

The Company generally pays either a monthly fee per subscriber or a percentage of the Company's gross receipts for basic services, cable programming services and premium programming services. Some of the programming suppliers provide volume discount pricing structures or offer marketing support to the Company.

National manufacturers are the primary sources of supplies, equipment and materials utilized in the construction and upgrading of the Company's cable communications systems. Construction, rebuild and upgrade costs for these systems have increased during recent years and are expected to continue to increase as a result of the need to construct increasingly complex systems, overall demand for labor and other factors.

UK Activities

The Company beneficially owns an approximate 31.2% equity interest and controls approximately 81.9% of the total voting power of Comcast UK Cable. Comcast UK Cable owns interests in three operating companies (the "Operating Companies"): Birmingham Cable Corporation Limited ("Birmingham Cable"), in which Comcast UK Cable owns a 27.5% interest, Cable London PLC ("Cable London"), in which Comcast UK Cable owns a 48.9% interest, and Cambridge Holding Company Limited ("Cambridge Cable"), in which Comcast UK Cable owns a 50.0% interest. The Operating Companies provide integrated cable television, residential telephone and business telecommunications services to subscribers in their respective franchise areas. In addition, on June 20, 1994, Comcast UK Cable acquired the franchises for Darlington and Teesside (collectively, the "Teesside Franchises") which comprise an area with approximately 229,000 homes. In January 1995, Cambridge Cable was awarded licenses to provide cable communications services to an additional 205,000 homes.

Operating Companies' Systems

The table below sets forth Homes Passed, Cable Subscriber and Telephony Subscriber information for the Operating Companies' cable communications systems for the five years ended December 31, 1994.

	At December 31,				
	1994	1993	1992	1991	1990
	(In thousands)				
Homes Passed (1) (2)					
Birmingham Cable	227	156	104	39	2
Cable London	171	121	78	49	10
Cambridge Cable	115	75	36	5	
Cable Subscribers (2) (3)					
Birmingham Cable	73	55	35	12	
Cable London	42	30	20	9	2
Cambridge Cable	30	16	6	1	
Telephony Subscribers (2)					
Birmingham Cable	59	36	23	3	
Cable London	32	18	12	3	
Cambridge Cable	34	12			

(1) A home is deemed "passed" if it can be connected to the distribution system without further extension of the transmission lines.
(2) Homes Passed, Cable Subscribers and Telephony Subscribers have not been adjusted for the Company's proportionate ownership interests in the respective Operating Companies.
(3) A dwelling with one or more television sets connected to a system is counted as one Cable Subscriber.

Development and construction of the cable/telephony systems of the Teesside Franchises commenced in the third quarter of 1994. Based on its December 31, 1994 proportionate ownership interests in the Operating Companies, including the Teesside Franchises, Comcast UK Cable's interests represent approximately 700,000 homes.

Competition

Cable communications systems face competition from alternative methods of receiving and distributing television signals and from other sources of news, information and entertainment such as off-air television broadcast programming, newspapers, movie theaters, live sporting events, interactive computer programs and home video products, including videotape cassette recorders. The extent to which cable service is competitive depends, in part, upon the cable system's ability to provide, at a reasonable price to consumers, a greater variety of programming than that available off-air or through other alternative delivery sources (see "Legislation and Regulation").

Recent FCC and judicial decisions, if upheld by appellate courts, will enable local telephone companies to provide a wide variety of "video dialtone" services competitive with services provided by cable systems and to provide cable services directly to subscribers (see "Legislation and Regulation"). Various local telephone companies have requested regulatory approval for the initiation of video programming services. Cable systems could be placed at a competitive disadvantage if the delivery of video programming services by local telephone companies becomes widespread since cable systems are required to obtain local franchises to provide cable service and must comply with a variety of obligations under such franchises. Issues of cross-subsidization by monopoly local telephone companies pose strategic disadvantages for cable operators seeking to compete with local telephone companies who provide video services. The Company cannot predict at this time the likelihood of success of video programming ventures by local telephone companies or the impact on the Company of such competitive ventures.

Cable systems generally operate pursuant to franchises granted on a non-exclusive basis. The 1992 Cable Act gives local franchising authorities control over basic cable service rates, prohibits franchising authorities from unreasonably denying requests for additional franchises and permits franchising authorities to operate cable systems (see "Legislation and Regulation"). Well-financed businesses from outside the cable industry (such as the public utilities

which own certain of the poles on which cable is attached) may become competitors for franchises or providers of competing services. The costs of operating a cable system where a competing service exists (referred to in the cable industry as an "overbuild") will be substantially greater than if there were no competition present. Actual and potential overbuilds exist in several of the Company's systems.

Cable operators face additional competition from private satellite master antenna television ("SMATV") systems that serve condominiums, apartment complexes and private residential developments. The operators of these SMATV systems often enter into exclusive agreements with apartment building owners or homeowners' associations. While the 1984 Cable Act gives a franchised cable operator the right to use existing compatible easements within its franchise area on nondiscriminatory terms and conditions, there have been conflicting judicial decisions interpreting the scope of the access right granted to serve such private property. Various states have enacted laws to provide franchised cable systems access to such private residential complexes. These laws have been challenged in the courts with varying results. Due to the widespread availability of reasonably priced earth stations, SMATV systems now can offer both improved reception of local television stations and many of the same satellite-delivered program services offered by franchised cable systems. The ability of the Company to compete for subscribers in communities served by SMATV operators is uncertain.

The availability of reasonably-priced home satellite dish earth stations ("HSD") enables individual households to receive many of the satellite-delivered program services formerly available only to cable subscribers. Furthermore, the 1992 Cable Act contains provisions, which the FCC has implemented with regulations, to enhance the ability of HSD owners and other cable competitors to purchase certain satellite-delivered cable programming at competitive costs.

In recent years, the FCC has adopted policies providing a more favorable operating environment for new and existing technologies that provide, or have the potential to provide, substantial competition to cable systems. These technologies include, among others, the direct broadcast satellite ("DBS") service whereby signals are transmitted by satellite to receiving facilities located on the premises of subscribers. Programming is currently available to the owners of HSDs through conventional, medium and high-powered satellites. One consortium comprised of cable operators, including the Company and a satellite company, commenced operation in 1990 of a medium-power DBS satellite system using the Ku portion of the frequency spectrum and currently provides service consisting of approximately 65 channels of programming, including broadcast signals and pay-per-view services. Two companies began offering nationwide DBS service in 1994 accompanied by extensive marketing efforts. Several other companies are preparing to have high-power DBS systems in place. DBS systems are expected to use video compression technology to increase the channel capacity of their systems to provide movies, broadcast stations and other program services competitive to those of cable systems. The extent to which DBS systems are competitive to the service provided by cable systems depends, among other things, on the availability of reception equipment at reasonable prices and on the ability of DBS operators to provide competitive programming.

Cable communications systems also compete with wireless program distribution services such as multichannel, multipoint distribution service ("MMDS") which use low power microwave frequencies to transmit video programming over-the-air to subscribers. There are MMDS operators who are authorized to provide or are providing broadcast and satellite programming to subscribers in areas served by the Company's cable systems. Additionally, the FCC recently initiated a rulemaking proceeding in which it proposed to allocate frequencies in the 28 GHz band for a new multichannel wireless video service similar to MMDS. The Company is unable to predict whether wireless video services will have a material impact on its operations.

Other new technologies may become competitive with non-entertainment services that cable communications systems can offer. The FCC has authorized television broadcast stations to transmit textual and graphic information useful both to consumers and to businesses. The FCC also permits commercial and non-commercial FM stations to use their subcarrier frequencies to provide non-broadcast services including data transmissions. The FCC established an over-the-air Interactive Video and Data Service that will permit two-way interaction with commercial and educational programming along with informational and data services. Telephone companies and other common carriers also provide facilities for the transmission and distribution of data and other non-video services. The FCC is currently conducting spectrum auctions for licenses to provide PCS. PCS could enable license holders, including cable operators, to provide voice and data services as well as video programming (see "Cellular Telephone Communications").

Advances in communications technology as well as changes in the marketplace and the regulatory and legislative environment are constantly occurring. Thus, it is not possible to predict the effect that ongoing or future developments might have on the cable industry.

Legislation and Regulation

The cable communications industry currently is regulated by the FCC, some state governments and most local governments. In addition, legislative and regulatory proposals by the Congress and federal agencies may materially affect the cable communications industry. The following is a summary of federal laws and regulations materially affecting the growth and operation of the cable communications industry and a description of certain state and local laws.

The Cable Acts, both of which amended the Communications Act of 1934 (the "Communications Act"), establish a national policy to guide the development and regulation of cable systems. Principal responsibility for implementing the policies of the Cable Acts is allocated between the FCC and state or local franchising authorities.

Rate Regulation. Prior to April 1, 1993, virtually all of the Company's cable systems were free to adjust cable rates without first obtaining governmental approval. The 1992 Cable Act authorizes rate regulation for cable communications services and equipment in communities that are not subject to "effective competition," as defined in the 1992 Cable Act. Virtually all cable communications systems are now subject to rate regulation for basic cable service and equipment by local officials under the oversight of the FCC, which has prescribed detailed criteria for such rate regulation. The 1992 Cable Act also requires the FCC to resolve complaints about rates for nonbasic cable programming services (other than programming offered on a per channel or per program basis, which programming is not subject to rate regulation) and to reduce any such rates found to be unreasonable. The 1992 Cable Act limits the ability of cable systems to raise rates for basic cable service and certain nonbasic cable programming services (collectively, the "Regulated Services").

On April 1, 1993, the FCC adopted regulations in accordance with the 1992 Cable Act governing rates that may be charged to subscribers for Regulated Services and ordered an interim freeze on existing rates. The FCC's rate regulations became effective on September 1, 1993 and the FCC's rate freeze was extended until the earlier of February 15, 1994 or the date on which a cable system's basic cable service rate was regulated by a franchising authority.

In implementing the 1992 Cable Act, the FCC adopted a benchmark methodology as the principal method of regulating rates for Regulated Services. Cable operators were also permitted to justify rates using a cost-of-service methodology. As of September 1, 1993, cable operators whose then current rates were above FCC benchmark levels were required, absent a successful cost-of-service showing, to reduce such rates to the benchmark level or by up to 10% of those rates in effect on September 30, 1992, whichever reduction was less, adjusted for equipment costs, inflation and programming modifications occurring subsequent to September 30, 1992. Effective May 15, 1994, the FCC modified its benchmark methodology to require reductions of up to 17% of the rates for Regulated Services in effect on September 30, 1992, adjusted for inflation, programming modifications, equipment costs and increases in certain operating costs. The FCC's modified benchmark regulations were designed to cause an additional 7% reduction in the rates for Regulated Services on top of any rate reductions implemented under the FCC's initial benchmark regulations.

The FCC's initial "Going Forward" regulations limited rate increases for Regulated Services to an inflation-indexed amount plus increases for channel additions and certain external costs beyond the cable operator's control, such as franchise fees, taxes and increased programming costs. Under these regulations, cable operators are entitled to take a 7.5% mark-up on certain programming cost increases. On November 10, 1994, the FCC modified these regulations and instituted a three-year flat fee mark-up plan for charges relating to new channels added to the cable programming service tier. As of January 1, 1995, cable operators may charge subscribers for channels added to the cable programming service tier after May 14, 1994, at a monthly rate of up to 20 cents per added channel, but may not make adjustments to monthly rates totalling more than $1.20 plus an additional 30 cents for programming license fees per subscriber over the first two years of the three-year period. Cable operators may charge an additional 20 cents plus the cost of the programming in the third year (1997) for one additional channel added in that year. Operators must make a one-time election to use either the 20 cents per channel adjustment or the 7.5% mark-up on programming cost increases for all channels added after December 31, 1994. The FCC is currently considering

whether to modify or eliminate the regulation allowing operators to receive the 7.5% mark-up on increases in existing programming license fees.

On November 10, 1994, the FCC adopted regulations permitting cable operators to create new product tiers ("NPT") that will not be subject to rate regulation if certain conditions are met. The FCC also revised its previously adopted policy and concluded that packages of a la carte services are subject to rate regulation by the FCC as cable programming service tiers. Because of the uncertainty created by the FCC's prior a la carte package guidelines, the FCC will allow cable operators, including the Company, under certain circumstances, to treat previously offered a la carte packages as NPTs.

Franchising authorities are empowered to regulate the rates charged for additional outlets and for the installation, lease and sale of equipment used by subscribers to receive the basic cable service tier, such as converter boxes and remote control units. The FCC's rules require franchising authorities to regulate these rates on the basis of actual cost plus a reasonable profit, as defined by the FCC. Cable operators required to reduce rates may also be required to refund overcharges with interest.

Rate reductions will not be required where a cable operator can demonstrate that existing rates for Regulated Services are justified and reasonable using cost-of-service guidelines. On November 24, 1993, the FCC ruled that operators choosing to justify rates through a cost-of-service submission must do so for all Regulated Services. On February 22, 1994, the FCC adopted interim cost-of-service regulations establishing, among other things, an industry-wide 11.25% after tax rate of return on an operator's allowable rate base and a rebuttable presumption that acquisition costs above original historic book value of tangible assets should be excluded from the allowable rate base. The FCC is conducting a further rulemaking to determine whether these interim standards and regulations should be made permanent.

In July 1994, the Company reduced rates for Regulated Services in the majority of its cable systems to comply with the FCC's modified benchmarks and regulations. In addition, the Company is seeking to justify existing rates in certain of its cable systems in the States of Connecticut and New Jersey on the basis of cost-of-service showings for both its basic cable service tier (at the franchising authority) and its cable programming service tier (at the FCC); however, the FCC's interim cost-of-service regulations do not support positions taken by the Company in its cost-of-service filings to date. The Company is seeking FCC reconsideration of the interim cost-of-service regulations, FCC review of various adverse decisions issued by franchising authorities on its basic cable service rates and a determination by the FCC of the validity of cost-of-service rates for cable programming services in various systems. If unsuccessful in such efforts, the Company intends to seek judicial relief. However, no assurance can be given that the Company will be able to offset, to any substantial degree, the adverse impact of rate reductions in compliance with the FCC's modified benchmarks and regulations, or that it will be successful in cost-of-service proceedings. If the Company is not successful in such efforts, and there is no legislative, administrative or judicial relief in these matters, the FCC regulations will continue to adversely affect the Company's results of operations.

"Anti-Buy Through" Provisions. The 1992 Cable Act requires cable systems to permit subscribers to purchase video programming offered by the operator on a per channel or a per program basis without the necessity of subscribing to any tier of service, other than the basic cable service tier, unless the system's lack of addressable converter boxes or other technological limitations does not permit it to do so. The statutory exemption for cable systems that do not have the technological capability to offer programming in the manner required by the statute is available until a system obtains such capability, but not later than December 2002. The FCC may waive such time periods, if deemed necessary. Most of the Company's systems do not have the technological capability to offer programming in the manner required by the statute and thus currently are exempt from complying with the requirement.

Must Carry/Retransmission Consent. The 1992 Cable Act contains broadcast signal carriage requirements that allow local commercial television broadcast stations to elect once every three years to require a cable system to carry the station, subject to certain exceptions, or to negotiate for "retransmission consent" to carry the station. A cable system generally is required to devote up to one-third of its activated channel capacity for the mandatory carriage of local commercial television stations. Local non-commercial television stations are also given mandatory carriage rights; however, such stations are not given the option to negotiate retransmission consent for the carriage of their signals by cable systems. Additionally, cable systems are required to obtain retransmission consent for all "distant" commercial television stations (except for commercial satellite-delivered independent "superstations" such as WTBS), commercial radio stations and certain low power television stations carried by such systems after October 6, 1993.

On April 8, 1993, a special three-judge federal district court issued a decision upholding the constitutional validity of the mandatory signal carriage requirements. In June 1994, the United States Supreme Court vacated this decision and remanded it to the district court to determine, among other matters, whether the statutory carriage requirements are necessary to preserve the economic viability of the broadcast industry. The mandatory broadcast signal carriage requirements remain in effect pending the outcome of the further proceedings in the district court.

Designated Channels. The 1984 Cable Act permits franchising authorities to require cable operators to set aside certain channels for public, educational and governmental access programming. The 1984 Cable Act also requires a cable system with 36 or more channels to designate a portion of its channel capacity for commercial leased access by third parties to provide programming that may compete with services offered by the cable operator. The FCC has adopted rules regulating: (i) the maximum reasonable rate a cable operator may charge for commercial use of the designated channel capacity; (ii) the terms and conditions for commercial use of such channels; and (iii) the procedures for the expedited resolution of disputes concerning rates or commercial use of the designated channel capacity.

Franchise Procedures. The 1984 Cable Act affirms the right of franchising authorities (state or local, depending on the practice in individual states) to award one or more franchises within their jurisdictions and prohibits non-grandfathered cable systems from operating without a franchise in such jurisdictions. The 1992 Cable Act encourages competition with existing cable systems by (i) allowing municipalities to operate their own cable systems without franchises; (ii) preventing franchising authorities from granting exclusive franchises or from unreasonably refusing to award additional franchises covering an existing cable system's service area; and (iii) prohibiting (with limited exceptions) the common ownership of cable systems and co-located MMDS or SMATV systems. The 1984 Cable Act also provides that in granting or renewing franchises, local authorities may establish requirements for cable-related facilities and equipment, but not for video programming or information services other than in broad categories. Among the more significant provisions of the 1984 Cable Act is a limitation on the payment of franchise fees to 5% of cable system revenues and the opportunity for the cable operator to obtain modification of franchise requirements by the franchise authority or judicial action if warranted by changed circumstances. The Company's franchises typically provide for payment of fees to franchising authorities of 5% of "revenues" (as defined by each franchise agreement).

The 1984 Cable Act contains renewal procedures designed to protect incumbent franchisees against arbitrary denials of renewal. The 1992 Cable Act makes several changes to the renewal process which could make it easier for a franchising authority to deny renewal. Moreover, even if the franchise is renewed, the franchising authority may seek to impose new and more onerous requirements such as significant upgrades in facilities and services or increased franchise fees as a condition of renewal. Similarly, if a franchising authority's consent is required for the purchase or sale of a cable system or franchise, such authority may attempt to impose more burdensome or onerous franchise requirements in connection with a request for such consent. Historically, franchises have been renewed for cable operators that have provided satisfactory services and have complied with the terms of their franchises. The Company believes that it has generally met the terms of its franchises and has provided quality levels of service and it anticipates that its future franchise renewal prospects generally will be favorable.

Various courts have considered whether franchising authorities have the legal right to limit franchise awards to a single cable operator and to impose certain substantive franchise requirements (e.g., access channels, universal service and other technical requirements). These decisions have been somewhat inconsistent and, until the United States Supreme Court rules definitively on the scope of cable operators' First Amendment protections, the legality of the franchising process generally and of various specific franchise requirements is likely to be in a state of flux.

Ownership Limitations. The 1984 Cable Act and the FCC's regulations prohibit the common ownership, operation, control or interest in a cable system and a local television broadcast station whose predicted grade B contour (a measure of significant signal strength as defined by the FCC's rules) covers any portion of the community served by the cable system. In June 1992, the FCC revised its cross-ownership rules to permit national television networks to own cable systems under certain circumstances. As a part of the same action, the FCC also voted to recommend to Congress that the broadcast/cable cross-ownership restrictions contained in the 1984 Cable Act be repealed. Pursuant to the 1992 Cable Act, the FCC adopted rules prescribing national subscriber limits and limits on the number of channels that can be occupied on a cable system by a video programmer in which the operator has an attributable interest. The effectiveness of these FCC horizontal ownership limits has been stayed because a federal district court found the statutory limitation to be unconstitutional.

Telephone Company Ownership of Cable Systems. The 1984 Cable Act, FCC regulations, and the 1982 federal court consent decree (the "MFJ") that settled the antitrust suit against AT&T regulate the provision of video programming and other information services by telephone companies. The 1984 Cable Act codified FCC cross-ownership regulations that, in part, prohibit local exchange telephone companies, including the seven Bell Operating Companies ("BOCs"), from providing video programming directly to subscribers within their local exchange service areas, except in rural areas or by specific waiver of FCC rules. The statutory provision and corresponding FCC regulations are of particular competitive importance because telephone companies already own much of the plant necessary for cable communications operations, such as poles, underground conduit and associated rights-of-way. Many of the BOCs have initiated federal court actions challenging the statutory "telco-cable" cross-ownership restriction of the 1984 Cable Act and various federal district and appellate courts have concluded that the cross-ownership restriction violates local telephone companies' constitutional rights. Further judicial review of these decisions can be anticipated.

In 1992, the FCC modified its regulations to enable local telephone companies to provide a "video dialtone" service that would provide access for consumers to a wide variety of services now provided by cable systems, as well as new services that may develop. The FCC determined that local telephone companies must provide consumers access to video dialtone services of others on a common carrier basis and may provide directly to their telephone customers their own non-video dialtone and non-video services, subject to certain cross-subsidization safeguards. The FCC also decided to recommend to Congress that the statutory telco-cable cross-ownership restriction should be repealed and that local telephone companies should be permitted to provide video programming directly to subscribers subject to appropriate safeguards. Various parties have appealed the FCC's decision.

In its video dialtone proceeding the FCC also determined that the 1984 Cable Act and the FCC's regulatory cross-ownership restrictions do not prohibit interexchange carriers (i.e., long distance telephone companies) from entering into joint ventures with cable operators or from acquiring cable communications systems in areas where such interexchange carriers provide long distance telephone services. The FCC also concluded that local telephone companies offering broadband common carrier services to distribute video programming to subscribers and the third party programmers using such common carrier services are not required by federal law to obtain franchises from local franchising authorities in order to provide such video programming services to the public.

The ultimate outcome of the FCC's video dialtone proceeding, the BOC litigation, the FCC decisions on the video dialtone proposals of various BOCs and other local telephone companies or the appeals of the FCC's decisions described above, or the ultimate impact on the Company or its business of these judicial and administrative proceedings cannot be determined at this time.

In July 1991, the U.S. District Court responsible for the MFJ issued an opinion lifting the MFJ prohibition on the provision of information services by the BOCs. This decision was upheld on appeal and enables the BOCs to acquire or construct cable communications systems outside of their own service areas. Independent telephone companies currently may provide cable communications service outside of their service areas under the 1984 Cable Act.

The telephone industry continues to lobby Congress for legislation that will permit local telephone companies to provide video programming directly to consumers, and legislation has been introduced in Congress that would permit local telephone companies, among other things, to provide such services under certain conditions. The outcome of these FCC, legislative or judicial proceedings and proposals or the effect of such outcome on cable system operations cannot be predicted.

Pole Attachment. The Communications Act requires the FCC to regulate the rates, terms and conditions imposed by public utilities for cable systems' use of utility pole and conduit space unless state authorities can demonstrate that they adequately regulate pole attachment rates, as is the case in certain states in which the Company operates. In the absence of state regulation, the FCC administers pole attachment rates on a formula basis. In some cases, utility companies have increased pole attachment fees for cable systems that have installed fiber optic cables and that are using such cables for the distribution of non-video services. The FCC concluded that, in the absence of state regulation, it has jurisdiction to determine whether utility companies have justified their demand for additional rental fees and that the Communications Act does not permit disparate rates based on the type of service provided over the equipment attached to the utility's pole.

Other Statutory Provisions. The 1992 Cable Act precludes video programmers affiliated with cable companies from favoring cable operators over competitors and requires such programmers to sell their programming to other

multichannel video distributors. This provision limits the ability of cable program suppliers affiliated with cable companies to offer exclusive programming arrangements to cable companies. The Communications Act also includes provisions, among others, concerning horizontal and vertical ownership of cable systems, customer service, subscriber privacy, commercial leased access channels, marketing practices, equal employment opportunity, franchise renewal and transfer, award of franchises, obscene or indecent programming, regulation of technical standards and equipment compatibility. The FCC has adopted regulations implementing many of these statutory provisions and it has received numerous petitions requesting reconsideration of various aspects of its rulemaking proceedings.

Other FCC Regulations. In addition to the FCC regulations noted above, there are other FCC regulations covering such areas as equal employment opportunity, syndicated program exclusivity, network program non-duplication, registration of cable systems, maintenance of various records and public inspection files, microwave frequency usage, lockbox availability, origination cablecasting and sponsorship identification, antenna structure notification, marking and lighting, carriage of local sports programming, application of the fairness doctrine and rules governing political broadcasts, limitations on advertising contained in non-broadcast children's programming, consumer protection and customer service, leased commercial access, ownership of home wiring, indecent programming, programmer access to cable systems, programming agreements, technical standards, consumer electronics equipment compatibility and DBS implementation. The FCC has the authority to enforce its regulations through the imposition of substantial fines, the issuance of cease and desist orders and/or the imposition of other administrative sanctions, such as the revocation of FCC licenses needed to operate certain transmission facilities often used in connection with cable operations.

Other bills and administrative proposals pertaining to cable television have previously been introduced in Congress or considered by other governmental bodies over the past several years on matters such as rate regulation, customer service standards, sports programming, franchising, copyright and telephone company provision of cable services. It is probable that further attempts will be made by Congress and other governmental bodies relating to the delivery of communications services.

Copyright. Cable communications systems are subject to federal copyright licensing covering carriage of television and radio broadcast signals. In exchange for filing certain reports and contributing a percentage of their revenues to a federal copyright royalty pool, cable operators can obtain blanket permission to retransmit copyrighted material on broadcast signals. The nature and amount of future payments for broadcast signal carriage cannot be predicted at this time. The possible simplification, modification or elimination of the compulsory copyright license is the subject of continuing legislative review. The elimination or substantial modification of the cable compulsory license could adversely affect the Company's ability to obtain suitable programming and could substantially increase the cost of programming that remained available for distribution to the Company's subscribers. The Company cannot predict the outcome of this legislative activity.

In October 1989, the special rate court of the U.S. District Court for the Southern District of New York imposed interim rates on the cable industry's use of ASCAP-controlled music. Payment of these rates by cable programmers secures licenses that cover the use of the music licensed by ASCAP by both the cable programmers and their cable operator affiliates. The other major music performing rights society, BMI, is not subject to rate-setting procedures in the rate court. Both ASCAP and BMI historically have maintained that the transmission of programming by cable programmers to cable operators and by cable operators to their subscribers are separate public performances and should therefore be subject to separate license agreements. Two federal court decisions, however, have held that ASCAP and BMI cannot insist on separate licenses for programmers and operators for cable network programming. Under these decisions, ASCAP and BMI must make available to cable programming networks licenses that cover the transmission of music all the way to the cable subscriber. BMI has petitioned the Department of Justice to grant BMI the right to come under a special rate court, like the one for ASCAP, for rate setting purposes. Negotiations are in process concerning the obligation, if any, for cable operators to compensate the music industry for the use of music in local origination and pay-per-view programs.

State and Local Regulation

Because a cable communications system uses local streets and rights-of-way, cable systems are subject to state and local regulation, typically imposed through the franchising process. Cable communications systems generally are operated pursuant to nonexclusive franchises, permits or licenses granted by a municipality or other state or local government entity. Franchises generally are granted for fixed terms and in many cases are terminable if the franchisee fails to comply with material provisions. The terms and conditions of franchises vary materially from

jurisdiction to jurisdiction. Each franchise generally contains provisions governing cable service rates, franchise fees, franchise term, system construction and maintenance obligations, system channel capacity, design and technical performance, customer service standards, franchise renewal, sale or transfer of the franchise, territory of the franchisee, indemnification of the franchising authority, use and occupancy of public streets and types of cable services provided. A number of states subject cable communications systems to the jurisdiction of centralized state governmental agencies, some of which impose regulation of a character similar to that of a public utility. Attempts in other states to regulate cable communications systems are continuing and can be expected to increase. To date, those states in which the Company operates that have enacted such state level regulation are Connecticut, New Jersey and Delaware. State and local franchising jurisdiction is not unlimited, however, and must be exercised consistently with federal law. The 1992 Cable Act immunizes franchising authorities from monetary damage awards arising from regulation of cable systems or decisions made on franchise grants, renewals, transfers and amendments.

The foregoing does not purport to describe all present and proposed federal, state, and local regulations and legislation affecting the cable industry. Other existing federal regulations, copyright licensing, and, in many jurisdictions, state and local franchise requirements, are currently the subject of judicial proceedings, legislative hearings and administrative proposals which could change, in varying degrees, the manner in which cable communications systems operate. Neither the outcome of these proceedings nor their impact upon the cable communications industry or the Company can be predicted at this time.

UK Regulation

The operation of a cable television/telephony system in the UK is regulated under both the Broadcasting Act 1990 (the "Broadcasting Act") (which replaced the Cable and Broadcasting Act 1984 (the "UK Cable Act")) and the Telecommunications Act 1984 (the "Telecommunications Act"). The operator of a cable/telephony franchise covering over 1,000 homes must hold two principal licenses: (i) a license (a "cable television license") issued in the past under the UK Cable Act or since 1990 under the Broadcasting Act, which allows the operator to provide cable television services in the franchise area, and (ii) a telecommunications license issued under the Telecommunications Act, which allows the operator to operate and use the physical network necessary to provide cable television and telecommunications services. The Independent Television Commission ("ITC") is responsible for the licensing and regulation of cable television. The Department of Trade and Industry ("DTI") is responsible for issuing, and the Office of Telecommunications ("OFTEL") is responsible for regulating the holders of, the telecommunications licenses. In addition, an operator is required to hold a license under the Wireless Telegraphy Acts of 1949-67 for the use of microwave distribution systems.

The cable television licenses held by the relevant subsidiaries of the Operating Companies were issued under the UK Cable Act for 15-year periods and are scheduled to expire beginning in late 2004. The telecommunications licenses held by these subsidiaries of the Operating Companies are, in general, for 23-year periods and are scheduled to expire beginning in late 2012. The cable television licenses held by the Teesside Franchises were issued under the UK Cable Act for 15-year periods and are scheduled to expire in late 2005. The telecommunications licenses held by the Teesside Franchises are for 15-year periods which can be extended to 23-year periods in certain circumstances.

Cellular Telephone Communications

General

The Company is engaged in the development, management and operation of cellular telephone communications systems in various service areas pursuant to licenses granted by the FCC. Each service area is divided into segments referred to as "cells" equipped with a receiver, signaling equipment and a low power transmitter. The use of low power transmitters and the placement of cells close to one another permits re-use of frequencies, thus substantially increasing the volume of calls capable of being handled simultaneously over the number handled by conventional mobile telephone systems. Each cell has a coverage area generally ranging from two to more than 25 miles. A cellular telephone system includes a computerized central switching facility known as the mobile telephone switching office ("MTSO") which controls the automatic transfer of calls, coordinates calls to and from cellular telephones and connects calls to the local exchange carrier or to an interexchange carrier. The MTSO also records information on system usage and subscriber statistics.

Each cell's facilities monitor the strength of the signal returned from the subscriber's cellular telephone. When the signal strength declines to a predetermined level and the transmission strength is greater at another cell in or interconnected with the system, the MTSO automatically and instantaneously passes the mobile user's call in progress to the other cell without disconnecting the call ("hand off"). Interconnection agreements between cellular telephone system operators and various local exchange carriers and interexchange carriers establish the manner in which the cellular telephone system integrates with other telecommunications systems.

As required by the FCC, all cellular telephones are designed for compatibility with cellular systems in all markets within the United States so that a cellular telephone may be used wherever cellular service is available. Each cellular telephone system in the United States uses one of two groups of channels, termed "Block A" and "Block B," which the FCC has allotted for cellular service. Minor adjustments to cellular telephones may be required to enable the subscriber to change from a cellular system on one frequency block to a cellular system on the other frequency block.

While most MTSOs process information digitally, most radio transmission of cellular telephone calls is done on an analog basis. Digital transmission of cellular telephone calls offers advantages, including improved voice quality under certain conditions, larger system capacity and the potential for lower incremental costs for additional subscribers. The FCC allows carriers to provide digital service and requires cellular carriers to provide analog service. The conversion from analog to digital radio technology is expected to take a number of years.

The Company provides services to its cellular telephone subscribers similar to those provided by conventional landline telephone systems, including custom calling features such as call forwarding, call waiting, conference calling, directory assistance and voice mail. The Company is responsible for the quality, pricing and packaging of cellular telephone service for each of the systems it owns and controls.

Reciprocal agreements among cellular telephone system operators allow their respective subscribers ("roamers") to place and receive calls in most service areas throughout the country. Roamers are charged rates which are generally at a premium to the regular service rate. In recent years, cellular carriers have experienced increased fraud associated with roamer service, including Electronic Serial Number ("ESN") cloning. The Company and other carriers have taken steps to combat roamer fraud, but it is uncertain to what extent roamer fraud will continue.

Allegations of harmful effects from the use of hand-held cellular phones have caused the cellular industry to fund additional research to review and update previous studies concerning the safety of the emissions of electromagnetic energy from cellular phones. In August 1993, the FCC adopted a notice of proposed rulemaking to consider the incorporation of the new standard for radiofrequency exposure adopted by the American National Standards Institute in association with the Institute of Electrical and Electronic Engineers, Inc. The FCC is considering the application of the new standard to low power devices such as hand-held mobile transceivers. In addition, the FCC is considering how the new standard should apply to cellular transmitter sites.

Company's Systems

The table below sets forth summary information regarding the total population ("Pops") in the markets served by the Company's systems by Metropolitan Statistical Area ("MSAs") and Rural Service Area ("RSAs") and aggregate subscriber information as of December 31, 1994.

Market	Approximate Ownership	Approximate Pops	Approximate Net Pops
MSAs:			
Atlantic City, NJ	37%	336,000	124,000
Aurora-Elgin, IL	69%	43,000	30,000
Joliet, IL	70%	35,000	25,000
Long Branch, NJ	100%	583,000	583,000
New Brunswick, NJ	100%	698,000	698,000
Philadelphia, PA	100%	4,959,000	4,959,000
Trenton, NJ	79%	334,000	264,000
Wilmington, DE	100%	611,000	611,000
		7,599,000	7,294,000
RSAs:			
Hunterdon County, NJ (1)	100%	115,000	115,000
Kent & Sussex, DE	50%	243,000	122,000
		358,000	237,000
		7,957,000	7,531,000

(1) In June 1994, the Company entered into an Exchange Agreement with McCaw Cellular Communications, Inc. to acquire the entity that holds the Ocean County, NJ RSA cellular license (450,000 Pops) in exchange for the Company's Hunterdon County, NJ RSA license and approximately $52.5 million in cash. The transaction is expected to close in 1995.

At December 31, 1994, the Company's cellular telephone business had approximately 465,000 net subscribers in the markets listed above.

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Source: 1995 Rand McNally Commercial Atlas & Marketing Guide

Competition

The cellular telephone business is currently a regulated duopoly. The FCC has divided the United States into 734 separate markets and generally grants two licenses to operate cellular telephone systems in each market. One of the two licenses was initially awarded to a company or group affiliated with the local landline telephone carriers in the market (the "Wireline" license), and the other license was initially awarded to a company, individual, or group not affiliated with any landline telephone carrier (the "Non-Wireline" license).

The Company's systems are all Non-Wireline systems and compete directly with the Wireline licensee in each market in attracting and retaining cellular telephone customers and dealers. Competition between the two licensees in each market is principally on the basis of services and enhancements offered, technical quality of the system, quality and responsiveness of customer service, price and coverage area. The Wireline licensees in the Company's principal markets are Bell Atlantic Mobile Systems, Inc., a subsidiary of Bell Atlantic Corp., and NYNEX Mobile Communications Co., a subsidiary of NYNEX Corp. The Company's principal Wireline competitors are significantly larger and may have access to more substantial financial resources than the Company. Also, Bell Atlantic Corp. and NYNEX Corp. have sought FCC approval to consolidate their cellular holdings and to create a fully integrated wireless system with their landline systems. The request for FCC approval is pending. FCC approval may increase competition in the Company's markets.

The FCC requires cellular licensees to provide service to resellers of cellular service which purchase cellular service from licensees, usually in the form of blocks of numbers, then resell the service to the public. Thus, a reseller may be both a customer and a competitor of a licensed cellular operator. The FCC is currently considering a proposal to permit resellers to install separate switching facilities in cellular systems and receive direct assignments of telephone numbers from local exchange carriers.

Cellular telephone systems, including the Company's systems, also face actual or potential competition from other current and developing technologies. Specialized Mobile Radio ("SMR") systems, such as those used by taxicabs, as well as other forms of mobile communications service, may provide competition in certain markets. SMR systems are permitted by FCC rules to be interconnected to the public switched telephone network and are significantly less expensive to build and operate than cellular telephone systems. SMR systems are, however, licensed to operate on substantially fewer channels per system than cellular telephone systems and generally lack cellular's ability to expand capacity through frequency reuse by using many low-power transmitters and to hand-off calls. The Company holds an equity interest in and is represented on the Board of Directors of Nextel Communications, Inc. ("Nextel"), which has begun to implement its proposal to use its available SMR spectrum in various metropolitan areas more efficiently to increase capacity and to provide a broad range of mobile radio communications services. This proposal, known as ESMR service, could provide additional competition to existing cellular carriers, including the Company. In 1994, the FCC decided to license SMR systems in the 800 MHz bands for wide-area use, thus increasing potential competition with cellular. The FCC is currently considering consolidation of the SMR spectrum into contiguous blocks, which action would further the competitive potential of SMR services.

One-way paging or beeper services that feature voice message, data services and tones are also available in the Company's markets. These services may provide adequate capacity and sufficient mobile capabilities for some potential cellular subscribers.

Certain new technologies and regulatory proposals potentially could affect the competitive position of cellular. The most prominent is PCS, which includes a variety of digital, wireless communications systems currently primarily suited for use in densely populated areas. At the power levels that the FCC's rules now provide, each cell of a PCS system would have more limited coverage than a cell in a cellular telephone system. Current proposals for PCS include advanced cordless telephones, or CT-2, mobile data networks, and personal communications networks that might provide services similar to those provided by cellular at costs lower than those currently charged by cellular system operators. The FCC has allocated spectrum and adopted rules for both narrow and broadband PCS services. In 1994, the FCC completed a spectrum auction for nationwide narrowband PCS licenses, undertook the first regional narrowband PCS auction, and began the first auction of broadband PCS spectrum (see "General Developments of Business - Telecommunications Joint Venture"). Broadband PCS service likely will become a direct competitor to cellular service.

Applicants have received and others are seeking FCC authorization to construct and operate global satellite networks to provide domestic and international mobile communications services from geostationary and low earth orbit satellites. In addition, the Omnibus Budget Reconciliation Act of 1993 ("1993 Budget Act") provided, among other things, for the release of 200 MHz of Federal government spectrum for commercial use over a fifteen year period. The 1993 Budget Act also authorized the FCC to conduct competitive bidding for certain radio spectrum licenses and required the FCC to adopt new rules that eliminate the regulatory distinctions between common and private carriers for those private carriers who interconnect with the public switched telephone network and make their services available to a substantial portion of the public for profit. These developments and further technological advances may make available other alternatives to cellular service thereby creating additional sources of competition.

Regulation

FCC Regulation

The FCC regulates the licensing, construction, operation and acquisition of cellular telephone systems pursuant to the Communications Act. For licensing purposes, the FCC divided the United States into separate markets: 306 MSAs and 428 RSAs. In each market, the allocated cellular frequencies are divided into two blocks: Block A, initially awarded for utilization by Non-Wireline entities such as the Company, and Block B, initially awarded for utilization by affiliates of local Wireline telephone companies. There is no technical or operational difference between Wireline and Non-Wireline systems other than different frequencies.

Under the Communications Act, no party may transfer control of or assign a cellular license without first obtaining FCC consent. FCC rules (i) prohibit an entity controlling one system in a market from holding any interest in the competing system in the market and (ii) prohibit an entity from holding non-controlling interests in more than one system in any market, if the common ownership interests present anticompetitive concerns under FCC policies. Cellular radio licenses generally expire on October 1 of the tenth year following grant of the license in the particular market and are renewable for periods of ten years upon application to the FCC. The Company's first license expiration date is October 1, 1995, which includes the license for the Philadelphia MSA. Licenses may be revoked for cause and license renewal applications denied if the FCC determines that a renewal would not serve the public interest. Current FCC rules provide that competing renewal applications for cellular licenses will be considered in comparative hearings, and establish the qualifications for competing applications and the standards to be applied in such hearings. Under current policies, the FCC will grant incumbent cellular licensees a "renewal expectancy" if the licensee has provided substantial service to the public, substantially complied with applicable FCC rules and policies and the Communications Act and is otherwise qualified to hold an FCC license. The Company believes that it will receive such a "renewal expectancy" for the Philadelphia MSA.

The FCC requires landline telephone companies in each market to offer reasonable terms and facilities for the interconnection of both cellular telephone systems in that market to the landline telephone company's network. Cellular telephone companies affiliated with the local exchange company are required to disclose how their systems will interconnect with the landline network. The licensee not affiliated with the local exchange company has the right to interconnect with the landline network in a manner no less favorable than that of the licensee affiliated with the local exchange company; and it may, at its discretion, request reasonable interconnection arrangements that are different than those provided to the affiliated licensee in that market, and the landline telephone company must negotiate such requests in good faith. The FCC reiterated its position on interconnection issues in a declaratory ruling which clarified that landline operators are expected to provide within a reasonable time the agreed-upon form of interconnection.

The FCC regulates the ability of cellular operators to bundle the provision of service with hardware, the resale of cellular service by third parties and the coordination of frequency usage with other cellular licensees. The FCC also regulates the height and power of base station transmitting facilities and signal emissions in the cellular system. Cellular systems also are subject to Federal Aviation Administration and FCC regulations concerning the siting, construction, marking and lighting of cellular transmitter towers and antennae. In addition, the FCC also regulates the employment practices of cellular operators.

The Communications Act currently restricts foreign ownership or control over commercial mobile radio licenses, which include cellular radio service licenses. The FCC recently has proposed to consider the opportunities that other nations provide to United States companies in their communications industries as a factor in deciding whether to permit higher levels of indirect foreign ownership in companies controlling common carrier and certain other radio licenses.

On February 3, 1994, the FCC adopted rules implementing the 1993 Budget Act and creating the Commercial Mobile Radio Services ("CMRS") category. Under the new rules, almost all current common carrier mobile radio services, including cellular radio, and many current private mobile radio services will be subject to similar regulatory burdens as CMRS. The FCC decided not to require tariffs from cellular licensees or other CMRS providers.

The FCC has proposed new rules that would impose requirements that cellular carriers provide equal access to all interexchange carriers. At present, only cellular systems affiliated with AT&T or BOCs have to provide equal access. The FCC also is proposing that all CMRS providers provide interconnection to all other CMRS providers.

State Regulation and Local Approvals

Except for the State of Illinois, the states in which the Company presently operates currently do not regulate cellular telephone service. In the 1993 Budget Act, Congress gave the FCC the authority to preempt states from regulating rates or entry into CMRS, including cellular. In the CMRS order, described above, the FCC preempted the states and established a procedure for states to petition the FCC for authority to regulate rates and entry into CMRS. The scope of the allowable level of state regulation under the CMRS order is unclear.

EMPLOYEES

As of December 31, 1994, the Company had 6,700 employees, excluding employees in managed operations. Of these employees, 5,600 were associated with cable communications and 800 were associated with cellular telephone communications. The Company believes that its relationships with its employees are good.

As of December 31, 1994, QVC had 4,700 employees. The Company believes that QVC's relationships with its employees are good.

ITEM 2 PROPERTIES

The principal physical assets of a cable communications system consist of a central receiving apparatus, distribution cables, converters and local business offices. The Company owns or leases the receiving and distribution equipment of each system and owns or leases parcels of real property for the receiving sites and local business offices. The physical components of cable communications systems require maintenance and require periodic upgrading and rebuilding to keep pace with technological advances. It is anticipated that a significant number of the Company's systems will be upgraded or rebuilt over the next several years.

The principal physical assets of a cellular telephone system include cell sites and central switching equipment. The Company primarily leases its sites used for its transmission facilities and its administrative offices. The physical components of a cellular telephone system require maintenance and upgrading to keep pace with technological advances. It is anticipated that the Company's systems will be upgraded or rebuilt to digital technology over the next several years.

The Company's management believes that substantially all of its physical assets are in good operating condition.

ITEM 3 LEGAL PROCEEDINGS

1. In May 1994, the Company filed an appeal with the U.S. Court of Appeals for the District of Columbia Circuit challenging the legality of various FCC rate regulation Orders. The Company has also intervened in similar pending actions. The Company intends to continue to assess the impact of the FCC's rate regulations and to develop additional strategies to minimize the adverse impact of such regulations and the other provisions of the 1992 Cable Act on the Company's business.

2. In June 1994, eight state attorneys general each filed similar civil actions in state courts challenging the processes used by the Company to implement changes in rates for services on September 1, 1993. Each of these actions contends that the Company used improper "negative option" billing practices, notwithstanding the Company's belief that it had complied with federal policy and that the FCC had exclusive jurisdiction over such issues at that time. The Company sued in federal court to enjoin the actions of the state attorney general that coordinated the state proceedings. While the FCC has subsequently issued determinations supportive of the Company's position, no assurance can be given that the Company will succeed in each of these cases. If the Company is not successful in such efforts, the Company may be instructed to adjust certain of its cable rates and may be liable for additional damages in a manner that may have an adverse impact on the Company's operations.

3. In June 1994, Bell Atlantic Corp. filed applications before the FCC seeking authority to construct, and to amend a prior application to construct, video dialtone facilities throughout substantial areas of their telephone service area. The Company now provides cable television service in certain areas encompassed by those applications. In July 1994, the Company opposed grant of the applications on grounds they fail to comply with FCC rules. No assurance can be given that the Company will succeed in this matter. Grant of the applications as currently proposed and the construction and operation of such video dialtone facilities may have an adverse impact on the Company's operations in the affected areas.

4. The Company is involved in lawsuits and administrative proceedings regarding the ownership, operation and the transfer of the license for the cellular telephone system in the Atlantic City, New Jersey MSA ("Atlantic City MSA"). Although the Company cannot predict the ultimate outcome of these proceedings, management of the Company, based upon its investigation to date, believes that it has meritorious defenses in these proceedings,

and that the amount of ultimate liability, if any, will not materially affect the financial position of the Company. Such proceedings include: (i) a hearing at the FCC to determine the conduct and the qualifications of the current Atlantic City MSA licensee and the Company; (ii) litigation in state court in Oregon to determine, among other matters, contractual rights of the Atlantic City MSA licensee and various claims against the Company, including claims seeking punitive damages; and (iii) litigation in the United States District Court for the District of Columbia based primarily upon claims against the Company for tortious interference with prospective business advantage involving the Atlantic City MSA.

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders, through a solicitation of proxies or otherwise, during the fourth quarter of the year ended December 31, 1994.

ITEM 4A EXECUTIVE OFFICERS OF THE REGISTRANT

The current term of office of each of the officers expires at the first meeting of the Board of Directors of the Company following the next Annual Meeting of Shareholders, presently scheduled to be held in June 1995, or as soon thereafter as each of their successors is duly elected and qualified.

The following table sets forth certain information concerning the principal executive officers of the Company, including their ages, positions and tenure as of February 22, 1995.

Name	Age	Officer Since	Position with the Company
Ralph J. Roberts	74	1969	Chairman of the Board of Directors; Director
Julian A. Brodsky	61	1969	Vice Chairman of the Board of Directors; Director
Brian L. Roberts	35	1986	President; Director
John R. Alchin	46	1990	Senior Vice President; Treasurer
Lawrence S. Smith	47	1988	Senior Vice President - Accounting and Administration
Stanley L. Wang	54	1981	Senior Vice President; General Counsel; Secretary

Ralph J. Roberts has served as a Director and Chairman of the Board of Directors of the Company for more than five years. Mr. Roberts has been the President and a Director of Sural Corporation, a privately-held investment company ("Sural"), the Company's largest shareholder, for more than five years. Mr. Roberts devotes a major portion of his time to the business and affairs of the Company. The shares of the Company owned by Sural constitute approximately 78% of the voting power of the two classes of the Company's voting common stock combined. Mr. Roberts has voting control of Sural. Mr. Roberts is also a Director of Comcast UK Cable Partners Limited, Cablevision Investment of Detroit, Inc. and Storer Communications, Inc.

Julian A. Brodsky has served as Vice Chairman of the Board of Directors for more than five years. Mr. Brodsky presently serves as the Treasurer and a Director of Sural. Mr. Brodsky devotes a major portion of his time to the business and affairs of the Company. Mr. Brodsky is a Director of Comcast UK Cable Partners Limited, Cablevision Investment of Detroit, Inc., Storer Communications, Inc., RBB Fund, Inc. and Nextel Communications, Inc.

Brian L. Roberts has served as President of the Company and as a Director for more than five years. Mr. Roberts presently serves as Vice President and a Director of Sural. Mr. Roberts devotes a major portion of his time to the affairs of the Company. Mr. Roberts is also a Director of Turner Broadcasting System, Inc., Comcast UK Cable Partners Limited, Cablevision Investment of Detroit, Inc. and Storer Communications, Inc. He is a son of Ralph J. Roberts.

John R. Alchin has served as Treasurer and Senior Vice President of the Company for more than five years. Mr. Alchin is a Director of Comcast UK Cable Partners Limited.

Lawrence S. Smith has served as Senior Vice President of the Company for more than five years. Mr. Smith is the Principal Accounting Officer of the Company. Mr. Smith is a Director of Comcast UK Cable Partners Limited.

Stanley L. Wang has served as Senior Vice President, Secretary and General Counsel of the Company for more than five years. Mr. Wang is a Director of Cablevision Investment of Detroit, Inc. and Storer Communications, Inc.

PART II

ITEM 5 MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Class A Special Common Stock and Class A Common Stock of the Company are traded in the over-the-counter market and are included on the Nasdaq National Market ("Nasdaq") under the symbols CMCSK and CMCSA, respectively. There is no established public trading market for the Class B Common Stock of the Company. The Class B Common Stock is convertible, on a share for share basis, into Class A Special or Class A Common Stock. The following table sets forth, for the indicated periods, the closing price range of the Class A Special and Class A Common Stock as furnished by Nasdaq. Such price ranges have been adjusted for the Company's three-for-two stock split effective February 2, 1994 and rounded to the nearest one-eighth.

	Class A Special		Class A	
	High	Low	High	Low
1994				
First Quarter	$23 1/8	$17 5/8	$23 1/8	$18 1/8
Second Quarter	18 3/4	15	19 1/8	15 1/8
Third Quarter	17 3/4	15	18	15 1/8
Fourth Quarter	17 5/8	14 5/8	17 3/4	14 1/4
1993				
First Quarter	$15 1/8	$12 1/8	$16 5/8	$12 7/8
Second Quarter	14 5/8	10 5/8	15 3/4	11 7/8
Third Quarter	20 1/8	14 1/8	21 5/8	15
Fourth Quarter	25 7/8	19 5/8	27 7/8	20 7/8

The Company began paying quarterly cash dividends on its Class A Common Stock in 1977. Since 1978, the Company has paid equal dividends on shares of both the Class A Common Stock and the Class B Common Stock. Since December 1986, when the Class A Special Common Stock was issued, the Company has paid equal dividends on shares of the Class A Special, Class A and Class B Common Stock. The Company declared dividends of $.0933 for each of the years ended December 31, 1994 and 1993 on shares of Class A Special, Class A and Class B Common Stock (as adjusted for the Company's three-for-two stock split effective February 2, 1994).

It is the intention of the Board of Directors to continue to pay regular quarterly cash dividends on all classes of the Company's stock; however, the declaration and payment of future dividends and their amount depend upon the results of operations, financial condition and capital needs of the Company, contractual restrictions of the Company and its subsidiaries and other factors.

As of February 1, 1995, there were 2,407 record holders of the Company's Class A Special Common Stock and 1,854 record holders of the Company's Class A Common Stock. Sural Corporation is the sole record holder of the Company's Class B Common Stock.

ITEM 6 SELECTED FINANCIAL DATA

	Year Ended December 31,				
	1994 (1)	1993 (1)	1992 (1)	1991	1990
	(Dollars in thousands, except per share data)				
Statement of Operations Data:					
Service income	$1,375,304	$1,338,228	$900,345	$721,000	$650,941
Operating income	239,794	264,896	165,106	144,951	109,949
Equity in net losses of affiliates	(40,884)	(28,872)	(104,306)	(83,366)	(79,765)
Loss before extraordinary items and cumulative effect of accounting changes	(75,325)	(98,871)	(217,935)	(155,572)	(178,406)
Extraordinary items	(11,703)	(17,620)	(52,297)		
Cumulative effect of accounting changes		(742,734)			
Net loss	(87,028)	(859,225)	(270,232)	(155,572)	(178,406)
Loss per share before extraordinary items and cumulative effect of accounting changes (2)	(.32)	(.46)	(1.08)	(.87)	(1.05)
Extraordinary items per share (2)	(.05)	(.08)	(.26)		
Cumulative effect of accounting changes per share (2)		(3.47)			
Net loss per share (2)	(.37)	(4.01)	(1.34)	(.87)	(1.05)
Cash dividends declared per share (2)	.0933	.0933	.0933	.0933	.08
Balance Sheet Data:					
At year end:					
Total assets	6,762,984	4,948,276	4,271,898	2,793,584	2,456,573
Working capital (deficit)	(52,132)	176,569	36,886	381,183	64,474
Long-term debt	4,810,541	4,154,830	3,973,514	2,452,912	2,248,164
Stockholders' equity (deficiency)	(726,789)	(870,531)	(181,641)	19,480	(21,689)
Supplementary Financial Data:					
Operating income before depreciation and amortization (3)	576,256	606,396	397,153	309,250	271,167
Net cash provided by operating activities (4)	368,994	345,892	252,297	176,228	97,599

(1) See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for a discussion of events which affect the comparability of the information reflected in the above selected financial data.

(2) As adjusted for the Company's three-for-two stock split effective February 2, 1994.

(3) "Operating income before depreciation and amortization" (commonly referred to in the Company's businesses as "operating cash flow") is presented as a measure of the Company's ability to generate cash to service its obligations, including debt service obligations and to finance capital and other expenditures. In part due to the capital intensive nature of the telecommunications industry and the significant level of non-cash depreciation and amortization expense, operating cash flow is frequently used as one of the bases for comparing companies in the industry. Operating cash flow does not purport to represent net income or net cash provided by operating activities, as those terms are defined under generally accepted accounting principles, and should not be considered as an alternative to such measurements as an indicator of the Company's performance.

(4) Represents net cash provided by operating activities as presented in the Company's Consolidated Statement of Cash Flows.

ITEM 7 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The Company has experienced significant growth in recent years both through strategic acquisitions and growth in its existing businesses. The Company has historically met its cash needs for operations through its cash flows from operating activities. Cash requirements for acquisitions and capital expenditures have been provided through the Company's financing activities as well as its existing cash and cash equivalents and short-term investments.

General Developments of Business

QVC

In February 1995, the Company and Tele-Communications, Inc. ("TCI") acquired all of the outstanding stock of QVC, Inc. ("QVC") for $46, in cash, per share. The total cost of acquiring the outstanding shares of QVC not previously owned by the Company and TCI (approximately 65% of such shares on a fully diluted basis) was approximately $1.4 billion. Following the acquisition, the Company and TCI own, through their respective subsidiaries, 57.45% and 42.55%, respectively, of QVC. The Company will account for the QVC acquisition under the purchase method of accounting and QVC will be consolidated with the Company beginning in February 1995.

The acquisition of QVC, including the exercise of certain warrants held by the Company, was financed with cash contributions from the Company and TCI of $296.3 million and $6.6 million, respectively, borrowings of $1.1 billion under a $1.2 billion QVC credit facility and existing cash and cash equivalents held by QVC.

QVC is a nationwide general merchandise retailer, operating as one of the leading televised shopping retailers in the United States. Through its merchandise-focused television programs (the "QVC Service"), QVC sells a wide variety of products directly to consumers. The QVC Service currently reaches approximately 50 million cable television subscribers in the United States.

The day to day operations of QVC will, except in certain limited circumstances, be managed by the Company. With certain exceptions, direct or indirect transfers to unaffiliated third parties by the Company or TCI of any stock in QVC are subject to certain restrictions and rights in favor of the other.

Maclean Hunter

On December 22, 1994, the Company, through Comcast MHCP Holdings, L.L.C. (the "LLC"), acquired the U.S. cable television and alternate access operations of Maclean Hunter Limited ("Maclean Hunter") from Rogers Communications Inc. and all of the outstanding shares of Barden Communications, Inc. (collectively, such acquisitions are referred to as the "Maclean Hunter Acquisition") for approximately $1.2 billion (subject to certain adjustments) in cash. The Company and the California Public Employees' Retirement System ("CalPERS") invested approximately $305.0 million and $250.0 million, respectively, in the LLC, which is owned 55% by a wholly-owned subsidiary of the Company and 45% by CalPERS, and is managed by the Company. The Maclean Hunter Acquisition, including certain transaction costs, was financed with cash contributions from the LLC of $555.0 million and borrowings of $715.0 million under an $850.0 million Maclean Hunter credit facility. At any time after December 18, 2001, CalPERS may elect to liquidate its interest in the LLC at a price based upon the fair value of CalPERS' interest in the LLC, adjusted, under certain circumstances, for certain performance criteria relating to the fair value of the LLC or to the Company's common stock. Except in certain limited circumstances, the Company, at its option, may satisfy this liquidity arrangement by purchasing CalPERS' interest for cash, through the issuance of the Company's common stock (subject to certain limitations) or by selling the LLC. The Maclean Hunter Acquisition was accounted for under the purchase method of accounting and Maclean Hunter is consolidated with the Company as of December 31, 1994.

Telecommunications Joint Venture

On October 25, 1994, the Company announced a joint venture ("WirelessCo") with Sprint Corporation ("Sprint"), TCI and Cox Cable Communications, Inc. ("Cox") to provide wireless communications services. WirelessCo is owned 40% by Sprint, 30% by TCI and 15% each by the Company and Cox. WirelessCo is participating in the first of several Federal Communications Commission ("FCC") auctions of blocks of spectrum for licenses to provide Personal Communications Services ("PCS"), having filed an application to participate in 39 of 51 Major Trading Area

("MTA") markets nationwide. As of February 21, 1995, WirelessCo's aggregate bids for 38 licenses covering a total population of 168 million were $1.975 billion. There can be no assurances that WirelessCo will be successful in bidding for or otherwise obtaining PCS licenses for these or other MTAs. The Company has obtained letter of credit commitments sufficient to cover its 15% share of the cost of PCS licenses for which WirelessCo is the successful bidder. The Company may have material additional capital requirements relating to the buildout of PCS systems if WirelessCo is successful in the PCS bidding process. WirelessCo is accounted for under the equity method of accounting.

The parties have also signed a joint venture formation agreement which provides the basis upon which they will develop definitive agreements for their local wireline telecommunications activities. The parties anticipate that the wireline joint venture will be owned in the same percentages as WirelessCo. The parties' ability to provide such local services on a nationwide basis, and the timing thereof, will depend upon, among other things, the removal or modification of legal barriers to local telephone competition. The parties anticipate that Teleport Communications Group ("TCG"), which is owned 20% by the Company and by other cable television operators, including TCI and Cox, will be contributed to the local telephone venture. TCG is an alternative provider of local telephone services. The contribution of TCG to the venture is expected to be subject to certain conditions, including obtaining necessary governmental and other approvals.

Storer

Prior to December 2, 1992, the Company held a 50% ownership interest in SCI Holdings, Inc. ("SCI"), the parent company of Storer Communications, Inc. ("Storer"). On December 2, 1992, the Company completed certain transactions pursuant to which (i) the value of SCI was divided proportionately between its two 50% shareholders (the "Split-off") and (ii) SCI refinanced its indebtedness (the "Refinancing Plan"). In connection with the Split-off, SCI was merged into Storer and the Company became the sole shareholder of Storer.

AWACS

On March 5, 1992, the Company acquired from Metromedia Company ("Metromedia") a 50.01% direct and a 49.99% indirect interest in AWACS, Inc. ("AWACS"), the non-wireline cellular telephone system serving the Philadelphia Metropolitan Statistical Area, which includes eight counties in Pennsylvania and New Jersey and contained a population of approximately 4.9 million people at that date. Concurrently, the Company also acquired from Metromedia the outstanding interests not owned by the Company in two New Jersey cellular telephone systems which served a total population of approximately 1.3 million people at that date.

Liquidity and Capital Resources

The Company has traditionally maintained significant levels of cash and cash equivalents and short-term investments to meet its short-term needs. Cash and cash equivalents and short-term investments as of December 31, 1994 and 1993 were $465.5 million and $679.8 million, respectively.

The Company's cash and cash equivalents and short-term investments are recorded at cost which approximates their fair value. At December 31, 1994, the Company's short-term investments of $130.1 million had a weighted average maturity of approximately 16 months. However, due to the high degree of liquidity and the intent of management to use these investments as needed to fund its commitments, the Company considers these as current assets.

It is anticipated that during 1995 the domestic operations of the Company will incur approximately $500 million of capital expenditures, including $250 million for the upgrading and rebuilding of certain of the Company's cable communications systems and $200 million for the upgrading of the Company's cellular communications systems. The amount of such capital expenditures for years subsequent to 1995 will depend on numerous factors, many of which are beyond the Company's control. These factors include whether competition in a particular market necessitates a system upgrade, whether a particular system has sufficient capacity to handle new product offerings including the offering of cable telephony and telecommunications services, whether and to what extent the Company will be able to recover its investment under FCC rate guidelines and whether the Company acquires additional systems in need of upgrading or rebuilding. The Company, however, anticipates capital expenditures for years subsequent to 1995 will continue to be significant.

The Company has historically utilized a strategy of financing its acquisitions through senior debt at the acquired operating subsidiary level. Additional financing has also been obtained by the Company through the issuance of subordinated debt at the intermediate holding company and parent company levels. At December 31, 1994 and 1993, the Company's long-term debt was $4.811 billion and $4.155 billion, respectively. Maturities of long-term debt for the five years commencing in 1995 are $182.9 million, $309.5 million, $388.1 million, $802.4 million and $518.8 million. As of December 31, 1994, certain subsidiaries of the Company had unused lines of credit of $553.0 million. The Company used $100.0 million of such available funds through February 21, 1995, principally to fund the acquisition of QVC.

On September 27, 1994, Comcast UK Cable Partners Limited ("Comcast UK Cable"), a subsidiary of the Company, consummated an initial public offering (the "IPO") of 15 million of its Class A Common Shares for net proceeds of $209.4 million. Comcast UK Cable converted $109.4 million of these proceeds to its functional currency and the remaining $100.0 million was protected from currency risk through the purchase of foreign exchange forward contracts. The net proceeds from the IPO will be utilized by Comcast UK Cable for future advances and capital contributions to its equity investees and subsidiary primarily relating to the buildout of their telecommunications networks in the United Kingdom.

On January 26, 1995, the Company exchanged its interest in Heritage Communications, Inc. with TCI for Class A common shares of TCI with a fair market value of approximately $290 million. Shortly thereafter, the Company sold certain of these shares for total proceeds of approximately $188 million. As a result of these transactions, the Company will recognize a pre-tax gain of $141 million in the first quarter of 1995.

In June 1994, the Company entered into an Exchange Agreement with McCaw Cellular Communications, Inc. to acquire the entity that holds the Ocean County, NJ RSA cellular license (450,000 Pops) in exchange for the Company's Hunterdon County, NJ RSA license and approximately $52.5 million in cash. The transaction is expected to close in 1995.

The Company expects to continue to recognize significant losses and to continue to pay dividends; therefore, it anticipates that it will continue to have a deficiency in stockholders' equity that will increase for the foreseeable future. The telecommunications industry, including cable and cellular communications, is experiencing increasing competition and rapid technological changes. The Company's future results of operations will be affected by its ability to react to changes in the competitive environment and by its ability to implement new technologies. However, management believes that competition, technological changes and its deficiency in stockholders' equity will not significantly affect its ability to obtain financing.

The Company has entered into certain foreign exchange forward contracts and interest rate swap and cap agreements as a normal part of its risk and interest rate management efforts.

Foreign exchange forward contracts, which mature at various times through 1996, are used by Comcast UK Cable to hedge against the risk that monetary assets held or denominated in currencies other than its functional currency are devalued as a result of changes in exchange rates. The amount of these contracts was $100.0 million as of December 31, 1994. Foreign exchange contracts provide an effective hedge against such monetary assets held since gains and losses realized on the contracts are offset against gains or losses realized on the underlying hedged assets.

The Company has entered into interest rate swap and cap agreements to limit the Company's exposure to loss from adverse fluctuations in interest rates. At December 31, 1994 and 1993, $415.0 million and $635.0 million, respectively, of the Company's variable rate debt was protected by these products. Such agreements mature on various dates in 1995 and the related differentials to be paid or received are recognized over the terms of the agreements. The estimated fair value of such instruments, based on discounted future cash flows of the differentials, was not significant to the Company as of December 31, 1994 and 1993.

During 1994, the Company entered into other interest rate swap agreements to manage its overall interest expense. At December 31, 1994, the Company had swapped $400.0 million notional amount of fixed rate debt for variable rate products (effective rates of 4.13% through 6.93% at December 31, 1994) which mature between 2000 and 2004. Since these products are designated as matched with certain of the Company's fixed rate debt, the differentials paid or received are recognized as a component of interest expense over the terms of the related agreements. Certain of these agreements have extensions, at the option of the counterparty, or indexed amortization provisions which may extend the lives of the agreements from three to five years. The estimated liability to settle these instruments was

$39 million as of December 31, 1994. The estimated liability to settle the extension and indexed amortization features for certain of these instruments is not significant to the Company.

The credit risks associated with the Company's derivative financial instruments are controlled through the evaluation and continual monitoring of the creditworthiness of the counterparties. Although the Company may be exposed to losses in the event of nonperformance by the counterparties, the Company does not expect such losses, if any, to be significant.

The Company's long-term debt had a carrying amount of $4.993 billion and an estimated fair value of $4.768 billion as of December 31, 1994. The difference between the carrying value and estimated fair value of the Company's long-term debt was not significant as of December 31, 1993. The Company's weighted average interest rate was approximately 7.75%, 8.45% and 9% for the years ended December 31, 1994, 1993 and 1992, respectively. The Company continually evaluates its debt structure with the intention of reducing its debt service requirements when desirable.

The Company believes that it will be able to meet its current and long-term liquidity and capital requirements, including its fixed charges, through its cash flows from operating activities, existing cash and cash equivalents, short-term investments, lines of credit and other external financing.

Statement of Cash Flows

Cash and cash equivalents increased $174.9 million at December 31, 1994 from December 31, 1993 and decreased $53.0 million at December 31, 1993 from December 31, 1992. Changes in cash and cash equivalents resulted from cash flows from operating, financing and investing activities which are explained below.

Net cash provided by operating activities amounted to $369.0 million, $345.9 million and $252.3 million for the years ended December 31, 1994, 1993 and 1992, respectively. The increase of $23.1 million in net cash provided by operating activities from 1993 to 1994 was principally due to a decrease in the Company's net cash interest expense primarily from the effects of lower levels of debt outstanding and a lower average cost of debt and changes in working capital as a result of the timing of receipts and disbursements. The $93.6 million increase in net cash provided by operating activities from 1992 to 1993 includes $99.1 million from the Split-off.

Net cash provided by financing activities, which includes the issuances of securities as well as borrowings, was $1.115 billion, $437.2 million and $1.730 billion for the years ended December 31, 1994, 1993 and 1992, respectively. Proceeds of borrowings of $1.201 billion in 1994 included $1.015 billion relating to the Maclean Hunter Acquisition. During 1994, the Company repurchased or redeemed and retired $509.0 million of its long-term debt including the Company's $150.0 million, 11-7/8% Senior subordinated debentures due 2004. Additionally, net cash provided by financing activities excludes the conversion of $186.2 million of long-term debt into 16.8 million shares of Class A Special Common Stock of the Company. In 1994, the Company received an equity contribution to a subsidiary of $250.0 million in connection with the Maclean Hunter Acquisition and received proceeds from the issuance of common stock of Comcast UK Cable of $209.4 million. During 1993, proceeds from borrowings of $954.0 million included $200 million principal amount of 9-1/2% Senior subordinated debentures due 2008, $250 million principal amount of 3-3/8% / 5-1/2% Step-up convertible subordinated debentures due 2005 and net proceeds of $300 million from the issuance of $541.9 million principal amount of its 1-1/8% Discount convertible subordinated debentures due 2007. During 1993, the Company retired $493.0 million of long-term debt. Additionally, net cash provided by financing activities excludes the conversion of $185.4 million of long-term debt into 17.3 million shares of Class A Special Common Stock of the Company. During 1992, the Company sold 6.0 million shares of its Class A Special Common Stock resulting in net proceeds of $101.3 million, issued $300.0 million principal amount of 10-5/8% Senior subordinated debentures due 2012 and obtained $1.720 billion in borrowings relating to the AWACS acquisition and the Split-off. The Company repaid $386.1 million of its long-term debt in 1992.

Net cash used in investing activities was $1.309 billion, $836.1 million and $1.894 billion for the years ended December 31, 1994, 1993 and 1992, respectively. Acquisitions in 1994 consisted principally of $1.2 billion paid, including certain transaction costs, in connection with the Maclean Hunter Acquisition. Net proceeds of $389.3 million from the sale of short-term investments during 1994 were used principally to redeem and retire long-term debt. In addition, during 1994, the Company made capital expenditures of $269.9 million and made additional cash investments in affiliates of $125.0 million. During 1993, the Company purchased $384.9 million of short-term investments, made $158.4 million of capital expenditures and made long-term investments of $272.5 million. Investments in 1993 included the purchase of an interest in and loans made to TCG of $77.8 million, the purchase

of additional interests in Nextel Communications, Inc. ("Nextel") totalling $118.2 million and the purchase of additional shares of QVC totalling $32.1 million. Cash flows used in investing activities in 1992 included the AWACS acquisition of $567 million and the Split-off of $1.4 billion.

Results of Operations

The effects of the QVC and Maclean Hunter acquisitions will be, and the effects of the Split-off, AWACS acquisition and other acquisitions made in prior years have been, to increase significantly the Company's service income and expenses resulting in substantial increases in its operating income before depreciation and amortization, depreciation and amortization expense and net interest expense. The Split-off has the effect of reducing the Company's net losses for years after 1992 primarily because Storer's interest expense and preferred stock dividend requirements were reduced as a result of the Refinancing Plan. However, it is expected that because of the depreciation and amortization and interest expense associated with these acquisitions and their financing, the Company will continue to realize substantial losses for the foreseeable future.

For the years ended December 31, 1994, 1993 and 1992, the Company realized operating income before depreciation and amortization (commonly referred to in the Company's businesses as "operating cash flow") of $576.3 million, $606.4 million and $397.2 million, respectively, representing a decrease of $30.1 million or 5% from 1993 to 1994 and an increase of $209.2 million or 53% from 1992 to 1993. These changes are a result of the items discussed below. Operating cash flow is a measure of a company's ability to generate cash to service its obligations, including debt service obligations, and to finance capital and other expenditures. In part due to the capital intensive nature of the Company's businesses and the resulting significant level of non-cash depreciation and amortization expense, operating cash flow is frequently used as one of the bases for comparing cable and cellular businesses. Operating cash flow does not purport to represent net income or net cash provided by operating activities, as those terms are defined under generally accepted accounting principles, and should not be considered as an alternative to such measurements as an indicator of the Company's performance. See "Statement of Cash Flows" above for a discussion of net cash provided by operating activities.

The Company realized service income of $1.375 billion, $1.338 billion and $900.3 million for the years ended December 31, 1994, 1993 and 1992, respectively, representing increases of $37.1 million or 3% from 1993 to 1994 and $437.9 million or 49% from 1992 to 1993. For the years ended December 31, 1994, 1993 and 1992, approximately 77%, 82% and 81%, respectively, of the Company's service income related to its cable division and 21%, 15% and 16%, respectively, related to its cellular division.

Operating, selling, general and administrative expenses were $799.0 million, $731.8 million and $503.2 million for the years ended December 31, 1994, 1993 and 1992, respectively, representing increases of $67.2 million or 9% from 1993 to 1994 and $228.6 million or 45% from 1992 to 1993. For the years ended December 31, 1994, 1993 and 1992, approximately 69%, 74% and 73%, respectively, of the Company's operating, selling, general and administrative expenses related to its cable division and 21%, 15% and 16%, respectively, related to its cellular division.

Depreciation and amortization expense was $336.5 million, $341.5 million and $232.0 million for the years ended December 31, 1994, 1993 and 1992, respectively, representing a decrease of $5.0 million or 1% from 1993 to 1994 and an increase of $109.5 million or 47% in 1993 from 1992. The decrease from 1993 to 1994 is due to certain of the Company's assets becoming fully depreciated in 1993, partially offset by the effects of capital expenditures. The increase in 1993 from 1992 is primarily due to the effects of the Split-off and the effects of capital expenditures.

Interest expense to third parties was $313.5 million, $347.4 million and $231.3 million for the years ended December 31, 1994, 1993 and 1992, respectively, representing a decrease of $33.9 million or 10% from 1993 to 1994 and an increase of $116.1 million or 50% from 1992 to 1993. The decrease from 1993 to 1994 is due to the effects of lower levels of debt outstanding and a lower average cost of debt. The increase in 1993 was due to a higher level of debt outstanding primarily associated with the Split-off and the AWACS acquisition. At December 31, 1994, the Company had approximately $3.070 billion or 61% of its debt at variable rates.

For the years ended December 31, 1994, 1993 and 1992, the Company's earnings before cumulative effect of accounting changes, extraordinary items, income taxes (benefit), equity in net losses of affiliates and fixed charges (interest expense and interest expense and preferred stock dividend requirement of a subsidiary to an affiliate) were $269.8 million, $292.7 million and $212.7 million, respectively. These earnings were not adequate to cover the Company's fixed charges of $313.5 million, $347.4 million and $312.3 million for the years ended December 31,

1994, 1993 and 1992, respectively. These fixed charges include non-cash interest and non-cash dividends (1992 only) of $53.5 million, $62.3 million and $98.0 million for the years ended December 31, 1994, 1993 and 1992, respectively. The inadequacy of these earnings to cover fixed charges is primarily due to the substantial non-cash charges for depreciation and amortization expense of $336.5 million, $341.5 million and $232.0 million for the years ended December 31, 1994, 1993 and 1992, respectively.

The Company believes that its losses and inadequacy of earnings to cover fixed charges will not significantly affect the performance of its normal business activities because of its existing cash and cash equivalents, short-term investments, its ability to generate operating income before depreciation and amortization and its ability to obtain external financing.

The Company recognized income taxes (benefit) of ($9.2) million, $15.2 million and $14.0 million for the years ended December 31, 1994, 1993 and 1992, respectively. Effective January 1, 1993, the Company changed its method of accounting for income taxes to Statement of Financial Accounting Standards ("SFAS") No. 109 from Accounting Principles Board Opinion No. 11 (see Note 6 to the Company's consolidated financial statements). The tax provision for 1993 includes an increase in income tax expense of approximately $21 million relating to the federal income tax rate change from 34% to 35%.

The Company anticipates that, for the foreseeable future, interest expense will be a significant cost to the Company and will have a significant adverse effect on the Company's ability to realize net earnings. The Company believes it will continue to be able to meet its obligations through its ability both to generate operating income before depreciation and amortization and to obtain external financing.

The Company recognized losses before extraordinary items and cumulative effect of accounting changes of $75.3 million, $98.9 million and $217.9 million for the years ended December 31, 1994, 1993 and 1992, respectively. These results of operations include equity in net losses of affiliates of $40.9 million, $28.9 million and $104.3 million, respectively, for those years. The Company's 1992 equity in net loss includes $27.5 million as its portion of Storer's redemption premium on preferred stock redeemed in connection with the Refinancing Plan.

The Company paid premiums and expensed unamortized debt acquisition costs totalling $18.0 million during 1994, primarily as a result of the redemption of its $150.0 million, 11-7/8% Senior subordinated debentures due 2004, resulting in the Company recording an extraordinary loss, net of tax, of $11.7 million or $.05 per share. The Company paid similar premiums of $27.1 million during 1993 in connection with the redemption of certain of its debt resulting in the Company recording an extraordinary loss, net of tax, of $17.6 million or $.08 per share. On January 1, 1993, the Company recorded a one time non-cash charge resulting from the adoption of SFAS No. 109, SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," and SFAS No. 112, "Employers' Accounting for Postemployment Benefits," totalling $742.7 million or $3.47 per share, net of tax. In 1992, the Company recorded an extraordinary loss of $52.3 million or $.26 per share as its portion of Storer's loss from its early extinguishment of debt.

The Company believes that its operations are not materially affected by inflation.

Cable Communications

The Company's cable division realized service income of $1.065 billion, $1.093 billion and $725.7 million for the years ended December 31, 1994, 1993 and 1992, respectively, representing a decrease of $27.4 million or 3% from 1993 to 1994 and an increase of $367.1 million or 51% from 1992 to 1993. The cable division's reduction in service income from 1993 to 1994 includes the estimated effects on regulated rates as a result of cable rate regulation of $82.0 million in 1994 offset, in part, by the effects of subscriber growth and new product offerings of $54.6 million. The increase in the cable division's service income from 1992 to 1993 includes $326.2 million resulting from the Split-off. The remaining increase of $40.9 million is attributable to the net effects of increased rates of $15.9 million and additional subscribers and new product offerings of $25.0 million.

Operating, selling, general and administrative expenses for the Company's cable division were $547.8 million, $540.8 million and $369.4 million for the years ended December 31, 1994, 1993 and 1992, respectively, representing increases of $7.0 million or 1% from 1993 to 1994 and $171.4 million or 46% from 1992 to 1993. The Split-off accounted for $157.9 million or 92% of the increase from 1992 to 1993. The increase from 1993 to 1994 and the remaining increase from 1992 to 1993 is attributable to increases in the costs of labor, billing and cable programming as a result of subscriber growth, partially offset by a reduction of franchise fee expense. Franchise fees were reported

by the Company as a component of operating expenses prior to the implementation of the Cable Television Consumer Protection and Competition Act of 1992 ("1992 Cable Act"). Effective September 1, 1993, the Company commenced charging subscribers directly for such fees as permitted under the 1992 Cable Act and recording amounts charged as an offset to operating expenses resulting in a decrease in franchise fee expense of $15.9 million and $6.5 million from 1993 to 1994 and from 1992 to 1993, respectively. It is anticipated that the Company's cost of cable programming will increase in the future as cable programming rates increase and additional sources of cable programming become available.

Cellular Communications

The Company's cellular division realized service income of $286.1 million, $202.0 million and $142.9 million for the years ended December 31, 1994, 1993 and 1992, respectively, representing increases of $84.1 million or 42% from 1993 to 1994 and $59.1 million or 41% from 1992 to 1993. The increase from 1992 to 1993 includes $13.7 million due to increased service income from AWACS. The increase from 1993 to 1994 and the remaining increase from 1992 to 1993 is attributable to subscriber growth partially offset by the effects of a decrease in the average minutes-of-use per cellular subscriber in both years. The Company expects the decrease in average minutes-of-use per cellular subscriber to continue in the future.

Operating, selling, general and administrative expenses for the Company's cellular division were $169.8 million, $109.9 million and $80.8 million for the years ended December 31, 1994, 1993 and 1992, respectively, representing increases of $59.9 million or 55% from 1993 to 1994 and $29.1 million or 36% from 1992 to 1993. These increases are primarily due to increases in marketing and commissions as a result of subscriber growth.

Cable Rate Regulation Developments

On March 30, 1994, the FCC: (i) modified its existing benchmark methodology to require, absent a successful cost-of-service showing, reductions of approximately 17% in the rates for regulated cable services in effect on September 30, 1992, adjusted for inflation, channel modifications, equipment costs and increases in certain operating costs. The modified benchmarks and regulations are generally designed to cause an additional 7% reduction in the rates for regulated cable services on top of the rate reductions implemented by the Company in September 1993 under the prior FCC benchmarks and regulations; (ii) adopted interim regulations to govern cost-of-service showings by cable operators, establishing an industry-wide 11.25% after tax rate of return and a rebuttable presumption that acquisition costs above original historic book value of tangible assets should be excluded from the rate base; and (iii) reconsidered, among other matters, its regulations concerning rates for the addition of regulated services and the treatment of packages of "a la carte" channels.

In July 1994, the Company reduced rates for regulated services in the majority of its cable systems to comply with the modified benchmarks and regulations. In addition, the Company is currently seeking to justify existing rates in certain other of its cable systems on the basis of cost-of-service showings; however, the interim cost-of-service regulations promulgated by the FCC do not support positions taken by the Company in its cost-of-service filings to date. The Company's reported cable service income reflects the estimated effects of cable regulation. The Company is seeking reconsideration by the FCC of the interim cost-of-service regulations and, if unsuccessful in justifying existing rates under cost-of-service regulations, intends to seek judicial relief. However, no assurance can be given that the Company will be able to offset, to any substantial degree, the adverse impact of rate reductions in compliance with the modified benchmarks and regulations or that it will be successful in cost-of-service proceedings. If the Company is not successful in such efforts, and there is no legislative, administrative or judicial relief in these matters, the FCC regulations will continue to adversely affect the Company's results of operations.

On November 10, 1994, the FCC announced modified "Going Forward" rules which, among other things, permit cable operators to charge an additional $0.20 per month per channel for channels added to the cable programming services tier, up to a maximum of six channels, and to recover an additional $0.30 in monthly fees paid to programmers for such channels. The ruling applies to channels added between May 15, 1994 and December 31, 1996 and became effective January 1, 1995. The FCC concurrently announced regulations permitting cable operators to create new product tiers which would generally not be subject to rate regulation. The Company is currently reviewing the ruling and is unable to predict the effect on its future results of operations.

ITEM 8 FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders
Comcast Corporation
Philadelphia, Pennsylvania

We have audited the accompanying consolidated balance sheet of Comcast Corporation and its subsidiaries as of December 31, 1994 and 1993, and the related consolidated statements of operations, stockholders' equity (deficiency) and of cash flows for each of the three years in the period ended December 31, 1994. Our audits also included the financial statement schedule listed in the Index at Item 14(b)(i). These financial statements and the financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the financial statement schedule based on our audits. We did not audit the consolidated financial statements of Storer Communications, Inc. ("Storer") as of and for the year ended December 31, 1992, the consolidated financial statements of Comcast International Holdings, Inc. ("International") as of and for each of the two years in the period ended December 31, 1994 and the financial statements of Garden State Cablevision L.P. ("Garden State") as of December 31, 1994 and 1993 and for each of the three years in the period ended December 31, 1994. International is consolidated with the Company. The Company's investments in Storer and Garden State have been accounted for under the equity method, except that subsequent to December 2, 1992, Storer was consolidated with the Company. The Company's combined equity in the net assets of International and Garden State of $111.1 million and $43.8 million at December 31, 1994 and 1993, respectively, and the Company's combined equity in the net losses of Storer (through December 31, 1992), International (for the years ended December 31, 1994 and 1993) and Garden State for the years ended December 31, 1994, 1993 and 1992, of $38.7 million, $32.8 million and $145.1 million, respectively, are included in the Company's consolidated financial statements. The financial statements of Storer, International and Garden State were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in the Company's consolidated financial statements for Storer (through December 31, 1992), International (as of and for each of the two years in the period ended December 31, 1994) and Garden State, is based solely upon the reports of the other auditors.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, such consolidated financial statements present fairly, in all material respects, the financial position of Comcast Corporation and its subsidiaries as of December 31, 1994 and 1993, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1994 in conformity with generally accepted accounting principles. Also, in our opinion, the financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in the notes to consolidated financial statements, the Company changed its method of accounting for income taxes effective January 1, 1993 to conform with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes."

/s/ Deloitte & Touche LLP

Philadelphia, Pennsylvania
February 21, 1995

COMCAST CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
DECEMBER 31, 1994 AND 1993
(Dollars in thousands)

	1994	1993
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$335,320	$160,434
Short-term investments, at cost which approximates fair value	130,134	519,386
Accounts receivable, less allowance for doubtful accounts of $11,272 and $11,792	108,245	72,182
Prepaid charges and other	34,807	18,491
Total Current Assets	608,506	770,493
INVESTMENTS, principally in affiliates	797,075	665,208
PROPERTY AND EQUIPMENT	2,081,256	1,722,578
Accumulated depreciation	(823,570)	(701,591)
Property and equipment, Net	1,257,686	1,020,987
DEFERRED CHARGES		
Franchise and license acquisition costs	3,569,745	2,314,736
Excess of cost over net assets acquired and other	1,375,868	879,882
	4,945,613	3,194,618
Accumulated amortization	(845,896)	(703,030)
Deferred charges, Net	4,099,717	2,491,588
	$6,762,984	$4,948,276
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$402,869	$255,759
Accrued interest	60,219	61,808
Subscribers' advance payments and other	14,637	12,484
Current portion of long-term debt	182,913	263,873
Total Current Liabilities	660,638	593,924
LONG-TERM DEBT, Less current portion	4,810,541	4,154,830
DEFERRED INCOME TAXES	1,390,849	929,916
MINORITY INTEREST AND OTHER	627,745	140,137
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIENCY		
Preferred Stock, no par value - authorized, 20,000,000 shares; issued, none		
Class A Special Common Stock, $1 par value - authorized, 500,000,000 shares; issued, 191,230,684 and 173,952,952	191,231	173,953
Class A Common Stock, $1 par value - authorized, 200,000,000 shares; issued, 39,019,809 and 38,946,754	39,020	38,947
Class B Common Stock, $1 par value - authorized, 50,000,000 shares; issued, 8,786,250	8,786	8,786
Additional capital	875,501	647,242
Accumulated deficit	(1,827,647)	(1,717,931)
Unrealized gains on marketable securities	3,862	
Cumulative translation adjustments	(17,542)	(21,528)
Total Stockholders' Deficiency	(726,789)	(870,531)
	$6,762,984	$4,948,276

See notes to consolidated financial statements.

COMCAST CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS
YEARS ENDED DECEMBER 31, 1994, 1993 AND 1992
(Amounts in thousands, except per share data)

	1994	1993	1992
SERVICE INCOME	$1,375,304	$1,338,228	$900,345
COSTS AND EXPENSES			
Operating	409,841	407,846	275,510
Selling, general and administrative	389,207	323,986	227,682
Depreciation and amortization	336,462	341,500	232,047
	1,135,510	1,073,332	735,239
OPERATING INCOME	239,794	264,896	165,106
INVESTMENT (INCOME) EXPENSE			
Interest expense	313,477	347,448	231,318
Investment income	(24,606)	(29,249)	(49,309)
Interest expense and preferred stock dividend requirement of a subsidiary to an affiliate			80,970
Equity in net losses of affiliates	40,884	28,872	104,306
Other	(5,402)	1,467	1,756
	324,353	348,538	369,041
LOSS BEFORE INCOME TAXES (BENEFIT), EXTRAORDINARY ITEMS AND CUMULATIVE EFFECT OF ACCOUNTING CHANGES	(84,559)	(83,642)	(203,935)
INCOME TAXES (BENEFIT)	(9,234)	15,229	14,000
LOSS BEFORE EXTRAORDINARY ITEMS AND CUMULATIVE EFFECT OF ACCOUNTING CHANGES	(75,325)	(98,871)	(217,935)
EXTRAORDINARY ITEMS	(11,703)	(17,620)	(52,297)
CUMULATIVE EFFECT OF ACCOUNTING CHANGES		(742,734)	
NET LOSS	($87,028)	($859,225)	($270,232)
LOSS PER SHARE			
Loss before extraordinary items and cumulative effect of accounting changes	($.32)	($.46)	($1.08)
Extraordinary items	(.05)	(.08)	(.26)
Cumulative effect of accounting changes		(3.47)	
Net Loss	($.37)	($4.01)	($1.34)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	236,262	213,939	201,815

See notes to consolidated financial statements.

COMCAST CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1994, 1993 AND 1992
(Dollars in thousands)

	1994	1993	1992
OPERATING ACTIVITIES			
Net loss	($87,028)	($859,225)	($270,232)
Noncash items included in net loss:			
Depreciation and amortization	336,462	341,500	232,047
Interest expense	53,490	62,316	53,628
Preferred stock dividend requirement of a subsidiary to an affiliate			44,393
Equity in net losses of affiliates	40,884	28,872	104,306
Gain on sale of division	(5,825)		
Extraordinary items	11,703	17,620	52,297
Cumulative effect of accounting changes		742,734	
Deferred income taxes and other	4,271	456	2,400
	353,957	334,273	218,839
Increase in accounts receivable and prepaid charges and other	(40,877)	(16,062)	(4,514)
(Decrease) increase in accrued interest	(1,589)	6,548	16,100
Increase in accounts payable and accrued expenses and subscribers' advance payments and other	57,503	21,133	21,872
Net cash provided by operating activities	368,994	345,892	252,297
FINANCING ACTIVITIES			
Proceeds from borrowings	1,201,084	953,952	2,586,360
Debt issued and assumed directly in connection with acquisitions			(574,690)
Retirement and repayment of debt	(508,986)	(493,047)	(386,056)
Issuance of common stock, net	2,893	6,652	107,399
Issuance of common stock of a subsidiary, net	209,394		
Equity contribution to a subsidiary	250,000		
Dividends	(22,688)	(20,739)	(19,164)
Other	(16,492)	(9,620)	16,021
Net cash provided by financing activities	1,115,205	437,198	1,729,870
INVESTING ACTIVITIES			
Acquisitions	1,292,589	9,315	2,544,953
Noncash portions of acquisitions			(574,690)
(Sales) purchases of short-term investments, net	(389,252)	384,948	(335,641)
Increase in investments, principally in affiliates	125,034	272,529	150,334
Additions to property and equipment	269,943	158,396	109,435
Proceeds from sale of division	(28,183)		
Other	39,182	10,902	
Net cash used in investing activities	1,309,313	836,090	1,894,391
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	174,886	(53,000)	87,776
Cash and Cash Equivalents, Beginning of Year	160,434	213,434	125,658
CASH AND CASH EQUIVALENTS, End of Year	$335,320	$160,434	$213,434

See notes to consolidated financial statements.

COMCAST CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIENCY)
YEARS ENDED DECEMBER 31, 1994, 1993 AND 1992
(Dollars in thousands)

	Common Stock							
	Class A Special	Class A	Class B	Add-itional Capital	Accum-ulated Deficit	Unrealized Gains on Marketable Securities	Cumulative Trans-lation Adjust-ments	Total
BALANCE, JANUARY 1, 1992	$81,153	$39,409	$8,213	$439,741	($548,571)	$	($465)	$19,480
Net loss					(270,232)			(270,232)
Issuance of Common Stock	6,075			95,679				101,754
Exercise of options	657	192	573	15,082				16,504
Retirement of Common Stock	(39)	(627)		(10,193)				(10,859)
Cash dividends, $.0933 per share					(19,164)			(19,164)
Cumulative translation adjustments							(19,124)	(19,124)
BALANCE, DECEMBER 31, 1992	87,846	38,974	8,786	540,309	(837,967)		(19,589)	(181,641)
Net loss					(859,225)			(859,225)
Issuance of Common Stock	145			1,756				1,901
Conversion of convertible subordinated debt to Common Stock	11,537			174,824				186,361
Exercise of options	624	131		10,878				11,633
Retirement of Common Stock	(94)	(158)		(6,630)				(6,882)
Cash dividends, $.0933 per share					(20,739)			(20,739)
Stock dividend, 50%, effective February 2, 1994	73,895			(73,895)				
Cumulative translation adjustments							(1,939)	(1,939)
BALANCE, DECEMBER 31, 1993	173,953	38,947	8,786	647,242	(1,717,931)		(21,528)	(870,531)
Net loss					(87,028)			(87,028)
Issuance of Common Stock	265			2,205				2,470
Conversion of convertible subordinated debt to Common Stock	16,765			166,690				183,455
Exercise of options	527	81		6,000				6,608
Retirement of Common Stock	(279)	(8)		(5,898)				(6,185)
Cash dividends, $.0933 per share					(22,688)			(22,688)
Unrecognized gain on issuance of common stock of a subsidiary				59,262				59,262
Unrealized gains on marketable securities						3,862		3,862
Cumulative translation adjustments							3,986	3,986
BALANCE, DECEMBER 31, 1994	$191,231	$39,020	$8,786	$875,501	($1,827,647)	$3,862	($17,542)	($726,789)

See notes to consolidated financial statements.

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1994, 1993 AND 1992

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements include the accounts of Comcast Corporation and all wholly owned, majority-owned and controlled subsidiaries (the "Company"). The Company is engaged in the development, management and operation of cable and cellular telephone communications systems and the production and distribution of cable programming. All significant intercompany accounts and transactions among the consolidated entities have been eliminated.

Cash Equivalents and Short-term Investments

Cash equivalents consist principally of U.S. Government obligations, commercial paper, repurchase agreements and certificates of deposit with a maturity of three months or less when purchased. Short-term investments consist principally of U.S. Government obligations, commercial paper, repurchase agreements and certificates of deposit with a maturity greater than three months when purchased. The carrying amounts of the Company's cash equivalents and short-term investments, classified as trading securities, approximates their fair values, which are based on quoted market prices, at December 31, 1994 and 1993.

Investments, Principally in Affiliates

Investments are accounted for on the equity method based on the Company's ability to exercise significant influence over the operating and financial policies of the investee. Equity method investments are recorded at original cost and adjusted periodically to recognize the Company's proportionate share of the investees' income or losses after the date of investment, and additional contributions made and dividends received. Unrestricted publicly traded investments, classified as available for sale, are recorded at their fair value as of December 31, 1994 and at cost as of December 31, 1993. Restricted publicly traded investments and investments in privately held companies are stated at cost adjusted for any known diminution in value.

Investment Income

Investment income includes interest income and gains, net of losses, on the sales of marketable securities. Gross realized gains and losses are recognized using the specific identification method and are not significant to the Company's results of operations.

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided by the straight-line method over estimated useful lives as follows:

Buildings	15-40	years
Operating facilities	5-20	years
Other equipment	2-10	years

Deferred Charges

Franchise and license acquisition costs are being amortized on a straight-line basis over their legal or estimated useful lives up to 40 years. The costs of acquired businesses in excess of amounts allocated to specific assets, based on their fair market values, are being amortized over their estimated useful lives of up to 40 years. The Company periodically evaluates the recoverability of its deferred charges using objective methodologies. Such methodologies may include evaluations based on the cash flows generated by the underlying assets or other determinants of fair value.

Loss per Share

For the years ended December 31, 1994, 1993 and 1992, the Company's common stock equivalents have an antidilutive effect on the loss per share and therefore, have not been used in determining the total weighted average number of common shares outstanding. Fully diluted loss per share for 1994, 1993 and 1992 is antidilutive and, therefore, has not been presented.

Stock Split

On December 21, 1993, the Company's board of directors authorized a three-for-two stock split in the form of a 50% stock dividend payable on February 2, 1994 to shareholders of record on January 12, 1994. The dividend was paid in Class A Special Common Stock to the holders of Class A Common, Class A Special Common and Class B Common Stock. Average number of shares outstanding and related prices, per share amounts, share conversion and stock option data have been retroactively restated to reflect the stock split. In addition, the December 31, 1993 Stockholders' Deficiency section of the Balance Sheet has been adjusted to reflect the stock split.

Fair Values

The estimated fair value amounts presented in these notes to consolidated financial statements have been determined by the Company using available market information and appropriate methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. The estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts. Such fair value estimates are based on pertinent information available to management as of December 31, 1994 and 1993, and have not been comprehensively revalued for purposes of these consolidated financial statements since such dates. Current estimates of fair value may differ significantly from the amounts presented herein.

New Accounting Pronouncements

Effective January 1, 1993, the Company adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes" (see Note 6), SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions" (see Note 7) and SFAS No. 112, "Employers' Accounting for Postemployment Benefits" (see Note 8).

Effective January 1, 1994, the Company adopted the provisions of SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities" (see Note 3).

Reclassifications

Certain reclassifications have been made to the prior years consolidated financial statements to conform to those classifications used in 1994.

2. ACQUISITIONS AND OTHER SIGNIFICANT EVENTS

QVC

In February 1995, the Company and Tele-Communications, Inc. ("TCI") acquired all of the outstanding stock of QVC, Inc. ("QVC") for $46, in cash, per share. The total cost of acquiring the outstanding shares of QVC not previously owned by the Company and TCI (approximately 65% of such shares on a fully diluted basis) was approximately $1.4 billion. Following the acquisition, the Company and TCI own, through their respective subsidiaries, 57.45% and 42.55%, respectively, of QVC. The Company will account for the QVC acquisition under the purchase method of accounting and QVC will be consolidated with the Company beginning in February 1995.

The acquisition of QVC, including the exercise of certain warrants held by the Company, was financed with cash contributions from the Company and TCI of $296.3 million and $6.6 million, respectively, borrowings of $1.1 billion under a $1.2 billion QVC credit facility and existing cash and cash equivalents held by QVC.

QVC is a nationwide general merchandise retailer, operating as one of the leading televised shopping retailers in the United States. Through its merchandise-focused television programs (the "QVC Service"), QVC sells a wide variety of products directly to consumers. The QVC Service currently reaches approximately 50 million cable television subscribers in the United States.

The day to day operations of QVC will, except in certain limited circumstances, be managed by the Company. With certain exceptions, direct or indirect transfers to unaffiliated third parties by the Company or TCI of any stock in QVC are subject to certain restrictions and rights in favor of the other.

Liberty Media Corporation ("Liberty"), a wholly-owned subsidiary of TCI, may, at certain times following February 9, 2000, trigger the exercise of certain exit rights. If the exit rights are triggered, the Company has first right to purchase Liberty's stock in QVC at Liberty's pro rata portion of the fair market value (on a going concern or liquidation basis, whichever is higher, as determined by an appraisal process) of QVC. The Company may pay Liberty for such stock, subject to certain rights of Liberty to consummate the purchase in the most tax-efficient method available, in cash, the Company's promissory note maturing not more than three years after issuance, the Company's equity securities or any combination thereof. If the Company elects not to purchase the stock of QVC held by Liberty, then Liberty will have a similar right to purchase the stock of QVC held by the Company. If Liberty elects not to purchase the stock of QVC held by the Company, then Liberty and the Company will use their best efforts to sell QVC.

Maclean Hunter

On December 22, 1994, the Company, through Comcast MHCP Holdings, L.L.C. (the "LLC"), acquired the U.S. cable television and alternate access operations of Maclean Hunter Limited ("Maclean Hunter") from Rogers Communications Inc. ("RCI") and all of the outstanding shares of Barden Communications, Inc. ("BCI," and collectively, such acquisitions are referred to as the "Maclean Hunter Acquisition") for approximately $1.2 billion (subject to certain adjustments) in cash. The Company and the California Public Employees' Retirement System ("CalPERS") invested approximately $305.0 million and $250.0 million, respectively, in the LLC, which is owned 55% by a wholly-owned subsidiary of the Company and 45% by CalPERS, and is managed by the Company. The Maclean Hunter Acquisition, including certain transaction costs, was financed with cash contributions from the LLC of $555.0 million and borrowings of $715.0 million under an $850.0 million Maclean Hunter credit facility. At any time after December 18, 2001, CalPERS may elect to liquidate its interest in the LLC at a price based upon the fair value of CalPERS' interest in the LLC, adjusted, under certain circumstances, for certain performance criteria relating to the fair value of the LLC or to the Company's common stock. Except in certain limited circumstances, the Company, at its option, may satisfy this liquidity arrangement by purchasing CalPERS' interest for cash, through the issuance of the Company's common stock (subject to certain limitations) or by selling the LLC. The Maclean Hunter Acquisition was accounted for under the purchase method of accounting and Maclean Hunter is consolidated with the Company as of December 31, 1994.

The allocation of the purchase price to the assets and liabilities of Maclean Hunter is preliminary pending, among other things, the final purchase price adjustment between the Company and RCI. The terms of the Maclean Hunter Acquisition provide for, among other things, the indemnification of the Company by RCI for certain liabilities, including tax liabilities, relating to Maclean Hunter prior to the acquisition date.

Telecommunications Joint Venture

On October 25, 1994, the Company announced a joint venture ("WirelessCo") with Sprint Corporation ("Sprint"), TCI and Cox Cable Communications, Inc. ("Cox") to provide wireless communications services. WirelessCo is owned 40% by Sprint, 30% by TCI and 15% each by the Company and Cox. WirelessCo is participating in the first of several Federal Communications Commission ("FCC") auctions of blocks of spectrum for licenses to provide Personal Communications Services ("PCS"), having filed an application to participate in 39 of 51 Major Trading Area ("MTA") markets nationwide. As of February 21, 1995, WirelessCo's aggregate bids for 38 licenses covering a total population of 168 million were $1.975 billion. There can be no assurances that WirelessCo will be successful in bidding for or otherwise obtaining PCS licenses for these or other MTAs. The Company has obtained letter of credit commitments sufficient to cover its 15% share of the cost of PCS licenses for which WirelessCo is the successful bidder. The Company may have material additional capital requirements

relating to the buildout of PCS systems if WirelessCo is successful in the PCS bidding process. WirelessCo is accounted for under the equity method of accounting.

The parties have also signed a joint venture formation agreement which provides the basis upon which they will develop definitive agreements for their local wireline telecommunications activities. The parties anticipate that the wireline joint venture will be owned in the same percentages as WirelessCo. The parties' ability to provide such local services on a nationwide basis, and the timing thereof, will depend upon, among other things, the removal or modification of legal barriers to local telephone competition. The parties anticipate that Teleport Communications Group ("TCG"), which is owned 20% by the Company and by other cable television operators, including TCI and Cox, will be contributed to the local telephone venture. TCG is an alternative provider of local telephone services. The contribution of TCG to the venture is expected to be subject to certain conditions, including obtaining necessary governmental and other approvals.

Storer

Prior to December 2, 1992, the Company held a 50% ownership interest in SCI Holdings, Inc. ("SCI"), the parent company of Storer Communications, Inc. ("Storer"). On December 2, 1992, the Company completed certain transactions pursuant to which (i) the value of SCI was divided proportionately between its two 50% shareholders (the "Split-off") and (ii) SCI refinanced its indebtedness (the "Refinancing Plan"). In connection with the Split-off, SCI was merged into Storer and the Company became the sole shareholder of Storer.

To effect the Split-off and Refinancing Plan, the Company and SCI's other 50% shareholder each made capital contributions to SCI of $1.1 billion. In addition, the Company redeemed $275 million of its long-term debt held by Storer (the "Finance Sub Securities") and assumed $119 million of Storer's outstanding debt. Effective December 2, 1992, the remaining Finance Sub Securities became intercompany securities and have been eliminated in consolidation. The other 50% shareholder redeemed all of its outstanding Finance Sub Debt Securities. Storer used these proceeds to pay off its outstanding bank debt, 15% twelve year Senior subordinated debentures, and a majority of its Serial Zero Coupon Senior Notes. In connection with these redemptions, the Company recognized as an extraordinary item its 50% share of the premiums paid (net of tax) of $52.3 million.

In addition, on December 2, 1992, holders of the Storer preferred stock were given the required thirty days notice of intent to redeem. The cash required to fund the redemption was part of the capital contributions discussed above. On January 4, 1993, $746.9 million was paid to redeem the preferred stock, which included a redemption premium and accrued dividends. The redemption of the preferred stock was presented as if it had been consummated on December 31, 1992. Management believes such presentation more accurately reflected the Company's financial position and capital structure at December 31, 1992. The Company's equity in Storer's net loss before extraordinary item for 1992 includes $27.5 million for its portion of Storer's redemption premium on its preferred stock.

In connection with the Split-off, the Company and the former 50% shareholder of Storer entered into various agreements providing for, among other things, the sharing and cross indemnification of certain liabilities, including tax liabilities and benefits relating to the pre-Split-off period.

AWACS

On March 5, 1992, the Company acquired from Metromedia Company ("Metromedia") a 50.01% direct and a 49.99% indirect interest in AWACS, Inc. ("AWACS"), the non-wireline cellular telephone system serving the Philadelphia Metropolitan Statistical Area, which includes eight counties in Pennsylvania and New Jersey containing a population of approximately 4.9 million people at that date (the "AWACS Acquisition"). The Company also acquired the minority interests in two New Jersey cellular telephone systems serving a total population of approximately 1.3 million people at that date, the balance of which systems were owned by the Company. The Company acquired these interests in exchange for (i) zero coupon notes issued by a subsidiary of the Company, which are due March 5, 2000, and have an aggregate face amount payable at maturity of

approximately $1 billion, accreting from $425 million at 11% per annum (if at maturity or an earlier redemption date 35%, subject to reduction in certain circumstances, of the private market value, as determined by applicable procedures, of the Company's cellular subsidiaries is greater than the accreted value plus certain premiums, then such greater amount will constitute the redemption price), (ii) approximately $567 million in cash and (iii) participating preferred stock issued by a subsidiary of the Company (described below).

The 49.99% indirect interest was obtained through the purchase of the Class A Redeemable Preferred Stock ("LCH Preferred Stock") of LCH Communications, Inc. ("LCH"), an indirect subsidiary of LIN Broadcasting Corporation. The 49.99% of the AWACS Common Stock was owned by LIN Cellular Communications Corporation ("LIN-Penn"), a wholly-owned subsidiary of LCH. LCH, through LIN-Penn, indirectly owned the remaining 49.99% of the common stock of AWACS. LCH was required to redeem the LCH Preferred Stock (which redemption was not expected to occur before 1996) for either, at its option, (a) an amount in cash (the "Cash Redemption Price") equal to the sum of (i) all accrued and unpaid dividends and (ii) the greater of (A) $850 million and (B) the fair market value of the capital stock of LIN-Penn and 15% of the value of LCH's operating business (the "Operating Business Portion"), or (b) the capital stock of LIN-Penn and an amount in cash equal to the Operating Business Portion.

On June 24, 1994, in connection with the settlement of certain disputes between LCH and the Company, LCH redeemed the LCH Preferred Stock through the transfer to the Company of 100% of the capital stock of LIN-Penn. As a result of such redemption, the Company owns 100% of the common stock of AWACS. Since the Company has historically accounted for the purchase of AWACS as if it acquired a 100% direct interest, the redemption of the LCH Preferred Stock has no effect on the Company's accounting for AWACS.

In addition to the interest in AWACS, the redemption of the LCH Preferred Stock entitles the Company to an interest in certain publishing and broadcasting operations. A subsidiary of the Company has issued to Metromedia participating preferred stock which has economic attributes based on the performance and ultimate value of the publishing and broadcasting operations. Accordingly, these operations are excluded from the Company's consolidated financial statements.

Pro forma Results

The Company would have reported unaudited revenues of $1.634 billion and $1.597 billion, unaudited loss before extraordinary items and cumulative effect of accounting changes of $123.3 million and $143.6 million, unaudited net loss of $135.0 million and $898.9 million and unaudited net loss per share of $.57 and $4.20 for the years ended December 31, 1994 and 1993, respectively, had the Maclean Hunter Acquisition occurred at the beginning of each period. This unaudited pro forma information is based on historical results of operations adjusted for acquisition costs, and in the opinion of management, is not necessarily indicative of what the results would have been had the Company operated the acquired entities since the beginning of 1993.

3. INVESTMENTS

Investments consist of the following components:

	December 31, 1994	1993
	(Dollars in thousands)	
Investments - Equity method	$389,851	$111,050
Investments - Public companies	216,002	275,684
Investments - Privately held companies	191,222	278,474
	$797,075	$665,208

Investments - Equity Method

Summarized financial information for equity method investments, excluding the operations of Storer as described below, for 1994, 1993 and 1992 is as follows (Dollars in thousands):

	Twelve Months Ended October 31,1994 QVC	Year Ended December 31, 1994 Other	Combined	Year Ended December 31, 1993	Year Ended December 31, 1992
Combined Results of Operations					
Revenues, net	$1,336,674	$362,132	$1,698,806	$165,688	$129,274
Depreciation and amortization	44,862	109,512	154,374	70,501	62,957
Operating income (loss)	153,568	(133,534)	20,034	(38,519)	(29,443)
Net income (loss) as reported by affiliates	$41,103	($178,070)	($136,967)	($66,587)	($54,216)
Company's Equity in Net Income (Loss)					
Equity in current period net income (loss)	$6,286	($46,540)	($40,254)	($28,872)	($26,288)
Amortization income (expense)	4,901	(5,531)	(630)		
Total equity in net income (loss)	$11,187	($52,071)	($40,884)	($28,872)	($26,288)

	October 31, 1994 QVC	December 31, 1994 Other	Combined	December 31, 1993
Combined Financial Position				
Current assets	$537,328	$214,586	$751,914	$58,255
Noncurrent assets	472,029	1,587,256	2,059,285	628,116
Current liabilities	398,245	239,964	638,209	72,917
Noncurrent liabilities	6,599	968,216	974,815	368,096

As of December 31, 1994 and 1993, equity method investments include the Company's interest in Garden State Cablevision L.P. ("Garden State") and interests in its United Kingdom ("UK") cable television and telecommunications businesses. In addition, effective January 1, 1994, the Company commenced accounting for QVC (see Note 2-QVC), TCG (see Note 2-Telecommunications Joint Venture) and certain other investments under the equity method of accounting due to changes in the nature of the relationships between the Company and the investees which allow the Company to exercise significant influence over their operating and financial policies. The Company's prior year financial statements have not been restated due to the insignificance of the Company's proportionate ownership interests in the net income or loss of the investees for those periods. The differences between the Company's recorded investments and its proportionate interests in the book value of the investees' net assets are being amortized to equity in net income or loss, primarily over a period of twenty years, which is consistent with the estimated lives of the underlying assets. In addition, QVC's fiscal year end is January 31 and therefore, the Company records its equity in QVC's net income or loss two months in arrears.

The original cost of investments accounted for under the equity method of accounting totalled approximately $565.4 million and $253.4 million at December 31, 1994 and 1993, respectively.

As of December 31, 1994 and 1993, the Company held 6.2 million shares and 5.9 million shares, respectively, of QVC Class A Common Stock representing a 15.1% and 14.8% interest in QVC's then outstanding common stock. In addition, the Company held 72,050 shares of QVC Class C Preferred Stock as of December 31, 1994 and 1993. The historical cost of the Class A Common Stock and Class C Preferred Stock held by the Company as of December 31, 1994 and 1993 was $69.6 million and $66.5 million, respectively, with an estimated fair value of $291.8 million and $259.8 million, respectively. In addition, as of December 31, 1994 and 1993, the Company held

warrants to purchase 1.7 million and 2.0 million shares of QVC Class A Common Stock, respectively, at prices ranging from $9.64 to $17.49 with estimated fair values of $44.0 million and $49.6 million at such dates.

On December 11, 1992, the Company contributed its interests in certain UK cable television and telecommunications businesses to a majority owned subsidiary ("Comcast UK Cable"). Comcast UK Cable holds, among other things, the Company's investments in UK affiliates: Birmingham Cable Corporation Limited, Cable London PLC, Cambridge Holding Company Limited and Cable Programme Partners-1 Limited Partnership. On that date, Comcast UK Cable's other shareholder, UK Cable Partners Limited ("UKCPL"), which is owned by Warburg, Pincus Investors L.P. and Bankers Trust Investments PLC, committed to invest an aggregate of up to UK (pound)70.0 million in Comcast UK Cable, of which approximately UK (pound)57.2 million was invested through September 27, 1994. The Company made equal investments, including the cost of its investments previously contributed to Comcast UK Cable. On September 27, 1994, Comcast UK Cable consummated an initial public offering (the "IPO") of 15.0 million of its Class A Common Shares for net proceeds of $209.4 million. Contemporaneously with the IPO, the Company and UKCPL restructured their interests in Comcast UK Cable and terminated UKCPL's right to exchange its equity interests in Comcast UK Cable for convertible debt of the Company (the "Exchange Option"). As a result of the IPO and the restructuring, the Company beneficially owns approximately 31.2% of the total outstanding Comcast UK Cable common shares. Because the Class A Common Shares are entitled to one vote per share and the Class B Common Shares are entitled to ten votes per share, the Company, through its ownership of the Class B Common Shares, controls approximately 81.9% of the total voting power of all outstanding Comcast UK Cable common shares and continues to consolidate Comcast UK Cable. As a result of the termination of the Exchange Option and consummation of the IPO, the Company recorded an aggregate minority interest liability in Comcast UK Cable of $261.4 million. The Company has recorded the increase in its proportionate share of Comcast UK Cable's net assets as an increase in additional capital of $59.3 million.

The Company holds a 20% interest in TCG with an original cost of $66.2 million and $66.1 million at December 31, 1994 and 1993, respectively. The Company also had loans to TCG totaling $39.5 million and $11.7 million at December 31, 1994 and 1993, respectively. TCG operates fiber optic networks serving communities across the United States providing point-to-point digital communication links to telecommunication-intensive businesses and long-distance carriers. The Company accounted for its investment in TCG under the cost method of accounting prior to 1994.

Through December 2, 1992, the Company recorded its 50% investment in Storer under the equity method of accounting. Subsequent to December 2, 1992, the Company consolidates the financial position and results of operations of Storer.

The results of operations of Storer for 1992 (through December 2, 1992) are as follows (Dollars in thousands):

Service income	$595,668
Depreciation and amortization	182,325
Operating income	106,178
Net loss as reported by Storer	($324,341)
Interest and dividends not recognized as income by Storer, net of taxes	63,711
	($260,630)
Equity in net loss	($78,018)
Equity in net loss from early extinguishment of debt by Storer	(52,297)
	($130,315)

The net loss of $324.3 million for 1992 (through December 2, 1992) separately reported by Storer differs from the net loss of $260.6 million for 1992 utilized by the Company to record its equity in the net loss of Storer. This difference is due to Storer not recognizing interest and dividend income from securities issued by the Company and the other 50% investor to Storer due to the related party nature of the securities. However, the Company has recorded the interest and dividend requirements as an expense in its consolidated statement of operations. Therefore, this method of reporting presents the Company's equity in the net loss of Storer as if it were consolidated with the Company.

Through December 2, 1992, the Company, pursuant to a consulting agreement, had oversight responsibility for Storer systems serving approximately one-half of the Storer subscribers. For its consulting services, the Company received a fee of 3-1/2% of revenues of the systems it managed. For the year ended December 31, 1992, the fee under the consulting agreement was $10.8 million.

Investments - Public Companies

As of December 31, 1994 and 1993, the Company held 11.3 million shares of common stock of Nextel Communications, Inc. ("Nextel") representing a 10.7% and 12.9% interest in Nextel's then outstanding common stock. Nextel is a Specialized Mobile Radio ("SMR") licensee developing an enhanced service capability ("ESMR"). Assuming satisfactory technical performance of Nextel's systems in Los Angeles and San Francisco and satisfaction of certain other conditions, an additional $35 million investment will be made on June 30, 1995 at a per share price of 90% of the then market price for Nextel common stock. Effective September 30, 1994, certain restrictions under prior agreements with Nextel relating to the Company's ability to sell or otherwise transfer its investment in Nextel were removed. As a result of the removal of such restrictions, the Company has recorded its investment in Nextel common stock, with an historical cost of $175.9 million at December 31, 1994, at its estimated fair value, resulting in an unrealized pre-tax loss of $14.0 million as of December 31, 1994. As of December 31, 1993, the Company's investment in Nextel common stock had an estimated fair value of $419.7 million and was reported at its historical cost of $174.2 million. As of December 31, 1994 and 1993, the Company owns options to acquire approximately 25.2 million shares of Nextel common stock, principally at $16 per share, with an estimated fair value of $149.2 million and $660.0 million, respectively, which are recorded at their historical cost of $23.5 million. Investments in options have been valued using the Black-Scholes Option Pricing method.

The Company holds unrestricted equity investments in certain other publicly traded companies with an historical cost of $10.7 million at December 31, 1994 and 1993. As of December 31, 1994, the Company has recorded these investments at their estimated fair value of $30.6 million, resulting in an unrealized pre-tax gain of $19.9 million. As of December 31, 1993, such investments, with an estimated fair value of $50.1 million at that date, were reported at their historical cost.

Investments - Privately Held Companies

On January 26, 1995, the Company exchanged its interest in Heritage Communications, Inc. ("Heritage") with TCI for Class A common shares of TCI with a fair market value of approximately $290.0 million. Shortly thereafter, the Company sold certain of these shares for total proceeds of approximately $188.0 million. As a result of these transactions, the Company will recognize a pre-tax gain of $141.0 million in the first quarter of 1995.

It is not practicable to estimate the fair value of the Company's other investments in privately held companies with a recorded cost, excluding Heritage, of $50.3 million and $141.5 million at December 31, 1994 and 1993, respectively, due to a lack of quoted market prices and excessive costs involved in determining such fair value.

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1994, 1993 AND 1992 (Continued)

4. LONG-TERM DEBT

	December 31, 1994	1993
	(Dollars in thousands)	
Notes payable to banks and insurance companies, due in installments through 2003	$3,280,035	$2,387,169
Senior participating redeemable zero coupon notes, due 2000	361,538	361,984
10% Subordinated debentures, due 2003	122,858	121,309
10-1/4% Senior subordinated debentures, due 2001	125,000	125,000
11-7/8% Senior subordinated debentures		150,000
9-1/2% Senior subordinated debentures, due 2008	200,000	200,000
10-5/8% Senior subordinated debentures, due 2012	300,000	300,000
Convertible subordinated debt:		
Zero coupon convertible subordinated notes, due 1995	4,345	37,931
3-3/8% / 5-1/2% Step-up convertible subordinated debentures, due 2005	250,000	250,000
1-1/8% Discount convertible subordinated debentures, due 2007	314,546	302,474
7% Convertible subordinated debentures		151,882
Other debt, due in installments principally through 1997	35,132	30,954
	4,993,454	4,418,703
Less current portion	182,913	263,873
	$4,810,541	$4,154,830

The maturities of long-term debt outstanding as of December 31, 1994 for the four years after 1995 are as follows:

	(Dollars in thousands)
1996	$309,530
1997	388,074
1998	802,428
1999	518,848

The holders of the Senior participating redeemable zero coupon notes due 2000 have the right, upon request of the holders of the majority of the notes, to require the Company to redeem such notes at any time on or after March 5, 1998. The accreted value of such notes, without giving effect to the alternative formula based on the private market value of the cellular business (see Note 2 - AWACS), of $361.5 million has been presented above as a 1998 maturity. Approximately $169.3 million accreted value of Series A notes is payable, at the Company's option, either in cash or the Company's Class A Special Common Stock.

The following is a summary of the Company's convertible subordinated debt:

(1) The Zero coupon convertible subordinated notes due 1995 are convertible, at the option of the holder, into Class A Special Common Stock of the Company at a conversion price of $11.02 per share, based on the face value of the debentures converted. The notes were issued at a 39% discount, resulting in an effective annual yield to maturity of 7.2%. During 1994 and 1993, $34.1 million and $48.6 million, respectively, of notes were converted into approximately 3.3 million and 4.8 million shares of Class A Special Common Stock of the Company. In January 1995, the remaining principal amount of the notes were converted by the holders into 396,000 shares of Class A Special Common Stock of the Company.

(2) The 3-3/8% / 5-1/2% Step-up convertible subordinated debentures due 2005 are convertible into Class A Special Common Stock of the Company at a conversion price of $24.50 per share. Interest on the debentures accrues at a rate per annum of 3-3/8% from and including the date of issuance to and including September 8, 1997, from and after such time the Company will have the right to redeem the debentures for cash. Interest will accrue at a rate per annum of 5-1/2% from and including September 9, 1997 to maturity, or earlier redemption.

(3) The 1-1/8% Discount convertible subordinated debentures due 2007 are convertible into Class A Special Common Stock of the Company at a conversion rate equal to 19.3125 shares per $1,000 principal amount at maturity. The conversion price will not be adjusted for accrued interest or original issue discount. The debentures were issued at 55.363% of their principal amount of $541.9 million at maturity resulting in a 6% effective annual yield to maturity. At any time on or after October 15, 1997, the Company may redeem such debentures for cash.

(4) The 7% Convertible subordinated debentures due 2001 were redeemed on February 27, 1994. In connection with such redemption, substantially all of the debentures were converted into approximately 13.5 million shares of Class A Special Common Stock of the Company.

On March 1, 1994, the Company redeemed for cash its 11-7/8% Senior subordinated debentures at a redemption price of 105.0% of their principal amount.

The Company paid premiums and expensed unamortized debt acquisition costs totalling $18.0 million during 1994, primarily as a result of the redemption of its $150 million, 11-7/8% Senior subordinated debentures due 2004, resulting in the Company recording an extraordinary loss, net of tax, of $11.7 million or $.05 per share. The Company paid similar premiums of $27.1 million during 1993 in connection with the redemption of certain of its debt resulting in the Company recording an extraordinary loss, net of tax, of $17.6 million or $.08 per share.

Fixed interest rates on notes payable to banks and insurance companies range from 8.6% to 10.57%. Bank debt interest rates vary based upon one or more of the following rates at the option of the Company:

Prime rate to prime plus 1%;
London Interbank Offered Rate (LIBOR) plus 3/4% to 2%; and
Certificate of deposit rate plus 7/8% to 2-1/8%.

As of December 31, 1994 and 1993, the Company's effective weighted average interest rate on its variable rate bank and insurance company debt outstanding was 7.63% and 4.73%, respectively.

The Company has entered into interest rate swap and cap agreements to limit the Company's exposure to loss from adverse fluctuations in interest rates. At December 31, 1994 and 1993, $415.0 million and $635.0 million, respectively, of the Company's variable rate debt was protected by these products. Such agreements mature on various dates in 1995 and the related differentials to be paid or received are recognized over the terms of the agreements.

During 1994, the Company entered into other interest rate swap agreements to manage its overall interest expense. At December 31, 1994, the Company had swapped $400.0 million notional amount of fixed rate debt for variable rate products (effective rates of 4.13% through 6.93% at December 31, 1994) which mature between 2000 and 2004. Since these products are designated as matched with certain of the Company's fixed rate debt, the differentials paid or received are recognized as a component of interest expense over the terms of the related agreements. Certain of these agreements have extensions, at the option of the counterparty, or indexed amortization provisions which may extend the lives of the agreements from three to five years.

The credit risks associated with the Company's derivative financial instruments are controlled through the evaluation and continual monitoring of the creditworthiness of the counterparties. Although the Company may

be exposed to losses in the event of nonperformance by the counterparties, the Company does not expect such losses, if any, to be significant.

Certain of the Company's subsidiaries' loan agreements contain restrictive covenants which limit the subsidiaries' ability to enter into arrangements for the acquisition of property and equipment, investments, mergers and the incurrence of additional debt. Certain of these agreements require that certain ratios and cash flow levels be maintained and contain certain restrictions on dividend payments and advances of funds to the Company. The Company and its subsidiaries were in compliance with such restrictive covenants for all periods presented. In addition, the stock of certain subsidiary companies is pledged as collateral for the notes payable to banks and insurance companies.

As of December 31, 1994, certain subsidiaries of the Company had unused lines of credit of $553.0 million, of which $100.0 million was used through February 21, 1995, principally to fund the acquisition of QVC.

As of December 31, 1994, the Company and certain of its subsidiaries had unused irrevocable standby letters of credit totalling $401.9 million to cover potential fundings associated with several projects.

5. STOCKHOLDERS' EQUITY (DEFICIENCY)

The Company is authorized to issue, in one or more series, up to a maximum of 20.0 million shares of preferred stock without par value. The shares can be issued with such designations, preferences, qualifications, privileges, limitations, restrictions, options, conversion rights and other special or related rights as the Board of Directors shall from time to time fix by resolution.

Class A Special Common Stock is nonvoting and each share of Class A Common Stock is entitled to one vote. Each share of Class B Common Stock is entitled to fifteen votes and is convertible, share for share, into Class A or Class A Special Common Stock, subject to certain restrictions.

As of December 31, 1994, 21.1 million shares of Class A Special Common Stock were reserved for issuance upon conversion of the Company's convertible debentures.

The Company maintains qualified and nonqualified stock option plans for employees, directors and other persons under which the option prices are not less than the fair market value of the shares at the date of grant. Under these plans, 16.5 million shares of Class A Special Common Stock, 362,000 shares of Class A Common Stock and 658,000 shares of Class B Common Stock were reserved as of December 31, 1994. Option terms are from five to ten years with options becoming exercisable at various dates.

Changes in the number of shares subject to outstanding but unexercised options under the Company's option plans for the years ended December 31, 1994, 1993 and 1992 were as follows:

	Common Stock		
	Class A Special	Class A	Class B
BALANCE, JANUARY 1, 1992	7,276,785	959,144	1,518,750
Options granted at prices of $9.92 to $11.92 per share	1,179,375		
Options exercised at prices of $.94 to $10.83 per share	(985,802)	(287,595)	(860,625)
Options cancelled and terminated	(128,340)	(4,086)	
BALANCE, DECEMBER 31, 1992	7,342,018	667,463	658,125
Options granted at prices of $12.00 to $22.08 per share	1,186,350		
Options exercised at prices of $1.57 to $12.58 per share	(935,515)	(196,968)	
Options cancelled and terminated	(80,125)	(2,525)	
BALANCE, DECEMBER 31, 1993	7,512,728	467,970	658,125
Options granted at prices of $16.13 to $23.28 per share	5,165,216		
Options exercised at prices of $1.73 to $11.92 per share	(526,857)	(81,472)	
Options cancelled and terminated	(282,236)	(24,935)	
BALANCE, DECEMBER 31, 1994	11,868,851	361,563	658,125
Average price of options outstanding at December 31, 1994	$13.73	$4.74	$5.70

As of December 31, 1994, options to purchase 5.0 million shares of Class A Special Common Stock, 206,000 shares of Class A Common Stock and 304,000 shares of Class B Common Stock were exercisable.

The Company has a restricted stock program whereby management employees may be granted restricted shares of the Company's Class A Special Common Stock. Shares are subject to certain vesting provisions. The shares awarded do not have voting or dividend rights until vesting occurs. Restrictions on the award expire annually, over a period not to exceed five years from the date of the award. The Company recognizes compensation expense over the vesting period. As of December 31, 1994, there were 1.3 million unvested shares granted under the program of which 284,000 vested in January 1995. Total compensation expense recognized in 1994, 1993 and 1992 under this program was $4.4 million, $3.4 million and $2.6 million, respectively.

6. INCOME TAXES

Effective January 1, 1993, the Company adopted SFAS No. 109 which generally provides that deferred tax assets and liabilities be recognized for temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities and expected benefits of utilizing net operating loss carryforwards. The impact on deferred taxes of changes in tax rates and laws, if any, applied to the years during which temporary differences are expected to be settled are reflected in the financial statements in the period of enactment.

Pursuant to the deferred method under Accounting Principles Board Opinion No. 11, which was applied in 1992 and prior years, deferred income taxes were recognized for income and expense items that are reported in different years for financial reporting purposes and income tax purposes using the tax rate applicable for the year of the calculation. Under the deferred method, deferred taxes are not adjusted for subsequent changes in tax rates.

The cumulative effect of the adoption of SFAS No. 109 increased the net loss for the year ended December 31, 1993 by $731.8 million, or $3.42 per share, and is reported as part of the cumulative effect of accounting changes in the Company's Consolidated Statement of Operations for the year ended December 31, 1993.

Property and equipment and deferred charges were increased by $171.1 million in order to adjust prior business combinations from net-of-tax to pre-tax amounts as required by SFAS No. 109. As a result of the adoption of SFAS No. 109, depreciation and amortization expense increased in 1993 from 1992 by approximately $13.6 million or $.06 per share and income tax expense decreased by approximately $35.0 million or $.16 per share, resulting in a net decrease in the loss before extraordinary items and cumulative effect of accounting changes of approximately $21.4 million or $.10 per share. Prior year financial statements were not restated to apply the provisions of SFAS No. 109.

As a result of the Maclean Hunter Acquisition, the Company's deferred income tax liability was increased by approximately $488.0 million for temporary differences between the financial reporting basis and the income tax reporting basis of the assets of Maclean Hunter and BCI at the date of acquisition. Deferred charges were increased by the same amount as prescribed by SFAS No. 109.

The redemption of the LCH Preferred Stock by LCH caused the Company's direct ownership of the common stock of AWACS to increase from 50.01% to 100%. As of the date of the redemption, AWACS will join with the Company in filing consolidated federal income tax returns.

Income tax expense (benefit) consists of the following components:

	Year Ended December 31,		
	1994	1993	1992
	(Dollars in thousands)		
Current expense			
Federal	$8,098	$5,099	$3,500
State	12,408	9,320	5,100
	20,506	14,419	8,600
Deferred expense (benefit)			
Federal	(27,912)	(216)	4,500
State	(1,828)	1,026	900
	(29,740)	810	5,400
Income tax expense (benefit)	($9,234)	$15,229	$14,000

The effective income tax expense (benefit) of the Company differs from the statutory amount because of the effect of the following items:

	Year Ended December 31,		
	1994	1993	1992
	(Dollars in thousands)		
Federal tax at statutory rate	($29,596)	($29,275)	($87,119)
Non-deductible depreciation and amortization	3,235	3,153	40,627
Non-taxable investment income			(7,054)
State income taxes, net of federal benefit	6,877	6,725	3,960
Non-deductible preferred stock dividends of a subsidiary			15,094
Non-deductible equity in net losses of affiliates	10,550	4,838	48,492
Deductible permanent differences associated with redemption of securities		(37,694)	
Increase in corporate federal income tax rate		20,589	
Increase in valuation allowance	605	47,494	
Other	(905)	(601)	
Income tax expense (benefit)	($9,234)	$15,229	$14,000

Deferred income tax expense (benefit) resulted from the following differences between financial and income tax reporting:

	Year Ended December 31,		
	1994	1993	1992
	(Dollars in thousands)		
Depreciation and amortization	($36,357)	($34,694)	$20,151
Accrued expenses not currently deductible	(22,287)		
Deductible temporary differences associated with redemption of securities		7,031	10,078
Taxable gain on sale of investment to affiliate			(29,558)
Utilization of net operating loss carryforwards	28,299		4,729
Deferred tax assets arising from current period losses		(39,610)	
Increase in corporate federal income tax rate from 34% to 35%		20,589	
Increase in valuation allowance	605	47,494	
Deferred income tax expense (benefit)	($29,740)	$810	$5,400

Significant components of the Company's net deferred tax liability are as follows:

	December 31, 1994	December 31, 1993
	(Dollars in thousands)	
Deferred tax assets:		
Net operating loss carryforwards	$288,812	$317,111
Differences between book and tax basis of property and equipment and deferred charges	29,330	30,858
Other	40,636	18,349
Less: Valuation allowance	(274,736)	(274,131)
	84,042	92,187
Deferred tax liabilities:		
Differences between book and tax basis of property and equipment and deferred charges	1,431,742	979,841
Other	43,149	42,262
	1,474,891	1,022,103
Net deferred tax liability	$1,390,849	$929,916

The Company's valuation allowance against deferred tax assets includes approximately $120.0 million for which any subsequent tax benefits recognized will be allocated to reduce goodwill and other noncurrent intangible assets. For income tax reporting purposes, the Company has net operating loss carryforwards of approximately $30.0 million for which a deferred tax asset has been recorded, which expire primarily between 2001 and 2007.

7. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

Effective January 1, 1993, the Company adopted SFAS No. 106. This statement requires the Company to accrue the estimated cost of retiree benefits earned during the years the employee provides services. The Company previously expensed the cost of these benefits as claims were incurred. The Company recorded the cumulative effect of the obligation, which is unfunded, as of January 1, 1993, resulting in an increase in the Company's accrued postretirement health care liability of approximately $13.5 million and net loss of approximately $8.9 million or $.04 per share, net of tax. The effect of SFAS No. 106 on loss before extraordinary items and the cumulative effect of accounting changes was not significant to the Company's results of operations.

8. POSTEMPLOYMENT BENEFITS

Effective January 1, 1993, the Company adopted SFAS No. 112. This statement requires the Company to accrue the estimated costs of benefits for former or inactive employees after employment but before retirement. The effect of SFAS No. 112 on loss before extraordinary items and the cumulative effect of accounting changes was not significant to the Company's results of operations.

9. STATEMENT OF CASH FLOWS - SUPPLEMENTAL INFORMATION

The Company made cash payments for interest of approximately $261.6 million, $278.6 million and $198.2 million during the years ended December 31, 1994, 1993 and 1992, respectively.

10. COMMITMENTS AND CONTINGENCIES

Commitments
During 1994, a subsidiary of the Company, Comcast UK Cable, entered into certain foreign exchange forward contracts as a normal part of its risk management efforts. Foreign exchange contracts, which mature at various times through 1996, are used to protect Comcast UK Cable from the risk that monetary assets held or denominated in currencies other than its functional currency are devalued as a result of changes in exchange rates. The amount of these contracts was $100.0 million as of December 31, 1994. Foreign exchange contracts provide an effective hedge against such monetary assets held since gains and losses realized on the contracts are offset against gains or losses realized on the underlying hedged assets.

Minimum annual rental commitments for office space and equipment under noncancellable operating leases are as follows:

	(Dollars in thousands)
1995	$12,217
1996	10,385
1997	9,661
1998	8,759
1999	7,782
Thereafter	31,967

Rental expense of $21.9 million, $19.3 million and $13.2 million for 1994, 1993 and 1992, respectively, has been charged to operations.

Contingencies
The Company is subject to claims which arise in the ordinary course of its business and other legal proceedings. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the Company.

The Company is currently seeking to justify existing rates in certain of its cable systems on the basis of cost-of-service showings; however, the interim cost-of-service regulations promulgated by the FCC do not support positions taken by the Company in its cost-of-service filings to date. The Company's reported cable service income reflects the estimated effects of cable regulation. The Company is seeking reconsideration by the FCC of the interim cost-of-service regulations and, if unsuccessful in justifying existing rates under cost-of-service regulations, intends to seek judicial relief. However, no assurance can be given that the Company will be successful in cost-of-service proceedings. If the Company is not successful in such efforts, and there is no legislative, administrative or judicial relief in these matters, the FCC regulations will continue to adversely affect the Company's results of operations.

Garden State's auditors' report discloses a material uncertainty with respect to the Cable Television Consumer Protection and Competition Act of 1992. Management believes that the ultimate resolution of this uncertainty will not have a material impact on the Company's financial position or results of operations.

11. DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following summary table of the estimated fair value of the Company's financial instruments is made in accordance with the provisions of SFAS No. 107, "Disclosures About Fair Value of Financial Instruments." See Note 1 for a description of methodologies used for such disclosures.

	December 31, 1994		December 31, 1993	
	(Dollars in thousands)			
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Investments - Public companies - (see Note 3).....	$216,002 (1)	$341,785 (1)	$275,684	$1,439,076

(1) Excludes publicly traded investments accounted for under the equity method.

The Company's long-term debt had a carrying amount of $4.993 billion and an estimated fair value of $4.768 billion as of December 31, 1994. The difference between the carrying value and estimated fair value of the Company's long-term debt was not significant as of December 31, 1993. The estimated fair value of the Company's publicly traded debt is based on quoted market prices for that debt. Interest rates that are currently available to the Company for issuance of the debt with similar terms and remaining maturities are used to estimate fair value for debt issues for which quoted market prices are not available.

The estimated liability to settle the Company's interest rate swap and cap agreements was $39 million as of December 31, 1994. The estimated liability to settle the extension and indexed amortization features for certain of these instruments is not significant to the Company. The estimated liability to settle the Company's interest rate swap and cap agreements as of December 31, 1993 was not significant to the Company.

The difference between the carrying amount and the estimated fair value of the Company's foreign exchange forward contracts is not significant at December 31, 1994.

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1994, 1993 AND 1992 (Continued)

12. FINANCIAL DATA BY BUSINESS SEGMENT
(Dollars in thousands)

	Domestic Cable Communications	Cellular Communications	Corporate and Other	Total
1994				
Service income	$1,065,316	$286,137	$23,851	$1,375,304
Depreciation and amortization	229,534	89,916	17,012	336,462
Operating income (loss)	287,960	26,413	(74,579)	239,794
Interest expense	151,128	58,556	103,793	313,477
Assets	4,588,886	1,205,047	969,051	6,762,984
Long-term debt	2,852,877	744,538	1,213,126	4,810,541
Capital expenditures and acquisitions	1,456,497	79,719	26,316	1,562,532
Equity in net income (losses) of affiliates	2,928		(43,812)	(40,884)
1993				
Service income	$1,092,746	$202,032	$43,450	$1,338,228
Depreciation and amortization	240,523	84,740	16,237	341,500
Operating income (loss)	311,448	7,403	(53,955)	264,896
Interest expense	152,508	74,421	120,519	347,448
Assets	2,506,066	1,277,619	1,164,591	4,948,276
Long-term debt	2,049,332	689,984	1,415,514	4,154,830
Capital expenditures and acquisitions	100,518	49,531	17,662	167,711
Equity in net losses of affiliates	(9,197)		(19,675)	(28,872)
1992				
Service income	$725,659	$142,926	$31,760	$900,345
Depreciation and amortization	155,425	66,785	9,837	232,047
Operating income (loss)	200,836	(4,707)	(31,023)	165,106
Interest expense and preferred stock dividend requirements	158,010	58,534	95,744	312,288
Assets	2,433,875	1,293,364	544,659	4,271,898
Long-term debt	2,097,890	789,585	1,086,039	3,973,514
Capital expenditures and acquisitions	1,589,967	1,022,552	41,869	2,654,388
Equity in net losses of affiliates	(91,797)		(12,509)	(104,306)

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1994, 1993 AND 1992 (Concluded)

13. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	First Quarter (1)(2)	Second Quarter	Third Quarter	Fourth Quarter (2)	Total Year
	(Dollars in thousands, except per share data)				
1994					
Service income	$328,703	$340,640	$345,744	$360,217	$1,375,304
Operating income before depreciation and amortization	141,520	148,553	146,125	140,058	576,256
Operating income	64,275	65,304	63,310	46,905	239,794
Loss before extraordinary items	(15,777)	(12,756)	(17,246)	(29,546)	(75,325)
Extraordinary items	(11,580)	(123)			(11,703)
Net loss	(27,357)	(12,879)	(17,246)	(29,546)	(87,028)
Loss per share before extraordinary items	(.07)	(.05)	(.07)	(.13)	(.32)
Extraordinary items per share	(.05)				(.05)
Net loss per share	(.12)	(.05)	(.07)	(.13)	(.37)
Cash dividends per share	.0233	.0233	.0233	.0233	.0933
1993					
Service income	$325,225	$340,083	$335,405	$337,515	$1,338,228
Operating income before depreciation and amortization	146,330	159,605	154,311	146,150	606,396
Operating income	58,657	71,106	69,828	65,305	264,896
Loss before extraordinary items and cumulative effect of accounting changes	(23,856)	(17,129)	(35,655)	(22,231)	(98,871)
Extraordinary items				(17,620)	(17,620)
Cumulative effect of accounting changes	(742,734)				(742,734)
Net loss	(766,590)	(17,129)	(35,655)	(39,851)	(859,225)
Loss per share before extraordinary items and cumulative effect of accounting changes	(.11)	(.08)	(.17)	(.10)	(.46)
Extraordinary items per share				(.08)	(.08)
Cumulative effect of accounting changes per share	(3.47)				(3.47)
Net loss per share	(3.58)	(.08)	(.17)	(.18)	(4.01)
Cash dividends per share	.0233	.0233	.0233	.0233	.0933

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(1) Results of operations for the first quarter of 1993 were affected by the cumulative effect of the adoption of SFAS No. 106, SFAS No. 109 and SFAS No. 112.

(2) Results of operations for the first quarter of 1994 and fourth quarter of 1993 were affected by premiums paid in connection with the redemption of certain of the Company's debt, shown as extraordinary items in the Company's consolidated financial statements.

ITEM 9 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

The information called for by Item 10, Directors and Executive Officers of the Registrant (except for the information regarding executive officers called for by Item 401 of Regulation S-K which is included in Part I hereof as Item 4A in accordance with General Instruction G(3)), Item 11, Executive Compensation, Item 12, Security Ownership of Certain Beneficial Owners and Management, and Item 13, Certain Relationships and Related Transactions, is hereby incorporated by reference to the Registrant's definitive Proxy Statement for its Annual Meeting of Shareholders presently scheduled to be held in June 1995, which shall be filed with the Securities and Exchange Commission within 120 days of the end of the Registrant's latest fiscal year.

PART IV

ITEM 14 EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) The following Consolidated Financial Statements of the Company are included in Part II, Item 8:

(b) (i) The following financial statement schedule required to be filed by Items 8 and 14(d) of Form 10-K is included in Part IV:

All other schedules are omitted because they are not applicable, not required or the required information is included in the financial statements or notes thereto.

(ii) The following consolidated financial statements of Storer Communications, Inc. ("Storer") for the year ended December 31, 1992 are required to be filed by Item 14(d)(1) of Form 10-K and are incorporated by reference to Storer's Annual Report on Form 10-K for the year ended December 31, 1993.

Storer Communications, Inc.

Independent Auditors' Report
Consolidated Statements of Operations
Consolidated Statements of Stockholder's Equity (Deficit)
Consolidated Statements of Cash Flows
Notes to Consolidated Financial Statements

All schedules are omitted because they are not applicable, not required or the required information is included in the financial statements or notes thereto.

(c) Exhibits required to be filed by Item 601 of Regulation S-K:

3.1(a) Amended and Restated Articles of Incorporation filed on July 24, 1990 (incorporated by reference to Exhibit 3(i)(1) to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994).

3.1(b) Amendment to Articles of Incorporation filed on July 14, 1994 (incorporated by reference to Exhibit 3(i)(2) to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994).

3.2 Amended and Restated By-Laws (incorporated by reference to Exhibit 3(ii) to the Company's Annual Report on Form 10-K for the year ended December 31, 1993).

4.1 Specimen Class A Common Stock Certificate (incorporated by reference to Exhibit 2(a) to the Company's Registration Statement on Form S-7 filed with the Commission on September 17, 1980, File No. 2-69178).

4.2 Specimen Class A Special Common Stock Certificate (incorporated by reference to Exhibit 4(2) to the Company's Annual Report on Form 10-K for the year ended December 31, 1986).

4.3(a) Indenture (including form of Note), dated as of May 15, 1983, between Storer Communications, Inc. and The Chase Manhattan Bank, N.A., as Trustee, relating to 10% Subordinated Debentures due May 2003 of Storer Communications, Inc. (incorporated by reference to Exhibit 4.6 to the Registration Statement on Form S-1 (File No. 2-98938) of SCI Holdings, Inc.).

4.3(b) First Supplemental Indenture, dated December 3, 1986 (incorporated by reference to Exhibit 4.5 to the Current Report on Form 8-K of Storer Communications, Inc. dated December 3, 1986).

4.4 Amended and Restated Indenture dated as of June 5, 1992 among Comcast Cellular Corporation, the Company and The Bank of New York, as Trustee, relating to $500,493,000 Series A Senior Participating Redeemable Zero Coupon Notes due 2000 and $500,493,000 Series B Senior Participating Redeemable Zero Coupon Notes due 2000 (incorporated by reference to Exhibit 4.3 to the Registration Statement on Form S-1 (File No. 33-46863) of Comcast Cellular Corporation).

4.5 Indenture, dated as of October 17, 1991, between the Company and Morgan Guaranty Trust Company of New York, as Trustee (incorporated by reference to Exhibit 2 to the Company's Current Report on Form 8-K filed with the Commission on October 31, 1991).

4.6 Form of Debenture relating to the Company's 10-1/4% Senior Subordinated Debentures due 2001 (incorporated by reference to Exhibit 4(19) to the Company's Annual Report on Form 10-K for the year ended December 31, 1991).

4.7 Form of Debenture relating to the Company's $300,000,000 10-5/8% Senior Subordinated Debentures due 2012 (incorporated by reference to Exhibit 4(17) to the Company's Annual Report on Form 10-K for the year ended December 31, 1992).

4.8 Form of Debenture relating to the Company's $200,000,000 9-1/2% Senior Subordinated Debentures due 2008 (incorporated by reference to Exhibit 4(18) to the Company's Annual Report on Form 10-K for the year ended December 31, 1992).

4.9 Indenture, dated as of February 20, 1991, between the Company and Bankers Trust Company, as Trustee (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-3, File No. 33-32830, filed with the Commission on January 11, 1990).

4.10 Form of Debenture relating the Company's 3-3/8% / 5-1/2% Step-up Convertible Subordinated Debentures Due 2005 (incorporated by reference to Exhibit 4(14) to the Company's Annual Report on Form 10-K for the year ended December 31, 1993).

4.11 Form of Debenture relating to the Company's 1-1/8% Discount Convertible Subordinated Debentures Due 2007 (incorporated by reference to Exhibit 4 to the Company's Current Report on Form 8-K filed with the Commission on November 15, 1993).

10.1(a) Credit Agreement, dated as of March 1, 1991, between Comcast Holdings, Inc., The Chase Manhattan Bank (National Association), as Agent, and various banks, and related agreements included therein (incorporated by reference to Exhibit 10(1) to the Company's Annual Report on Form 10-K for the year ended December 31, 1990, as amended by Form 8 filed April 16, 1991).

10.1(b) Amendment No. 1, dated as of January 11, 1994, among Comcast Holdings, Inc., the Chase Manhattan Bank (National Association), the banks named therein, and for limited purposes, Comcast Corporation and Comcast Cable Communications, Inc (incorporated by reference to Exhibit 10(1)(b) to the Company's Annual Report on Form 10-K for the year ended December 31, 1993).

10.1(c) Copies of promissory notes delivered to Banks (incorporated by reference to Exhibit 10(1)(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 1993).

10.1(d) Consent and Amendment, dated as of January 13, 1994, among Comcast Holdings, Inc., the Lenders named therein, and for limited purposes, Comcast Corporation and Comcast Cable Communications, Inc. (incorporated by reference to Exhibit 10(1)(d) to the Company's Annual Report on Form 10-K for the year ended December 31, 1993).

10.1(e) Consent and Amendment, dated as of January 13, 1994, among Comcast Holdings, Inc., the Nippon Credit Bank, Ltd., and for limited purposes, Comcast Corporation and Comcast Cable Communications, Inc. (incorporated by reference to Exhibit 10(1)(e) to the Company's Annual Report on Form 10-K for the year ended December 31, 1993).

10.1(f) Amendment No. 2, dated as of May 15, 1994, to the Credit Agreement dated as of March 1, 1991, between Comcast Holdings, Inc., The Chase Manhattan Bank (National Association) as Agent, and the Lenders therein, and, for limited purposes, Comcast Corporation, Comcast Cable Communications, Inc. and Corestates Bank, N.A., as 1987 Collateral Agent and 1991 Collateral Agent (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on November 2, 1994).

10.1(g) Second Consent and Amendment, dated as of May 15, 1994, to the Credit Agreement dated as of March 1, 1991, among Comcast Holdings, Inc., the Lenders named therein, and for limited purposes, Comcast Corporation and Comcast Cable Communications, Inc.(incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed on November 2, 1994).

10.1(h) Second Consent and Amendment, dated as of May 15, 1994, to the Credit Agreement dated as of March 1, 1991, among Comcast Holdings, Inc., the Nippon Credit Bank, Ltd. and for limited purposes, Comcast Corporation and Comcast Cable Communications, Inc. (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K filed on November 2, 1994).

10.2(a) Loan Agreements, dated as of March 31, 1987, among Comcast Holdings, Inc. and certain lenders, and related agreements included therein (incorporated by reference to Exhibit 10(29) to the Company's Annual Report on Form 10-K for the year ended December 31, 1987).

10.2(b) Amendment Agreements, dated as of March 1, 1991, among Comcast Holdings, Inc. and certain lenders, and related agreements included therein (incorporated by reference to Exhibit 10(2)(b) to the Company's Annual Report on Form 10-K for the year ended December 31, 1990, as amended by Form 8 filed April 16, 1991).

10.3 Guaranty by the Company to the City of Philadelphia, dated as of October 30, 1987, (incorporated by reference to Exhibit 10(31) to the Company's Annual Report on Form 10-K for the year ended December 31, 1987).

10.4* 1982 Incentive Stock Option Plan, as amended (incorporated by reference to Exhibit 10(12) to the Company's Annual Report on Form 10-K for the year ended December 31, 1991).

10.5(a)*1986 Amended and Restated Non-Qualified Stock Option Plan (incorporated by reference to Exhibit 10(11) to the Company's Annual Report on Form 10-K for the year ended December 31, 1991).

10.5(b)*Amendment to 1986 Nonqualified Stock Option Plan, dated September 16, 1994.

10.6(a)*Comcast Corporation 1987 Stock Option Plan, as amended and restated (incorporated by reference to Exhibit 99 to the Company's Registration Statement on Form S-8 filed on December 16, 1994).

10.6(b)* Amendment to 1987 Stock Option Plan, dated September 16, 1994.

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*Constitutes a management contract or compensatory plan or arrangement.

10.7(a) Retirement-Investment Plan, as amended, including Amendment Nos. 1, 2 and 3 (incorporated by reference to Exhibit 10(17) to the Company's Annual Report on Form 10-K for the year ended December 31, 1990, as amended by Form 8 filed April 16, 1991).

10.7(b) Amendment Nos. 4, 5 and 6 to the Retirement-Investment Plan (incorporated by reference to Exhibit 10(14) to the Company's Annual Report on Form 10-K for the year ended December 31, 1991).

10.7(c) Amendment No. 7 to the Retirement-Investment Plan (incorporated by reference to Exhibit 10(9)(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 1992).

10.7(d) Amendment No. 8 to the Retirement-Investment Plan (incorporated by reference to Exhibit 10(9)(d) to the Company's Annual Report on Form 10-K for the year ended December 31, 1993).

10.8* Amended and Restated Deferred Compensation Plan, dated January 1, 1995.

10.9* 1990 Restricted Stock Plan, as amended and restated on November 11, 1994.

10.10* 1992 Executive Split Dollar Insurance Plan (incorporated by reference to Exhibit 10(12) to the Company's Annual Report on Form 10-K for the year ended December 31, 1992).

10.11* Form of Compensation and Deferred Compensation Agreement and Stock Appreciation Bonus Plan for Ralph J. Roberts (incorporated by reference to Exhibit 10(13) to the Company's Annual Report on Form 10-K for the year ended December 31, 1993).

10.12 Note Purchase Agreement, dated as of April 27, 1989, by and among Comcast Cable of Maryland, Inc., Comcast Cablevision of Maryland Limited Partnership, COM Maryland, Inc. and the Purchasers Named on Schedule I Thereto relating to $178,000,000 10.57% Senior Notes due 1999 (incorporated by reference to Exhibit 10(25) to the Company's Annual Report on Form 10-K for the year ended December 31, 1989).

10.13(a) Credit Agreement, dated as of March 4, 1992, among Comcast Cellular Communications, Inc., The Bank of New York, Barclays Bank, PLC, The Chase Manhattan Bank (National Association), Provident National Bank, and The Toronto-Dominion Bank (incorporated by reference to Exhibit 4 to the Company's Current Report on Form 8-K filed with the Commission on March 19, 1992, as amended by Form 8 dated April 24, 1992).

10.13(b) Amendment No. 1 to the Credit Agreement, dated as of September 21, 1992, between Comcast Cellular Communications, Inc., the banks named therein and The Toronto-Dominion Bank Trust Company, as Administrative Agent (incorporated by reference to Exhibit (17)(b) to the Company's Annual Report on Form 10-K for the year ended December 31, 1992).

10.13(c) Amendment No. 2 to the Credit Agreement, dated April 12, 1993, between Comcast Cellular Communications, Inc., the banks named therein and the Toronto-Dominion Bank Trust Company, as administrative agent (incorporated by reference to Exhibit 10(18)(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 1993).

10.13(d) Amendment No. 3, dated as of September 2, 1994, to the Credit Agreement dated as of March 4, 1992, between Comcast Cellular Communications, Inc., the banks therein and the Toronto-Dominion Bank Trust Company, as administrative agent (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K of the Company filed on November 2, 1994).

10.14 Tax Sharing Agreement, dated as of December 2, 1992, among Storer Communications, Inc., TKR Cable I, Inc., TKR Cable II, Inc., TKR Cable III, Inc., Tele-Communications, Inc., the Company and each of the Departing Subsidiaries that are signatories thereto (incorporated by reference to Exhibit 4 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).

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*Constitutes a management contract or compensatory plan or arrangement.

10.15 Credit Agreement, dated as of December 2, 1992, among Comcast Storer, Inc. and The Bank of New York, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, The Chase Manhattan Bank (National Association), Chemical Bank, LTCB Trust Company and The Toronto-Dominion Bank, as managing agents, and The Bank of New York, as administrative agent (incorporated by reference to Exhibit 5 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).

10.16 Note Purchase Agreement, dated as of November 15, 1992, among Comcast Storer, Inc., Storer Communications, Inc., Comcast Storer Finance Sub, Inc. and each of the respective purchasers named therein (incorporated by reference to Exhibit 6 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).

10.17 Payment Agreement, dated December 2, 1992, among the Company, Comcast Storer, Inc., SCI Holdings, Inc., Storer Communications, Inc. and each of the Remaining Subsidiaries that are signatories thereto (incorporated by reference to Exhibit 7 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).

10.18 Intercreditor and Collateral Agency Agreement, dated as of December 2, 1992, among Comcast Storer, Inc., Comcast Cable Communications, Inc., Storer Communications, Inc., the banks party to the Credit Agreement dated as of December 2, 1992, the purchasers of the Senior Notes under the separate Note Purchase Agreements each dated as of November 15, 1992, the Senior Lenders (as defined therein) and The Bank of New York as collateral agent for the Senior Lenders (incorporated by reference to Exhibit 8 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).

10.19 Tax Sharing Agreement, dated December 2, 1992, between the Company and Comcast Storer, Inc. (incorporated by reference to Exhibit 9 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).

10.20 Pledge Agreement, dated as of December 2, 1992, between Comcast Cable Communications, Inc. and The Bank of New York (incorporated by reference to Exhibit 10 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).

10.21 Pledge Agreement, dated as of December 2, 1992, between Comcast Storer, Inc. and The Bank of New York (incorporated by reference to Exhibit 11 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).

10.22 Pledge Agreement, dated as of December 2, 1992, between Storer Communications, Inc. and The Bank of New York (incorporated by reference to Exhibit 12 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).

10.23 Note Pledge Agreement, dated as of December 2, 1992, between Comcast Storer, Inc. and The Bank of New York (incorporated by reference to Exhibit 13 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).

10.24 Guaranty Agreement, dated as of December 2, 1992, between Storer Communications, Inc. and The Bank of New York (incorporated by reference to Exhibit 14 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).

10.25 Guaranty Agreement, dated as of December 2, 1992, between Comcast Storer Finance Sub, Inc. and The Bank of New York (incorporated by reference to Exhibit 15 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).

10.26(a) Stock Purchase Agreement, dated September 14, 1992, among the Company, Comcast FCI, Inc. and Fleet Call, Inc. (incorporated by reference to Exhibit A to Amendment No. 1 to the Company's Schedule 13D dated September 22, 1992 filed with respect to Fleet Call, Inc.).

10.26(b) Letter Agreement, dated October 28, 1992, amending Stock Purchase Agreement (incorporated by reference to Exhibit L to Amendment No. 2 to the Company's Schedule 13D dated February 23, 1993 filed with respect to Fleet Call, Inc.).

10.26(c) Letter Agreement, dated November 24, 1992, amending Stock Purchase Agreement (incorporated by reference to Exhibit M to Amendment No. 2 to the Company's Schedule 13D dated February 23, 1993 filed with respect to Fleet Call, Inc.).

10.26(d) Notice, dated February 15, 1993, from Fleet Call, Inc. to the Company pursuant to the Stock Purchase Agreement (incorporated by reference to Exhibit N to Amendment No. 2 to the Company's Schedule 13D dated February 23, 1993 filed with respect to Fleet Call, Inc.).

10.26(e) Acknowledgement, dated February 15, 1993, among the Company, Comcast FCI, Inc. and Fleet Call, Inc. (incorporated by reference to Exhibit O to Amendment No. 2 to the Company's Schedule 13D dated February 23, 1993 filed with respect to Fleet Call, Inc.).

10.26(f) Letter Agreement, dated February 15, 1993, amending the Stock Purchase Agreement (incorporated by reference to Exhibit P to Amendment No. 2 to the Company's Schedule 13D dated February 23, 1993 filed with respect to Fleet Call, Inc.).

10.26(g) Letter Agreement, dated July 22, 1993, among the Company, Comcast FCI, Inc. and Nextel Communications, Inc. (formerly Fleet Call, Inc.) (incorporated by reference to Exhibit A to Amendment No. 3 to Schedule 13D dated July 27, 1993 filed by the Company with respect to Nextel Communications, Inc.).

10.26(h) Amendment, dated August 4, 1994, to Stock Purchase Agreement dated as of September 14, 1992 among Comcast Corporation, Comcast FCI, Inc. and Nextel Communications, Inc. (incorporated by reference to Exhibit C to Amendment No. 7 to the Schedule 13D of Comcast Corporation relating to common stock of Nextel Communications, Inc. filed on August 9, 1994).

10.27 Option Agreement, dated September 14, 1992, between Fleet Call, Inc. and Comcast FCI, Inc. (incorporated by reference to Exhibit B to Amendment No. 1 to the Company's Schedule 13D dated September 22, 1992 filed with respect to Fleet Call, Inc.).

10.28 Promissory Note, dated September 14, 1992, issued by Comcast FCI, Inc. in favor of Fleet Call, Inc. (incorporated by reference to Exhibit C to Amendment No. 1 to the Company's Schedule 13D dated September 22, 1992 filed with respect to Fleet Call, Inc.).

10.29 Stock Pledge Agreement, dated September 14, 1992, between Comcast FCI, Inc. and Fleet Call, Inc. (incorporated by reference to Exhibit D to Amendment No. 1 to the Company's Schedule 13D dated September 22, 1992 filed with respect to Fleet Call, Inc.).

10.30 Stockholders' Voting Agreement, dated September 14, 1992, among Comcast FCI, Inc. and the other parties named therein (incorporated by reference to Exhibit E to Amendment No. 1 to the Company's Schedule 13D dated September 22, 1992 filed with respect to Fleet Call, Inc.).

10.31(a) Share Purchase Agreement, dated June 18, 1994, between Comcast Corporation and Rogers Communications Inc. (incorporated by reference to Exhibit 10(3) to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994).

10.31(b) First Amendment to Share Purchase Agreement, dated as of December 22, 1994, by and between Comcast Corporation and Rogers Communications Inc., to the Share Purchase Agreement dated June 18, 1994 (incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K filed on January 6, 1995).

10.32(a) Agreement and Plan of Merger, dated August 4, 1994, among Comcast Corporation, Liberty Media Corporation, Comcast QMerger, Inc. and QVC, Inc. (incorporated by reference to Exhibit 99.49 to Amendment No. 21 to the Schedule 13D of Comcast Corporation relating to common stock of QVC, Inc. filed on August 8, 1994).

10.32(b) First Amendment to Agreement and Plan of Merger, dated as of February 3, 1995, (incorporated by reference to Exhibit (c)(35) to Amendment No. 17 to the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission on February 6, 1995 by QVC Programming Holdings, Inc., Comcast Corporation and Tele-Communications, Inc. with respect to the tender offer for all outstanding shares of QVC, Inc.).

10.33 CreditAgreement, dated as of February 15, 1995, among QVC, Inc. and the Banks listed therein (incorporated by reference to Exhibit (b)(6) to Amendment No. 21 to the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission on February 17, 1995 by QVC Programming Holdings, Inc., Comcast Corporation and Tele-Communications, Inc. with respect to the tender offer for all outstanding shares of QVC, Inc.).

10.34 Storer Communications Retirement Savings Plan, dated January 1, 1993, (incorporated by reference to Exhibit 4.1 to the Form S-8 of Comcast Corporation filed on June 29, 1994).

10.35 Credit Agreement, dated as of September 14, 1994, among Comcast Cable Tri-Holdings, Inc., The Bank of New York, The Chase Manhattan Bank (National Association), PNC Bank, National Association, as Managing Agents, and the Bank of New York, as Administrative Agent, and the banks named therein (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K of the Company filed on November 2, 1994).

10.36 Comcast MHCP Holdings, L.L.C. Amended and Restated Limited Liability Company Agreement, dated as of December 18, 1994, among Comcast Cable Communications, Inc., The California Public Employees' Retirement System and, for certain limited purposes, Comcast Corporation (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 6, 1995).

10.37 Credit Agreement, dated as of December 22, 1994, among Comcast MH Holdings, Inc., the banks listed therein, The Chase Manhattan Bank (National Association), NationsBank of Texas, N.A. and the Toronto-Dominion Bank, as Arranging Agents, The Bank of New York, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce and Morgan Guaranty Trust Company of New York, as Managing Agents and NationsBank of Texas, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on January 6, 1995).

10.38 Pledge Agreement, dated as of December 22, 1994, between Comcast MH Holdings, Inc. and NationsBank of Texas, N.A., as the secured party (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on January 6, 1995).

10.39 Pledge Agreement, dated as of December 22, 1994, between Comcast Communications Properties, Inc. and NationsBank of Texas, N.A., as the Secured Party (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on January 6, 1995).

10.40	Affiliate Subordination Agreement (as the same may be amended, modified, supplemented, waived, extended or restated from time to time, this "Agreement"), dated as of December 22, 1994, among Comcast Corporation, Comcast MH Holdings, Inc., (the "Borrower"), any affiliate of the Borrower that shall have become a party thereto and NationsBank of Texas, N.A., as Administrative Agent under the Credit Agreement dated as of December 22, 1994, among the Borrower, the Banks listed therein, The Chase Manhattan Bank (National Association), NationsBank of Texas, N.A. and The Toronto-Dominion Bank, as Arranging Agents, The Bank of New York, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce and Morgan Guaranty Trust Company of New York, as Managing Agents, and the Administrative Agent (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on January 6, 1995).
10.41	Registration Rights and Price Protection Agreement, dated as of December 22, 1994, by and between Comcast Corporation and The California Public Employees' Retirement System (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K filed on January 6, 1995).
10.42	Agreement of Limited Partnership of WirelessCo, L.P., a Delaware Limited Partnership, dated as of October 24, 1994, by and among Sprint Spectrum, Inc., TCI Network, Inc., Comcast Telephony Services and Cox Communications Wireless, Inc., each as a General Partner and a Limited Partner.
10.43/*/	Credit Agreement, dated as of November 18, 1994, among Comcast Corporation and The Bank of New York, Chemical Bank and The Toronto-Dominion Bank, as Managing Agents and Issuing Banks, The Bank of New York and Chemical Bank, as Co-Administrative Agents, The Toronto-Dominion Bank, as Documentation Agent and The Bank of New York, as Paying Agent, and the Banks listed therein.
10.44/*/	Guaranty Agreement, dated as of November 18, 1994, between Comcast Cable Communications, Inc., and The Bank of New York, as paying agent on behalf of itself, the Banks, the Managing Agents, the Issuing Banks, the Co-Administrative Agents and the Documentation Agent under and as defined in the Credit Agreement dated as of November 18, 1994.
10.45/*/	Pledge Agreement, dated as of January 1, 1996, between Comcast Corporation and The Bank of New York, as the Secured Party.
10.46/*/	Affiliate Subordination Agreement, dated as of November 18, 1994, among Comcast Cable Communications, Inc., Comcast Financial Corporation, and any affiliate of the borrower or Comcast that shall have become a party hereto and The Bank of New York, as Paying Agent under the Credit Agreement dated as of November 18, 1994.
21	List of Subsidiaries.
23	Accountants' Consents.
27	Financial Data Schedule.
99.1	Report of Independent Public Accountants to Garden State Cablevision L.P., as of December 31, 1994 and 1993 and for the years then ended.
99.2	Report of Independent Public Accountants to Garden State Cablevision L.P., as of December 31, 1993 and 1992 and for the years then ended (incorporated by reference to Exhibit 99(1) to the Company's Annual Report on Form 10-K for the year ended December 31, 1993).
99.3	Report of Independent Public Accountants to Comcast International Holdings, Inc., as of December 31, 1994 and 1993 and for the years then ended.

/*/ Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, the Registrant agrees to furnish a copy of the referenced agreement to the Commission upon request.

(c) Reports on Form 8-K

The Company filed a Current Report on Form 8-K under Item 5 on November 2, 1994 which included the Company's Unaudited Pro Forma Condensed Consolidated Financial Statements and the Combined Financial Statements for the U.S. Cable Television Operations of Maclean Hunter as well as the Consolidated Financial Statements for QVC, Inc. (formerly, QVC Network, Inc.) for the year ended January 31, 1994 and for the quarter ended April 30, 1994, which were incorporated by reference to QVC, Inc.'s Annual Report on Form 10-K and Quarterly Report on Form 10-Q for those periods, respectively.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized in Philadelphia, Pennsylvania on February 22, 1995.

Comcast Corporation

By: /s/ BRIAN L. ROBERTS

Brian L. Roberts
President and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ RALPH J. ROBERTS Ralph J. Roberts	Chairman of the Board of Directors; Director	February 22, 1995
/s/ JULIAN A. BRODSKY Julian A. Brodsky	Vice Chairman of the Board of Directors; Director	February 22, 1995
/s/ BRIAN L. ROBERTS Brian L. Roberts	President; Director (Principal Executive Officer)	February 22, 1995
/s/ JOHN R. ALCHIN John R. Alchin	Senior Vice President, Treasurer (Principal Financial Officer)	February 22, 1995
/s/ LAWRENCE S. SMITH Lawrence S. Smith	Senior Vice President, Accounting and Administration (Principal Accounting Officer)	February 22, 1995
/s/ DANIEL AARON Daniel Aaron	Director	February 22, 1995
/s/ GUSTAVE G. AMSTERDAM Gustave G. Amsterdam	Director	February 22, 1995
/s/ SHELDON M. BONOVITZ Sheldon M. Bonovitz	Director	February 22, 1995
/s/ JOSEPH L. CASTLE II Joseph L. Castle II	Director	February 22, 1995

SIGNATURE	TITLE	DATE
/s/ BERNARD C. WATSON - -------------------------- Bernard C. Watson	Director	February 22, 1995
/s/ IRVING A. WECHSLER - -------------------------- Irving A. Wechsler	Director	February 22, 1995
/s/ ANNE WEXLER - -------------------------- Anne Wexler	Director	February 22, 1995

COMCAST CORPORATION AND SUBSIDIARIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

YEARS ENDED DECEMBER 31, 1994, 1993 AND 1992

(Dollars in thousands)

Description	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Deductions from Reserves(A)	Balance at End of Year
1994				
Allowance for doubtful accounts	$11,792	$21,321	$21,841	$11,272
1993				
Allowance for doubtful accounts	$9,817	$20,427	$18,452	$11,792
1992				
Allowance for doubtful accounts	$6,143	$16,834	$13,160	$9,817

(A) Uncollectible accounts written off.

INDEX TO EXHIBITS

Exhibit Number	Exhibit
10.5(b)*	Amendment to 1986 Nonqualified Stock Option Plan, dated September 16, 1994.
10.6(b)*	Amendment to 1987 Stock Option Plan, dated September 16, 1994.
10.8*	Amended and Restated Deferred Compensation Plan, dated January 1, 1995.
10.9*	1990 Restricted Stock Plan, as amended and restated on November 11, 1994.
10.42	Agreement of Limited Partnership of WirelessCo, L.P., a Delaware Limited Partnership, dated as of October 24, 1994, by and among Sprint Spectrum, Inc., TCI Network, Inc., Comcast Telephony Services and Cox Communications Wireless, Inc., each as a General Partner and a Limited Partner.
10.43/*/	Credit Agreement, as of November 18, 1994, among Comcast Corporation, The Bank of New York, Chemical Bank and The Toronto-Dominion Bank, as Managing Agents and Issuing Banks, The Bank of New York and Chemical Bank, as Co-Administrative Agents, The Toronto-Dominion Bank, as Documentation Agent and The Bank of New York, as Paying Agent, and the Banks listed therein.
10.44/*/	Guaranty Agreement, dated as of November 18, 1994, between Comcast Cable Communications, Inc., and The Bank of New York, as paying agent on behalf of itself, the Banks, the Managing Agents, the Issuing Banks, the Co-Administrative Agents and the Documentation Agent under and as defined in the Credit Agreement dated as of November 18, 1994.
10.45/*/	Pledge Agreement, dated as of January 1, 1996, between Comcast Corporation and The Bank of New York, as the Secured Party.
10.46/*/	Affiliate Subordination Agreement, dated as of November 18, 1994, among Comcast Cable Communications, Inc., Comcast Financial Corporation, and any affiliate of the borrower or Comcast that shall have become a party hereto and The Bank of New York, as Paying Agent under the Credit Agreement dated as of November 18, 1994.
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* Constitutes a management contract or compensatory plan or arrangement.

/*/ Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, the Registrant agrees to furnish a copy of the referenced agreement to the Commission upon request.

Amendment to the
Comcast Corporation 1986 Nonqualified Stock Option Plan

Dated September 16, 1994

The Compensation Committee of the Board of Directors of Comcast Corporation amended the Comcast Corporation 1986 Nonqualified Stock Option Plan (the "1986 Plan"), effective September 16, 1994, as follows:

A new Section 10 is added to the 1986 Plan to read, in its entirety, as follows:

"10. Withholding of Taxes.

"(a) Whenever the Company proposes or is required to deliver or transfer Option Shares in connection with the exercise of an Option, the Company shall have the right to (i) require the recipient to remit to the Company an amount sufficient to satisfy any federal, state and/or local withholding tax requirements prior to the delivery or transfer of any certificate or certificates for such Option Shares or (ii) take any action whatever that it deems necessary to protect its interests with respect to tax liabilities. The Company's obligation to make any delivery or transfer of Option Shares shall be conditioned on the recipient's compliance, to the Company's satisfaction, with any withholding requirement.

"(b) Except as otherwise provided in this Paragraph 10(b), any tax liabilities incurred in connection with the exercise of an Option for Class A Common Stock under the Plan shall be satisfied by the Company's withholding a portion of the Option Shares underlying the Option exercised having a fair market value approximately equal to the minimum amount of taxes required to be withheld by the Company under applicable law, unless otherwise determined by the Committee with respect to any participant. Notwithstanding the foregoing, the Committee may permit an Optionee to elect one or both of the following: (i) to have taxes withheld in excess of the minimum amount required to be withheld by the Company under applicable law; provided that the Optionee certifies in writing to the Company at the time of such election that the Optionee has held for at least six months a number of shares of the same class as that of the Option Shares that is at least equal to that number of Option Shares to be withheld by the Company for the then current exercise and that number of Option Shares which were withheld by the Company in connection with all other

exercises of Options during the six month period prior to such election, in each case on account of withheld taxes in excess of such minimum amount, and (ii) to pay to the Company in cash all or a portion of the taxes to be withheld upon the exercise of an Option. In all cases, the Option Shares so withheld by the Company shall have a fair market value that does not exceed the amount of taxes to be withheld minus the cash payment, if any, made by the Optionee. The fair market value of such shares shall be determined based on the last reported sale price of a share of Class A Common Stock on the principal exchange on which the Class A Common Stock is listed or, if not so listed, on the Nasdaq Stock Market on the last trading day prior to the date on which the Option is exercised. Any election pursuant to this Paragraph 10(b) must be in writing made prior to the date specified by the Committee, and in any event prior to the date the amount of tax to be withheld or paid is determined. In addition, with respect to persons subject to reporting requirements under Section 16(a) of the 1934 Act, such election must be made at least six months prior to the date the amount of tax to be withheld or paid is determined (which election will remain in effect with regard to the exercise of an Option and all future exercises of Options unless revoked upon six months prior notice). An election pursuant to this paragraph may be made only by an Optionee or, in the event of the Optionee's death, by the Optionee's legal representative. No shares withheld pursuant to this Paragraph 10(b) shall be available for subsequent grants under the Plan. The Committee may add such other requirements and limitations regarding elections pursuant to this Paragraph 10(b) as it deems appropriate."

Exhibit 10.6(b)

Amendment to the Comcast Corporation 1987 Stock Option Plan

Dated September 16, 1994

The Subcommittee on Performance Based Compensation of the Compensation Committee of the Board of Directors of Comcast Corporation amended the Comcast Corporation 1987 Stock Option Plan (the "Plan"), effective September 16, 1994, as follows:

Section 12 of the Plan is amended to read, in its entirety, as follows:

"12. Withholding of Taxes.

"(a) Whenever the Company proposes or is required to deliver or transfer Option Shares in connection with the exercise of an Option, the Company shall have the right to (i) require the recipient to remit to the Company an amount sufficient to satisfy any federal, state and/or local withholding tax requirements prior to the delivery or transfer of any certificate or certificates for such Option Shares or (ii) take any action whatever that it deems necessary to protect its interests with respect to tax liabilities. The Company's obligation to make any delivery or transfer of Option Shares shall be conditioned on the recipient's compliance, to the Company's satisfaction, with any withholding requirement.

"(b) Except as otherwise provided in this Paragraph 12(b), any tax liabilities incurred in connection with the exercise of an Option under the Plan other than an ISO shall be satisfied by the Company's withholding a portion of the Option Shares underlying the Option exercised having a fair market value approximately equal to the minimum amount of taxes required to be withheld by the Company under applicable law, unless otherwise determined by the Committee with respect to any participant. Notwithstanding the foregoing, the Committee may permit an Optionee to elect one or both of the following: (i) to have taxes withheld in excess of the minimum amount required to be withheld by the Company under applicable law; provided that the Optionee certifies in writing to the Company at the time of such election that the Optionee has held for at least six months a number of shares of the same class as that of the Option Shares that is at least equal to that number of Option Shares to be withheld by the Company for the then current exercise and that number of Option Shares which were withheld by the Company in connection with all other exercises of Options during the six month period prior

to such election, in each case on account of withheld taxes in excess of such minimum amount, and (ii) to pay to the Company in cash all or a portion of the taxes to be withheld upon the exercise of an Option. In all cases, the Option Shares so withheld by the Company shall have a fair market value that does not exceed the amount of taxes to be withheld minus the cash payment, if any, made by the Optionee. The fair market value of such shares shall be determined based on the last reported sale price of a share of Common Stock on the principal exchange on which the Common Stock is listed or, if not so listed, on the Nasdaq Stock Market on the last trading day prior to the date on which the Option is exercised. Any election pursuant to this Paragraph 12(b) must be in writing made prior to the date specified by the Committee, and in any event prior to the date the amount of tax to be withheld or paid is determined. In addition, with respect to persons subject to reporting requirements under Section 16(a) of the 1934 Act, such election must be made at least six months prior to the date the amount of tax to be withheld or paid is determined (which election will remain in effect with regard to the exercise of an Option and all future exercises of Options unless revoked upon six months prior notice). An election pursuant to this paragraph may be made only by an Optionee or, in the event of the Optionee's death, by the Optionee's legal representative. No shares withheld pursuant to this Paragraph 12(b) shall be available for subsequent grants under the Plan. The Committee may add such other requirements and limitations regarding elections pursuant to this Paragraph 12(b) as it deems appropriate."

Exhibit 10.8

COMCAST CORPORATION

DEFERRED COMPENSATION PLAN

As Amended and Restated

Effective January 1, 1995

TABLE OF CONTENTS

COMCAST CORPORATION
DEFERRED COMPENSATION PLAN
As Amended and Restated,
Effective January 1, 1995

I. ESTABLISHMENT OF PLAN

COMCAST CORPORATION, a Pennsylvania corporation, originally established the Comcast Corporation Deferred Compensation Plan (the "Plan"), effective as of February 12, 1974, to permit outside directors and eligible employees to defer the receipt of compensation otherwise payable to such outside directors and eligible employees in accordance with the terms of the Plan. The Plan is unfunded and is maintained primarily for the purpose of providing deferred compensation to outside directors and to a select group of management or highly compensated employees. The Plan has been amended from time to time. Comcast Corporation hereby amends and restates the Plan in its entirety, effective January 1, 1995.

II. DEFINITIONS

2.1 "Account" means the bookkeeping accounts established pursuant to Section 5.1 and maintained by the Administrator in the names of the respective Participants, to which all amounts deferred and earnings allocated under the Plan shall be credited, and from which all amounts distributed under the Plan shall be debited.

2.2 "Administrator" means the Committee.

2.3 "Annual Rate of Pay" means, as of any date, the sum of:

2.3.1 an employee's annualized base pay rate, plus

2.3.2 the amount of bonus, if any, paid to such employee pursuant to a Bonus Program during the 365-day period ending on such date.

An employee's Annual Rate of Pay shall not include sales commissions or other similar payments or awards.

2.4 "Board" means the Board of Directors of the Company, or the Executive Committee of the Board of Directors of the Company.

2.5 "Bonus Program" means a plan or arrangement maintained by a Participating Company for the benefit of a class or category of employees, which provides for the payment of a cash bonus to eligible members of such class or category upon the satisfaction of such conditions as may be provided under such plan or arrangement, provided that the term "Bonus Program" shall not include any arrangement for the payment of sales commissions or other similar payments or awards.

2.6 "Committee" means the Subcommittee on Performance Based Compensation of the Compensation Committee of the Board of Directors of the Company.

2.7 "Company" means Comcast Corporation.

2.8 "Compensation" means:

2.8.1 In the case of an Outside Director, the total cash remuneration for services as a member of the Board and as a member of any Committee of the Board; and

2.8.2 In the case of an Eligible Employee, the total cash remuneration for services payable by a Participating Company, excluding sales commissions or other similar payments or awards.

2.9 "Election" means a written election on a form provided by the Administrator, filed with the Administrator in accordance with Article III, pursuant to which an Outside Director or an Eligible Employee:

2.9.1 may elect to defer all or any portion of the Compensation payable for the performance of services as an Outside Director or as an Eligible Employee following the time that such election is filed; and/or

2.9.2 may designate the time that part or all of the Account shall be distributed.

2.10 "Eligible Employee" means:

2.10.1 each employee of a Participating Company who , as of December 31, 1989, was eligible to participate in the Plan;

2.10.2 each employee of a Participating Company who was, at any time before January 1, 1995, eligible to participate in the Plan and whose Annual Rate of Pay is $90,000 or more as of both (1) the date on which an Election with respect to the deferral of Compensation to be

earned after December 31, 1994 is filed with the Administrator and (2) the first day of each Plan Year beginning after December 31, 1994.

2.10.3 each employee of a Participating Company whose Annual Rate of Pay is $125,000 or more as of both (1) the date on which an Election is filed with the Administrator and (2) the first day of the Plan Year in which such Election is filed.

2.10.4 each New Key Employee.

2.11 "Former Eligible Employee" means an employee of a Participating Company who, as of any relevant date, does not satisfy the requirements of an "Eligible Employee" but who previously met such requirements.

2.12 "Hardship" means a Participant's serious financial hardship, as determined by the Board on a uniform and nondiscriminatory basis pursuant to the Participant's request under Section 7.3.

2.13 "New Key Employee" means each employee of a Participating Company hired on or after the Restatement Effective Date whose annual rate of pay on his date of hire is $125,000 or more.

2.14 "Outside Director" means a member of the Board who is not an employee of a Participating Company.

2.15 "Participant".

2.15.1 "Participant" means each individual who has made an Election, and who has an undistributed amount credited to an Account under the Plan.

2.15.2 "Active Participant" means (1) each Participant who is in active service as an Outside Director and (2) each Participant who is actively employed by a Participating Company as an Eligible Employee.

2.15.3 "Grandfathered Participant" means an Inactive Participant who, on or before December 31, 1991, enters into a written agreement with the Company to terminate service to the Company or gives written notice of intention to terminate service to the Company, regardless of the actual date of termination of service.

2.15.4 "Inactive Participant" means each Participant who is not in active service as an Outside Director and is not actively employed by a Participating Company.

2.16 "Participating Company" means the Company and each Participating Company (as such term is defined therein) in The Comcast Corporation Retirement-Investment Plan, as amended.

2.17 "Plan" means the Comcast Corporation Deferred Compensation Plan, As Amended and Restated, Effective January 1, 1995, as set forth in this document, and as may be amended.

2.18 "Plan Year" means the calendar year.

2.19 "Prime Rate" means the annual rate of interest identified by PNC Bank as its prime rate as of a Participant's employment termination date and as of the first day of each calendar year beginning thereafter.

2.20 "Restatement Effective Date" means January 1, 1995.

2.21 "Severance Pay" means any amount identified by a Participating Company as severance pay, or any amount which is payable on account of periods beginning after the last date on which an employee (or former employee) is required to report for work for a Participating Company.

III. ELECTION TO DEFER COMPENSATION

3.1 Elections. Each Outside Director and Eligible Employee shall have the right to defer all or any portion of the Compensation (including bonuses, if any) which he or she shall receive in the following Plan Year by filing an Election at the time and in the manner described in this Article III; provided that Severance Pay shall be included as "Compensation" for purposes of this Section 3.1 only to the extent permitted by the Administrator in its sole discretion. The amount of Compensation deferred by a Participant for a Plan Year pursuant to an Election shall be withheld on a pro-rata basis from each periodic

installment payment of the Participant's Compensation for the Plan Year (in accordance with the general pay practices of the Participating Companies), and credited to the Participant's Account in accordance with Section 5.1. Except to the extent permitted by the Administrator in its sole discretion, no Election filed by a Former Eligible Employee shall be valid or effective.

3.2 Filing of Elections. The Election shall be made on the form provided by the Administrator for this purpose. Except as provided in Section 3.3, no Election shall be effective unless it is filed with the Administrator on or before the close of business on December 31 of the Plan Year preceding the Plan Year as to which the Election applies.

3.3 Filing of Elections by New Key Employees. Notwithstanding Section 3.1 Section and 3.2, a New Key Employee may elect to defer all or any portion of his or her compensation to be earned in the Plan Year in which the New Key Employee was hired, beginning with the payroll period next following the filing of an Election with the Administrator and before the close of such Plan Year by making and filing the Election with the Administrator within 30 days of such New Key Employee's date of hire. Elections by such New Key Employee for succeeding Plan Years shall be made in accordance with Section 3.1 and Section 3.2.

3.4 Plan Years to which Elections May Apply. A separate Election may be made for each Plan Year as to which an Outside

Director or Eligible Employee desires to defer all or any portion of his or her Compensation, but the failure of an Outside Director or Eligible Employee to make an Election for any Plan Year shall not affect such Employee's right to make an Election for any other Plan Year.

3.5 Election of Distribution Date. Each Participant who elects to defer all or any portion of his or her Compensation for any Plan Year shall, on the Election, also elect the time and form of distribution of the amount of the deferred Compensation to which the particular Election relates; provided, however, that, subject to acceleration pursuant to Section 7.1 or Section 7.3:

3.5.1 With respect to Elections filed with the Administrator before January 1, 1990, no distribution may be made within five years of the date on which the Election is filed with the Administrator.

3.5.2 Except as otherwise provided by Section 3.5.1, no distribution may be made within one year of the date on which the Election is filed with the Administrator.

Each Participant may select a form of distribution in accordance with Article IV.

3.6 Designation of Benefit Commencement Date.

3.6.1 The designation of the time for distribution of benefits to begin under the Plan may vary with each separate Election.

3.6.2 Each Active Participant who has previously elected to receive a distribution of part or all of his or her Account, or who, pursuant to this Section 3.6, has elected to defer payment for an additional period from the originally-elected payment date, may elect to defer the payment of such amount for a minimum of one additional year from the previously-elected payment date by filing an Election with the Administrator on or before the close of business on December 31 of the Plan Year preceding the Plan Year in which the distribution would otherwise be made.

3.6.3 Except as provided in Section 3.6.4, if permitted by the Administrator in its sole discretion, an Inactive Participant who has previously elected to receive a distribution of part or all of his her Account, or who, pursuant to this Section 3.6, has elected to defer payment for an additional period from the originally elected payment date, may elect to defer the payment of such amount for

a minimum of one additional year from the previously-elected payment date, but not later than the date permitted by the Administrator, by filing an Election with the Administrator on or before the close of business on December 31 of the Plan Year preceding the Plan Year in which the distribution would otherwise be made.

3.6.4 No Grandfathered Participant who has previously elected to receive a distribution of part or all of his or her Account, or who, pursuant to this Section 3.6, has elected to defer payment for an additional period from the originally-elected payment date, may elect to defer the payment of such amount to any subsequent date.

3.6.5 Subject to acceleration pursuant to Section 7.1 or 7.3, no distribution of the amounts deferred by a Participant for any Plan Year shall be made before the payment date designated by the Participant on the most recently filed Election with respect to such deferred amounts. Distribution of the amounts deferred for any Plan Year by a Participant (other than a Grandfathered Participant and an Inactive Participant who

makes an Election under Section 3.6.3) who ceases to be an Active Participant shall be made on the payment date designated by the Participant on the last Election filed with respect to such deferred amounts before the Participant ceased to be an Active Participant.

IV. FORMS OF DISTRIBUTION

4.1 Forms of Distribution. Amounts credited to an Account shall be distributed, pursuant to an Election, from among the following forms of distribution:

4.1.1 A lump sum payment.

4.1.2 Substantially equal annual installments over a five (5), ten (10) or fifteen (15) year period.

4.1.3 Substantially equal monthly installments over a period not exceeding fifteen (15) years.

V. BOOK ACCOUNTS

5.1 Deferred Compensation Account. A deferred Compensation Account shall be established for each Outside Director and Eligible Employee when such Outside Director or Eligible Employee becomes a Participant. Compensation deferred pursuant to the Plan shall be credited to the Account on the date such Compensation would otherwise have been payable to the

Participant. Earnings on the balance of the Account shall be credited to the Account as provided in Section 5.2.

5.2 Crediting of Earnings on Accounts.

5.2.1 In General. Except as otherwise provided in Section 5.2.2, the Administrator shall credit each Participant's Account with interest at the rate of 12% per annum.

5.2.2 Termination of Employment During Deferral Period. Except to the extent otherwise required by Section 9.2, effective for the period extending from a Participant's employment termination date to the date the Participant's Account is distributed in full, the Administrator, in its sole discretion, may credit such Participant's Account with interest at the lesser of (1) the rate in effect under Section 5.2.1 or (2) the Prime Rate plus one percent.

5.3 Status of Deferred Amounts. Regardless of whether or not the Company is a Participant's employer, all Compensation deferred under this Plan shall continue for all purposes to be a part of the general funds of the Company.

5.4 Participants' Status as General Creditors. Regardless of whether or not the Company is a Participant's employer, an Account shall at all times represent the general obligation of the Company. The Participant shall be a general creditor of the

Company with respect to this obligation, and shall not have a secured or preferred position with respect to his or her Accounts. Nothing contained herein shall be deemed to create an escrow, trust, custodial account or fiduciary relationship of any kind. Nothing contained herein shall be construed to eliminate any priority or preferred position of a Participant in a bankruptcy matter with respect to claims for wages.

VI. NON-ASSIGNABILITY, ETC.

The right of each Participant in or to any account, benefit or payment hereunder shall not be subject in any manner to attachment or other legal process for the debts of such Participant; and no Account, benefit or payment shall be subject to anticipation, alienation, sale, transfer, assignment or encumbrance.

VII. DEATH OR DISABILITY OF PARTICIPANT

7.1 Death or Disability Before Commencement of Distributions. If a Participant's employment (or, in the case of a Participant who is an Outside Director, a Participant's service as an Outside Director) is terminated by reason of death or disability, before the distribution of any portion of his Account has begun, the Company shall, within ninety (90) days of the date of such termination, commence distribution of the Account to the Participant (in the event of disability) or to the beneficiary or beneficiaries (in the event of death) selected by the Participant. Distributions under this Section 7.1 shall be made

in accordance with the Election of the Participant under Section 4.1.

7.2 Death or Disability After Commencement of Distributions. If a Participant's employment (or, in the case of a Participant who is an Outside Director, a Participant's service as an Outside Director) is terminated by reason of death or disability after distribution of his or her Account has begun, the Company shall continue to make distributions to the Participant or the Participant's beneficiary or beneficiaries in accordance with the Election of the Participant under Section 4.1.

7.3 Hardship Distributions. Notwithstanding the terms of an Election, if, at the Participant's request, the Board determines that the Participant has incurred a Hardship, the Board may, in its discretion, authorize the immediate distribution of all or any portion of the Participant's Account.

7.4 Designation of Beneficiaries. Each Participant shall have the right to designate one or more beneficiaries to receive distributions in the event of the Participant's death by filing with the Administrator a beneficiary designation on the form provided by the Administrator for such purpose. The designation of beneficiary or beneficiaries may be changed by a Participant at any time prior to his or her death by the delivery to the Administrator of a new beneficiary designation form. If no beneficiary shall have been designated, or if no designated

beneficiary shall survive the Participant, the Participant's estate shall be deemed to be the beneficiary.

VIII. INTERPRETATION

8.1 Authority of Board. The Board shall have full and exclusive authority to construe, interpret and administer this Plan and Board's construction and interpretation thereof shall be binding and conclusive on all persons for all purposes.

IX. AMENDMENT OR TERMINATION

9.1 Amendment or Termination. Except as otherwise provided by Section 9.2, the Company, by action of the Board or by action of the Committee, reserves the right at any time, or from time to time, to amend or modify this Plan. The Company, by action of the Board, reserves the right at any time, or from time to time terminate this Plan.

9.2 Amendment of Rate of Credited Earnings. No amendment shall change the rate of earnings credited to the portion of a Participant's Account that is attributable to an Election made with respect to Compensation earned in a Plan Year and filed with the Administrator before the date of adoption of such amendment by the Board. For purposes of this Section 9.2, an Election to defer the payment of part or all of an Account for an additional period after a previously-elected payment date (as described in Section 3.6) shall be treated as a separate Election from any previous Election with respect to such Account.

X. MISCELLANEOUS PROVISIONS

10.1 No Right to Continued Employment. Nothing contained herein shall be construed as conferring upon any Participant the right to remain in service as an Outside Director or in the employment of a Participating Company as an executive or in any other capacity.

10.2 Governing Law. This Plan shall be interpreted under the laws of the Commonwealth of Pennsylvania.

XI. EFFECTIVE DATE

The original effective date of the Plan was February 12, 1974. The Plan has been amended from time to time. The effective date of this amendment and restatement of the Plan shall be January 1, 1995.

IN WITNESS WHEREOF, COMCAST CORPORATION has caused this Plan to be executed by its officers thereunto duly authorized, and its corporate seal to be affixed hereto, this 11th day of November, 1994.

[CORPORATE SEAL] COMCAST CORPORATION

ATTEST: /s/ Arthur Block BY: /s/ Stanley Wang

Exhibit 10.9

COMCAST CORPORATION
1990 RESTRICTED STOCK PLAN
(As Amended and Restated, Effective November 11, 1994)

1. PURPOSE

The purpose of the Plan is to promote the ability of Comcast Corporation (the "Company") to retain certain key employees and enhance the growth and profitability of the Company by providing the incentive of long-term awards for continued employment and the attainment of performance objectives.

2. DEFINITIONS

(a)"Award" means an award of Restricted Stock granted under the Plan.

(b)"Board" means the Board of Directors of the Company.

(c)"Code" means the Internal Revenue Code of 1986, as amended.

(d)"Committee" means the Subcommittee on Performance Based Compensation of the Compensation Committee of the Board.

(e)"Company" means Comcast Corporation.

(f)"Date of Grant" means the date on which an Award is granted.

(g)"Eligible Employee" means a management employee of the Company or a subsidiary or affiliate of the Company, as determined by the Committee.

(h)"Grantee" means an Eligible Employee who is granted an Award.

(i)"Plan" means the Comcast Corporation 1990 Restricted Stock Plan, as set forth herein, and as amended from time to time.

(j)"Plan Year" means the 12-consecutive-month period extending from January 3 to January 2.

(k)"Restricted Stock" means Shares subject to restrictions as set forth in an Award.

(l)"Rule 16b-3" means Rule 16b-3 promulgated under the 1935 Act, as in effect from time to time.

(m)"Share" or "Shares" means a share or shares of Class A Special Common Stock, $1.00 par value, of the Company.

(n)"1933 Act" means the Securities Act of 1933, as amended.

(o)"1934 Act" means the Securities Exchange Act of 1934, as amended.

3. RIGHTS TO BE GRANTED

Rights that may be granted under the Plan are rights to Restricted Stock, which gives the Grantee ownership rights in the Shares subject to the Award, subject to a substantial risk of forfeiture, as set forth in Paragraph 7, and to deferred payment, as set forth in Paragraph 8.

4. SHARES SUBJECT TO THE PLAN

(a)Not more than 3,250,000 Shares in the aggregate may be issued under the Plan pursuant to the grant of Awards, subject to adjustment in accordance with Paragraph 10. The Shares issued under the Plan may, at the Company's option, be either Shares held in treasury or Shares originally issued for such purpose.

(b)If Restricted Stock is forfeited pursuant to the times of an Award, other Awards with respect to such Shares may be granted.

5. ADMINISTRATION OF THE PLAN

(a)Administration. The Plan shall be administered by the Committee.

(b)Grants. Subject to the express terms and conditions set forth in the Plan, the Committee shall have the power, from time to time, to:

(i) select those Employees to whom Awards shall be granted under the Plan, to determine the number of Shares to be granted pursuant to each Award, and, pursuant to the provisions of the Plan, to determine the terms and conditions of each Award, including the restrictions applicable to such Shares; and

(ii) interpret the Plan's provisions , prescribe , amend and rescind rules and regulations for

the Plan, and make all other determinations necessary or advisable for the administration of the Plan.

The determination of the Committee in all matters as stated above shall be conclusive.

(c) Meetings. The Committee shall hold meetings at such times and places as it may determine. Acts approved at a meeting by a majority of the members of the Committee or acts approved in writing by the unanimous consent of the members of the Committee shall be the valid acts of the Committee.

(d) Exculpation. No member of the Committee shall be personally liable for monetary damages for any action taken or any failure to take any action in connection with the administration of the Plan or the granting of Awards thereunder unless (i) the member of the Committee has breached or failed to perform the duties of his office, and (ii) the breach or failure to perform constitutes self-dealing, wilful misconduct or recklessness; provided, however, that the provisions of this Paragraph 5(d) shall not apply to the responsibility or liability of a member of the Committee pursuant to any criminal statute or to the liability of a member of the Committee for the payment of taxes pursuant to federal, state or local law.

(e) Indemnification. Service on the Committee shall constitute service as a member of the Board. Each member of the Committee shall be entitled without further act on his part to indemnity from the Company to the fullest extent provided by applicable law and the Company' s Articles of Incorporation and By-laws in connection with or arising out of any action, suit or proceeding with respect to the administration of the Plan or the granting of Awards thereunder in which he may be involved by reason of his being or having been a member of the Committee, whether or not he continues to be such member of the Committee at the time of the action, suit or proceeding.

6. ELIGIBILITY

Awards may be granted only to Eligible Employees of the Company and its Subsidiaries, as determined by the Committee. No Awards shall be granted to an individual who is not an Eligible Employee of the Company or of a subsidiary or affiliate of the Company.

7. RESTRICTED STOCK AWARDS

The Committee may grant Awards in accordance with the Plan. The terms and conditions of Awards shall be set forth in writing

as determined from time to time by the Committee, consistent, however, with the following:

(a) Time of Grant. All Awards shall be granted within ten (10) years from the date of adoption of the Plan by the Board.

(b) Shares Awarded. The provisions of Awards need not be the same with respect to each Grantee. No cash or other consideration shall be required to be paid by the Grantee in exchange for an Award.

(c) Awards and Agreements. A certificate shall be issued to each Grantee in respect of Shares subject to an Award. Such certificate shall be registered in the name of the Grantee and shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Award. The Company may require that the certificate evidencing such Restricted Stock be held by the Company until all restrictions on such Restricted Stock have lapsed.

(d) Restrictions. Subject to the provisions of the Plan and the Award, during a period set by the Committee commencing with the Date of Grant, which shall extend for at least six (6) months from the Date of Grant (except as otherwise provided by Paragraph 12), the Grantee shall not be permitted to sell, transfer, pledge or assign Restricted Stock awarded under the Plan.

(e) Lapse of Restrictions. Subject to the provisions of the Plan and the Award, restrictions upon Shares subject to an Award shall lapse at such time or times and on such terms and conditions as the Committee may determine and as are set forth in the Award; provided, however, that the restrictions upon such Shares shall lapse only if the Grantee on the date of such lapse is, and has been an employee of the Company or of a subsidiary or affiliate of the Company continuously from the Date of Grant. The Award may provide for the lapse of restrictions in installments, as determined by the Committee. The Committee may, in its sole discretion, waive, in whole or in part, any remaining restrictions with respect to such Grantee's Restricted Stock.

(f) Rights of the Grantee. Grantees may have such rights with respect to Shares subject to an Award as may be determined by the Committee and set forth in the Award, including the right to vote such Shares, and the right to receive dividends paid with respect to such Shares.

(g) Termination of Grantee's Employment. A transfer of an Eligible Employee between two employers, each of which is the Company or a subsidiary or affiliate of the Company, shall not be deemed a termination of employment. In the event that a Grantee

terminates employment with the Company or its subsidiaries or affiliates, all Shares remaining subject to restrictions shall be forfeited by the Grantee and deemed cancelled by the Company.

(h) Delivery of Shares. Except as otherwise provided by Paragraph 8, when the restrictions imposed on Restricted Stock lapse with respect to one or more Shares, the Company shall notify the Grantee that such restrictions no longer apply, and shall deliver to the Grantee (or the person to whom ownership rights may have passed by will or the laws of descent and distribution) a certificate for the number of Shares for which restrictions have lapsed without any legend or restrictions (except those that may be imposed by the Committee, in its sole judgment, under Paragraph 9(a)). The right to payment of any fractional Shares that may have accrued shall be satisfied in cash, measured by the product of the fractional amount times the fair market value of a Share at the time the applicable restrictions lapse, as determined by the Committee.

8. DEFERRAL ELECTIONS

A Grantee may elect to defer the receipt of Restricted Stock as to which restrictions have lapsed as provided by the Committee in the Award, consistent, however, with the following:

(a) Deferral Election.

(i) Election. Each Grantee shall have the right to defer the receipt of all or any portion of the Restricted Stock as to which the Award provides for the potential lapse of applicable restrictions by filing an election to defer the receipt of such Restricted Stock on a form provided by the Committee for this purpose.

(ii) Deadline for Deferral Election. No election to defer the receipt of Restricted Stock as to which the Award provides for the potential lapse of applicable restrictions shall be effective unless it is filed with the Committee on or before the last day of the calendar year ending before the first day of the Plan Year in which the applicable restrictions may lapse; provided that an election to defer the receipt of Restricted Stock as to which the Award provides for the potential lapse of applicable restrictions within the same Plan Year as the Plan Year in which the Award is granted shall be effective if it is filed with the Committee on or

before the earlier of (A) the 30th day following the Date of Grant or (B) the last day of the month that precedes the month in which the applicable restrictions may lapse.

(iii) Deferral Period. Subject to Paragraph 8(b), all Restricted Stock that is subject to a deferral election under this Paragraph 8(a) shall be delivered to the Grantee (or the person to whom ownership rights may have passed by will or the laws of descent and distribution) without any legend or restrictions (except those that may be imposed by the Committee, in its sole judgment, under Paragraph 9(a)), on the earlier of (A) the last day of the fifth Plan Year beginning after the date as of which the applicable restrictions lapse or (B) within sixty (60) days following the Grantee's termination of employment for any reason.

(iv) Effect of Failure of Restrictions on Shares to Lapse. A deferral election under this Paragraph 8(a) shall be null and void in the event that the restrictions on Restricted Stock identified in a deferral election do not lapse as of the end of the Plan Year following the Plan Year in which the deferral election is filed with the Committee by reason of the failure to satisfy any condition precedent to the lapse of the restrictions in such Plan Year.

(b)Additional Deferral Election. On or before the last day of the calendar year ending before the first day of the Plan Year in which Restricted Stock subject to a deferral election under Paragraph 8(a) is to be delivered to a Grantee, the Grantee may elect to re-defer the receipt of all or any portion of such Restricted Stock until the earlier of (i) the last day of the fifth Plan Year beginning after the date on which the Restricted Stock would have been delivered but for the Grantee's election pursuant to this Paragraph 8(b) or (ii) within sixty (60) days following the Grantee's termination of employment for any reason.

(c)Status of Deferred Shares. A Grantee's right to delivery of Shares subject to a deferral election under Paragraph 8(a) or 8(b) shall at all times represent the general obligation of the Company. The Grantee shall be a general creditor of the Company with respect to this obligation, and shall not have a secured or preferred position with respect to such obligation. Nothing contained in the Plan or an Award shall be deemed to

create an escrow, trust, custodial account or fiduciary relationship of any kind. Nothing contained in the Plan or an Award shall be construed to eliminate any priority or preferred position of a Grantee in a bankruptcy matter with respect to claims for wages.

(d)Non-Assignability, Etc. The right of a Grantee to receive Shares subject to a deferral election under this Paragraph 8 shall not be subject in any manner to attachment or other legal process for the debts of such Grantee; and no right to receive Shares hereunder shall be subject to anticipation, alienation, sale, transfer, assignment or encumbrance.

9. SECURITIES LAWS; TAXES

(a) Securities Laws. The Committee shall have the power to make each grant of Awards under the Plan subject to such conditions as it deems necessary or appropriate to comply with the then-existing requirements of the 1933 Act and the 1934 Act, including Rule 16b-3. Such conditions may include the delivery by the Grantee of an investment representation to the Company in connection with the lapse of restrictions on Shares subject to an Award, or the execution of an agreement by the Grantee to refrain from selling or otherwise disposing of the Shares acquired for a specified period of time or on specified terms.

(b) Taxes. Subject to the rules of Paragraph 9(c), the Company shall be entitled, if necessary or desirable, to withhold the amount of any tax, charge or assessment attributable to the grant of any Award or lapse of restrictions under any Award. The Company shall not be required to deliver Shares pursuant to any Award until it has been indemnified to its satisfaction for any such tax, charge or assessment.

(c) Payment of Tax Liabilities; Election to Withhold Shares or Pay Cash to Satisfy Tax Liability.

(i) In connection with the grant of any Award or the lapse of restrictions under any Award, the Company shall have the right to (A) require the Grantee to remit to the Company an amount sufficient to satisfy any federal, state and/or local withholding tax requirements prior to the delivery or transfer of any certificate or certificates for Shares subject to such Award, or (B) take any action whatever that it deems necessary to protect its interests with respect to tax liabilities. The Company's obligation to make any delivery or transfer of Shares shall be conditioned on the Grantee's compliance, to the Company's satisfaction, with any withholding requirement.

(ii) Except as otherwise provided in this Paragraph 9(c)(ii), any tax liabilities incurred in connection with grant of any Award or the lapse of restrictions under any Award under the Plan shall be satisfied by the Company's withholding a portion of the Shares subject to such Award having a fair market value approximately equal to the minimum amount of taxes required to be withheld by the Company under applicable law, unless otherwise determined by the Committee with respect to any Grantee. Notwithstanding the foregoing, the Committee may permit a Grantee to elect one or both of the following: (A) to have taxes withheld in excess of the minimum amount required to be withheld by the Company under applicable law; provided that the Grantee certifies in writing to the Company at the time of such election that the Grantee has held for at least six months a number of shares of the same class as that of the Shares subject to the Award that is at least equal to the number to be withheld by the Company in payment of withholding taxes in excess of such minimum amount; and (B) to pay to the Company in cash all or a portion of the taxes to be withheld in connection with such grant or lapse of restrictions. In all cases, the Shares so withheld by the Company shall have a fair market value that does not exceed the amount of taxes to be withheld minus the cash payment, if any, made by the Grantee. The fair market value of such Shares shall be determined based on the last reported sale price of a Share on the principal exchange on which Shares are listed or, if not so listed, on the NASDAQ Stock Market on the last trading day prior to the date of such grant or lapse of restriction. Any election pursuant to this Paragraph 9(c)(ii) must be in writing made prior to the date specified by the Committee, and in any event prior to the date the amount of tax to be withheld or paid is determined. In addition, with respect to persons subject to reporting requirements under Section 16(a) of the 1934 Act, such election must be made at least six months prior to the date the amount of tax to be withheld or paid is determined (which election will remain in effect with regard to all future grants of Awards or lapses of restrictions, as applicable, unless revoked upon six months prior notice). An election pursuant to this Paragraph 9(c)(ii) may be made only by a Grantee or, in the event of the Grantee's death, by the

Grantee's legal representative. No Shares withheld pursuant to this Paragraph 9(c)(ii) shall be available for subsequent grants under the Plan. The Committee may add such other requirements and limitations regarding elections pursuant to this Paragraph 9(c)(ii) as it deems appropriate.

10. CHANGES IN CAPITALIZATION

The aggregate number of Shares and class of Shares as to which Awards may be granted and the number of Shares covered by each outstanding Award shall be appropriately adjusted in the event of a stock dividend, stock split, recapitalization or other change in the number or class of issued and outstanding equity securities of the Company resulting from a subdivision or consolidation of the Shares and/or other outstanding equity security or a recapitalization or other capital adjustment (not including the issuance of Shares and/or other outstanding equity securities on the conversion of other securities of the Company which are convertible into Shares and/or other outstanding equity securities) affecting the Shares which is effected without receipt of consideration by the Company. The Committee shall have authority to determine the adjustments to be made under this Paragraph 10 and any such determination by the Committee shall be final, binding and conclusive.

11. MERGERS, DISPOSITIONS AND CERTAIN OTHER TRANSACTIONS

If before the lapse of all restrictions on Restricted Stock, the Company or any subsidiary or affiliate of the Company shall be merged into or consolidated with or otherwise combined with or acquired by another person or entity, or there is a reorganization or a liquidation or partial liquidation of the Company, the Company may choose to take no action with regard to the Awards outstanding, or, notwithstanding any other provision of the Plan, the Company may eliminate any restrictions that may continue to apply to Restricted Stock or the Company shall take such action as the Board shall determine to be reasonable under the circumstances in order to permit Grantees to realize the value of rights granted to them under the Plan.

12. AMENDMENT AND TERMINATION

The Plan may be terminated by the Board at any time. The Plan may be amended by the Board at any time. No Award shall be affected by any such termination or amendment without the written consent of the Grantee.

13. EFFECTIVE DATE

The Plan shall become effective on the date on which the Plan is adopted by the Board. The adoption of the Plan and the grant of Awards pursuant to the Plan is subject to the approval of the shareholders of the Company to the extent that such approval (a) is required pursuant to the By-law of the National Association of Securities Dealers, Inc., and the schedules thereto, in connection with issuers whose securities are included in the NASDAQ National Market System, or (b) is requiring to satisfy the conditions on Rule 16b-3. If shareholder approval is required to satisfy the foregoing conditions, the Board shall submit the Plan to the shareholders the Company for their approval at the first annual meeting of shareholders held after the adoption of the Plan by the Board.

14. GOVERNING LAW

The Plan and all determinations made and actions taken pursuant to the Plan shall be governed in accordance with Pennsylvania Law.

Executed this 11th day of November, 1994

[CORPORATE SEAL] COMCAST CORPORATION

ATTEST: /s/ Arthur Block BY: /s/ Stanley Wang

AGREEMENT OF LIMITED PARTNERSHIP

OF

WIRELESSCO, L.P.,

A DELAWARE LIMITED PARTNERSHIP

dated as of October 24, 1994

among

SPRINT SPECTRUM, INC.

TCI NETWORK, INC.

COMCAST TELEPHONY SERVICES

and

COX COMMUNICATIONS WIRELESS, INC.

AGREEMENT OF LIMITED PARTNERSHIP OF WIRELESSCO, L.P., A DELAWARE LIMITED PARTNERSHIP

This AGREEMENT OF LIMITED PARTNERSHIP is entered into as of the 24th day of October, 1994, by and among Sprint Spectrum, Inc., a Kansas corporation ("Sprint"), TCI Network, Inc., a Colorado corporation ("TCI"), Comcast Telephony Services, a Delaware general partnership ("Comcast"), and Cox Communications Wireless, Inc., a Delaware corporation ("Cox"), each as a General Partner and a Limited Partner, pursuant to the provisions of the Delaware Revised Uniform Limited Partnership Act, on the following terms and conditions:

SECTION 1
THE PARTNERSHIP

1.1 Formation.

The Partners hereby form the Partnership as a limited partnership pursuant to the provisions of the Act for the purposes and upon the terms and conditions set forth in this Agreement.

1.2 Name.

The name of the Partnership shall be WirelessCo, L.P, and all business of the Partnership shall be conducted in such name or, in the discretion of the Management Committee, under any other names (but excluding a name that includes the name of a Partner unless such Partner has consented thereto).

1.3 Purpose.

(a) Subject to, and upon the terms and conditions of this Agreement, the purposes and business of the Partnership shall be to develop (through acquisition, lease, construction, investment or otherwise) a seamless, integrated, competitive Wireless Business providing Wireless Exclusive Services and Non-Exclusive Services nationwide, and to operate, manage and maintain such business. Without the unanimous consent of the Partners, the Partnership shall not engage in any other business, including any of the Excluded Businesses. During the term of the Trademark License and upon the terms and conditions thereof, the Partnership's services will be marketed under the Sprint Brand. In furtherance of its purposes, but subject to the terms and

conditions of this Agreement, the Partnership may do any or all of the following: provide certain services to other operators of Wireless Businesses that provide Wireless Exclusive Services and Non-Exclusive Services pursuant to Affiliation Agreements or other contractual relationships with such operators (including PioneerCo); make and prosecute applications and bids for licenses for such Wireless Business and renewals thereof; invest in Persons holding licenses for such Wireless Businesses (including PioneerCo); and design, construct, develop and dispose of systems for such Wireless Business.

(b) The Partnership shall have all the powers now or hereafter conferred by the laws of the State of Delaware on limited partnerships formed under the Act and, subject to the limitations of this Agreement, may do any and all lawful acts or things that are necessary, appropriate, incidental or convenient for the furtherance and accomplishment of the purposes of the Partnership. Without limiting the generality of the foregoing, and subject to the terms of this Agreement, the Partnership may enter into, deliver and perform all contracts, agreements and other undertakings and engage in all activities and transactions as may be necessary or appropriate to carry out its purposes and conduct its business.

(c) Simultaneously with the execution of this Agreement, the Parents of the Partners have entered into the Joint Venture Formation Agreement, pursuant to which (subject to the satisfaction of certain conditions) NewTelco will be formed by the Partners on the NewTelco Closing Date to engage in the businesses described in the Joint Venture Formation Agreement. On the NewTelco Closing Date, NewTelco and the Partnership will be combined in a manner to be agreed upon by the Partners.

1.4 Principal Executive Office.

The principal executive office of the Partnership shall be located in such place as determined by the Management Committee, and the Management Committee may change the location of the principal executive office of the Partnership to any other place within or without the State of Delaware upon ten (10) Business Days prior notice to each of the Partners, provided that such principal executive office shall be located in the United States. The Management Committee may establish and maintain such additional offices and places of business of the Partnership, within or without the State of Delaware, as it deems appropriate.

1.5 Term.

The term of the Partnership shall commence on the date the certificate of limited partnership described in Section 17-201 of the Act (the "Certificate") is filed in the office of the Secretary of State of Delaware in accordance with the Act and shall continue until the winding up and liquidation of the Partnership and its business is completed following a Liquidating Event, as provided in Section 14.

1.6 Filings; Agent for Service of Process.

(a) Promptly following the execution of this Agreement, the General Partners shall cause the Certificate to be filed in the office of the Secretary of State of Delaware in accordance with the Act. The Management Committee shall take any and all other actions reasonably necessary to perfect and maintain the status of the Partnership as a limited partnership under the laws of Delaware. The General Partners shall cause amendments to the Certificate to be filed whenever required by the Act. The Partners shall be provided with copies of each document filed or recorded as contemplated by this Section 1.6 promptly following the filing or recording thereof.

(b) The General Partners shall execute and cause to be filed original or amended Certificates and shall take any and all other actions as may be reasonably necessary to perfect and maintain the status of the Partnership as a limited partnership or similar type of entity under the laws of any other states or jurisdictions in which the Partnership engages in business.

(c) The registered agent for service of process on the Partnership shall be The Corporation Trust Company or any successor as appointed by the Management Committee in accordance with the Act. The registered office of the Partnership in the State of Delaware is located at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

1.7 Title to Property.

No Partner shall have any ownership interest in its individual name or right in any real or personal property owned, directly or indirectly, by the Partnership, and each Partner's Interest shall be personal property for all purposes. The Partnership shall hold all of its real and personal property in the name of the Partnership or its nominee and not in the name of any Partner.

1.8 Payments of Individual Obligations.

The Partnership's credit and assets shall be used solely for the benefit of the Partnership, and no asset of the Partnership shall be transferred or encumbered for, or in payment of, any individual obligation of any Partner.

1.9 Independent Activities.

Each Partner and any of its Affiliates shall be required to devote only such time to the affairs of the Partnership as such Partner determines in its sole discretion may be necessary to manage and operate the Partnership to the extent contemplated by this Agreement, and each such Person, except as expressly provided herein, shall be free to serve any other Person or enterprise in any capacity that it may deem appropriate in its discretion.

1.10 Definitions.

Capitalized words and phrases used in this Agreement have the following meanings:

"Act" means the Delaware Revised Uniform Limited Partnership Act, as set forth in Del. Code Ann. tit. 6, (S)(S) 17-101 to 17-1109.

"Accountants" means, as of any time, such firm of nationally recognized independent certified public accountants that, as of such time, has been appointed by the Management Committee as the accountants for the Partnership.

"Additional Capital Contributions" means, with respect to each Partner, the Capital Contributions made by such Partner pursuant to Sections 2.3, 2.4 and 2.5, reduced by the amount of any liabilities of such Partner assumed by the Partnership in connection with such Capital Contributions or which are secured by any property contributed by such Partner as a part of such Capital Contribution. In the event all or a portion of an Interest is Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Additional Capital Contributions of the transferor to the extent they relate to the transferred Interest.

"Additional Contribution Agreement" means a contribution agreement the terms of which have been approved by the Unanimous Vote of the Management Committee pursuant to which

a Partner makes an Additional Capital Contribution to the Partnership pursuant to Section 2.5.

"Additional Contribution Notice" means a written notice given to all Partners, which shall (i) state the Additional Contribution Amount being requested of all Partners and each Partner's proportionate share thereof determined as provided in Section 2.3(a) (or, in the case of a required Additional Capital Contribution in respect of a Declined Accelerated Contribution, as provided in Section 2.3(c)), (ii) specify in reasonable detail the purposes for which the Additional Contribution Amount is required, (iii) identify a date (the "Contribution Date"), not more than forty-five (45) days nor less than thirty (30) days after the date of such notice, upon which the Additional Capital Contributions are to be made and (iv) specify the account of the Partnership to which the contribution is to be made; provided that any Additional Contribution Notice with respect to any portion of the Auction Commitment of the Partners may require the Additional Capital Contribution to be made on a date that is less than thirty (30) days, but not less than two (2) days, after the date of such notice.

"Adjusted Capital Account Deficit" means, with respect to any Exclusive Limited Partner, the deficit balance, if any, in such Exclusive Limited Partner's Capital Account as of the end of the relevant Allocation Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Exclusive Limited Partner is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6) of the Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

"Adverse Act" means, with respect to any Partner, any of the following:

(i) Such Partner becomes a Defaulting Partner;

(ii) Such Partner Disposes of all or any part of its Interest except as required or permitted by this Agreement; provided, however, that no Adverse Act shall be considered to have occurred until thirty (30) days following the involuntary encumbrance of all or any part of such Interest if during such thirty (30) day period the affected Partner acts diligently to, and prior to the end of such thirty (30) day period does, remove any such encumbrance, including effecting the posting of a bond to prevent foreclosure where necessary;

(iii) Such Partner has committed a material breach of any covenant contained in this Agreement (other than as otherwise expressly enumerated in this definition) or a material default on any obligation provided for in this Agreement (other than as otherwise expressly enumerated in this definition) and such breach or default continues for thirty (30) days after the date written notice thereof has been given to such Partner by any other Partner (with a copy to the Management Committee and each other Partner); provided that if such breach or default is not a failure to pay money and is of such a nature that it cannot reasonably be cured within such thirty (30) day period, but is curable and such Partner in good faith begins efforts to cure it within such thirty (30) day period and continues diligently to do so, such Partner shall have a reasonable additional period thereafter to effect the cure (which shall not exceed an additional ninety (90) days unless otherwise approved by the Management Committee by Required Majority Vote; and provided further that if, within thirty (30) days after the date written notice of such breach or default has been given to such Partner, such Partner delivers written notice (the "Contest Notice") to the Management Committee and all other Partners that it contests such notice of breach or default, such breach or default shall not constitute an Adverse Act unless and until (and assuming that such breach or default has not theretofore been cured in full) (A) the disinterested Representatives determine in good faith by Required Majority Vote that such Partner has committed such a breach or default or (B) there is a Final Determination that such Partner's actions or failures to act constituted such a breach or default; and provided further that this clause (iii) shall not apply in the event of a breach of Section 8.6 hereof, which breach shall constitute an Adverse Act (if at all) pursuant to clause (vii) below;

(iv) The Bankruptcy of such Partner or the occurrence of any other event which would permit a trustee or receiver to acquire control of the affairs or assets of such Partner;

(v) The occurrence of a Change in Control of such Partner without the unanimous written consent of the other General Partners;

(vi) An IXC Transaction has occurred with respect to such Partner;

(vii) The occurrence of any event with respect to such Partner (A) that causes such Partner or the Partnership to become a BOC or (B) that causes the Partnership to become a BOC Affiliated Enterprise or an entity subject to any restriction or limitation under Section II of the MFJ, provided, however, that (a) in the case of an event specified in clause (B) above, such event must have a material adverse effect on the business, assets, liabilities, results of operations, financial condition or prospects of the Partnership and (b) no Adverse Act shall be considered to have occurred if such Partner has taken actions which have cured the event that would otherwise have constituted an Adverse Act under clause (B) of this clause (vii) within ninety (90) days following its receipt of notice from a General Partner of the occurrence of such event; and provided further that if, within ninety (90) days after the date written notice of such occurrence has been given to such Partner, such Partner delivers a Contest Notice to the Management Committee and all other Partners that it contests such occurrence (or contests whether such occurrence constitutes an Adverse Act under this clause (vii)), such occurrence shall not constitute an Adverse Act unless and until (and assuming that such event has not theretofore been cured in full) (A) the disinterested Representatives determine in good faith by Required Majority Vote that such occurrence constitutes an Adverse Act under this clause (vii) or (B) there is a Final Determination that such occurrence constitutes an Adverse Act under this clause (vii); or

(viii) Such Partner otherwise causes a dissolution of the Partnership in contravention of the terms of this Agreement (other than solely by reason of the Bankruptcy of such Partner).

An "Adverse Partner" is any Partner with respect to which an Adverse Act has occurred.

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with such Person. For purposes of this definition, the term "controls" (including its correlative meanings "controlled by" and "under common control with") shall mean the possession,

direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, (i) neither the Partnership, NewTelco nor any Person controlled by the Partnership or NewTelco shall be deemed to be an Affiliate of any Partner or of any Affiliate of any Partner and (ii) no Partner or any Affiliate thereof shall be deemed to be an Affiliate of any other Partner or any Affiliate thereof solely by virtue of its Interest in the Partnership or its partnership interest in NewTelco.

"Agreement" or "Partnership Agreement" means this Agreement of Limited Partnership, including all Schedules hereto, as amended from time to time.

"Allocation Year" means (i) the period commencing on the effective date of this Agreement and ending on December 31, 1994, (ii) any subsequent twelve (12) month period commencing on January 1 and ending on December 31, or (iii) any portion of the period described in clauses (i) or (ii) for which the Partnership is required to allocate Profits, Losses, and other items of Partnership income, gain, loss or deduction pursuant to Section 3.

"Auction Commitment" of any Partner means an amount equal to the product of (i) such Partner's initial Percentage Interest as of the date of this Agreement and (ii) the aggregate maximum amount of the Additional Capital Contributions specified in the Management Committee Resolution (whether or not specified in the Management Committee Resolution as required to be immediately available or to be secured by the Letters of Credit) to be used for (a) the Partnership's maximum budgeted expenditure in the PCS Auction for the payment of the purchase price for PCS Licenses awarded to it, (b) capital contributions to be paid in cash to PioneerCo under the partnership agreement of PioneerCo during the Auction Period in connection with the formation of PioneerCo and the contribution of the Cox Pioneer Preference License to PioneerCo and capital contributions to be paid in cash during the Auction Period to other partnerships formed to hold pioneer preference licenses for frequency blocks "A" and "B" in connection with the formation of such partnerships and the payment of the purchase price for such licenses, (c) capital contributions to be paid in cash during the Auction Period for investments in or with entities that are eligible to bid for PCS licenses in frequency blocks "C" and "F" in connection with the formation of such entities and the payment of the purchase price for such license s and (d) incidental expenses relating to the foregoing; provided, that the amount specified in this clause

(ii) shall be increased if and to the extent that the Management Committee by Unanimous Vote approves an increase in the aggregate amount of such Additional Capital Contributions, and shall be reduced following the PCS Auction as and to the extent contemplated by the Wireless Strategic Plan to reflect the results of the PCS Auction. In the event all or a portion of an Interest is Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Auction Commitment of the transferor to the extent it relates to the transferred Interest and has not been called in full.

"Auction Period" means the period from the date hereof to the effective date of the Initial Business Plan.

"Available Cash" means as of any date the cash of the Partnership as of such date less such portion thereof as the Management Committee determines to reserve for Partnership expenses, debt payments, capital improvements, replacements, and contingencies.

"Bankruptcy" means, with respect to any Person, a "Voluntary Bankruptcy" or an "Involuntary Bankruptcy." A "Voluntary Bankruptcy" means, with respect to any Person, the inability of such Person generally to pay its debts as such debts become due (other than any obligation of such Person to make capital contributions under this Agreement), or an admission in writing by such Person of its inability to pay its debts generally or a general assignment by such Person for the benefit of creditors; the filing of any petition or answer by such Person seeking to adjudicate it bankrupt or insolvent, or seeking for itself any liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of such Person or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking, consenting to, or acquiescing in the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for such Person or for any substantial part of its property; or corporate action taken by such Person to authorize any of the actions set forth above. An "Involuntary Bankruptcy" means, with respect to any Person, without the consent or acquiescence of such Person, the entering of an order for relief or approving a petition for relief or reorganization or any other petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or other similar relief under any present or future bankruptcy, insolvency or similar statute, law or regulation, or the filing of any such petition against such Person which petition shall not be dismissed within ninety (90) days, or, without the consent or acquiescence of such

Person, the entering of an order appointing a trustee, custodian, receiver or liquidator of such Person or of all or any substantial part of the property of such Person which order shall not be dismissed within sixty (60) days.

"BOC" means "BOC" or "Bell Operating Companies" as defined in Section IV.C of the MFJ.

"BOC Affiliated Enterprise" has the same meaning as the term "affiliated enterprise" as used with respect to "BOC" or "Bell Operating Companies" in Section II.D of the MFJ.

"BTA" means a Basic Trading Area, as defined in the FCC Rules to be codified at 47 C.F.R. (S) 24.13.

"Business Day" means a day of the year on which banks are not required or authorized to close in the State of New York.

"Capital Account" means, with respect to any Partner, the Capital Account maintained for such Partner in accordance with the following provisions:

(i) To each Partner's Capital Account there shall be credited such Partner's Capital Contributions, such Partner's Special Contributions, if any, such Partner's distributive share of Profits and any items in the nature of income or gain which are specially allocated pursuant to Section 3.3 or Section 3.4, and the amount of any Partnership liabilities which are assumed by such Partner or secured by any Property distributed to such Partner as permitted by this Agreement.

(ii) To each Partner's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any Property distributed or deemed to be distributed to such Partner pursuant to any provision of this Agreement, such Partner's distributive share of Losses and any items in the nature of expenses or losses which are specially allocated pursuant to Section 3.3 or Section 3.4, and the amount of any liabilities of such Partner assumed by the Partnership or which are secured by any property contributed by such Partner to the Partnership.

(iii) In the event all or a portion of an Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Interest.

(iv) In determining the amount of any liability for purposes of the definitions of "Additional Capital

Contributions" and "Original Capital Contribution" and subparagraphs (i) and (ii) of this definition of "Capital Account," there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the Management Committee determines that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Partnership or any Partner), are computed in order to comply with such Regulations, the Management Committee may make such modification, provided that it is not likely to have a material effect on the amounts distributable to any Partner pursuant to Section 14 upon the dissolution of the Partnership. The Management Committee also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Partners and the amount of Partnership capital reflected on the Partnership's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1(b)(2)(iv)(q), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b). Any such action will require the Unanimous Vote of the Management Committee.

"Cable Partners" means Comcast, Cox and TCI.

"Capital Commitment" of any Partner means with respect to any Fiscal Year or part thereof included in the Initial Three-Year Period, an amount equal to the excess, if any, of (i) the product of (A) such Partner's initial Percentage Interest and (B) the sum of (1) the aggregate amount of Additional Capital Contributions expressly contemplated by the Initial Business Plan to be required of the Partners in such Fiscal Year (including, with respect to the first Fiscal Year in the Initial Three-Year Period, the Post-Auction Requirements) plus (2) the Prior Years' Carryforward, over (ii) the cumulative Accelerated Contribution Amounts requested of and made by such Partner in all prior Fiscal Years that the Management Committee has determined shall be applied to reduce the Planned Capital Amount for such Fiscal Year. In the event all or a portion of an Interest is Transferred in accordance with this Agreement, the transferee shall succeed to the Capital Commitment of the transferor to the

extent it relates to the transferred Interest and has not been called in full.

"Capital Contribution" means, with respect to any Partner, the amount of money and the initial Gross Asset Value of any property (other than money) contributed or deemed to be contributed to the Partnership with respect to the Interest held by such Partner. The principal amount of a promissory note which is not readily traded on an established securities market and which is contributed to the Partnership by the maker of the note (or a Partner related to the maker of the note within the meaning of Regulations Section 1.704-1(b)(2)(ii)(c)) shall not be included in the Capital Account of any Partner until the Partnership makes a taxable disposition of the note or until (and to the extent) principal payments are made on the note, all in accordance with Regulations Section 1.704-1(b)(2)(iv)(d)(2).

"Carrier" has the meaning set forth in the definition of "IXC" below.

"Change in Control" means, with respect to any Partner that has a Parent other than itself, such Partner's ceasing to be a Subsidiary of its Parent other than in connection with a Permitted Transaction.

"Chief Executive Officer" means the chief executive officer of the Partnership, including any interim chief executive officer.

"Code" means the Internal Revenue Code of 1986.

"Comcast Parent" means Comcast Corporation, a Pennsylvania corporation.

"Consumer Price Index" means the Consumer Price Index "All Urban Consumers: U.S. city average, all items" (1982-1984 = 100) published by the Bureau of Labor Statistics of the United States Department of Labor, or any equivalent successor or substitute index selected by the Management Committee and published by the Bureau of Labor Statistics or a successor or substitute governmental agency and selected by the Management Committee.

"Contest Notice" has the meaning set forth in clause (iii) of the definition of "Adverse Act."

"Contribution Date" has the meaning set forth in the definition of "Additional Contribution Notice."

"Controlled Affiliate" of any Person means the Parent of such Person and each Subsidiary of such Parent. As used in Sections 6, 8.6, 8.10 and 8.12 the term "Controlled Affiliate" shall also include any Affiliate of a Person that such Person or its Parent can directly or indirectly unilaterally cause to take or refrain from taking any of the actions required, prohibited or otherwise restricted by such Section, whether through ownership of voting securities, contractually or otherwise. As used in Sections 2.4, 5.1(c), 11.2, 12.4, 12.5 and 12.6, the term "Controlled Affiliate" shall also include any Affiliate of a Person that such Person or its Parent can directly or indirectly unilaterally cause to take or refrain from taking any action regarding the Partnership, whether through ownership of voting securities, contractually or otherwise.

"Cox Parent" means Cox Cable Communications, Inc., a Delaware corporation; provided, that if on January 1, 1996, Cox Cable Communications, Inc. is not Publicly Held, the term Cox Parent shall thereafter mean the Person that would be the Parent of Cox if a Permitted Transaction were deemed to have occurred on such date with respect to Cox.

"Cox Pioneer Preference License" means the 30 MHz MTA "A" block PCS license in the Los Angeles MTA for which Cox Parent has filed an application with the FCC.

"Debt" means (i) any indebtedness for borrowed money or deferred purchase price of property or evidenced by a note, bonds, or other instruments, (ii) obligations to pay money as lessee under capital leases, (iii) obligations to pay money secured by any mortgage, pledge, security interest, encumbrance, lien or charge of any kind existing on any asset owned or held by the Partnership whether or not the Partnership has assumed or become liable for the obligations secured thereby, (iv) any obligation under any interest rate swap agreement (the principal amount of such obligation shall be deemed to be the notional principal amount on which such swap is based), and (v) obligations under direct or indirect guarantees of (including obligations (contingent or otherwise) to assure a creditor against loss in respect of) indebtedness or obligations of the kinds referred to in clauses (i), (ii), (iii) and (iv) above, provided that Debt shall not include obligations in respect of any accounts payable that are incurred in the ordinary course of the Partnership's business and are not delinquent or are being contested in good faith by appropriate proceedings.

"Depreciation" means, for each Allocation Year, an amount equal to the depreciation, amortization, or other cost

recovery deduction allowable with respect to an asset for such Allocation Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Allocation Year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Allocation Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Allocation Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Management Committee.

"Dispose" (including its correlative meanings, "Disposed of", "Disposition" and "Disposed"), with respect to any Interest means to Transfer, pledge, hypothecate or otherwise dispose of such Interest, in whole or in part, voluntarily or involuntarily, except by operation of law in connection with a merger, consolidation or other business combination of the Partnership and except that such term shall not include any pledge or hypothecation of, or granting of a security interest in, an Interest that is approved by the Management Committee in connection with any financing obtained on behalf of the Partnership.

"ESMR" means any commercial mobile radio service, and the resale of such service, authorized under the rules for Specialized Mobile Radio services designated under Subpart S of Part 90 of the FCC's rules in effect on the date hereof, including the networking, marketing, distribution, sales, customer interface and operations functions relating thereto.

"Excluded Businesses" has the meaning set forth in Exhibit A to Exhibit 1.1(a) to the Joint Venture Formation Agreement.

"Exclusive Limited Partner" means any Limited Partner that is not also a General Partner.

"FCC" means the Federal Communications Commission.

"Final Determination" means (i) a determination set forth in a binding settlement agreement between the Partnership and the Partner alleged to have committed the Adverse Act, which has been approved by a Required Majority Vote of the Management Committee pursuant to Section 8.7 or (ii) a final judicial determination, not subject to further appeal, by a court of competent jurisdiction.

"Fiscal Year" means (i) the period commencing on the date of this Agreement and ending on December 31, 1994, (ii) any subsequent twelve (12) month period commencing on January 1, and ending on December 31, or (iii) the period commencing on the immediately preceding January 1 and ending on the date on which all Property is distributed to the Partners pursuant to Section 14.2. When used in connection with the Initial Business Plan or the Initial Three-Year Period, "Fiscal Year" also means the period commencing on the effective date of the Initial Business Plan and ending on December 31, 1995.

"GAAP" means generally accepted accounting principles in effect in the United States of America from time to time.

"General Partner" means any Person who (i) is referred to as such in the first paragraph of this Agreement or has become a General Partner pursuant to the terms of this Agreement, and (ii) has not, at any given time, ceased to be a General Partner pursuant to the terms of this Agreement. "General Partners" means all such Persons.

"Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the gross fair market value of such asset, as determined by the contributing Partner and the Management Committee in accordance with Section 8.7;

(ii) The Gross Asset Value of all Partnership assets shall be adjusted to equal their gross fair market value, as determined by the Management Committee, as of the following times: (A) the acquisition of an Interest by any new Partner in exchange for more than a de minimis Capital Contribution; (B) the distribution by the Partnership to a Partner of more than a de minimis amount of Property as consideration for an Interest; (C) the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); and (D) the conversion of a General Partner to an Exclusive Limited Partner if, and only if, in the judgment of the Management Committee, such adjustment would either cause the Person who is being converted to an Exclusive Limited Partner to have a deficit balance in its Capital Account or increase the amount of such a deficit balance;

(iii) The Gross Asset Value of any Partnership asset distributed to any Partner shall be adjusted to equal the

gross fair market value of such asset on the date of distribution as determined by the distributee and the Management Committee in accordance with Section 8.7;

(iv) The Gross Asset Values of Partnership assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulation Section 1.704-1(b)(2)(iv)(m) and subparagraph (vi) of the definition of "Profits" and "Losses" and Section 3.3(g); provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (iv) to the extent the Management Committee determines that an adjustment pursuant to subparagraph (ii) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (iv); and

(v) If Gross Asset Value is required to be determined for the purpose of Sections 11.1 or 14.7, Gross Asset Value shall be determined in the manner set forth in such Sections.

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (i), (ii) or (iv) hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

"Hypothetical Federal Income Tax Amount" means for any Fiscal Year the product of (A) the daily weighted average highest marginal federal income tax rate applicable to domestic corporations in effect for such Fiscal Year expressed as a percentage and (B) the excess, if any, of (i) the cumulative amount of taxable income and gain reported by the Partnership on its Internal Revenue Service Forms 1065 over its life determined as of the end of such Fiscal Year, over (ii) the larger of zero (0) or the cumulative amount of taxable income and gain reported by the Partnership on its Internal Revenue Service Forms 1065 over its life determined as of the beginning of such Fiscal Year.

"Initial Three-Year Period" means the period from the effective date of the Initial Business Plan through December 31, 1997.

"Intermediate Subsidiary" means, with respect to any Parent of a Partner, a Subsidiary of such Parent that holds a direct or indirect equity interest in such Partner.

"Interest" means, as to any Partner, all of the interests of such Partner in the Partnership, including any and all benefits to which the holder of an interest in the Partnership may be entitled as provided in this Agreement and under the Act, together with all obligations of such Partner to comply with the terms and provisions of this Agreement.

"IXC" means each of AT&T Corp., MCI Communications Corporation and British Telecommunications plc (each, a "Carrier") and each of their respective Affiliates.

"IXC Transaction" means, with respect to any Partner, that (i) an IXC has become the beneficial owner of an equity interest in such Partner or an equity interest in any Intermediate Subsidiary (other than a Publicly Held Intermediate Subsidiary) of the Parent of such Partner, (ii) an IXC has become the beneficial owner of securities representing fifteen percent (15%) or more of the voting power of the outstanding voting securities of the Parent of such Partner or any Publicly Held Intermediate Subsidiary of such Parent, and, if such Parent or Publicly Held Intermediate Subsidiary is subject to a State Statute or has a shareholder rights plan, such Parent or Publicly Held Intermediate Subsidiary or the board of directors or other governing body of such Parent or Publicly Held Intermediate Subsidiary has approved such beneficial ownership or otherwise has taken action to waive any applicable restrictions with respect to such ownership under any State Statute or to permit the exercise by the IXC of its rights under any shareholder rights plan, (iii) an IXC has become the beneficial owner of securities representing twenty-five percent (25%) or more of the voting power of the outstanding voting securities of any such Parent or Publicly Held Intermediate Subsidiary, provided that, if such IXC is an Affiliate of a Carrier, such Affiliate has identified a Carrier as a Person controlling such Affiliate either (a) pursuant to General Instruction C to Schedule 13D, in a Schedule 13D (filed with the Securities and Exchange Commission in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended) or (b) pursuant to General Instruction C to Schedule 14D-1, in a Schedule 14D-1 (filed with the Securities Exchange Commission in accordance with Section 14(d) of the Securities Exchange Act of 1934, as amended), (iv) any such Parent or Publicly Held Intermediate Subsidiary has sold or issued beneficial ownership in any equity interest in such Parent or Publicly Held Intermediate Subsidiary to an IXC or granted to an IXC any rights with respect to the governance of such Parent or Publicly Held Intermediate Subsidiary that are not possessed generally by the owners of outstanding equity interests in such Parent or Publicly Held Intermediate Subsidiary; or (v) such

Partner has otherwise become an Affiliate of an IXC. Solely for the purposes of this definition the terms "beneficial owner" and "beneficial ownership" shall have the same meaning as in Rule13d-3 under the Securities Exchange Act of 1934, as amended.

"Joint Venture Formation Agreement" means the Joint Venture Formation Agreement of even date herewith among each of the Parents providing for the formation of NewTelco and certain other actions.

"Limited Partner" means any Person (i) who is referred to as such in the first paragraph of this Agreement or who has become a Limited Partner pursuant to the terms of this Agreement, and (ii) who, at any given time, holds an Interest. "Limited Partners" means all such Persons.

"Management Committee" means the committee that will have the authority and powers set forth in Section 5.1.

"Management Committee Resolution" means the resolution of the Management Committee adopted by written consent simultaneously with the execution of this Agreement that approves (among other things) the aggregate Auction Commitment.

"MFJ" means the Modification of Final Judgment agreed to by the American Telephone and Telegraph Company and the U.S. Department of Justice and approved by the U.S. District Court for the District of Columbia on August 24, 1982, as reported in United States v. Western Electric Company, Inc., et al., 552 F. Supp. 131 (D.D.C. 1982), aff'd sub nom Maryland v. United States, 460 U.S. 1001 (1983) and any subsequent orders or amendments issued in connection therewith. Any reference in this Agreement to Section II of the MFJ shall also include any subsequent statute, rule, regulation, order or decree which modifies or supersedes Section II of the MFJ (or any material portion thereof) and imposes any restriction(s) substantially similar to any of the material restrictions imposed by Section II of the MFJ.

"Minimum Ownership Requirement" means, with respect to (i) any Original Partner, as of any date, that the ratio (expressed as a percentage) of such Original Partner's Percentage Interest to the aggregate Percentage Interests of all Original Partners is at least eight percent (8%) or (ii) any Partner not an Original Partner, as of any date, that such Partner's Percentage Interest is at least eight percent (8%).

"MTA" means a Major Trading Area as defined in FCC Rules to be codified at 47 C.F.R. (S) 24.13.

"NewTelco" means the Delaware limited partnership to be formed by the Partners subsequent to the date hereof pursuant to the terms of the Joint Venture Formation Agreement to conduct the Wireline Business (as defined in the Joint Venture Formation Agreement).

"NewTelco Closing Date" means the date of formation of NewTelco pursuant to the Joint Venture Formation Agreement.

"NewTelco Partnership Agreement" means the Agreement of Limited Partnership of NewTelco to be entered into by the Partners on the NewTelco Closing Date in accordance with the provisions of the Joint Venture Formation Agreement.

"Non-Exclusive Services" has the meaning set forth in Exhibit A to Exhibit 1.1(a) to the Joint Venture Formation Agreement.

"Nonrecourse Deductions" has the meaning set forth in Section 1.704-2(b)(1) of the Regulations.

"Nonrecourse Liability" has the meaning set forth in Section 1.704- 2(b)(3) of the Regulations.

"Original Capital Contribution" means, with respect to each Partner, the Capital Contribution to be made by such Partner pursuant to Section 2.2. In the event all or a portion of an Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Original Capital Contribution of the transferor to the extent it relates to the transferred Interest.

"Original Partners" means collectively Cox, Comcast, TCI and Sprint and any successors or transferees thereof to the extent such successors or transferees acquired their Interest in accordance with this Agreement.

"Parent" means, except as otherwise provided below with respect to a Permitted Transaction, (i) with respect to Cox (and its Controlled Affiliates), Cox Parent, (ii) with respect to Comcast (and its Controlled Affiliates), Comcast Parent, (iii) with respect to TCI (and its Controlled Affiliates), TCI Parent and (iv) with respect to Sprint (and its Controlled Affiliates), Sprint Parent. With respect to any other Person hereafter admitted to the Partnership as a Partner, the Parent

with respect to such Partner shall be the Person identified as such in a Schedule to be attached to this Agreement in connection with the admission of such Partner. In the event of a Permitted Transaction, the new Parent of the applicable Partner immediately following such Permitted Transaction will be the ultimate parent entity (as determined in accordance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules and regulations promulgated thereunder (the "HSR Act")) of such Partner (or such Partner if it is its own ultimate parent entity); provided that if such ultimate parent entity is not a Publicly Held Person then the next highest corporate entity in the ownership chain from such ultimate parent entity through the Partner which is a Publicly Held Person shall be deemed to be the new Parent. If there is no intermediate Publicly Held Person or if the ultimate parent entity is an individual, the Parent shall be the highest entity in the ownership chain from the ultimate parent entity through the Partner which is not an individual. For purposes of the definition of Controlled Affiliate, the Parent of a Person that is neither a Partner nor a Controlled Affiliate of a Partner is the ultimate parent entity (as determined in accordance with the HSR Act) of such Person.

"Parents' Undertaking" means a written instrument in substantially the form of Exhibit 1.10(a) executed simultaneously with the execution of this Agreement by each Parent of a Partner for the benefit of the Partnership, the Partners and the other Parents.

"Partner Nonrecourse Debt" has the meaning set forth in Section 1.704-2(b)(4) of the Regulations.

"Partner Nonrecourse Debt Minimum Gain" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

"Partner Nonrecourse Deductions" has the meaning set forth in Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Regulations.

"Partners" means all General Partners and all Limited Partners. "Partner" means any one of the Partners.

"Partnership" means the partnership formed pursuant to this Agreement and the partnership continuing the business of

this Partnership in the event of dissolution as herein provided.

"Partnership Minimum Gain" has the meaning set forth in Sections 1.704-2(b)(2) and 1.704-2(d) of the Regulations.

"PCS" means a radio communications system authorized under the rules for broadband personal communications services designated as Subpart E of Part 24 of the FCC's rules, including the network, marketing, distribution, sales, customer interface and operations functions relating thereto.

"PCS Auction" means the series of simultaneous multiple round auctions for broadband PCS licenses to be conducted by the FCC under the authority of Section 309(j) of the Communications Act, 47 U.S.C. (S) 309(j) (1993), in accordance with the rules promulgated thereunder by the FCC.

"Percentage Interest" means, with respect to any Partner, (i) until the Original Capital Contributions are made, the Percentage Interest of each Partner set forth on Schedule 2.1 and (ii) thereafter, the ratio (expressed as a percentage) of the sum of such Partner's Original Capital Contribution and aggregate Additional Capital Contributions (other than Special Contributions) as of such date to the sum of the aggregate Original Capital Contributions and Additional Capital Contributions (other than Special Contributions) of all Partners as of such date. Such Capital Contributions will be determined after giving effect to all Capital Contributions made prior to and on the date as to which the determination of Percentage Interests is made, subject to the provisions regarding the adjustment of Percentage Interests set forth in Section 2.4(d). In the event all or any portion of an Interest is Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Percentage Interest of the transferor to the extent it relates to the Transferred Interest.

"Permitted Transaction" with respect to a Partner means a transaction or series of related transactions in which (i) such Partner ceases to be a Subsidiary of its Parent or such Partner Transfers its Interest and (ii) the new Parent of such Partner (or such Partner if it is its own Parent) or the Parent of the transferee of the Interest after giving effect to such transaction, or the last transaction in a series of related transactions, owns, directly or indirectly through its Controlled Affiliates, all or a Substantial Portion of the cable system assets (in the case of a Cable Partner) or long distance telecommunications business assets (in the case of Sprint) owned

by the Parent of such Partner, directly and indirectly through its Controlled Affiliates, immediately prior to the commencement of such transaction or series of transactions. As used herein, "Substantial Portion" means (x) in the case of a Cable Partner, cable systems serving 75% or more of the aggregate number of basic subscribers served by cable systems owned by the Parent of such Cable Partner, directly and indirectly through its Controlled Affiliates, and (y) in the case of Sprint, long distance telecommunications business assets serving 75% or more of the aggregate number of customers served by the long distance telecommunications business owned by the Parent of Sprint, directly and indirectly through its Controlled Affiliates.

"Person" means any individual, partnership, corporation, trust, or other entity.

"PioneerCo" means the Delaware limited partnership to be formed between the Partnership and an Affiliate of Cox, as contemplated by the PioneerCo Term Sheet, to own the Cox Pioneer Preference License and to operate a Wireless Business in connection therewith.

"PioneerCo Term Sheet" means the term sheet attached as Exhibit 1.1(c) to the Joint Venture Formation Agreement regarding the formation of PioneerCo.

"Planned Capital Amount" means for any Fiscal Year during the Initial Three-Year Period the amount of Additional Capital Contributions contemplated to be required of the Partners during such Fiscal Year as set forth in the Initial Business Plan, as such amount may be revised by the Unanimous Vote of the Management Committee.

"Prime Rate" means the rate announced from time to time by Citibank, N.A. as its prime rate.

"Prior Years' Carryforward", with respect to any Fiscal Year, means the amount by which the aggregate amount of Additional Capital Contributions actually made by the Partners with Contribution Dates during the Fiscal Year(s) in the Initial Three-Year Period prior to such Fiscal Year (disregarding for such purposes any Additional Capital Contribution representing an Accelerated Contribution Amount during such Fiscal Year(s) that the Management Committee has accelerated from a Planned Capital Amount for a Fiscal Year following such Fiscal Year) was less than the aggregate amount of Additional Capital Contributions that the Initial Business Plan contemplated would be requested during such Fiscal Year(s).

"Profits" and "Losses" means, for each Allocation Year, an amount equal to the Partnership's taxable income or loss for such Allocation Year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(i) Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be added to such taxable income or loss ;

(ii) Any expenditures of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses," shall be subtracted from such taxable income or loss;

(iii) In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to subparagraph (ii) or (iii) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(iv) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the Property disposed of, notwithstanding that the adjusted tax basis of such Property differs from its Gross Asset Value;

(v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Allocation Year, computed in accordance with the definition of Depreciation;

(vi) To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Partner's Interest, the amount of such

adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(vii) Notwithstanding any other provision of this definition of "Profits" or "Losses," any items which are specially allocated pursuant to Section 3.3 or Section 3.4 shall not be taken into account in computing Profits or Losses.

The amounts of the items of Partnership income, gain, loss or deduction available to be specially allocated pursuant to Sections 3.3 and 3.4 shall be determined by applying rules analogous to those set forth in this definition of "Profits" and "Losses."

"Property" means all real and personal property acquired by the Partnership and any improvements thereto, and shall include both tangible and intangible property.

"Publicly Held" means, with respect to any Person, that such Person has a class of equity securities registered under Section 12(b) or 12(g) of the Securities Exchange Act of 1934.

"Publicly Held Intermediate Subsidiary" means, with respect to any Parent of a Partner, an Intermediate Subsidiary of such Parent that is Publicly Held.

"Regulations" means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code.

"Representative" means an individual designated by a General Partner as a member of the Management Committee.

"Sprint Brand" means the trademark "Sprint" together with the related "Diamond" logo.

"Sprint Parent" means Sprint Corporation, a Kansas corporation.

"State Statutes" means any business combination statute, anti-takeover statute, fair price statute, control share acquisition statute or any other state statute or regulation that contains any similar prohibition, limitation, obligation, restriction or other provision adopted and in effect in the jurisdiction of organization of such Person that affects the rights of any other Person that acquires a specified percentage

ownership interest in another Person without the consent or approval of the board of directors or other governing body of such other Person, and, includes (i) with respect to Cox Parent and TCI Parent, Section 203 of the Delaware General Corporation Law; (ii) with respect to Comcast Parent, Subchapters E, F and G of Chapter 25 of the Pennsylvania Business Corporation Law of 1988; and (iii) with respect to Sprint Parent, Sections 17-12,100 and 17-1286 through 1298, et seq. of the Kansas Corporations Statute.

"Subsidiary" of any Person means a corporation, company or other entity (i) more than fifty percent (50%) of whose outstanding shares or equity securities are, as of the time of such determination, owned or controlled, directly or indirectly through one or more Subsidiaries, by such Person, and the shares or securities so owned entitle such Person and/or its Subsidiaries to elect at least a majority of the members of the board of directors or other managing authority of such corporation, company or other entity notwithstanding the vote of the holders of the remaining shares or equity securities so entitled to vote or (ii) which does not have outstanding shares or securities, as may be the case in a partnership, joint venture or unincorporated association, but more than fifty percent (50%) of whose ownership interest is, as of the time of such determination, owned or controlled, directly or indirectly through one or more Subsidiaries, by such Person, or in which the ownership interest so owned entitles such Person and/or Subsidiaries to make the decisions for such corporation, company or other entity.

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

"Technical Information" means all technical information, regardless of form and however transmitted and shall include, among other forms, computer software, including computer program code, and system and user documentation, drawings, illustrations, diagrams, reports, designs, specifications, formulae, know-how, procedural protocols and methods and manuals.

"Technical Information Rights" means all intellectual property rights which protect or cover Technical Information.

"Transfer" means, as a noun, any sale, exchange assignment or transfer and, as a verb, to sell, exchange, assign or transfer.

"Voluntary Bankruptcy" has the meaning set forth in the definition of "Bankruptcy".

"Voting Percentage Interest" means, as of any date and with respect to any Partner that as of such date is entitled to designate one or more members of the Management Committee, the ratio (expressed as a percentage) of such Partner's Percentage Interest to the aggregate Percentage Interests of all Partners that are entitled to designate one or more members of the Management Committee.

"Wireless Business" means the use of radio spectrum for cellular, PCS, ESMR, paging, mobile telecommunications and any other voice or data wireless services, whether fixed or mobile conducted in the United States of America (including its territories and possessions other than Puerto Rico), but not including the delivery of video or the provision of satellite or broadband microwave transmission services.

"Wireless Exclusive Services" has the meaning set forth in Exhibit A to Exhibit 1.1(a) to the Joint Venture Formation Agreement.

1.11 Additional Definitions.

Defined Term	Defined in
"1933 Act"	Section 5.9(a)
"Accelerated Contribution Amount"	Section 2.3(a)(ii)
"Accepting Offerees"	Section 12.4(d)
"Additional Contribution Amount"	Section 2.3(a)
"Additional Purchase Commitment"	Section 12.6(c)(i)
"Adjusted Percentage Interest"	Section 2.4(a)(iv)
"Affiliation Agreement"	Section 6.1(d)
"Agents"	Section 6.6(a)
"Annual Budget"	Section 5.2(c)
"Approved Business Plan"	Section 5.2(c)
"Bidding Partner"	Section 14.7(e)
"Blocking Limited Partner"	Section 5.1(k)(ii)
"Brief"	Section 5.8(a)(ii)
"Business Plan"	Section 5.2(a)
"Buying Partner"	Section 12.6(c)
"Buy-Sell Price"	Section 11.2(a)
"Cable Buying Partner"	Section 12.6(c)(i)
"Certificate"	Section 1.5
"Comcast Area"	Section 6.4(a)(v)
"Competitive Activity"	Section 6.1(a)

"Confidential Information"	Section 6.6(a)
"Contributing Partner"	Section 2.4(a)(ii)
"Control Notice"	Section 12.5(b)
"Control Offer"	Section 12.5(b)
"Control Offer Period"	Section 12.5(b)
"Controlling Partner"	Section 12.5(b)
"Cure Date"	Section 2.4(c)(iii)
"Damages"	Section 11.1(a)
"Deadlock Event"	Section 5.8(b)
"Declining Partner"	Section 2.4(a)(i)
"Declined Accelerated Contribution"	Section 2.3(c)
"Declined Additional Contribution"	Section 2.3(c)
"Default Budget"	Section 5.2(d)
"Default Loan"	Section 2.4(c)(ii)
"Default Loan Notice"	Section 2.4(c)(ii)
"Defaulted Contribution"	Section 2.3(b)(i)
"Defaulting Partner"	Section 2.4(c)(i)
"Delinquent Partner"	Section 2.4(b)
"Determination Date"	Section 12.6(a)
"Election Notice"	Section 11.2(a)
"Election Period"	Section 11.2(b)
"Excess Contribution Amount"	Section 2.3(a)(ii)
"Firm Offer"	Section 12.4(b)
"First Appraiser"	Section 11.4
"Floating Rate"	Section 2.4(f)
"Free to Sell Period"	Section 12.4(f)
"Funding Commitment"	Section 2.4(a)(ii)
"General Partner Percentage Interests"	Section 2.1
"Grace Period"	Section 2.4(b)
"Gross Appraised Value"	Section 11.4
"In-Territory Customers"	Section 6.4(e)
"In-Territory Distributors"	Section 6.4(e)
"Initial Business Plan"	Section 5.2(a)
"Initial Offer"	Section 14.7(b)
"Interested Person"	Section 8.7
"Issuance Items"	Section 3.3(h)
"Lending Commitment"	Section 2.4(c)(ii)
"Lending Partner"	Section 2.4(c)(ii)
"Letter of Credit"	Section 2.3(b)(ii)
"Liquidating Events"	Section 14.1(a)
"Limited Partner Percentage Interests"	Section 2.1
"Loan Date"	Section 2.4(c)(ii)
"Loan Date"	Section 2.3(b)(i)
"Make-up Amount"	Section 2.4(c)(iii)
"Mediator"	Section 5.8(a)(ii)
"Net Equity"	Section 11.3
"Net Equity Notice"	Section 11.3
"Network Services Statement of	

Principles"	Section 8.9(a)
"Non-Adverse Partners"	Section 11.1(a)
"Non-Defaulting Partners"	Section 2.3(b)(i)
"Offer"	Section 6.1(c)
"Offer Notice"	Section 12.4(b)
"Offer Period"	Section 12.4(c)
"Offer Price"	Section 12.4(a)
"Offered Interest"	Section 12.4
"Offerees"	Section 12.4(b)
"Other Pennsylvania Company"	Section 6.4(g)
"Ownership Restrictions"	Section 8.12
"Overlap Cellular Area"	Section 8.1(b)
"Partner Loan"	Section 2.7
"Partnership's Businesses"	Section 6.4(b)
"Paying Partner"	Section 2.4(a)(ii)
"Payment Default"	Section 2.4(c)(i)
"Penalty Amount"	Section 2.4(b)
"Permitted Transfer"	Section 12.2
"PhillieCo"	Section 6.3(e)
"Preliminary Initial Business Plan"	Section 5.2(a)
"Proposed Budget"	Section 5.2(c)
"Proposed Business Plan"	Section 5.2(c)
"Post-Auction Requirements"	Section 2.3(a)
"Purchase Commitment"	Section 11.2(b)
"Public Offering"	Section 5.9(c)
"Purchase Notice"	Section 11.2(b)
"Purchase Offer"	Section 12.4(a)
"Purchaser"	Section 12.4(a)
"Purchasing Partner"	Section 11.2(b)
"Put Notice"	Section 12.6(b)(i)
"receiving party"	Section 6.5(a)
"Regulatory Allocations"	Section 3.4
"Related Group"	Section 5.1(c)
"Remaining Deficit Balance"	Section 14.3
"Representative"	Section 5.1(c)
"Requested Contribution"	Section 2.3(a)(ii)
"Required Majority Vote"	Section 5.1(i)
"Restricted Party"	Section 6.5(a)
"Sale Notice"	Section 12.4(e)
"Second Appraiser"	Section 11.4
"Section 5.1 Election Period"	Section 5.1(k)(ii)
"Seller"	Section 12.4
"Selling Partner"	Section 12.6(c)
"Senior Credit Agreement"	Section 2.7
"Shortfall"	Section 2.4(a)(ii)
"Shortfall Notice"	Section 2.4(a)(ii)
"Special Contribution"	Section 2.4(b)
"Sprint Cellular Business"	Section 8.1(b)

"Sprint Obligation"	Section 12.6(c)(i)
"Substantial Portion"	Section 1.10
"Tagalong Notice"	Section 12.5(a)
"Tagalong Offer"	Section 12.5(a)
"Tagalong Period"	Section 12.5(a)
"Tagalong Purchaser"	Section 12.5(a)
"Tagalong Transaction"	Section 12.5(a)
"Tax Matters Partner"	Section 10.3(a)
"Third Appraiser"	Section 11.4
"Timely Partner"	Section 2.4(b)
"Trademark License"	Section 8.2
"Transferring Partner"	Section 12.5(a)
"Unanimous Partner Vote"	Section 5.1(k)(i)
"Unanimous Vote"	Section 5.1(j)
"Unfunded Shortfall"	Section 2.3(c)
"Unpaid Amount"	Section 2.4(b)
"Unreturned Capital"	Section 11.2(a)
"Wireless Strategic Plan"	Section 5.2(a)

1.12 Terms Generally.

The definitions in Sections 1.10 and elsewhere in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The words "herein", "hereof" and "hereunder" and words of similar import refer to this Agreement (including the Schedules) in its entirety and not to any part hereof unless the context shall otherwise require. All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Unless the context shall otherwise require, any references to any agreement or other instrument or statute or regulation are to it as amended and supplemented from time to time (and, in the case of a statute or regulation, to any corresponding provisions of successor statutes or regulations). Any reference in this Agreement to a "day" or number of "days" (without the explicit qualification of "Business") shall be interpreted as a reference to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action or notice shall be deferred until, or may be taken or given on, the next Business Day.

SECTION 2
PARTNERS' CAPITAL CONTRIBUTIONS

2.1 Percentage Interests; Preservation of Percentages of Interests Held as General Partners and as Limited Partners.

The initial Percentage Interest of each Partner as of the date of this Agreement is set forth on Schedule 2.1 and represents the sum of the "General Partner Percentage Interest" and "Limited Partner Percentage Interest" of such Partner as set forth in such Schedule 2.1. Except as expressly provided in this Agreement, or as may result from a Transfer of Interests required or permitted by this Agreement, the Percentage Interest of a Partner shall not be subject to increase or decrease without such Partner's prior consent. For purposes of this Agreement, each Partner is treated as though it holds a single Interest, even though such Partner (unless and until it becomes an Exclusive Limited Partner) holds ninety-nine percent (99.0%) of its Interest as a General Partner and one percent (1.0%) of its Interest as a Limited Partner. Each Partner, unless and until it becomes an Exclusive Limited Partner, will hold ninety-nine percent (99.0%) of its Interest as a General Partner and one percent (1.0%) of its Interest as a Limited Partner and the amount of any Capital Contributions made by a Partner pursuant to Section 2 and any allocations and distributions to a Partner pursuant to Section 3 or Section 4 shall, except as otherwise provided therein, be allocated ninety-nine percent (99.0%) to the Interest held by the Partner as a General Partner and one percent (1.0%) to the Interest held by the Partner as a Limited Partner. In the event that a Partner Transfers all or any portion of its Interest pursuant to this Agreement, ninety-nine percent (99.0%) of the aggregate Interest so acquired by any Person shall be treated as attributable to the Interest held by the transferring Partner as a General Partner and one percent (1.0%) of the aggregate Interest so acquired shall be treated as attributable to the Interest held by the transferring Partner as a Limited Partner. In the event that the Interest of a Partner is otherwise increased or decreased pursuant to this Agreement, the amount of the increase or decrease, as the case may be, shall be allocated ninety-nine percent (99.0%) to the Interest held by such Partner as a General Partner and one percent (1.0%) to the Interest held by such Partner as a Limited Partner.

2.2 Partners' Original Capital Contributions.

Within five (5) Business Days after the execution and delivery of this Agreement, the Partners shall make their

respective Original Capital Contributions in cash by wire transfer of immediately available funds to the Partnership's bank account. The name, address and Original Capital Contribution of each of the Partners is as set forth on Schedule 2.2.

2.3 Additional Capital Contributions.

(a) Additional Capital Contributions Generally. Subject to the limitations of this Agreement, the Management Committee (or the Chief Executive Officer pursuant to (x) the express provisions of Section 2.3(b), (y) the authority to be granted in each Annual Budget to make requests for Additional Capital Contributions in the amounts, during the periods and subject to the limitations set forth therein, and (z) such authority as may be delegated to the Chief Executive Officer from time to time by the Management Committee (which delegation may occur only by a vote of the members of the Management Committee required to take the action so delegated)) may in accordance with the following procedures request the Partners to make Additional Capital Contributions to the Partnership in cash from time to time to fund (i) in the case of Additional Capital Contributions requested during the Auction Period, the expenditures described in the definition of Auction Commitment in Section 1.10 and (ii) following the Auction Period, the cash needs of the Partnership in conformity with the Annual Budget then in effect, as it may be modified from time to time in accordance with this Agreement; provided that the Capital Commitment reflected in the Annual Budget for the first Fiscal Year of the Initial Three-Year Period shall include that portion of the Auction Commitment that has not been contributed to the Partnership as of the end of the Auction Period and that the Management Committee determines will be required during such first Fiscal Year for the purposes specified in the definition of Auction Commitment (the "Post-Auction Requirements"). The aggregate amount of the Additional Capital Contributions requested to be made as of any Contribution Date (the "Additional Contribution Amount") shall be set forth in an Additional Contribution Notice given to each Partner, shall not exceed the amount reasonably anticipated to be required to fund the cash needs of the Partnership for the ensuing six months or such shorter period as may be determined by the Management Committee, and

(i) during the Auction Period, shall not be greater than that amount which, when added to the Additional Contribution Amounts stated in all prior Additional Contribution Notices, equals the cumulative amount of Additional Capital Contributions contemplated to be required of the Partners

pursuant to the Management Committee Resolution, unless otherwise approved by the Unanimous Vote of the Management Committee, and

(ii) during each Fiscal Year commencing with the first Fiscal Year in the Initial Three-Year Period, shall not be greater than that amount which, when added to the Additional Contribution Amounts stated in all prior Additional Contribution Notices with Contribution Dates in the then-current Fiscal Year, (x) does not exceed the cumulative amount of Additional Capital Contributions contemplated to be required of the Partners during such Fiscal Year as set forth in the Annual Budget for such Fiscal Year (including, with respect to the first Fiscal Year in the Initial Three-Year Period, any Post-Auction Requirements) unless otherwise approved by the Required Majority Vote of the Management Committee and (y) if such Fiscal Year falls within the Initial Three-Year Period, also does not exceed, unless otherwise approved by the Unanimous Vote of the Management Committee, the sum of (A) the product of (1) 150% times (2) the Planned Capital Amount for such Fiscal Year minus (for the first Fiscal Year of the Initial Three-Year Period) any Post-Auction Requirements; provided, that the amount determined in accordance with this clause (2) will be decreased by any portion thereof the payment of which the Management Committee has previously determined as provided below to accelerate into any prior Fiscal Year, (B) 100% of the Prior Years' Carryforward and (C) for the first Fiscal Year of the Initial Three-Year Period, any Post-Auction Requirements.

To the extent that the cumulative Additional Contribution Amounts stated in Additional Contribution Notices with Contribution Dates in any given Fiscal Year within the period covered by the Initial Three-Year Period exceed the sum of the Planned Capital Amount for such Fiscal Year plus the Prior Years' Carryforward, such excess shall constitute an "Excess Contribution Amount" and, if determined by a Required Majority Vote of the Management Committee, an "Accelerated Contribution Amount". The Accelerated Contribution Amount in any Fiscal Year will be applied to reduce the Planned Capital Amount set forth in the Initial Business Plan for subsequent Fiscal Years in such order of priority as the Management Committee may determine in connection with its determination pursuant to the immediately preceding sentence. The amount of the Additional Capital Contribution requested of any Partner in an Additional Contribution Notice (the "Requested Contribution") shall be equal to (i) with respect to Requested Contributions with Contribution Dates during the Auction Period or during any Fiscal Year in the Initial Three-Year Period, that amount which represents the same

percentage of the Additional Contribution Amount specified in such Additional Contribution Notice as such Partner's initial Percentage Interest and (ii) with respect to Requested Contributions with Contribution Dates during any Fiscal Year after the period in the Initial Three-Year Period, that amount which represents the same percentage of the Additional Contribution Amount specified in such Additional Contribution Notice as such Partner's Percentage Interest as of the date of such Additional Contribution Notice.

(b) Mandatory Additional Capital Contributions With Respect to the Auction Commitment.

(i) A Partner may not decline to make any of its Requested Contributions with Contribution Dates in the Auction Period.

(ii) Not later than November 18, 1994, each Partner shall provide the Partnership with an irrevocable letter of credit (or the legal equivalent thereof as approved by a Unanimous Vote of the Management Committee) ("Letter of Credit") in the amount of such Partner's share of the portion of the Auction Commitment as is designated in the Management Committee Resolution to be secured by a Letter of Credit, which may be drawn by the Chief Executive Officer on behalf of the Partnership to fund such Partner's Auction Commitment solely in accordance with Section 2.3(b)(iii). Within two (2) Business Days after a Partner makes a Requested Contribution in accordance with Section 2.3(b)(iii), the Chief Executive Officer shall notify the issuing bank of such Partner's Letter of Credit of the payment of the Requested Contribution and shall instruct such bank to reduce the amount of the Letter of Credit by an amount equal to the Requested Contribution made by such Partner. In addition, the Chief Executive Officer shall, as directed by the Management Committee instruct the issuing bank of each Partner's Letter of Credit to reduce the amount thereof as may be appropriate to effect the results of the PCS Auction. Each Partner's Letter of Credit shall be issued on behalf of such Partner by a bank reasonably satisfactory to the other Partners with offices in New York City for payment of amounts under the Letter of Credit. The expiry date of the Letter of Credit shall be no sooner than September 30, 1995; provided that if the Auction Commitment has not been fully contributed prior to August 31, 1995, each Partner shall by September 15, 1995, extend the term of its Letter of Credit in the amount of such Partner's Auction Commitment (as reduced pursuant to the second sentence of this paragraph) until December 31, 1995, unless otherwise determined by a Required Majority Vote of the Management Committee. Each such Letter of

Credit shall be substantially in the form and substance of Exhibit 2.3(b)(iii) attached hereto, with such changes as shall be approved by the Management Committee.

(iii) To the extent necessary to satisfy on a timely basis in accordance with the FCC's rules all (A) obligations of the Partnership with respect to the payment of the purchase price for PCS licenses for frequency blocks "A" and "B" awarded to it in the PCS Auction or (B) obligations to make capital contributions under the partnership agreement of PioneerCo during the Auction Period in connection with the formation of PioneerCo and the contribution of the Cox Pioneer Preference License to PioneerCo and obligations of the Partnership pursuant to partnership agreements or related agreements to make capital contributions to other entities that are awarded pioneer preference licenses for frequency blocks "A" and "B" in the PCS Auction in connection with the formation of such entities and the payment of the purchase price for such licenses, in either case as contemplated by and in accordance with the Wireless Strategic Plan, the Chief Executive Officer is expressly authorized, without any requirement of action by the Management Committee, to give an Additional Contribution Notice to the Partners with respect to the Additional Capital Contributions required to fund such payment obligations and commitments subject, however, to the limitations of Section 2.3(a). If any Partner fails to make its Requested Contribution as set forth in such Additional Contribution Notice on or before the Contribution Date, the Chief Executive Officer is expressly authorized to draw on the Partner's Letter of Credit.

(c) Mandatory Additional Capital Contributions After the Auction Period.

No Partner may decline to make any of its Requested Contributions with Contribution Dates after the Auction Period unless, and then only to the extent that, (i) with respect to Requested Contributions with Contribution Dates during any Fiscal Year in the Initial Three-Year Period, the amount of the Requested Contribution of such Partner, when added to the cumulative amount of all Requested Contributions theretofore requested of and made by such Partner during the same Fiscal Year, would exceed the sum of (A) such Partner's Capital Commitment with respect to such Fiscal Year and (B) the product of such Partner's initial Percentage Interest times any Excess Contribution Amount for such Fiscal Year if and to the extent that such Partner's Representative(s) voted for approval of the Annual Budget pursuant to which the Excess Contribution Amount is being requested or voted in favor of requesting (or delegating to the Chief Executive Officer the authority to request) such Excess Contribution Amount, and (ii) with respect to Requested

Contributions with Contribution Dates during any Fiscal Year after the Initial Three-Year Period, none of such Partner's Representative(s) voted for approval of the Annual Budget that provides for the Additional Contribution Amount being requested and did not vote in favor of requesting (or delegating to the Chief Executive Officer the authority to request) such Additional Contribution Amount or such Partner was an Exclusive Limited Partner at the time of such vote. Notwithstanding the foregoing, if it was a Declining Partner with respect to an Accelerated Contribution Amount with a Contribution Date during a prior Fiscal Year in the Initial Three-Year Period (with respect to any such Partner, its "Declined Accelerated Contribution"), such Partner shall also be required to make an Additional Capital Contribution to the Partnership (to the extent that there is a Shortfall that is not fully allocated to one or more Contributing Partners pursuant to Section 2.4(a) in connection with a Requested Contribution with a Contribution Date during a subsequent Fiscal Year (an "Unfunded Shortfall")) up to an amount equal to such Partner's initial Percentage Interest of the portion of the Planned Capital Amount set forth in the Initial Business Plan for such subsequent Fiscal Year that was accelerated to such prior Fiscal Year (but only to the extent of such Declined Accelerated Contribution and, if there is more than one such Partner, pro rata in proportion to the aggregate amounts of the previously unfunded Declined Accelerated Contributions of each such Partner). Any such required Additional Capital Contribution shall be contributed by such Partner within ten (10) days of notice to such Partner by the Chief Executive Officer that there exists an Unfunded Shortfall with respect to which such Partner is required to make an Additional Capital Contribution pursuant to the preceding sentence, which notice shall set forth the amount of the Additional Capital Contribution required of such Partner and the applicable Contribution Date and shall otherwise constitute an Additional Contribution Notice for purposes of this Agreement.

(d) Cox Contribution Credit.

Cox shall contribute to the Partnership an undivided fractional interest in the Cox Pioneer Preference License and other associated assets (the "License Contribution"), with a deemed Gross Asset Value of $17,647,059, as determined pursuant to the PioneerCo Term Sheet and the partnership agreement of PioneerCo to be entered into pursuant thereto, which undivided interest the Partnership in turn will contribute to the capital of PioneerCo. Such contribution shall be made concurrently with the contribution by Cox Communications Pioneer, Inc. to PioneerCo of the remaining undivided fractional interest in the Cox Pioneer Preference License and such associated assets, which shall be made at the

date and time provided in, and in accordance with, the PioneerCo Term Sheet and the partnership agreement of PioneerCo. For purposes hereof, such contributions to the Partnership and then to PioneerCo may be effected through the direct conveyance by Cox Parent of the Cox Pioneer Preference License to PioneerCo. The Gross Asset Value of the License Contribution shall be credited against the next Additional Capital Contribution to be made by Cox under this Agreement to the same extent as if Cox had contributed cash in the amount of such Gross Asset Value.

2.4 Failure to Contribute Capital.

(a) Declining Partners.

(i) Any Partner that is entitled to decline to make a Requested Contribution as provided in Sections 2.3(b) and 2.3(c) may do so by notice given to the Chief Executive Officer (with a copy to the Management Committee) within fifteen (15) days of the date the applicable Additional Contribution Notice was given (any such Partner that timely exercises such right is herein referred to as a "Declining Partner").

(ii) If any Partner is a Declining Partner with respect to an Additional Contribution Notice, the Chief Executive Officer shall, within five (5) days after the date notice was required to be received under Section 2.4(a)(i), give a notice (a "Shortfall Notice") to each Partner that made its Requested Contribution in full (each a "Paying Partner") requesting the Paying Partners to make Additional Capital Contributions in an aggregate amount equal to the amount not contributed by the Declining Partner(s) in response to such Additional Contribution Notice (the "Shortfall"). Each Paying Partner that is willing to commit to fund all or any portion of the Shortfall (each a "Contributing Partner") shall so notify the Chief Executive Officer and each other Paying Partner within ten (10) days after the date the Shortfall Notice was given, setting forth the maximum amount of the Shortfall, up to one hundred percent (100%) thereof, that such Contributing Partner is willing to fund (the "Funding Commitment"). Except as otherwise provided in Section 2.4(a)(iii), if the aggregate Funding Commitments are less than or equal to one hundred percent (100%) of the Shortfall, each Contributing Partner shall be entitled to make an Additional Capital Contribution to the Partnership in response to a Shortfall Notice in an amount equal to its Funding Commitment. If the aggregate Funding Commitments made by the Contributing Partners exceed one hundred percent (100%) of the Shortfall, then except as otherwise provided in Section 2.4(a)(iii), each Contributing Partner shall be entitled to contribute an amount

equal to the same percentage of the Shortfall as such Contributing Partner's Percentage Interest represents of the total Percentage Interests of the Contributing Partners (in each case before giving effect to any adjustments to the Percentage Interests to be made in connection with the Additional Contribution Notice with respect to which the Shortfall occurred), provided that, if any Contributing Partner's Funding Commitment was for an amount less than its proportionate share of the Shortfall as so determined, the portion of the Shortfall not so committed to be funded shall, except as otherwise provided in Section 2.4(a)(iii), continue to be allocated proportionally, in the manner provided above in this sentence, among the other Contributing Partners until each has been allocated by such process of apportionment an amount equal to its Funding Commitment or until the entire Shortfall has been allocated among the Contributing Partners. The amount of the Additional Capital Contribution to be made by each Contributing Partner in response to the Shortfall Notice as determined in accordance with this Section 2.4(a)(ii) shall be specified in a notice delivered by the Chief Executive Officer to the Contributing Partner and shall be paid to the account of the Partnership designated in the Shortfall Notice within ten (10) days after the date of such notice.

(iii) Except as otherwise provided in Section 2.4(a)(iv), if the Declining Partner is a Cable Partner and no Cable Partner's Percentage Interest, when added to the Percentage Interests of all Controlled Affiliates of such Partner, is equal to or greater than Sprint's Percentage Interest, when added to the Percentage Interests of all Controlled Affiliates of Sprint (in each case determined without regard to any Additional Capital Contribution made by any Partner pursuant to the Additional Contribution Notice with respect to which the Shortfall occurred), the Shortfall shall be allocated first among those of the Contributing Partners that are Cable Partners in the manner provided in Section 2.4(a)(ii) as though Sprint were not a Contributing Partner, and if and to the extent that the aggregate Funding Commitments made by such Cable Partners are less than one hundred percent (100%) of the Shortfall, the balance of the Shortfall up to Sprint's Funding Commitment shall be allocated to Sprint.

(iv) The Shortfall shall be allocated among the Cable Partners in the manner set forth in Section 2.4(a)(iii) until any Cable Partner would have a Percentage Interest, when added to the Percentage Interests of all Controlled Affiliates of such Partner, that is equal to Sprint's Percentage Interest, when added to the Percentage Interests of all Controlled Affiliates of

Sprint, calculated in each case after giving effect to the adjustments to the Percentage Interests to be made in connection with the Additional Contribution Notice with respect to which the Shortfall occurred assuming that the Additional Capital Contributions to be made pursuant to this Section 2.4(a) were made up to the aggregate amount that would yield such result (as to each Partner, its "Adjusted Percentage Interest"). Any portion of the Shortfall not yet allocated shall continue to be allocated proportionately among all of the Contributing Partners (including Sprint, if applicable) in the manner provided in Section 2.4(a)(ii) without regard to Section 2.4(a)(iii), but substituting the Adjusted Percentage Interests of the Contributing Partners for the Percentage Interests that would otherwise be used to determine such allocation, until each has been allocated by such process an amount equal to its Funding Commitment or until the entire Shortfall has been allocated among the Contributing Partners.

(b) Delinquent Partners.

In the event that any Partner other than a Declining Partner (a "Delinquent Partner") fails to make all or any portion of its Requested Contribution on or before the related Contribution Date, an additional amount shall accrue as a penalty with respect to such unpaid amount (the "Unpaid Amount") at the applicable Floating Rate from and including the Contribution Date until the Unpaid Amount and the full amount of the penalty accrued thereon (as of any date of determination, the "Penalty Amount") are paid as provided in this Section 2.4 or the failure to pay the same results in such Partner becoming a Defaulting Partner. If the Delinquent Partner pays the Unpaid Amount to the Partnership at any time during the period ending at the close of business on the tenth (10th) day following the related Contribution Date (the "Grace Period"), the Delinquent Partner shall, at the time of such payment, pay to each other Partner, if any, that made its Requested Contribution in full on or before the related Contribution Date and has no uncured Payment Defaults (each a "Timely Partner"), a pro rata portion of the Penalty Amount (based on the percentage that the amount of each Timely Partners' Requested Contribution represents of the total amount of the Timely Partner's Requested Contributions), but in no event more than the amount that such Timely Partner would have earned as interest on the amount of its Requested Contribution, from and including the Contribution Date to the date the Delinquent Partner pays the Unpaid Amount to the Partnership, if the Timely Partner had made a loan in such amount to the Partnership with interest at the Floating Rate applicable during the Grace Period. The Delinquent Partner shall pay the balance of the Penalty Amount, if any, to the Partnership and the amount so paid shall be deemed to be a "Special Contribution" by

the Delinquent Partner to the capital of the Partnership. The portion of the Penalty Amount paid to the Timely Partners shall not, for any purpose, be deemed to be a Capital Contribution.

(c) Defaulting Partners.

(i) If a Delinquent Partner fails to pay the Unpaid Amount together with the Penalty Amount to the Partnership or the Timely Partners as provided in Section 2.4(b) on or before the expiration of the Grace Period, such failure shall constitute a "Payment Default" and if such Payment Default is not thereafter cured in full as provided in Section 2.4(c)(iii) the Delinquent Partner shall for all purposes hereof be considered a "Defaulting Partner" with the effect described herein.

(ii) If a Payment Default occurs with respect to any Additional Contribution Notice, the Chief Executive Officer shall, within five (5) days after the related Contribution Date, give a notice (a "Default Loan Notice") to each Partner that was a Paying Partner with respect to such Additional Contribution Notice requesting the Paying Partners to make loans (each a "Default Loan") to the Partnership in an aggregate amount equal to the Unpaid Amount. Each Paying Partner that is willing to commit to make a Default Loan (each a "Lending Partner") shall so notify the Chief Executive Officer and each other Paying Partner within ten (10) days after the date the Default Loan Notice was given, setting forth the maximum portion of the Unpaid Amount, up to one hundred percent (100%) thereof, that such Lending Partner is willing to lend to the Partnership (the "Lending Commitment"). The amount of the Default Loan that each Lending Partner shall be entitled to make to the Partnership in response to a Default Loan Notice shall be determined in the same manner as provided in Section 2.4(a) for the determination of the amount of the Additional Capital Contribution that each Contributing Partner is entitled to make in response to a Shortfall Notice. The amount of the Default Loan to be made by each Lending Partner in response to the Default Loan Notice as so determined shall be paid to the account of the Partnership designated in the Default Loan Notice within fifteen (15) days after the date the Default Loan Notice was given. Each Default Loan shall bear interest from the date made (the "Loan Date") until paid in full or contributed to the Partnership as provided in this Section 2.4 at the Floating Rate applicable following the Grace Period and shall be evidenced by a promissory note of the Partnership in the form of Exhibit 2.3(c)(ii) hereto (with any changes thereto requested by any lender under any Senior Credit Agreement and consented to by the Lending Partner, which consent shall not be unreasonably withheld).

(iii) A Delinquent Partner may cure its Payment Default at any time prior to the close of business on the ninetieth (90th) day following the Loan Date (the "Cure Date") by transferring to an account of the Partnership designated by the Chief Executive Officer as an Additional Capital Contribution cash in an amount equal to the sum of the Unpaid Amount and the Penalty Amount accrued thereon to the date of such transfer (the "Make-up Amount"). The portion of the Make-up Amount equal to the Penalty Amount shall be deemed to be a Special Contribution by the Delinquent Partner to the Partnership and the balance thereof shall constitute an Additional Capital Contribution by the Delinquent Partner to the Partnership. The Chief Executive Officer shall cause the Partnership to apply the funds so received from the Delinquent Partner to the payment in full of the unpaid principal of and accrued interest on each Default Loan in accordance with the terms of the note evidencing the same.

(iv) If a Delinquent Partner has not timely cured its Payment Default in full in accordance with Section 2.4(c)(iii), then the Lending Partners shall contribute their respective Default Loans to the Partnership effective as of the day following the Cure Date and surrender the notes evidencing the same to the Partnership for cancellation. The unpaid principal amount of a Lending Partner's Default Loan through the Cure Date shall constitute an Additional Capital Contribution (and the accrued interest on such Default Loan shall constitute a Special Contribution) by the Lending Partner to the Partnership as of the effective date of such contribution.

(d) Adjustments to Percentage Interests. The Percentage Interests of the Partners shall be adjusted in accordance with the definition of "Percentage Interest" to give effect to Additional Capital Contributions made pursuant to Section 2.3 and this Section 2.4, provided that if there are any Declining Partners or Delinquent Partners with respect to any Additional Contribution Notice, the determination of the amount of the adjustment of the Percentage Interests for Additional Capital Contributions made in response to such notice will be deferred until the later of the last day for the making of Additional Capital Contributions in connection with any Shortfall and the expiration of the Grace Period, provided, however, that such adjustment whenever determined shall be effective as of the Contribution Date. If any Partner is a Defaulting Partner with respect to an Additional Contribution Notice, the Percentage Interests of the Partners will be further adjusted as and when Additional Capital Contributions are made as contemplated by clause (iii) or (iv), as applicable, of Section 2.4(c). Solely for purposes of calculating Percentage Interests, the Gross Asset

Value of the License Contribution made by Cox pursuant to Section 2.3(d) shall not be treated as a Capital Contribution until the Contribution Date on which the License Contribution is credited against an Additional Capital Contribution to be made by Cox. The Management Committee shall provide notice of each adjustment to all Partners and Schedule 2.1 shall be revised to reflect such adjustment.

(e) Paying Partners. A Paying Partner that declines to make a Funding Commitment or Lending Commitment as contemplated by this Section 2.4 shall not be deemed to be a Delinquent Partner or Defaulting Partner as a result thereof, nor shall the failure to make such a commitment constitute a Payment Default with respect to such Partner.

(f) Floating Rate. Subject to the last two sentences of Section 2.7, the term "Floating Rate" means the rate per annum (computed on the basis of the actual number of days elapsed in a year of 365 or 366 days, as applicable), compounded monthly, equal to the greater of (i) the Prime Rate (adjusted as and when changes in the Prime Rate occur) plus (x) during the Grace Period, two percent (2%) and (y) following the Grace Period, five percent (5%), and (ii) the rate per annum applicable to borrowings by the Partnership under its principal credit facility, if any, or, if a choice of rates is then available to the Partnership, the highest such rate (in either case adjusted as and when changes in such applicable rate occur) plus, following the Grace Period, two percent (2%).

2.5 Other Additional Capital Contributions.

Each Partner may contribute from time to time such additional cash or other Property as the Management Committee may approve by Unanimous Vote or as may be expressly contemplated by this Agreement, provided that any Capital Contribution of property (other than cash) made pursuant to this Section 2.5 shall be subject to the terms and provisions of an Additional Contribution Agreement.

2.6 Partnership Funds.

The funds of the Partnership shall be deposited in such bank accounts or invested in such investments as shall be designated by the Management Committee. Partnership funds shall not be commingled with those of any Person other than a wholly owned subsidiary of the Partnership without the consent of all Partners. The Partnership shall not lend or advance funds to, or

guarantee any obligation of, a Partner or any Affiliate thereof without the prior written consent of all Partners.

2.7 Partner Loans; Other Borrowings.

In order to satisfy the Partnership's financial needs, the Partnership may, if so approved by the requisite vote of the Management Committee, borrow from (i) banks, lending institutions or other unrelated third parties, and may pledge Partnership properties or the production of income therefrom to secure and provide for the repayment of such loans and (ii) any Partner or an Affiliate of a Partner. Loans made by a Partner or an Affiliate of a Partner (a "Partner Loan") shall be evidenced by a promissory note of the Partnership in the form attached hereto as Exhibit 2.7 and, subject to the last two sentences of this Section 2.7, shall bear interest payable quarterly from the date made until paid in full at a rate per annum to be determined by the Management Committee that is no less favorable to the Partnership than if the loan had been made by an independent third party. Unless a Partner declines to make such loan or is a Defaulting Partner or a Partner subject to Bankruptcy, Partner Loans shall be made pro rata in accordance with the respective Percentage Interests of the Partners (or in such other proportion as the Management Committee may approve by Unanimous Vote).

Unless otherwise determined by the Management Committee, all Partner Loans shall be unsecured and the promissory notes evidencing the same shall be nonnegotiable and, except as otherwise provided in this Section 2.7(c) or Section 12.3(c), nontransferable. Repayment of the principal amount of and accrued interest on all Partner Loans and Default Loans shall be subordinated to the repayment of the principal of and accrued interest on any indebtedness of the Partnership to third party lenders to the extent required by the applicable provisions of the instruments creating such indebtedness to third party lenders ("Senior Credit Agreements"). All amounts required to be paid in accordance with the terms of such notes and all amounts permitted to be prepaid shall be applied to the notes held by the Partners in accordance with the order of payment contemplated by Section 14.2(b)(ii) and (iii). Subject to the terms of applicable Senior Credit Agreements, Partner Loans shall be repaid to the Partners at such times as the Partnership has sufficient funds to permit such repayment without jeopardizing the Partnership's ability to meet its other obligations on a timely basis. Nothing contained in this Agreement or in any promissory note issued by the Partnership hereunder shall require the Partnership or any Partner to pay interest or any amount as a penalty at a rate exceeding the maximum amount of interest

permitted to be collected from time to time under applicable usury laws. If the amount of interest or of such penalty payable by the Partnership or any Partner on any date would exceed the maximum permissible amount, it shall be automatically reduced to such amount, and interest or the amount of the penalty for any subsequent period, to the extent less than that permitted by applicable usury laws, shall, to that extent, be increased by the amount of such reduction.

An election by a Partner to purchase all or any portion of another Partner's Interest pursuant to Sections 5.1, 11, 12.4, 12.5, 12.6 or 14.7 shall also constitute an election to purchase an equivalent portion of any outstanding Partner Loans held by such selling Partner, and each purchasing Partner shall be obligated to purchase a percentage of such Partner Loans equal to the percentage of the selling Partner's Interest such purchasing Partner is obligated to purchase for a price equal to the outstanding principal and accrued and unpaid interest on such Partner Loans through the date of the closing of such purchase (except in the case of a transfer pursuant to Section 12.4, in which case the terms of the Purchase Offer shall apply).

2.8 Other Matters.

(a) No Partner shall have the right to demand or, except as otherwise provided in Sections 4.1 and 14.2, receive a return of all or any part of its Capital Account or its Capital Contributions or withdraw from the Partnership without the consent of all Partners. Under circumstances requiring a return of all or any part of its Capital Account or Capital Contributions, no Partner shall have the right to receive Property other than cash.

(b) The Exclusive Limited Partners shall not be liable for the debts, liabilities, contracts or any other obligations of the Partnership. Except as otherwise provided by any other agreements among the Partners or mandatory provisions of applicable state law, an Exclusive Limited Partner shall be liable only to make Capital Contributions to the extent required by Sections 2.2, 2.3, 2.5 and 14.3 and shall not be required to lend any funds to the Partnership or, after such Capital Contributions have been made, to make any additional Capital Contributions to the Partnership.

(c) No other Partner shall have any personal liability for the repayment of any Capital Contributions of any Partner.

(d) No Partner shall be entitled to receive interest on its Capital Contributions or Capital Account.

SECTION 3
ALLOCATIONS

3.1 Profits.

After giving effect to the special allocations set forth in Sections 3.3 and 3.4, Profits for any Allocation Year shall be allocated in the following order and priority:

(a) First, one hundred percent (100%) to the Partners, in proportion to, and to the extent of, an amount equal to the excess, if any, of (i) the cumulative Losses allocated to each such Partner pursuant to Section 3.5 for all prior Allocation Years, over (ii) the cumulative Profits allocated to such Partner pursuant to this Section 3.1(a) for all prior Allocation Years;

(b) Second, one hundred percent (100%) to the Partners, in proportion to, and to the extent of, an amount equal to the excess, if any, of (i) the cumulative Losses allocated to each such Partner pursuant to Section 3.2(c) for all prior Allocation Years, over (ii) the cumulative Profits allocated to such Partner pursuant to this Section 3.1(b) for all prior Allocation Years;

(c) Third, to the extent such Profits arise during or after the Allocation Year in which all or substantially all of the Partnership's assets are disposed of, to the Partners in such ratios and amounts as may be necessary to cause the balances in their Capital Accounts to be as nearly as practicable in the same ratio as their respective Percentage Interests; and

(d) The balance, if any, among the Partners in proportion to their Percentage Interests.

3.2 Losses.

After giving effect to the special allocations set forth in Sections 3.3 and 3.4, Losses for any Allocation Year shall be allocated in the following order and priority:

(a) First, one hundred percent (100%) to the Partners, in proportion to, and to the extent of, the excess, if any, of (i) the cumulative Profits allocated to each such Partner pursuant to Section 3.1(d) for all prior Allocation Years, over

(ii) the cumulative Losses allocated to such Partner pursuant to this Section 3.2(a) for all prior Allocation Years; and

(b) Second, to the extent such Losses arise during or after the Allocation Year in which all or substantially all of the Partnership's assets are disposed of, to the Partners in such ratio and amounts as may be necessary to cause the balances in their Capital Accounts to be as nearly as practicable in the same ratio as their respective Percentage Interests; and

(c) The balance, if any, among the Partners in proportion to their Percentage Interests.

3.3 Special Allocations.

The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(f) of the Regulations, notwithstanding any other provision of this Section 3, if there is a net decrease in Partnership Minimum Gain during any Allocation Year, each Partner shall be specially allocated items of Partnership income and gain for such Allocation Year (and, if necessary, subsequent Allocation Years) in an amount equal to such Partner's share of the net decrease in Partnership Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and 1.704-2(j)(2) of the Regulations. This Section 3.3(a) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Regulations and shall be interpreted consistently therewith.

(b) Partner Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(i)(4) of the Regulations, notwithstanding any other provision of this Section 3, if there is a net decrease in Partner Nonrecourse Debt Minimum Gain attributable to a Partner Nonrecourse Debt during any Allocation Year, each Partner who has a share of the Partner Nonrecourse Debt Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Regulations, shall be specially allocated items of Partnership income and gain for such Allocation Year (and, if necessary, subsequent Allocation Years) in an amount equal to such Partner's share of the net decrease in Partner Nonrecourse Debt Minimum

Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Regulations. This Section 3.3(b) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Exclusive Limited Partner unexpectedly receives any adjustments, allocations, or distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) or 1.704-1(b)(2)(ii)(d)(6) of the Regulations, items of Partnership income and gain shall be specially allocated to each such Exclusive Limited Partner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Exclusive Limited Partner as quickly as possible, provided that an allocation pursuant to this Section 3.3(c) shall be made only if and to the extent that such Exclusive Limited Partner would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 3 have been tentatively made as if this Section 3.3(c) were not in the Agreement.

(d) Gross Income Allocation. In the event any Exclusive Limited Partner has a deficit Capital Account at the end of any Allocation Year which is in excess of the sum of (i) the amount such Exclusive Limited Partner is obligated to restore pursuant to any provision of this Agreement, and (ii) the amount such Exclusive Limited Partner is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704- 2(i)(5) of the Regulations, each such Exclusive Limited Partner shall be specially allocated items of Partnership income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 3.3(d) shall be made only if and to the extent that such Exclusive Limited Partner would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Section 3 have been made as if Section 3.3(c) and this Section 3.3(d) were not in the Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any Allocation Year shall be specially allocated among the Partners in proportion to their Percentage Interests.

(f) Partner Nonrecourse Deductions. Any Partner Nonrecourse Deductions for any Allocation Year shall be specially allocated to the Partner who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

(g) Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704- 1(b)(2)(iv)(m)(2) or 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as the result of a distribution to a Partner in complete liquidation of its Interest, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Partners in accordance with their interests in the Partnership in the event Regulations Section 1.704- 1(b)(2)(iv)(m)(2) applies, or to the Partner to whom such distribution was made in the event Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

(h) Allocations Relating to Taxable Issuance of Partnership Interests. Any income, gain, loss or deduction realized as a direct or indirect result of the issuance of an Interest by the Partnership to a Partner (the "Issuance Items") shall be allocated among the Partners so that, to the extent possible, the net amount of such Issuance Items, together with all other allocations under this Agreement to each Partner, shall be equal to the net amount that would have been allocated to each such Partner if the Issuance Items had not been realized.

(i) Special Interest Allocation. In the event that the Partnership makes any payment in respect of interest accrued on any Default Loan in any Allocation Year, the deduction attributable to such payment shall be specially allocated to the Delinquent Partner with respect to which such Default Loan was made.

3.4 Curative Allocations.

The allocations set forth in Sections 3.3(a), 3.3(b), 3.3(c), 3.3(d), 3.3(e), 3.3(f) and 3.3(g) (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. It is the intent of the Partners that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special

allocations of other items of Partnership income, gain, loss or deduction pursuant to this Section 3.4. Therefore, notwithstanding any other provision of this Section 3 (other than the Regulatory Allocations), the Management Committee shall make such offsetting special allocations of Partnership income, gain, loss or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Partner's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Partner would have had if the Regulatory Allocations were not part of the Agreement and all Partnership items were allocated pursuant to Sections 3.1, 3.2, 3.3(h) and 3.3(i). In exercising its discretion under this Section 3.4, the Management Committee shall take into account future Regulatory Allocations under Sections 3.3(a) and 3.3(b) that, although not yet made, are likely to offset other Regulatory Allocations previously made under Section 3.3(e) and 3.3(f).

3.5 Loss Limitation.

The Losses allocated pursuant to Section 3.2 shall not exceed the maximum amount of Losses that can be so allocated without causing (or increasing the amount of) any Exclusive Limited Partner to have an Adjusted Capital Account Deficit at the end of any Allocation Year. All Losses in excess of such limitation shall be allocated to the Partners who are not Exclusive Limited Partners in proportion to their Percentage Interests.

3.6 Other Allocation Rules.

(a) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by a Required Majority Vote of the Management Committee using any permissible method under Code Section 706 and the Regulations thereunder.

(b) The Partners are aware of the income tax consequences of the allocations made by this Section 3 and hereby agree to be bound by the provisions of this Section 3 in reporting their shares of Partnership income and loss for income tax purposes.

(c) Solely for purposes of determining a Partner's proportionate share of the "excess nonrecourse liabilities" of the Partnership within the meaning of Section 1.752-3(a)(3) of

the Regulations, the Partners' interests in Partnership profits are in proportion to their Percentage Interests.

(d) To the extent permitted by Section 1.704-2(h)(3) of the Regulations, the Management Committee shall endeavor to treat distributions of cash as having been made from the proceeds of a Nonrecourse Liability or a Partner Nonrecourse Debt only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit for any Exclusive Limited Partner.

3.7 Tax Allocations: Code Section 704(c).

In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its initial Gross Asset Value (computed in accordance with the definition of Gross Asset Value).

In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to subparagraph (ii) of the definition of Gross Asset Value, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

Any elections or other decisions relating to such allocations shall be made by the Management Committee in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 3.7 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Profits, Losses, other items, or distributions pursuant to any provision of this Agreement.

SECTION 4
DISTRIBUTIONS

4.1 Available Cash.

Except as otherwise provided in Section 4.2 and 14.2, Available Cash, if any, shall be distributed among the Partners in cash in proportion to their Percentage Interests at such times and in such amounts as the Management Committee shall determine by Required Majority Vote. The Partnership shall pay in full all Partner Loans (in accordance with the order of payment contemplated by Section 14.2(b)) prior to making any cash distributions to the Partners.

4.2 Tax Distributions.

Available Cash shall be distributed to the Partners in proportion to their Percentage Interests within one hundred thirty-five (135) days after the end of each Fiscal Year of the Partnership in an aggregate amount equal to the Hypothetical Federal Income Tax Amount for such Fiscal Year.

4.3 Amounts Withheld.

All amounts withheld pursuant to the Code or any provision of any state or local tax law from any payment or distribution to a Partner shall be treated as amounts paid or distributed to such Partner pursuant to this Section 4 for all purposes under this Agreement. The Management Committee is authorized to withhold from payments and distributions to any Partner and to pay over to any federal, state, or local government any amounts required to be so withheld pursuant to the Code or any provisions of any other federal, state, or local law.

SECTION 5
MANAGEMENT

5.1 Authority of the Management Committee.

(a) General Authority. Subject to the limitations and restrictions set forth in this Agreement, the General Partners shall conduct the business and affairs of the Partnership, and all powers of the Partnership, except those specifically reserved to the Partners by the Act or this Agreement, are hereby granted to and vested in the General Partners, which shall conduct such business and exercise such powers through their Representatives on the Management Committee.

(b) Delegation. The Management Committee shall have the power to delegate authority to such officers, employees, agents and representatives of the Partnership as it may from time to time deem appropriate. Any delegation of authority to take any action must be approved in the same manner as would be required for the Management Committee to approve such action directly.

(c) Number and Term of Office. The Management Committee initially shall have six voting members, one of which shall be designated by each Cable Partner and three of which shall be designated by Sprint. Each General Partner shall give written notice to the other General Partners on or prior to the date hereof of the Person(s) selected to be its initial Representative(s). The Chief Executive Officer shall be a non-voting member of the Management Committee. During the term of this Agreement, except as otherwise provided below, each General Partner shall be entitled to designate one Representative to the Management Committee, provided that (i) for so long as Sprint is entitled to representation on the Management Committee (except as otherwise provided below), Sprint shall be entitled to designate three Representatives to the Management Committee; provided, however, that at any time any other Partner holds a greater Voting Percentage Interest than Sprint (except as otherwise provided below), Sprint shall be entitled to designate only two Representatives to the Management Committee; and provided, further, that at any time any other Partner holds a greater Voting Percentage Interest than Sprint and Sprint's Percentage Interest is less than twenty percent (20%), Sprint shall be entitled to designate only one Representative to the Management Committee, and (ii) those Partners, if any, that are Controlled Affiliates of the same Parent (a "Related Group") shall collectively be entitled to designate only the largest number of Representatives as is entitled to be designated by any single member of the Related Group, which Representative(s) shall be designated by the Partner that has the largest Percentage Interest of the Partners in the Related Group. Any Partner whose Percentage Interest, together with the Percentage Interest(s) of each other Partner, if any, that is a member of the same Related Group, is, in the aggregate, less than the Minimum Ownership Requirement shall, for so long as its Percentage Interest or the aggregate Percentage Interest of its Related Group, as applicable, is less than the Minimum Ownership Requirement, not be entitled to designate a Representative to the Management Committee, and the Representative of such Partner or Related Group, as applicable, shall immediately cease to be a member of the Management Committee, without any further act by the affected Partner.

Any Partner who becomes an Adverse Partner shall immediately forfeit the right to designate a member of the Management Committee, and the Representative(s) of the affected Partner shall immediately cease to be a member of the Management Committee, without any further act by the affected Partner; provided that if a Partner becomes an Adverse Partner as the result of the occurrence of an Adverse Act described in clause (iii), (iv), (vi) or (vii) of the definition of such term in Section 1.10, such Partner will regain (or its transferee will be entitled to, as applicable) the right to designate a Representative on the Management Committee (if otherwise so entitled thereto under this Agreement) if (i) a Partner that is an Adverse Partner other than as a result of the occurrence of an Adverse Act described in clause (iii) of the definition of such term in Section 1.10 Transfers its Interest in compliance with Section 12 to a Person that is not an Adverse Partner and does not become an Adverse Partner as a result of such Transfer, (ii) in the case of a Partner that is an Adverse Partner as a consequence of the occurrence of an Adverse Act described in clause (iii) of the definition of such term in Section 1.10, there is a Final Determination that such Partner's actions or failure to act did not constitute such an Adverse Act, (iii) a Partner that is an Adverse Partner as a consequence of Bankruptcy ceases to be in a state of Bankruptcy, (iv) a Partner that is an Adverse Partner as a consequence of the occurrence of any IXC Transaction ceases to have the relationship with the IXC which caused such IXC Transaction to occur, or (v) a Partner that is an Adverse Partner as a consequence of the occurrence of an event described in clause (vii) of the definition of the term "Adverse Act" in Section 1.10 takes actions that eliminate the circumstances that constituted such an Adverse Act within the meaning of such clause (vii). The membership of the Management Committee shall be increased or decreased from time to time in accordance with the preceding sentences.

Each Representative shall hold office at the pleasure of the Partner that designated such Representative. Any Partner may at any time, and from time to time, by written notice to the other Partners remove any or all of the Representatives designated by such Partner, with or without cause, and appoint substitute Representatives to serve in their stead. Each Partner shall be entitled to name an alternate Representative to serve in the place of any Representative appointed by such Partner should any such Representative not be able to attend a meeting or meetings, which alternate shall be deemed to be a Representative hereunder with respect to any action taken at such meeting or meetings. Each Partner shall bear the costs incurred by each Representative or alternate designated by it to serve on the

Management Committee, and no Representative or alternate shall be entitled to compensation from the Partnership for serving in such capacity.

The written notice of a Partner's appointment of a Representative or alternate shall in each case set forth such Representative's or alternate's business and residence addresses and business telephone number. Each Partner shall promptly give written notice to the other Partners of any change in the business or residence address or business telephone number of any of its Representatives. Each Partner shall cause its Representatives on the Management Committee to comply with the terms of this Agreement. In the absence of prior written notice to the contrary, any action taken by a Representative of a Partner shall be deemed to have been duly authorized by the Partner that appointed such Representative.

(d) Vacancy. In the event any Representative dies or is unwilling or unable to serve as such or is removed from office by the Partner that designated him or her, such Partner shall promptly designate a successor to such Representative.

(e) Place of Meeting/Action by Written Consent. The Management Committee may hold its meetings at such place or places within or outside the State of Delaware as the Management Committee may from time to time determine or as may be designated in the notice calling the meeting. If a meeting place is not so designated, the meeting shall be held at the Partnership's principal office. Notwithstanding anything to the contrary in this Section 5.1, the Management Committee may take without a meeting any action contemplated to be taken by the Management Committee under this Agreement if such action is approved by the unanimous written consent of a Representative of each of the Partners (which may be executed in counterparts). The initial meeting of the Management Committee shall take place on such date and at such time and place as the Partners shall agree. The Management Committee may meet in person or by means of conference telephone or similar communications equipment. Each Representative shall have the right to participate in any meeting by means of conference telephone or similar communications equipment.

(f) Regular Meetings. The Management Committee shall hold regular meetings no less frequently than quarterly and shall establish meeting times, dates and places and requisite notice requirements and adopt rules or procedures consistent with the terms of this Agreement. At such meetings the members of the

Management Committee shall transact such business as may properly be brought before the meeting.

(g) Special Meetings. Special meetings of the Management Committee may be called by any Representative. Notice of each such meeting shall be given to each member of the Management Committee by telephone, telecopy, telegram or similar method (in which case notice shall be given at least twenty-four (24) hours before the time of the meeting) or sent by first-class mail (in which case notice shall be given at least five (5) days before the meeting), unless a longer notice period is established by the Management Committee. Each such notice shall state (i) the time, date, place (which shall be at the principal office of the Partnership unless otherwise agreed to by all Representatives) or other means of conducting such meeting and (ii) the purpose of the meeting to be so held. Any Representative may waive notice of any meeting in writing before, at or after such meeting. The attendance of a Representative at a meeting shall constitute a waiver of notice of such meeting, except when a Representative attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not properly called.

(h) Voting. The Representative(s) of each General Partner or of the General Partners in a Related Group shall together have voting power equal to the Voting Percentage Interest held by such General Partner or the aggregate Voting Percentage Interest of the General Partners in such Related Group, as applicable, as in effect from time to time. If a General Partner or a Related Group designates only one Representative, such Representative shall be entitled to vote the entire voting power held by such General Partner or the General Partners in such Related Group, as applicable. If a General Partner or Related Group designates more than one Representative, such Representatives shall vote the entire voting power of such General Partner or the General Partners in such Related Group as a single unit. None of the Partners (other than the Partners in a Related Group) shall enter into any agreements with any other Partner regarding the voting of their Interests or of Representatives on the Management Committee.

(i) Required Majority Decisions. Except as provided in Section 5.1(j) or as otherwise expressly provided in this Agreement, all actions required or permitted to be taken by the Management Committee (including the matters listed on Schedule 5.1(i)) must be approved by the affirmative vote, at a meeting at which a quorum is present, of Representatives with voting power of seventy-five percent (75%) or more of the Voting Percentage

Interests of all Partners whose Representatives are not required by Section 8.7 or any other express provision of this Agreement to abstain from such vote (a "Required Majority Vote").

(j) Unanimous Vote (Management Committee). No action may be taken by the Partnership in connection with any of the matters listed on Schedule 5.1(j) without the prior approval of the Management Committee by the unanimous vote of all of the Representatives who are not required to abstain from the vote with respect to the particular matter as provided for in Section 8.7 of this Agreement or any other express provision of this Agreement, whether or not present at a Management Committee meeting (a "Unanimous Vote").

(k) Unanimous Decisions (Partners). (i) No action may be taken by the Partnership in connection with any of the matters listed on Schedule 5.1(k) without the prior consent of all of the Partners (including Exclusive Limited Partners) other than any Partner required to abstain from the vote with respect to a particular matter by Section 8.7 or any other express provision of this Agreement (a "Unanimous Partner Vote").

(ii) If any matter listed on Schedule 5.1(k) or otherwise required by this Agreement to be approved by the unanimous consent of the Partners is not approved solely as a result of the failure of one or more Exclusive Limited Partners to consent to such action (each, a "Blocking Limited Partner"), the remaining Partners (other than any Exclusive Limited Partner) may purchase all but not less than all of the respective Interests of the Blocking Limited Partner(s) pursuant to this Section 5.1(k)(ii) if the Management Committee elects to initiate the procedures in this Section. For a period ending at 11:59 p.m. (local time at the Partnership's principal office) on the thirtieth (30th) day following the date on which such Blocking Limited Partner failed to consent to such matter, the Management Committee may elect to cause the Net Equity of the Blocking Limited Partner's Interest to be determined in accordance with Section 11.3. For purposes of such determination of Net Equity, the Management Committee shall designate the First Appraiser as required by Section 11.4 and the Blocking Limited Partner shall designate the Second Appraiser within ten (10) days of receiving notice of the First Appraiser. For a period ending at 11:59 p.m. (local time at the Partnership's principal office) on the thirtieth (30th) day following the date on which notice of the Net Equity of the Blocking Limited Partner's Interest is given pursuant to Section 11.3 (the "Section 5.1 Election Period"), except as otherwise provided in Section 11.2(b), each of the Partners (other than any Exclusive Limited Partner) may elect to

purchase all or any portion of the Interests of the Blocking Limited Partners. Such elections shall be made, and the purchase of the Blocking Limited Partner's Interest shall occur, in the manner and pursuant to the procedures set forth in Section 11.2 as if the Blocking Limited Partner were an Adverse Partner and the Election Period referred to in Section 11.2 was the Section 5.1 Election Period; provided that the Buy-Sell Price of the Blocking Limited Partner's Interest shall be equal to the Net Equity thereof. Notwithstanding the foregoing, the Blocking Limited Partner will not be subject to the buy-out provisions of this Section 5.1(k)(ii) if the matter to which the Blocking Limited Partner refused to consent would, if approved, have adversely affected the Exclusive Limited Partner's rights and obligations under this Agreement in a manner different from the other Partners.

(l) Proxies; Minutes. Each Representative entitled to vote at a meeting of the Management Committee may authorize another Person to act for him by proxy; provided that such proxy must be signed by the Representative and shall be revocable by such Representative any time prior to such meeting. Minutes of each meeting of the Management Committee shall be prepared by the Chief Executive Officer or his or her designee and circulated to the Representatives. Written consents to any action taken by the Management Committee shall be filed with the minutes.

(m) Quorum. At any meeting of the Management Committee duly called or held, the presence or participation in person, by conference telephone or similar communications equipment or by proxy of Representatives with voting power equal to at least a Required Majority Vote of the Voting Percentage Interests of all Partners shall constitute a quorum for the taking of any action at such meeting.

5.2 Business Plan and Annual Budget.

(a) Simultaneously with the execution of this Agreement, the Management Committee has adopted the Management Committee Resolution specifying the aggregate Auction Commitment. Prior to the commencement of the PCS Auction, the General Partners shall, and shall cause their respective Representatives on the Management Committee to, use all commercially reasonable efforts and cooperate in good faith with each other to develop and approve by Unanimous Vote of the Management Committee a strategic plan for the Wireless Business during the Auction Period (the "Wireless Strategic Plan"). Within sixty (60) days after the completion of the PCS Auction relating to frequency blocks "A" and "B", the General Partners shall, and shall cause

their respective Representatives on the Management Committee to, use all commercially reasonable efforts and cooperate in good faith with each other to develop and approve a business plan ("Business Plan") for the Partnership covering the balance of the Fiscal Year in which the PCS Auction is completed and the succeeding Fiscal Years through the Fiscal Year ending December 31, 1999 (such initial Business Plan, if approved, being herein referred to as the "Initial Business Plan"). The Initial Business Plan shall include capital expenditure and operating budgets for each Fiscal Year covered thereby and shall also specify for each Fiscal Year (or portion thereof) covered thereby the aggregate amount of Additional Capital Contributions that would be requested of the Partners during such Fiscal Year based on the assumptions (or varying sets of assumptions) upon which the Initial Business Plan was prepared (which shall be stated therein) and depending, if applicable, on the achievement of any milestones specified therein.

(b) The approval of the Initial Business Plan shall require the Unanimous Vote of the Management Committee.

(c) The Chief Executive Officer shall submit annually to the Management Committee at least ninety (90) days prior to the start of each Fiscal Year after the first full Fiscal Year (i) a proposed budget (the "Proposed Budget") for the forthcoming Fiscal Year including an income statement prepared on an accrual basis which shall show in reasonable detail the revenues and expenses projected for the Partnership's business for the forthcoming Fiscal Year and a cash flow statement which shall show in reasonable detail the receipts and disbursements projected for the Partnership's business for the forthcoming Fiscal Year and the amount of any corresponding cash deficiency or surplus, and the required Additional Capital Contributions, if any, and any contemplated borrowings of the Partnership and (ii) a proposed revised Business Plan ("Proposed Business Plan") for the Fiscal Year covered by the Proposed Budget and the succeeding four Fiscal Years in substantially the same or greater detail as the Initial Business Plan and containing such additional categories of information as may be appropriate to reflect the progress of the development of the Partnership's business. Such Proposed Budget and Proposed Business Plan shall be prepared on a basis consistent with the Partnership's audited financial statements. If such Proposed Budget or such Proposed Business Plan is approved by the Management Committee, then such Proposed Budget or such Proposed Business Plan, as the case may be, shall be considered approved and shall constitute the "Annual Budget" or the "Approved Business Plan," as the case may be, for all purposes of this Agreement and shall supersede any previously

approved Annual Budget or Approved Business Plan, as the case may be. Except as provided on Schedule 5.1(j), the approval of each Proposed Budget and Proposed Business Plan and action by the Partnership constituting any material deviation from any Annual Budget or Approved Business Plan shall require the Required Majority Vote of the Management Committee. No Approved Business Plan or Annual Budget shall be inconsistent with the provisions of this Agreement, nor shall this Agreement be deemed amended by any provision of an Approved Business Plan or Annual Budget. If a Proposed Budget or Proposed Business Plan is not approved by the Required Majority Vote of the Management Committee, then the General Partners shall cause their Representatives to cooperate in good faith and confer with the Chief Executive Officer and other senior officers of the Partnership for the purpose of attempting to arrive at a Proposed Budget or Proposed Business Plan, as the case may be, that can secure the approval of the Management Committee.

(d) If, notwithstanding the foregoing procedures, on January 1 of any Fiscal Year no Proposed Budget has been approved by the Management Committee for such Fiscal Year, then the Annual Budget for the prior Fiscal Year, adjusted (without duplication) to reflect increases or decreases resulting from the following events, shall govern until such time as the Management Committee approves a new Proposed Budget:

(i) the operation of escalation or de-escalation provisions in contracts in effect at the time of approval of the prior Fiscal Year's Annual Budget solely as a result of the passage of time or the occurrence of events beyond the control of the Partnership to the extent such contracts are still in effect;

(ii) elections made in any prior Fiscal Year under contracts contemplated by the Annual Budget for the prior Fiscal Year regardless of which party to such contracts makes such election;

(iii) increases or decreases in expenses attributable to the annualized effect of employee additions or reductions during the prior Fiscal Year contemplated by the Annual Budget for the prior Fiscal Year;

(iv) changes in interest expense attributable to any loans made to or retired by the Partnership (including Partner Loans);

(v) increases in overhead expenses in an amount equal to the total of overhead expenses reflected in the Annual Budget for the prior Fiscal Year multiplied by the increase in the Consumer Price Index for the prior year, but in no event more than five percent (5%);

(vi) the anticipated incurrence of costs during such Fiscal Year for any legal, accounting and other professional fees or disbursements in connection with events or changes not contemplated at the time of preparation of the Annual Budget for the prior Fiscal Year;

(vii) the continuation of the effects of a decision made by the Management Committee or the Partners in the prior Fiscal Year with respect to any of the matters referred to on Schedules 5.1(i), 5.1(j) or 5.1(k) that are not reflected in the Annual Budget for the prior Fiscal Year; and

(viii) decreases in expense attributable to non-recurring items reflected in the prior Fiscal Year's Annual Budget.

Any budget established pursuant to this Section 5.2(d) is herein referred to as a "Default Budget."

(e) If a Proposed Business Plan is submitted for approval pursuant to this Section 5.2 and is not approved by the requisite vote of the Management Committee, the Business Plan most recently approved by the Management Committee pursuant to Section 5.2(c) shall remain in effect as the Approved Business Plan; provided, that, if a Proposed Budget is approved pursuant to Section 5.2(c) (and the corresponding Proposed Business Plan is not so approved), the Approved Business Plan then in effect shall be deemed to be amended so that the Fiscal Year therein corresponding to the Fiscal Year for which such Annual Budget has been approved shall be consistent with such Annual Budget.

(f) The day-to-day business and operations of the Partnership shall be conducted in accordance with the Approved Business Plan and the Annual Budget (or Default Budget) then in effect and the policies, strategies and standards established by the Management Committee. The Management Committee and the officers and employees of the Partnership shall implement the Annual Budget and Approved Business Plan.

5.3 Employees.

The Management Committee will appoint the senior management of the Partnership and will establish policies and guidelines for the hiring of employees to permit the Partnership to act as an operating company with respect to its Wireless Business. The Management Committee may adopt appropriate management incentive plans and employee benefit plans.

5.4 Limitation of Agency.

The Partners agree not to exercise any authority to act for or to assume any obligation or responsibility on behalf of the Partnership except (i) as approved by the Management Committee by Required Majority Vote, (ii) as approved by written agreement among the General Partners and (iii) as expressly provided herein. No Partner shall have any authority to act for or to assume any obligations or responsibility on behalf of another Partner under this Agreement except (i) as approved by written agreement among the Partners and (ii) as expressly provided herein. Subject to Section 5.6, in addition to the other remedies specified herein, each Partner agrees to indemnify and hold the Partnership and the other Partners harmless from and against any claim, demand, loss, damage, liability or expense (including reasonable attorneys' fees and disbursements and amounts paid in settlement, but excluding any indirect, special or consequential damages) incurred by or against such other Partners or the Partnership and arising out of or resulting from any action taken by the indemnifying Partner in violation of this Section 5.4.

5.5 Liability of Partners and Representatives.

No Partner, former Partner or Representative or former Representative, no Affiliate of any thereof, nor any partner, shareholder, director, officer, employee or agent of any of the foregoing, shall be liable in damages for any act or failure to act in such Person's capacity as a Partner or Representative or otherwise on behalf of the Partnership unless such act or omission constituted bad faith, gross negligence, fraud or willful misconduct of the indemnified person or a violation of this Agreement. Subject to Section 5.6, each Partner, former Partner, Representative and former Representative, each Affiliate of any thereof, and each partner, shareholder, director, officer, employee and agent of any of the foregoing, shall be indemnified and held harmless by the Partnership, its receiver or trustee from and against any liability for damages and expenses, including reasonable attorneys' fees and disbursements and

amounts paid in settlement, resulting from any threatened, pending or completed action, suit or proceeding relating to or arising out of such Person's acts or omissions in such Person's capacity as a Partner or Representative or (except as provided in Section 5.4) otherwise involving such Person's activities on behalf of the Partnership, except to the extent that such damages or expenses result from the bad faith, gross negligence, fraud or willful misconduct of the indemnified Person or a violation by such Person of this Agreement or an agreement between such Person and the Partnership. Any indemnity by the Partnership, its receiver or trustee under this Section 5.5 shall be provided out of and to the extent of Partnership Property only.

5.6 Indemnification.

Any Person asserting a right to indemnification under Section 5.4 or 5.5 shall so notify the Partnership or the other Partners, as the case may be, in writing. If the facts giving rise to such indemnification shall involve any actual or threatened claim or demand by or against a third party, the indemnified Person shall give such notice promptly (but the failure to so notify shall not relieve the indemnifying Person from any liability which it otherwise may have to such indemnified Person hereunder except to the extent the indemnifying Person is actually prejudiced by such failure to notify). The indemnifying Person shall be entitled to control the defense or prosecution of such claim or demand in the name of the indemnified Person, with counsel satisfactory to the indemnified Person, if it notifies the indemnified Person in writing of its intention to do so within twenty (20) days of its receipt of such notice, without prejudice, however, to the right of the indemnified Person to participate therein through counsel of its own choosing, which participation shall be at the indemnified Person's expense unless (i) the indemnified Person shall have been advised by its counsel that use of the same counsel to represent both the indemnifying Person and the indemnified Person would present a conflict of interest (which shall be deemed to include any case where there may be a legal defense or claim available to the indemnified Person which is different from or additional to those available to the indemnifying Person), in which case the indemnifying Person shall not have the right to direct the defense of such action on behalf of the indemnified Person, or (ii) the indemnifying Person shall fail vigorously to defend or prosecute such claim or demand within a reasonable time. Whether or not the indemnifying Person chooses to defend or prosecute such claim, the Partners shall cooperate in the prosecution or defense of such claim and shall furnish such records, information and testimony and attend such

conferences, discovery proceedings, hearings, trials and appeals as may reasonably be requested in connection therewith. The indemnifying Person may not take control of any investigation or defense, without the consent of any indemnified Person, if the claims involved in such proceedings involve any material risk of the sale, forfeiture or loss of, or the creation of any lien (other than a judgment lien) on, any material property of such indemnified Person or could entail a risk of criminal liability to such indemnified Person.

The indemnified Person shall not settle or permit the settlement of any claim or action for which it is entitled to indemnification without the prior written consent of the indemnifying Person, unless the indemnifying Person shall have failed to assume the defense thereof after the notice and in the manner provided above.

The indemnifying Person may not without the consent of the indemnified Person agree to any settlement (i) that requires such indemnified Person to make any payment that is not indemnified hereunder, (ii) does not grant a general release to such indemnified Person with respect to the matters underlying such claim or action, or (iii) that involves the sale, forfeiture or loss of, or the creation of any lien on, any material property of such indemnified Person. Notwithstanding the foregoing, the indemnifying Person may not in connection with any such investigation, defense or settlement, without the consent of the indemnified Person, take or refrain from taking any action which would reasonably be expected to materially impair the indemnification of such indemnified Person hereunder or would require such indemnified Person to take or refrain from taking any action or to make any public statement, which such indemnified Person reasonably considers to materially adversely affect its interests.

Upon the request of any indemnified Person, the indemnifying Person shall use reasonable efforts to keep such indemnified Person reasonably apprised of the status of those aspects of such investigation and defense controlled by the indemnifying Person and shall provide such information with respect thereto as such indemnified Person may reasonably request.

5.7 Temporary Investments.

All Property in the form of cash not otherwise invested shall be deposited for the benefit of the Partnership in one or more accounts of the Partnership or any of its wholly owned subsidiaries, maintained in such financial institutions as the

Management Committee shall determine or shall be invested in short-term liquid securities or other cash-equivalent assets or shall be left in escrow, and withdrawals shall be made only for Partnership purposes on such signature or signatures as the Management Committee may determine from time to time.

5.8 Deadlocks.

(a) Upon the occurrence of a Deadlock Event, the General Partners shall first use their good faith efforts to resolve such matter in a mutually satisfactory manner. If, after such efforts have continued for twenty (20) days, no mutually satisfactory solution has been reached, the General Partners shall resolve the Deadlock Event as provided herein:

(i) The General Partners shall (at the insistence of any of them) refer the matter to the chief executive officers of their respective Parents for resolution.

(ii) Should the chief executive officers of the Parents fail to resolve the matter within ten (10) days after it is referred to them, each General Partner (or any group of General Partners electing to act together) shall prepare a brief (a "Brief"), which includes a summary of the issue, its proposed resolution of the issue and considerations in support of such proposed resolution, not later than ten (10) days following the failure of the chief executive officers to resolve such dispute, and such Briefs shall be submitted to such reputable and experienced mediation service as is selected by the Management Committee by Required Majority Vote or, failing such selection, by the Chief Executive Officer (the "Mediator"). During a period of twenty (20) days, the Mediator and the General Partners shall attempt to reach a resolution of the Deadlock Event.

(iii) In the event that after such twenty (20) day period (or such longer period as the Management Committee may approve by Required Majority Vote), the General Partners are still unable to reach resolution of the Deadlock Event (such resolution to be evidenced by the requisite vote of the Management Committee with respect to the underlying matters), the Deadlock Event shall constitute a Liquidating Event as provided in Section 14.1(a)(iii) unless the Management Committee determines by Required Majority Vote not to dissolve.

(b) A "Deadlock Event" shall be deemed to have occurred if (i) after failing to approve a Proposed Budget or Proposed Business Plan for one Fiscal Year, the Management Committee has failed to approve a Proposed Budget or Proposed

Business Plan for the next succeeding Fiscal Year prior to the commencement of such succeeding Fiscal Year, or (ii) the position of Chief Executive Officer is vacant for a period of more than sixty (60) days after at least two Partners with an aggregate of at least thirty-three percent (33%) of the Voting Percentage Interests have proposed a candidate to fill such vacancy.

5.9 Conversion to Corporate Form.

(a) In the event that the Management Committee shall determine by Required Majority Vote (or such other vote as may be required by Item B. of Schedule 5.1(i)) that it is desirable or helpful for the business of the Partnership to be conducted in a corporate rather than in a partnership form (for the purposes of conducting a public offering or otherwise), the Management Committee shall have the power to incorporate the Partnership in Delaware. In connection with any such incorporation of the Partnership, the Partners shall receive, in exchange for their Interests, shares of capital stock of such corporation having the same relative economic interests and other rights as such Partners hold in the Partnership as set forth in this Agreement, subject in each case to (i) any modifications required solely as a result of the conversion to corporate form and (ii) modifications to the provisions of Section 5.1 to conform to the provisions relating to actions of stockholders and a board of directors set forth in the Delaware General Corporation Law; provided, that the relative number of representatives on the board of directors and relative voting power of the outstanding equity interests of such corporation of each General Partner shall be as nearly as practicable in proportion to the relative Voting Percentage Interests of the General Partners immediately prior to such incorporation. For purposes of the preceding sentence, each Partner's relative economic interest in the Partnership shall equal such Partner's Net Equity as compared to the Net Equity of all of the Partners, as determined in accordance with Section 11.3 except that the Management Committee shall by Required Majority Vote select a single Appraiser to determine Gross Appraised Value. At the time of such conversion, the Partners shall enter into a stockholders' agreement providing for (i) rights of first refusal and other restrictions on transfer equivalent to those set forth in Sections 12.1 through 12.4; provided that such restrictions shall not apply, following the initial Public Offering by the corporate successor to the Partnership, to sales in broadly disseminated Public Offerings or sales in accordance with Rule 144 under the Securities Act of 1933 (the "1933 Act"), including the manner of sale required by Rule 144 (whether or not applicable to such sale) and (ii) an agreement to vote all shares of capital stock held by them with

respect to the election of directors of the corporation so as to duplicate as closely as possible the management structure of the Partnership as set forth in Section 5.1.

(b) Upon conversion to corporate form, the corporate successor to the Partnership shall grant to each of the Partners certain rights to require such successor to register under the 1933 Act the shares of capital stock received by the Partners in exchange for their Partnership Interests. Such rights shall be as approved by the Required Majority vote of the Management Committee, provided that the registration rights of each Partner shall be identical on a proportionate basis.

(c) Each Partner shall have preemptive rights, exercisable in accordance with procedures to be established by the Management Committee in connection with and following the conversion of the Partnership to corporate form, to purchase equity securities proposed to be issued from time to time by a corporate successor to the Partnership or its successor, provided, however, that no Partner shall have any such preemptive right with respect to any equity securities which, by a vote of the board of directors of such corporate successor that is equivalent to a Required Majority Vote, have been approved for issuance by such corporate successor in connection with (i) a Public Offering or (ii) any acquisition (including by way of merger or consolidation) by the corporate successor of the equity interests or assets of another entity that is not a Partner or its Affiliate in a transaction pursuant to which the purchase price is paid by delivery of such equity securities to the seller. A "Public Offering" means an offering by the corporate successor pursuant to a registration statement on a form applicable to the sale of securities to the general public.

SECTION 6
PARTNERSHIP OPPORTUNITIES; CONFIDENTIALITY

6.1 Engaging in Wireless Businesses.

(a) In General. For so long as any Person is a Partner, neither such Person nor any of its Controlled Affiliates shall engage in any Competitive Activity in the United States of America (including its territories and possessions other than Puerto Rico) except (i) through the Partnership, (ii) subject to Section 6.1(d), as provided in Section 6.1(b) or 6.1(c) or (iii) as permitted by Section 6.3 or 6.4. The term "Competitive Activity" means to bid on, acquire or, directly or indirectly,

own, manage, operate, join, control, or finance or participate in the ownership, management, operation, control or financing of, or be connected as a principal, agent, representative, consultant, beneficial owner of an interest in any Person, or otherwise with, or use or permit its name to be used in connection with, any business or enterprise which (i) engages in the bidding for or acquisition of any Wireless Business license or engages in any Wireless Business and, in either such case, provides services within the Exclusive Services, or (ii) offers, promotes or brands services that are within the Exclusive Services.

(b) Bidding for Wireless Business Licenses. Except as permitted by Section 6.4, no Partner nor any of its Controlled Affiliates shall bid in the PCS Auction for any Wireless Business licenses unless (i) the Management Committee consents to such bid following consultation by such Partner with the Representatives of the other Partners; or (ii) (A) the Partnership has entered a bid or bids for such license, but a third-party bid has been entered which equals or exceeds the maximum amount that the Partnership has determined to bid for such license, (B) if a vote was taken, such Partner's Representative(s) voted in favor of the Partnership's increasing the amount it would bid for such license, and (C) the Partnership has determined not to increase its bid in response to such third party bid. Prior to the PCS Auction, the Partners will agree upon procedures to facilitate the bid by a Partner under the circumstances described in clause (ii) above and to permit the Partnership to re-enter the bidding on its own behalf following any such bid; provided the purchase price of a license purchased by or on behalf of a Partner pursuant to this Section 6.1(b) shall be in addition to (and not credited against) such Partner's Auction Commitment. This Section 6.1(b) will not permit a Partner or its Affiliate to bid for or acquire a Wireless Business license if the bidding for or acquisition of such license by a Partner or its Affiliate would otherwise violate (or cause the Partnership or any of the other Partners or their respective Affiliates to be in violation of) the FCC's rules or orders relating to Wireless Business license cross-ownership, license attribution standards, and/or spectrum attribution or aggregation requirements, including Sections 20.6, 24.204 and 24.229(c) of the FCC's rules.

(c) Acquiring Interests in Wireless Businesses. If any Partner or any of its Controlled Affiliates proposes to engage in any Competitive Activity other than as permitted by Section 6.1(b), 6.3 or 6.4, then such Partner shall first offer to the Partnership the opportunity to engage, in lieu of such Partner and its Affiliates, in such Competitive Activity (whether by acquiring such interest itself or itself offering, promoting

or branding such services) (the "Offer"), which Offer shall be made in writing and shall set forth in reasonable detail the nature and scope of the activity proposed to be engaged in, including all material terms of any proposed acquisition. The Partnership (by Required Majority Vote of the Management Committee pursuant to Section 8.7) shall have thirty (30) days from receipt of the Offer to accept or reject it. If the Partnership fails to accept the Offer within such thirty (30) day period, it shall be deemed to have rejected the Offer, and the offering Partner or its Affiliate shall be permitted to engage in such Competitive Activity on terms no more favorable to such Partner or its Affiliate than those described in the Offer. If the Partnership accepts the Offer, the offering Partner and its Affiliates shall not pursue such opportunity to engage in such Competitive Activity; provided, however, that if the Partnership accepts the Offer but does not within a commercially reasonable period of time after such acceptance take reasonable steps to pursue such opportunity, other than as a result of a violation of this Agreement or wrongful acts or bad faith on the part of the offering Partner or its Controlled Affiliates, then the offering Partner or its Controlled Affiliate shall be permitted to pursue such opportunity on terms no more favorable to the offering Partner than those terms described in the Offer. If the offering Partner or its Controlled Affiliate does not take reasonable steps to pursue such opportunity contemplated by the Offer within a reasonable period of time after acquiring the right to do so in accordance with the foregoing provisions of this Section 6.1(c) (including, in the case of an acquisition, by entering into a definitive agreement (subject solely to obtaining the requisite regulatory approvals and other customary closing conditions) with respect to such acquisition within one hundred twenty (120) days thereafter), then it shall lose its right to pursue such opportunity and thereafter be required to reoffer the opportunity to do so to the Partnership in accordance with, and shall otherwise comply with, this Section 6.1(c). Notwithstanding the foregoing, a Partner shall not be permitted to present an Offer to the Partnership (or otherwise engage in any Competitive Activity in reliance on this Section 6.1(c)) (i) involving any Wireless Business other than PCS until one year following the completion of the PCS Auction (the "Lock-out Period") or (ii) in any license area in which the Partnership or any of its Controlled Affiliates is otherwise engaged in the Wireless Business (including pursuant to an Affiliation Agreement), in either case without a Unanimous Vote of the Management Committee pursuant to Section 8.7.

(d) Affiliation Agreements. (i) Any Partner or Controlled Affiliate thereof that acquires or owns a Wireless

Business license, or directly engages in a Wireless Business providing services included in the Exclusive Services, as permitted by the exceptions provided by Sections 6.1(b) and 6.1(c) to the prohibitions on Competitive Activities contained in Section 6.1(a), shall as a condition to the availability of such exceptions, offer to enter into an affiliation agreement with respect to such Wireless Business with the Partnership on terms and conditions comparable to those which the Partnership offers to other affiliated Wireless Businesses in similar situations (or if no such agreement then exists, such terms and conditions shall include a provision for competitive pricing), under which such Wireless Business will provide its services to the public as an affiliate of the Partnership's business (as entered into with a Partner or its Controlled Affiliate or any other person, an "Affiliation Agreement"). The Management Committee may waive compliance with all or any part of this Section 6.1(d) with respect to any transaction by Required Majority Vote of the Management Committee pursuant to Section 8.7.

(ii) Each Partner and its Controlled Affiliates shall also use all commercially reasonable efforts to cause any Affiliate of such Partner which acquires or owns a Wireless Business license, or otherwise engages in any Wireless Business, and provides services within the Exclusive Services, to (if the Partnership so desires) enter into an Affiliation Agreement with the Partnership.

(e) Geographic Restrictions. Unless approved by the unanimous consent of the Partners, the Partnership will not engage in any Competitive Activities in the Philadelphia, Cleveland, Richmond, El Paso, Jacksonville, Knoxville, Charlotte or Omaha MTAs, including bidding for or acquiring any PCS licenses therein; provided that, to the extent permitted by law, the Partnership may enter into Affiliation Agreements with Persons engaged in Competitive Activities in such MTAs.

(f) Unrestricted Activities. Nothing in this Section 6 shall prevent any Person from (i) providing any Non-Exclusive Services or engaging in any Excluded Business or (ii) complying with any applicable laws, rules or regulations, including those requiring that any facilities be made available to any other Person.

6.2 Enforceability and Enforcement.

(a) The Partners acknowledge and agree that the time, scope, geographic area and other provisions of Section 6.1 have been specifically negotiated by sophisticated parties and agree

that such time, scope, geographic area, and other provisions are reasonable under the circumstances. If, despite this express agreement of the Partners, a court should hold any portion of Section 6.1 to be unenforceable for any reason, the maximum restrictions of time, scope and geographic area reasonable under the circumstances, as determined by the court, will be substituted for the restrictions held to be unenforceable.

(b) The Partnership shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages or posting any bond or other security, to prevent any breach of Section 6.1, which rights shall be cumulative and in addition to any other rights or remedies to which the Partnership may be entitled.

6.3 General Exceptions to Section 6.1.

The restrictions set forth in Section 6.1 on Competitive Activities shall not be construed to prohibit any of the following actions by a Partner and its Controlled Affiliates except to the extent any such action would (i) cause the Partnership (including the ownership of its assets and the conduct of its business) to be in violation of any law or regulation or otherwise result in any restriction or other limitation on the Partnership's ownership of its assets or conduct of its business or (ii) in any way impair, prevent or delay the ability of the Partnership to bid for or acquire a Wireless Business license during the Lock-out Period in any license area in which the Partnership plans to engage in a Competitive Activity pursuant to or as set forth in the Wireless Strategic Plan:

(a) The acquisition or ownership of any debt or equity securities registered pursuant to the Securities Exchange Act of 1934, so long as such securities (i) do not represent more than five percent (5%) of the aggregate voting power of the outstanding capital stock of any Person that engages in a Competitive Activity (assuming the conversion, exercise or exchange of all such securities held by such Partner or its Controlled Affiliates that are convertible, exercisable or exchangeable into or for voting stock) or (ii) in the case of debt securities, entitle the holder to receive only interest or other returns that are fixed, or vary by reference to an index or formula that is not based on the value or results of operations of such Person;

(b) The acquisition (through merger, consolidation, purchase of stock or assets, or otherwise) of a Person or an

interest in a Person, which engages (directly or indirectly through an Affiliate that is controlled by such Person) in any Competitive Activity if the Competitive Activity does not constitute the principal activity, in terms of revenues or fair market value, of the businesses acquired in such acquisition or conducted by the Person in which such interest is acquired, provided, in each case, that such Partner or Controlled Affiliate divests itself of the Competitive Activity or interest therein as soon as is practicable, but in no event later than twenty-four (24) months, after the acquisition unless the Management Committee approves the entering into of an Affiliation Agreement with respect to such Competitive Activity pursuant to Section 8.7;

(c) The continued holding of an equity interest in an Person that commences a Competitive Activity following the acquisition of such equity interest if neither the Partner nor its Controlled Affiliate has any responsibility or control over the conduct of such Competitive Activity, does not permit its name to be used in connection with such Competitive Activity and uses all commercially reasonable efforts, including voting its equity interest, to cause such Person either (i) to cease such Competitive Activity or (ii) to offer to enter into an Affiliation Agreement with the Partnership;

(d) The conduct of any Competitive Activity that is a necessary component of or an incidental part of the conduct of any Excluded Business by a Partner or its Controlled Affiliates or the entering into of an arrangement with an independent third party for the provision of any services included in the Exclusive Services which is a necessary component of or an incidental part of the conduct of such Excluded Business, so long as, in each case, such Partner or Controlled Affiliate shall first use all commercially reasonable efforts to negotiate agreements with the Partnership, which are reasonable in the independent judgment of both parties, pursuant to which the Partnership would provide such services included in the Exclusive Services on terms no less favorable to the Partner or such Controlled Affiliate than such Partner or Controlled Affiliate could obtain from an independent third party or could provide itself;

(e) The ownership and operation by (i) a partnership of Sprint, TCI and Cox of a PCS license and a Wireless Business in the Philadelphia MTA ("PhillieCo") and (ii) any of Cox, Comcast and TCI or their Affiliates (acting singly or jointly through a partnership or other entity) of a PCS License and an associated Wireless Business in any of the Cleveland, Richmond, El Paso, Jacksonville, Knoxville and Omaha MTAs, in each case so

long as such owners or entities holding the licenses enter into Affiliation Agreements with the Partnership, subject to applicable law;

(f) Any Partner may conduct any Competitive Activity involving the provision of any product or service that is an ancillary value-added addition to a Wireless Business and which does not itself require an FCC license (including but not limited to operator services, location services and weather, sports and other information services);

(g) The ownership and operation by Sprint of its cellular business within the territories in which it currently operates; and

(h) The ownership by Cox or its Affiliate of PioneerCo. Notwithstanding anything to the contrary in this Section 6, any investment fund in which a Partner or any of its Affiliates has an investment (including pension funds) that invests funds on behalf of and has a fiduciary duty to third party investors shall be permitted to engage in or invest in entities engaged in any activity whatsoever provided that, neither such Partner nor any of its Controlled Affiliates, directly or indirectly, exercises any management or operational control whatsoever in any such entity engaging in a Wireless Business providing Exclusive Services.

6.4 Comcast Exceptions.

The restrictions set forth in Section 6.1 shall not apply with respect to the following:

(a) Subject to the limitations set forth in this Section 6.4, Comcast and its Controlled Affiliates may engage in any Competitive Activities with respect to any Wireless Services in the Comcast Area.

(b) Comcast and its Controlled Affiliates may participate in a bid for and/or acquire any interest in a 10 MHz PCS license only in any of the BTAs in the Philadelphia MTA or the Allentown, Pennsylvania BTA. Comcast and its Controlled Affiliates may acquire any interest in a 10 MHz PCS license in any of the following cellular license areas in New Jersey: Hunterdon County, Middlesex County, Monmouth County and Ocean County; provided, that at the time of such acquisition Comcast and its Controlled Affiliates own a controlling interest in a

cellular license for such area and further provided, that the license area of such 10 MHz license shall not extend beyond such area in other than an immaterial manner. In the event Comcast and its Controlled Affiliates own a controlling interest in any such 10 MHz PCS license, then Comcast and its Controlled Affiliates will, to the extent permitted by applicable law, provide for their customers receiving services under any such 10 MHz PCS license to receive roaming services from any of the Partnership's or its Affiliate's businesses providing services under any PCS license (the "Partnership's Businesses"), subject to the conditions that (i) such roaming is technically feasible, (ii) such roaming is at competitive rates and on other terms and conditions reasonably acceptable to Comcast and its Controlled Affiliates, (iii) the Partnership's Businesses support the features and services provided by Comcast and its Controlled Affiliates to their customers and (iv) subject to the same conditions, the Partnership's Businesses will provide for their customers to receive reciprocal roaming services from Comcast and its Controlled Affiliates in the areas described above at such times as neither PhillieCo nor the Partnership owns or has an affiliation with respect to a Wireless Business license for such areas. Notwithstanding the foregoing, if the ownership by Comcast or any of its Controlled Affiliates of any 10 MHz PCS license outside of the Philadelphia MTA (A) causes the Partnership (including the ownership of its assets and the conduct of its business) to be in violation of any law or regulation or otherwise results in any restriction or other limitation on the Partnership's ownership of its assets or conduct of its business or (B) in any way impairs, prevents or delays the ability of the Partnership to bid for or acquire a Wireless Business license in any license area in which the Partnership plans to engage in a Competitive Activity pursuant to or as set forth in the Wireless Strategic Plan or its then-current Business Plan, Comcast and its Controlled Affiliates will be prohibited from making such acquisition or, if such acquisition has already occurred, will cure the circumstances described above (including, if required, by divesting its ownership of the 10 MHz PCS license) within a commercially reasonable period of time after its receipt of notice from the Partnership of the existence of such circumstances; provided that, in the event of such divestiture, Comcast and its Controlled Affiliates will have the right to resell service in such area provided such resale shall occur using the Partnership's facilities if they are available and it is technically feasible to do so.

(c) Comcast and its Controlled Affiliates may engage in any Competitive Activities utilizing its currently held SMR assets within the territory covered by its current SMR licenses.

(d) Comcast and its Controlled Affiliates may engage in any Competitive Activities with respect to any Wireless Services in the Kankakee, Illinois RSA cellular license area as well as the cellular license area served by Indiana Cellular Holdings, Inc., Harrisburg Cellular Telephone Company, Aurora/Elgin Cellular Telephone Company, Inc. and Joliet Cellular Telephone Company, Inc.; provided that such Competitive Activities are confined to the geographic territories of the cellular licenses currently held by such businesses.

(e) Comcast and its Controlled Affiliates may participate in regional marketing activities within the Comcast Area for the purpose of: (i) selling to its "In-Territory Customers" (as defined below) wireless services within the Washington, D.C., New York and Philadelphia MTAs; and (ii) obtaining distribution from its "In-Territory Distributors" (as defined below) of wireless services within the Washington, D.C., New York and Philadelphia MTAs; provided that (A) Comcast and its Controlled Affiliates do not maintain or deploy any sales personnel, sales office or other direct sales presence, or otherwise advertise or promote the Comcast brand or any other brand, in either the New York MTA or the Washington, D.C. MTA outside of the Comcast Area, (B) Comcast and its Controlled Affiliates do not own or lease any wireless transmission facilities outside of the Comcast Area in connection therewith and (C) in obtaining the distribution contemplated by Section 6.4(e)(ii), Comcast and its Controlled Affiliates subcontract the provision of wireless services outside the Comcast Area to a third party provider only if such services cannot be subcontracted to the Partnership without material adverse consequences for Comcast's and its Controlled Affiliates' ability to participate in such regional marketing activities. For the purposes hereof, an "In-Territory Customer" is a customer that has a business location in the Comcast Area and places the order for the services described above through Comcast and its Controlled Affiliates in the Comcast Area. For the purposes hereof, an "In-Territory Distributor" is a distributor that has a business location in the Comcast Area and requires a regional contract be entered into by Comcast and its Controlled Affiliates in the Comcast Area. For purposes of this Section 6.4(e), the term "Comcast Area" shall include any area in which Comcast and its Controlled Affiliates at such time own a controlling interest in a PCS license which was permitted to be acquired under Section 6.4(b).

(f) Comcast and its Controlled Affiliates may hold an interest in Nextel, Inc. ("Nextel"), provided that (i) none of Comcast's or its Controlled Affiliates' Agents or Representatives participate in or are present at any discussions, or receive any information, regarding Nextel's PCS bidding strategies; and (ii) at the election of Comcast, no later than the first anniversary date of the date hereof either (A) Comcast and its Controlled Affiliates shall own securities representing less than 5.4% of the voting power and equity of all of the outstanding capital stock of Nextel, (B) no Agent of Comcast or any of its Controlled Affiliates shall be a director or officer of Nextel, and no director of Nextel shall be an appointee of Comcast or its Controlled Affiliates pursuant to any contractual right of Comcast and its Controlled Affiliates to appoint any director of Nextel, or (C) Comcast shall elect to become an Exclusive Limited Partner as of such date by giving written notice of such election to the Partnership; provided, however, that if Comcast and its Controlled Affiliates fail to satisfy either of clauses (A) or (B) above at any time after the first anniversary hereof or acquire any additional common stock or other voting securities (or securities convertible into or exchangeable for common stock or voting securities) of Nextel (other than as a result of the exercise of its existing stock option to acquire 25,000,000 shares and warrants to acquire 230,000 shares and of the consummation of its existing required purchase obligation in the amount of $50,000,000) then Comcast will automatically (without any action required to be taken by the Partnership or any Partner) become an Exclusive Limited Partner. Notwithstanding the preceding sentence, if (1) such acquisition is the result of the exercise by Comcast and its Controlled Affiliates of preemptive rights held by them as of the date hereof, (2) Comcast and its Controlled Affiliates exercise any available registration rights immediately following such exercise of preemptive rights and otherwise seek to Transfer such common stock as soon as practicable; and (3) all of the Nextel common stock so acquired is Transferred to a non-Affiliate of Comcast and its Controlled Affiliates within one hundred and eighty (180) days of the date of acquisition thereof, then Comcast will automatically (without any action required by the Partnership or any Partner) be returned to the status of General Partner if it satisfies either of clauses (A) or (B) above and is not otherwise required to be an Exclusive Limited Partner under this Section 6.4(f). If Comcast has become an Exclusive Limited Partner pursuant to this Section 6.4(f) and has on or before the first anniversary date hereof presented the Partnership in writing with a plan providing for the disposition of an ownership interest in Nextel such that following such disposition Comcast and its Controlled Affiliates will satisfy the requirements of clause (A) above, then Comcast

will automatically (without any action required by the Partnership or any Partner) be returned to the status of General Partner at such time as such plan (or a substantially similar plan) is consummated if such consummation occurs prior to the second anniversary of this Agreement and if Comcast is not otherwise required to be an Exclusive Limited Partner under this Section 6.4(f). If at any time following the date hereof Comcast and its Controlled Affiliates own more than 31% of the common stock of Nextel on a fully diluted basis (provided that at such time Nextel has a total market capitalization of at least $2,000,000,000), or own 50% or more of the common stock of Nextel on a fully-diluted basis (regardless of Nextel's total market capitalization), then the other Partners will have the option, exercisable within ninety (90) days of the date of the acquisition of such ownership interest to purchase the Interest of Comcast at its Net Equity Value for cash at a closing to be held no later than ninety (90) days from the date such option is exercised. Such purchase shall occur in accordance with the procedures set forth in Section 11 as if Comcast is an "Adverse Partner" and each of the other Partners is a "Purchasing Partner."

(g) The term "Comcast Area" means (i) the following cellular license areas (or portions thereof) in New Jersey: Hunterdon NJ1 RSA, New Brunswick MSA, Long Branch MSA, Trenton MSA, Allentown, PA MSA, Philadelphia MSA, Ocean NJ2 RSA, Atlantic City MSA, Vineland-Millville MSA, and Wilmington, DE MSA; (ii) Delaware; (iii) Maryland RSA2; (iv) counties in Pennsylvania in which Comcast and its Controlled Affiliates engage in the cellular business on the date hereof, and all counties in Pennsylvania contiguous thereto; (v) the Philadelphia MTA; and (vi) minor overlaps into any territory adjoining any of the areas included in (i) - (v) required to efficiently provide services in such area.

(h) The obligations under Section 6.1(d) shall not apply to Comcast and its Controlled Affiliates with respect to any Competitive Activities permitted pursuant to this Section 6.4.

(i) Comcast and its Controlled Affiliates may co-brand or package any Wireless Services permitted to be provided pursuant to this Section 6.4 together with their cable television offerings; provided that in such event the only brand name(s) which may be used for any such Wireless Services are any of the following, any combination thereof or any variants thereof substantially similar thereto: Comcast, Comcast Cellular, Comcast Metrophone, Metrophone, Comcast Cellular One and Cellular

One, which Comcast represents are currently utilized by its cellular business in the Comcast Area as of the date hereof; provided further, however, that Comcast may request that the Partnership approve the use by Comcast and its Controlled Affiliates of another brand name (other than that of an inter-exchange carrier), in which case the Partnership's consent to the use thereof will not be unreasonably withheld.

6.5 Freedom of Action.

Except as set forth in this Section 6, no Partner or Affiliate shall have any obligation not to (i) engage in the same or similar activities or lines of business as the Partnership or develop or market any products or services that compete, directly or indirectly, with those of the Partnership, (ii) invest or own any interest publicly or privately in, or develop a business relationship with, any Person engaged in the same or similar activities or lines of business as, or otherwise in competition with, the Partnership, (iii) do business with any client or customer of the Partnership, or (iv) employ or otherwise engage a former officer or employee of the Partnership.

6.6 Confidentiality.

(a) Maintenance of Confidentiality. Each Partner and its Controlled Affiliates (each a "Restricted Party") shall, and shall cause their respective officers, directors, employees, attorneys, accountants, consultants and other agents and advisors (collectively, "Agents") to, keep secret and maintain in confidence the terms of this Partnership Agreement and all confidential and proprietary information and data of the Partnership and the other Partners or their Affiliates disclosed to it (in each case, a "receiving party") in connection with the formation of the Partnership and the conduct of the Partnership's business and in connection with the transactions contemplated by the Joint Venture Formation Agreement (the "Confidential Information") and shall not disclose Confidential Information, and shall cause their respective Agents not to disclose Confidential Information, to any Person other than the Partners, their Controlled Affiliates, their respective Agents that need to know such Confidential Information, or the Partnership. Each Partner further agrees that it shall not use the Confidential Information for any purpose other than monitoring and evaluating its investment, determining and performing its obligations and exercising its rights under this Agreement. The Partnership and each Partner shall take all reasonable measures necessary to prevent any unauthorized disclosure of the Confidential

Information by any of their respective Controlled Affiliates or any of their respective Agents.

(b) Permitted Disclosures. Nothing herein shall prevent the Partnership, any Restricted Party or its Agents from using, disclosing, or authorizing the disclosure of Confidential Information it receives in the course of the business of the Partnership which:

(i) has been published or is in the public domain through no fault of the receiving party;

(ii) prior to receipt hereunder (or under that certain Agreement for Use and Non-Disclosure of Proprietary Information, dated as of May 4, 1994, among Affiliates of the Partners) was properly within the legitimate possession of the receiving party or, subsequent to receipt hereunder (or under such Agreement), is lawfully received from a third party having rights therein without restriction of the third party's right to disseminate the Confidential Information and without notice of any restriction against its further disclosure;

(iii) is independently developed by the receiving party through parties who have not had, either directly or indirectly, access to or knowledge of such Confidential Information;

(iv) is disclosed to a third party with the written approval of the party originally disclosing such information, provided that such Confidential Information shall cease to be confidential and proprietary information covered by this Agreement only to the extent of the disclosure so consented to;

(v) subject to the receiving party's compliance with paragraph (d) below, is required to be produced under order of a court of competent jurisdiction or other similar requirements of a governmental agency, provided that such Confidential Information to the extent covered by a protective order or equivalent shall otherwise continue to be Confidential Information required to be held confidential for purposes of this Agreement; or

(vi) subject to the receiving party's compliance with paragraph (d) below, is required to be disclosed by applicable law or a stock exchange or association on which

such receiving party's securities (or those of its Affiliate) are listed.

(c) Notwithstanding this Section 6.5, any Partner may provide Confidential Information (i) to other Persons considering the acquisition (whether directly or indirectly) of all or a portion of such Partner's Interest in the Partnership pursuant to Section 12 of this Agreement, (ii) to other Persons considering the consummation of a Permitted Transaction with respect to such Person or (iii) to any financial institution in connection with the provision of funds by such financial institution to such Partner, so long as prior to any such disclosure such other Person or financial institution executes a confidentiality agreement that provides protection substantially equivalent to the protection provided the Partners and the Partnership in this Section 6.5.

(d) In the event that any receiving party (i) must disclose Confidential Information in order to comply with applicable law or the requirements of a stock exchange or association on which such receiving party's securities or those of its Affiliates are listed or (ii) becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoenas, civil investigative demands or otherwise) to disclose any Confidential Information, the receiving party shall provide the disclosing party with prompt written notice so that in the case of clause (i), the disclosing party can work with the receiving party to limit the disclosure to the greatest extent possible consistent with legal obligations, or in the case of clause (ii), the disclosing party may seek a protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. In the event that the disclosing party is unable to obtain a protective order or other appropriate remedy, or if the disclosing party so directs, the receiving party shall, and shall cause its employees to, exercise all commercially reasonable efforts to obtain a protective order or other appropriate remedy at the disclosing party's reasonable expense. Failing the entry of a protective order or other appropriate remedy or receipt of a waiver hereunder, the receiving party shall furnish only that portion of the Confidential Information which it is advised by opinion of its counsel is legally required to be furnished and shall exercise all commercially reasonable efforts to obtain reliable assurance that confidential treatment shall be accorded such Confidential Information, it being understood that such reasonable efforts shall be at the cost and expense of the disclosing party whose Confidential Information has been sought.

(e) Any press release concerning the formation and operation of the Partnership shall be approved in advance by a Required Majority Vote of the Management Committee.

(f) The obligations under this Section 6.5 shall survive (i) as to all Partners, the termination of the Partnership, (ii) as to any Partner, such Partner's withdrawal therefrom (or otherwise ceasing to be a Partner) and (iii) as to any Person, such Person's ceasing to be an Affiliate or Agent of a Partner, in each case for a period of two (2) years from the date of such termination, withdrawal or cessation, as the case may be; provided that in the case of a withdrawal or cessation pursuant to clauses (ii) or (iii) above, such obligations shall continue indefinitely with respect to any trade secret or similar information which is proprietary to the Partnership and provides the Partnership with an advantage over its competitors.

SECTION 7
ROLE OF EXCLUSIVE LIMITED PARTNERS

7.1 Rights or Powers.

The Exclusive Limited Partners shall not have any right or power to take part in the management or control of the Partnership or its business and affairs or to act for or bind the Partnership in any way.

7.2 Voting Rights.

The Exclusive Limited Partners shall have the right to vote only on the matters specifically reserved for the vote or approval of Partners (including the Exclusive Limited Partners) set forth in this Agreement, including those matters listed on Schedule 5.1(k) hereto.

SECTION 8
TRANSACTIONS WITH PARTNERS; OTHER AGREEMENTS

8.1 Sprint Cellular.

(a) The Partners shall negotiate in good faith terms pursuant to which Sprint will make available or transfer to the Partnership assets, expertise and services relating to its cellular operations, including certain senior level management and technical expertise from its cellular headquarters and regional operations, as well as other core employees and

capabilities such as administrative services and intellectual property.

(b) In the event (i) the Partnership is the winning bidder for a PCS license with respect to a license area and Sprint and its Controlled Affiliates have an ownership interest in a cellular business or businesses (a "Sprint Cellular Business") having a service area which is included within such license area in whole or in part (an "Overlap Cellular Area") or (ii) the Partnership has decided, within thirty (30) months from the date of this Agreement, to acquire a PCS license in a license area which includes an Overlap Cellular Area; and as a result of Sprint's ownership interest in a Sprint Cellular Business the Partnership would not be awarded on an unconditional basis (in the event of clause (i) above) or be permitted to acquire (in the event of clause (ii) above) such PCS license under FCC rules and regulations relating to CMRS spectrum cap limitations; then Sprint agrees that it will divest such portion of such Sprint Cellular Business, within the time period provided by FCC rules in the event of clause (i) above, and as soon as commercially reasonable (e.g., to avoid "fire sale" prices) in the event of clause (ii) above, or take any other action as is necessary, so that the Partnership will not be impaired from holding or acquiring such PCS license. Nothing herein prevents one or more Partners from acquiring a PCS license, subject to an obligation to affiliate with the Partnership to the extent allowed by law, if Sprint is unable to divest the overlap property in a timely manner. This Section 8.1(b) shall not require Sprint to divest, or take any other action with respect to, any of the Sprint Cellular Businesses listed on Schedule A-4 of Exhibit A to Exhibit 1.1(a) to the Joint Venture Formation Agreement.

8.2 Sprint Brand Licensing Agreement.

As promptly as practicable following the execution of this Agreement, the Partnership will enter into a brand licensing agreement with Sprint Parent (the "Trademark License") to provide the Partnership with a national brand license to market its national Wireless Business containing substantially the terms set forth in the term sheet attached as Exhibit 1.1(d) to the Joint Venture Formation Agreement and in Paragraph 8 of Exhibit E to the NewTelco Summary of Terms attached as Exhibit 1.1(a) to the Joint Venture Formation Agreement.

8.3 Joint Marketing Agreement.

Following the execution of this Agreement, each Partner agrees to (i) negotiate in good faith regarding the definitive terms of a joint marketing agreement among the Partnership, each of the Partners and certain of their Affiliates reflecting the principles attached as Exhibit E to Exhibit 1.1(a) to the Joint Venture Formation Agreement, with such modifications and additions as the Partners shall negotiate in good faith and (ii) subject to the agreement of the Partners as to such definitive documentation, to use all commercially reasonable efforts to cause such agreement to be executed and delivered as promptly as practicable following the execution of this Agreement.

8.4 Network Services Agreement.

(a) Following the execution of this Agreement, each Partner agrees to (i) negotiate in good faith regarding the definitive terms of a network services agreement to be entered into between the Partnership and Sprint reflecting the principles attached as Exhibit F to Exhibit 1.1(a) to the Joint Venture Formation Agreement (the "Network Services Statement of Principles") with such modifications and additions as the Partners shall negotiate in good faith and (ii) subject to the agreement of the Partners as to such definitive documentation, to use all commercially reasonable efforts to cause such agreement to be executed and delivered as promptly as practicable following the execution of this Agreement.

(b) Pending the execution by Sprint and the Partnership of a definitive network services agreement, the Partners agree that (so long as Sprint or its Controlled Affiliate is a Partner) the Partnership shall be required to purchase the telecommunications services described in clauses (i) through (iv) of paragraph 1 of the Network Services Term Sheet at the prices contemplated by paragraph 2 of the Network Services Term Sheet.

8.5 Preferred Provider.

The Partnership shall contract with each Partner, its Affiliates and third parties, as appropriate, on a negotiated arms-length basis, for services it may require, which may include billing and information systems and marketing and sales services. The Partnership may in the normal course of its business enter into transactions with the Partners and their respective Affiliates provided that, subject to Section 8.5(b) below, the Management Committee by the requisite vote pursuant to Section 8.7 has determined that the price and other terms of such transactions are fair to the Partnership and that the price and

other terms of such transaction are not less favorable to the Partnership than those generally prevailing with respect to comparable transactions involving non-Affiliates of Partners. Subject to the foregoing, the Management Committee, acting in accordance with Section 8.7, may in its discretion elect from time to time to provide rights of first opportunity to various Partners or their Affiliates to provide services to the Partnership; provided that the Management Committee shall have adopted, by Unanimous Vote, procedures (including conflict avoidance procedures) relating generally to such right of first opportunity arrangements, and the provision of such rights and all matters related to the exercise thereof shall be subject to and effected in a manner consistent with such procedures. The Partnership is expressly authorized to enter into the agreements expressly referred to in this Section 8.

8.6 MFJ

Each Partner agrees that neither it nor any of its Controlled Affiliates shall take any action which (i) causes such Partner or the Partnership to become a BOC or (ii) which causes the Partnership to become a BOC Affiliated Enterprise or an entity subject to any restriction or limitation under Section II of the MFJ if, in the case of an event specified in clause (ii) above, such event would have a material adverse effect on the business, assets, liabilities, results or operations, financial condition or prospects of the Partnership.

8.7 Interested Party Transactions.

Any contract, agreement, relationship or transaction between the Partnership or any of its subsidiaries, on the one hand, and any Partner or any Person in which a Partner (including its Controlled Affiliates) has a direct or indirect material financial interest or which has a direct or indirect material financial interest in such Partner (provided that a Person shall not be deemed to have a such an interest solely as a result of its ownership of less than 10% (by value) of the outstanding economic interests in a Publicly Held Parent of a Partner (or a Publicly Held Intermediate Subsidiary of such Parent) (each, an "Interested Person") on the other hand, shall be approved and all decisions with respect thereto (including a decision to accept or reject an Offer pursuant to Section 6.1(c), the determination to amend, terminate or abandon any such contract or agreement, whether there has been a breach thereof and whether to exercise, waive or release any rights of the Partnership with respect thereto) shall be made (after full disclosure by the interested Partner of all material facts relating to such matter) by the

Management Committee (with the Representatives of the interested Partner(s) absent from the deliberations and abstaining from the vote with respect thereto) by the requisite affirmative vote of the Representatives of the disinterested General Partners. For purposes of the foregoing, a disinterested General Partner is a General Partner that is not a party to, and does not have an Interested Person that is a party to, the contract, agreement, relationship or transaction in question.

8.8 Access to Technical Information

Subject to the provisions of Sections 6 and 10.4 of this Agreement and to applicable confidentiality restrictions, the Partnership shall grant to each Partner and its Controlled Affiliates access to Technical Information. Such access shall be granted at such reasonable times and locations and on such other reasonable terms as the Management Committee may approve by Required Majority Vote pursuant to Section 8.7. Subject to Section 6, the Partnership shall grant to any such Partner or its Controlled Affiliate a license to use any Technical Information Rights to which it is granted access pursuant to this Section 8.8, which license shall provide for royalties and fees and other terms and conditions that are generally prevailing with respect to comparable transactions involving unrelated third parties and are at least as favorable to such Partner or its Controlled Affiliate as those generally prevailing with respect to comparable licenses (if any) granted to non-Affiliates of Partners.

8.9 Parent Undertaking.

Simultaneously with the execution of this Agreement, each Parent has executed and delivered to the Partnership and the other Partners a Parent Undertaking substantially in the form of Exhibit 8.9. Cox agrees that the Person that will be its Parent as of January 1, 1996 as provided in the definition of said term in Section 1.10, if other than Cox Parent, will execute and deliver to the Partnership and each other Partner a Parent Undertaking on or before December 31, 1995.

8.10 Certain Additional Covenants.

(a) Each Cable Partner agrees that for so long prior to the fifth anniversary of the date of this Agreement as it is a Partner, neither it nor any of its Controlled Affiliates will engage in any transaction or series of related transactions, other than a Permitted Transaction, in which cable system assets

owned directly or indirectly by the Parent of such Partner are Transferred if, after giving effect to such transaction or the last transaction in such series of related transactions, the number of basic subscribers served by the cable systems owned by the Parent of such Partner, directly and indirectly through its Controlled Affiliates, is equal to twenty-five percent (25%) or less of the number of basic subscribers served by the cable systems owned by the Parent of such Partner, directly and indirectly through its Controlled Affiliates, before giving effect to such transaction or the first transaction in such series of related transactions.

(b) Sprint agree that for so long prior to the fifth anniversary of the date of this Agreement as it is a Partner, neither it nor any of its Controlled Affiliates will engage in any transaction or series of related transactions, other than a Permitted Transaction, in which long distance telecommunications business assets owned directly or indirectly by the Parent of Sprint are Transferred if, after giving effect to such transaction or the last transaction in such series of related transactions, the number of customers served by the long distance telecommunications business owned by the Parent of Sprint, directly and indirectly through its Controlled Affiliates, is equal to twenty-five percent (25%) or less of the number of customers served by the long distance telecommunications business owned by the Parent of Sprint, directly and indirectly through its Controlled Affiliates, before giving effect to such transaction or the first transaction in such series of related transactions.

8.11 PioneerCo Preemptive Rights.

As contemplated by the PioneerCo Term Sheet, the Partners intend that the definitive partnership agreement relating to PioneerCo will grant to an Affiliate of Cox and the Partnership certain put and call rights that may result in the acquisition by the Partnership of such Affiliate's interest in PioneerCo in exchange for an additional Interest in the Partnership. At the time of such exchange, each of the Partners (other than Cox) will be permitted to make Additional Capital Contributions in cash up to the amount necessary to permit such Partner to avoid any reduction in its Percentage Interest as a consequence of such exchange (assuming that all such other Partners were to exercise such right).

8.12 Foreign Ownership

Each Partner agrees that neither it nor any of its Controlled Affiliates will take any action that (i) causes the Partnership to violate any federal laws or regulations restricting foreign ownership of the Partnership (including 47 U.S.C. 310(b) and the rules and regulations promulgated thereunder by the FCC) (the "Ownership Restrictions") or (ii) would cause the Partnership to be in violation of the Ownership Restrictions assuming that Sprint Parent is 28% foreign-owned (as measured by the Ownership Restrictions). After the date hereof, the Partners will consider in good faith additional provisions to be included in this Agreement (i) regarding the relative rights of the Partners and their Controlled Affiliates with respect to foreign ownership and (ii) to permit the Partners and the Partnership to cure any violation of the Ownership Restrictions.

SECTION 9
REPRESENTATIONS AND WARRANTIES

Each Partner hereby represents and warrants that as of the date hereof:

(a) Due Incorporation or Formation; Authorization of Agreement. Such Partner is a corporation duly organized or a partnership duly formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation and has the corporate or partnership power and authority to own its property and carry on its business as owned and carried on at the date hereof and as contemplated hereby. Such Partner is duly licensed or qualified to do business and in good standing in each of the jurisdictions in which the failure to be so licensed or qualified would have a material adverse effect on its financial condition or its ability to perform its obligations hereunder. Such Partner has the corporate or partnership power and authority to execute and deliver this Agreement and to perform its obligations hereunder and the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate or partnership action. Assuming the due execution and delivery by the other parties hereto, this Agreement constitutes the legal, valid and binding obligation of such Partner enforceable against such Partner in accordance with its terms, subject as to enforceability to limits imposed by bankruptcy, insolvency or similar laws affecting creditors' rights generally and the availability of equitable remedies.

(b) No Conflict with Restrictions; No Default. Neither the execution, delivery and performance of this Agreement nor the consummation by such Partner of the transactions contemplated hereby (i) will conflict with, violate or result in a breach of any of the terms, conditions or provisions of any law, regulation, order, writ, injunction, decree, determination or award of any court, any governmental department, board, agency or instrumentality, domestic or foreign, or any arbitrator, applicable to such Partner or any of its Controlled Affiliates, (ii) will conflict with, violate, result in a breach of or constitute a default under any of the terms, conditions or provisions of the articles of incorporation, bylaws or partnership agreement of such Partner or any of its Controlled Affiliates or of any material agreement or instrument to which such Partner or any of its Controlled Affiliates is a party or by which such Partner or any of its Controlled Affiliates is or may be bound or to which any of its material properties or assets is subject (other than any such conflict, violation, breach or default that has been validly and unconditionally waived), (iii) will conflict with, violate, result in a breach of, constitute a default under (whether with notice or lapse of time or both), accelerate or permit the acceleration of the performance required by, give to others any material interests or rights or require any consent, authorization or approval under any indenture, mortgage, lease agreement or instrument to which such Partner or any of its Controlled Affiliates is a party or by which such Partner or any of its Controlled Affiliates is or may be bound, or (iv) will result in the creation or imposition of any lien upon any of the material properties or assets of such Partner or any of its Controlled Affiliates, which in any such case could reasonably be expected to have a material adverse effect on the Partnership or to materially impair such Partner's ability to perform its obligations under this Agreement or to have a material adverse effect on the consolidated financial condition of such Partner or its Parent.

(c) Governmental Authorizations. Any registration, declaration or filing with, or consent, approval, license, permit or other authorization or order by, any governmental or regulatory authority, domestic or foreign, that is required to be obtained by such Partner in connection with the valid execution, delivery, acceptance and performance by such Partner under this Agreement or the consummation by such Partner of any transaction contemplated hereby has been or will be completed, made or obtained on or before the effective date of this Agreement, except for any FCC or other regulatory approvals, licenses, permits or other authorizations required to be obtained by the

Partnership in connection with the acquisition and ownership of Wireless Business licenses relating to PCS.

(d) Litigation. There are no actions, suits, proceedings or investigations pending or, to the knowledge of such Partner or its Parent, threatened against or affecting such Partner or any of its Controlled Affiliates or any of their properties, assets or businesses in any court or before or by any governmental department, board, agency or instrumentality, domestic or foreign, or any arbitrator which could, if adversely determined (or, in the case of an investigation could lead to any action, suit or proceeding, which if adversely determined could), reasonably be expected to materially impair such Partner's ability to perform its obligations under this Agreement or to have a material adverse effect on the consolidated financial condition of such Partner or its Parent; and such Partner or any of its Controlled Affiliates has not received any currently effective notice of any default, and such Partner or any of its Controlled Affiliates is not in default, under any applicable order, writ, injunction, decree, permit, determination or award of any court, any governmental department, board, agency or instrumentality, domestic or foreign, or any arbitrator which default could reasonably be expected to materially impair such Partner's ability to perform its obligations under this Agreement or to have a material adverse effect on the consolidated financial condition of such Partner or its Parent.

(e) MFJ. Such Partner is not a BOC, a BOC Affiliated Enterprise or an entity subject to any restrictions under Section II of the MFJ.

SECTION 10
ACCOUNTING, BOOKS AND RECORDS

10.1 Accounting, Books and Records.

The Partnership shall maintain at its principal office separate books of account for the Partnership which (i) shall fully and accurately reflect all transactions of the Partnership, all costs and expenses incurred, all charges made, all credits made and received, and all income derived in connection with the conduct of the Partnership and the operation of its business in accordance with GAAP or, to the extent inconsistent therewith, in accordance with this Agreement and (ii) shall include all documents and other materials with respect to the Partnership's business as are usually entered and maintained by persons engaged in similar businesses. The Partnership shall use the accrual method of accounting in preparation of its annual reports and for

tax purposes and shall keep its books and records accordingly. Subject to Section 10.4, any Partner or its designated representative shall have the right, at any reasonable time and for any lawful purpose related to the affairs of the Partnership or the investment in the Partnership by such Partner, (i) to have access to and to inspect and copy the contents of such books or records, (ii) to visit the facilities of the Partnership and (iii) to discuss the affairs of the Partnership with its officers, employees, attorneys, accountants, customers and suppliers. The Partnership shall not charge such Partner for such examination and each Partner shall bear its own expenses in connection with any examination made for any such Partner's account.

10.2 Reports.

(a) In General. The chief financial officer of the Partnership shall be responsible for the preparation of financial reports of the Partnership and the coordination of financial matters of the Partnership with the Accountants.

(b) Periodic and Other Reports. The Partnership shall cause to be delivered to each Partner the financial statements listed in clauses (i) through (iii) below, prepared, in each case, in accordance with GAAP (and, if required by any Partner for purposes of reporting under the Securities Exchange Act of 1934, Regulation S-X), and such other reports as any Partner may reasonably request from time to time, provided that, if the Management Committee so determines within thirty (30) days thereof, such other reports shall be provided at such requesting Partner's sole cost and expense. Such financial statements shall be accompanied by an analysis, in reasonable detail, of the variance between the financial condition and results of operations reported therein and the corresponding amounts for the applicable period or periods in the Approved Business Plan. The monthly and quarterly financial statements referred to in clauses (ii) and (iii) below may be subject to normal year-end audit adjustments.

(i) As soon as practicable following the end of each Fiscal Year (and in any event not later than seventy-five (75) days after the end of such Fiscal Year) and at such time as distributions are made to the Partners pursuant to Section 14.2 following the occurrence of a Liquidating Event, a balance sheet of the Partnership as of the end of such Fiscal Year and the related statements of operations, Partners' Capital Accounts and changes therein, and cash flows for such

Fiscal Year, together with appropriate notes to such financial statements and supporting schedules, all of which shall be audited and certified by the Accountants, and in each case, to the extent the Partnership was in existence, setting forth in comparative form the corresponding figures for the immediately preceding Fiscal Year (in the case of the balance sheet) and the two (2) immediately preceding Fiscal Years (in the case of the statements).

(ii) As soon as practicable following the end of each of the first three fiscal quarters of each Fiscal Year (and in any event not later than forty (40) days after the end of each such fiscal quarter), a balance sheet of the Partnership as of the end of such fiscal quarter and the related statements of operations, Partners' Capital Accounts and changes therein, and cash flows for such fiscal quarter and for the Fiscal Year to date, in each case, to the extent the Partnership was in existence, setting forth in comparative form the corresponding figures for the prior Fiscal Year's fiscal quarter and interim period corresponding to the fiscal quarter and interim period just completed.

(iii) As soon as practicable following the end of each of the first two calendar months of each fiscal quarter (and in any event not later than thirty (30) days after the end of such calendar month), a balance sheet as of the end of such month and statements of operations for the interim period through such month and the monthly period then ended, setting forth in comparative form the corresponding figures from the Business Plan for such month and the interim period through such month.

The quarterly or monthly statements described in clauses (ii) and (iii) above shall be accompanied by a written certification of the chief financial officer of the Partnership that such statements have been prepared in accordance with GAAP or this Agreement, as the case may be.

10.3 Tax Returns and Information.

(a) Sprint, acting in its capacity as a General Partner, shall act as the "Tax Matters Partner" of the Partnership within the meaning of Section 6231(a)(7) of the Code (and in any similar capacity under applicable state or local law)

(the "Tax Matters Partner"). If Sprint shall cease to be a General Partner, then the Partner with the greatest Voting Percentage Interest, acting in its capacity as a General Partner, shall thereafter act as the Tax Matters Partner. The Tax Matters Partner shall take reasonable action to cause each other Partner to be treated as a "notice partner" within the meaning of Section 6231(a)(9) of the Code. All reasonable expenses incurred by a Partner while acting in its capacity as Tax Matters Partner shall be paid or reimbursed by the Partnership. Each Partner shall have the right to have five (5) Business Days advance notice from the Tax Matters Partner of the time and place of, and to participate in (i) any material aspect of any administrative proceeding relating to the determination of Partnership items at the Partnership level and (ii) any material discussions with the Internal Revenue Service relating to the allocations pursuant to Section 3 of this Agreement. The Tax Matters Partner shall not initiate any action or proceeding in any court, extend any statute of limitations, or take any other action contemplated by Sections 6222 through 6232 of the Code that would legally bind any other Partner or the Partnership without approval of the Management Committee by a Required Majority Vote. The Tax Matters Partner shall from time to time upon request of any other Partner confer, and cause the Partnership's tax attorneys and Accountants to confer, with such other Partner and its attorneys and accountants on any matters relating to a Partnership tax return or any tax election.

(b) The Tax Matters Partner shall cause all federal, state, local and other tax returns and reports (including amended returns) required to be filed by the Partnership to be prepared and timely filed with the appropriate authorities and shall cause all income or franchise tax returns or reports required to be filed by the Partnership to be sent to each Partner for review at least fifteen (15) Business Days prior to filing. Unless otherwise determined by the Management Committee, all such income or franchise tax returns of the Partnership shall be prepared by the Accountants. The cost of preparation of any returns by the Accountants or other outside preparers shall be borne by the Partnership. In the event of a Transfer of all or part of an Interest, the Tax Matters Partner shall at the request of the transferee cause the Partnership to elect, pursuant to Section 754 of the Code, to adjust the basis of the Partnership's property; provided, however, that such transferee shall reimburse the Partnership promptly for all costs associated with such basis adjustment, including bookkeeping, appraisal and other similar costs. Except as otherwise expressly provided herein, all other elections required or permitted to be made by the Partnership under the Code (or applicable state or local tax law) shall be

made in such manner as may be determined by the Management Committee to be in the best interests of the Partners as a group.

(c) The Tax Matters Partner shall cause to be provided to each Partner as soon as possible after the close of each Fiscal Year (and, in any event, no later than one hundred thirty-five (135) days after the end of each Fiscal Year), a schedule setting forth such Partner's distributive share of the Partnership's income, gain, loss, deduction and credit as determined for federal income tax purposes and any other information relating to the Partnership that is reasonably required by such Partner to prepare its own federal, state, local and other tax returns. At any time after such schedule and information have been provided, upon at least two (2) Business Days' notice from a Partner, the Tax Matters Partner shall also provide each Partner with a reasonable opportunity during ordinary business hours to review and make copies of all work papers related to such schedule and information or to any return prepared under paragraph (b) above. The Tax Matters Partner shall also cause to be provided to each Partner, at the time that the quarterly financial statements are required to be delivered pursuant to Section 10.2(b)(ii) above, an estimate of each Partner's share of all items of income, gain, loss, deduction and credit of the Partnership for the fiscal quarter just completed and for the Fiscal Year to date for federal income tax purposes.

10.4 Proprietary Information.

Notwithstanding anything to the contrary in this Section 10, an Exclusive Limited Partner shall only have access to such information regarding the Partnership as is required by applicable law and shall not have access for such time as the Management Committee deems reasonable to such information relating to the Partnership's business which the Management Committee reasonably believes to be in the nature of trade secrets or other information the disclosure of which the Management Committee in good faith believes is not in the best interest of the Partnership or could damage the Partnership or its business or which the Partnership is required by law or by agreement with a third party to keep confidential.

SECTION 11
ADVERSE ACT

11.1 Remedies.

(a) If an Adverse Act has occurred with respect to any Partner, (x) in the case of an Adverse Act specified in clause (vii) of the definition of such term in Section 1.10, any General Partner may elect or (y) in the case of any other Adverse Act, the Management Committee (with the Representatives of the affected Partner abstaining) may elect:

(i) to cause the Partnership to commence the procedures specified in Section 11.2 for the purchase of the Adverse Partner's Interest; or

(ii) to seek to enjoin such Adverse Act or to obtain specific performance of the Adverse Partner's obligations or Damages (as defined and subject to the limitations specified below) in respect of such Adverse Act.

Notwithstanding anything to the contrary contained in this Section 11, (x) none of the remedies specified above (nor any other provision of this Section 11) shall apply to an Adverse Act specified in clause (vi) of the definition of such term in Section 1.10, (y) the remedies specified in clause (ii) shall not be available to the Partners with respect to an Adverse Act specified in clause (vii) of such definition unless the circumstances under which such event arose also constituted a breach by the Adverse Partner of the covenant contained in Section 8.6 of this Agreement, and (z) the remedy specified in clause (i) above and the right to seek Damages under clause (ii) above may not be pursued and Section 11.1(b) will not apply to an Adverse Act specified in clause (iii) of such definition until such time as there is a Final Determination that the Partner's actions or failure to act constituted an Adverse Act, if the affected Partner timely delivered a Contest Notice.

In the event of an Adverse Act specified in any clause of the definition of such term in Section 1.10 other than clause (vii), the vote of the Management Committee required to elect a remedy specified in clause (i) or (ii) above shall be the Required Majority Vote of Representatives of the Partners that are not actual or alleged Adverse Partners (the "Non- Adverse Partners"), provided that in the event more than one (1) Partner is alleged to be an Adverse Partner, such vote shall be taken separately with respect to each alleged Adverse Partner excluding from such vote only the Partner(s) that is alleged to be an Adverse Partner as a result of the specific facts or circumstances with respect to which such vote is being taken. The election of a remedy specified in clause (i) or (ii) above may be exercised by notice given to the Adverse Partner (x) in case of an Adverse Act

specified in clause (i) of the definition of the term "Adverse Act" in Section 1.10, within ninety (90) days after the occurrence of such Adverse Act or (y) in the case of any other Adverse Act with respect to which such remedy is available, within ninety (90) days after the Management Committee or the Partner making such election, as the case may be, obtains actual knowledge of the occurrence of such Adverse Act, including, if applicable, that any cure period has expired; provided that, if an election pursuant to clause (ii) above is made to seek an injunction, specific performance or other equitable relief and a final judgment in such action is rendered denying such equitable remedy, then, by notice given within ten (10) days thereafter, the Management Committee may elect to pursue the remedies specified in clause (i) above unless (x) prior to the giving of such notice, the Adverse Partner has cured in full (or caused to be cured in full) the Adverse Act in question (other than an Adverse Act specified in clause (i) of the definition of such term in Section 1.10, which may only be cured with the Unanimous Vote of, and on the terms prescribed by, the Management Committee) and no other Adverse Act with respect to such Partner has occurred and is continuing or (y) the final judgment denying equitable relief specifically held that there was no Adverse Act.

The foregoing remedies shall not be deemed to be mutually exclusive, and selection or resort to any thereof shall not preclude selection or resort to the others. The resort to any remedy pursuant to this Section 11.1(a) shall not for any purpose be deemed to be a waiver of any other remedy available hereunder or under applicable law. Except as provided in Section 11.1(b), the failure to elect a remedy within the time periods provided in the preceding paragraph shall be conclusively presumed to be a waiver of the remedies provided in this Section 11 with respect to the subject Adverse Act; and provided further, that if an election is made pursuant to clause (i) above, the amount the Partnership may recover in any action for Damages shall be reduced by an amount equal to any positive difference between the Net Equity of the Adverse Partner's Interest and the applicable Buy-Sell Price.

Unless resort to such remedy has been waived as set forth in the immediately preceding paragraph, the Partnership shall be entitled to recover from the Adverse Partner in an appropriate proceeding any and all damages, losses and expenses (including reasonable attorneys' fees and disbursements) (collectively, "Damages") suffered or incurred by the Partnership as a result of such Adverse Act; provided that the Partnership shall not have or assert any claim against the Adverse Partner for punitive Damages

or for indirect, special or consequential Damages suffered or incurred by the Partnership as a result of an Adverse Act.

(b) If the Partnership is dissolved pursuant to Section 14.1(a) at any time as a result of a Liquidating Event that occurs prior to a remedy having been elected pursuant to Section 11.1(a) with respect to any Adverse Partner, the time periods for such election shall thereupon expire and the Management Committee shall deduct from any amounts to be paid to such Adverse Partner that amount which it reasonably estimates to be sufficient to compensate the Non-Adverse Partners for Damages incurred by them as a result of the Adverse Act (subject to the limitations of Section 11.1(a)) and shall pay the same to the Non-Adverse Partners.

11.2 Adverse Act Purchase.

(a) Determination of Net Equity of Adverse Partner's Interest. If the Management Committee or any General Partner makes an election pursuant to Section 11.1(a)(i) to commence the purchase procedures set forth in this Section 11.2, the Net Equity of the Adverse Partner's Interest shall be determined in accordance with this Section 11 as of the last day of the fiscal quarter immediately preceding the fiscal quarter in which notice of such election (the "Election Notice") was given to the Adverse Partner, and the Adverse Partner shall be obligated to sell to the Purchasing Partners, if any, all but not less than all of the Adverse Partner's Interest in accordance with this Section 11.2 at a purchase price (the "Buy-Sell Price") equal to (A) in the case of any Adverse Act (other than an Adverse Act identified in clause (i) of the definition of such term that occurs during a Fiscal Year covered by the Initial Business Plan or the two succeeding Fiscal Years, an Adverse Act identified in clause (iv) of the definition of such term or, unless such Adverse Act occurred in connection with any breach by such Partner of its obligations under Section 8.6, an Adverse Act identified in clause (vii) of the definition of such term), ninety percent (90%) of the Net Equity thereof as so determined, (B) in the case of an Adverse Act specified in clause (iv) or, unless such Adverse Act occurred in connection with any breach by such Partner of its obligations under Section 8.6, clause (vii) of the definition of such term in Section 1.10, the Net Equity thereof and (C) in the case of an Adverse Act specified in clause (i) of the definition of such term in Section 1.10 that occurred during a Fiscal Year covered by the Initial Business Plan or the two succeeding Fiscal Years, the lesser of (A) ninety percent (90%) of the Net Equity thereof as so determined or (B) eighty percent (80%) of the remainder of (1) the sum of such Adverse Partner's

Original Capital Contribution and aggregate Additional Capital Contributions minus (2) the cumulative distributions made to such Partner pursuant to Section 4 ("Unreturned Capital"), with the amount of such Unreturned Capital determined as of the date on which the Adverse Partner's Interest is purchased. Such Election Notice shall designate the First Appraiser as required by Section 11.4 and the Adverse Partner shall appoint the Second Appraiser within ten (10) Business Days of receiving such notice designating the First Appraiser.

(b) Election to Purchase Interest of Adverse Partner. For a period ending at 11:59 p.m. (local time at the Partnership's principal office) on the thirtieth (30th) day following the day on which notice of the Adverse Partner's Net Equity is given pursuant to Section 11.3 (the "Election Period"), except as otherwise provided in Section 11.2(b)(i), each of the Partners (other than the Adverse Partner and any Exclusive Limited Partners) may elect, by notice to the Adverse Partner and each other Partner (the "Purchase Notice"), to purchase all or any portion of the Interest of the Adverse Partner, which notice shall state the maximum Percentage Interest that such Partner (a "Purchasing Partner") is willing to purchase (each a "purchase commitment"). If the aggregate purchase commitments made by the Purchasing Partners are equal to at least one hundred percent (100%) of the Adverse Partner's Interest, then subject to the following sentence, each Purchasing Partner shall be obligated to purchase, and the Adverse Partner shall be obligated to sell to such Purchasing Partner, that portion of the Adverse Partner's Interest that corresponds to the ratio of the Percentage Interest of such Purchasing Partner to the aggregate Percentage Interests of the Purchasing Partners, provided that, if any Purchasing Partner's purchase commitment was for an amount less than its proportionate share of the Adverse Partner's Interest as so determined, then the portion of the Adverse Partner's Interest not so committed to be purchased shall continue to be allocated proportionally in the manner provided above in this sentence among the other Purchasing Partners until each has been allocated, by such process of apportionment, a percentage of the Adverse Partner's Interest equal to the maximum percentage such Purchasing Partner committed to purchase or until the Adverse Partner's entire Interest has been allocated among the Purchasing Partners. In the event that the other Partners do not elect to purchase the entire Interest of the Adverse Partner, the Adverse Partner shall be under no obligation to sell any portion of its Interest to any Partner.

(i) Except as otherwise provided in Section 11.2(b)(ii), if an Adverse Partner is a Cable Partner and no

Cable Partner's Percentage Interest, when added to the Percentage Interests of all Controlled Affiliates of such Partner, is equal to or greater than Sprint's Percentage Interest when added to the Percentage Interests of all Controlled Affiliates of Sprint, then the Adverse Partner's Interest shall be allocated first among those of the Purchasing Partners that are Cable Partners as though Sprint were not a Purchasing Partner and if and to the extent that the aggregate purchase commitments made by such Cable Partners are less than one hundred percent (100%) of the Adverse Partner's Interest, the balance of the Adverse Partner's Interest up to Sprint's purchase commitment shall be allocated to Sprint.

(ii) The Adverse Partner's Interest shall be allocated among the Cable Partners in the manner set forth in Section 11.2(b)(i) until any Cable Partner would have a Percentage Interest, when added to the Percentage Interests of all Controlled Affiliates of such Partner, equal to Sprint's Percentage Interest, when added to the Percentage Interests of all Controlled Affiliates of Sprint up to the amount that would yield such result, calculated in each case after giving effect to the adjustments to the Percentage Interests to be made in connection with the purchase of the Adverse Partner's Interest by the Cable Partners in accordance with Section 11.2(b)(i) (as to each Partner, its "Adjusted Percentage Interest"). Any portion of the Adverse Partner's Interest not yet allocated shall continue to be allocated proportionately among all Purchasing Partners (including Sprint, if applicable) in the manner set forth in this Section 11.2(b) without regard to Section 11.2(b)(i), but substituting the Adjusted Percentage Interests of the Purchasing Partners for the Percentage Interests that would otherwise be used to determine such allocation until each has been allocated an amount equal to its purchase commitment or until the entire Interest of the Adverse Partner has been allocated among the Purchasing Partners.

(c) Terms of Purchase; Closing. Unless the Purchasing Partners and the Adverse Partner otherwise agree, the closing of the purchase and sale of the Adverse Partner's Interest and Partner Loans shall occur at the principal office of the Partnership at 10:00 a.m. (local time at the place of the closing) on the first Business Day occurring on or after the thirtieth (30th) day following the last day of the Election Period (subject to the provision of Section 11.5). At the closing, each Purchasing Partner shall pay to the Adverse Partner, by cash or other immediately available funds, that portion of the purchase price for the Adverse Partner's Interest and Partner Loans and the Adverse Partner shall deliver to each Purchasing Partner good title, free and clear of any liens,

claims, encumbrances, security interests or options (other than those created by this Agreement and those securing financing obtained by the Partnership), to the portion of the Adverse Partner's Interest and Partner Loans thus purchased. Each Purchasing Partner shall be liable to the Adverse Partner only for its individual portion of the purchase price for the Adverse Partner's Interest and Partner Loans.

At the closing, the Partners shall execute such documents and instruments of conveyance as may be necessary or appropriate to effectuate the transactions contemplated hereby, including the Transfer of the Adverse Partner's Interest and Partner Loans to the Accepting Offerees and the assumption by each Purchasing Partner of the Adverse Partner's obligations with respect to the portion of the Adverse Partner's Interest Transferred to such Purchasing Partner. The Partnership and each Partner shall bear its own costs of such Transfer and closing, including attorneys' fees and filing fees. The cost of determining Net Equity shall be borne one-half by the Adverse Partner and one-half by the Partnership and the amount borne by the Partnership shall be treated as an expense of the Partnership for purposes of such determination.

In the event that any Purchasing Partner shall fail to perform its obligation to purchase hereunder, and no other Purchasing Partner elects to purchase the portion of the Adverse Partner's Interest and Partner Loans thus not purchased, the Adverse Partner will not be obligated to sell any portion of its Interest or Partner Loans to any Purchasing Partner. If one or more of the other purchasing Partners elects to purchase such portion of the Adverse Partner's Interest and Partner Loans, such Purchasing Partner(s) shall be provided an additional ten (10) days from the previously scheduled closing date in which to tender payment therefor.

11.3 Net Equity.

The "Net Equity" of a Partner's Interest, as of any day, shall be the amount that would be distributed to such Partner in liquidation of the Partnership pursuant to Section 14 if (1) all of the Partnership's business and assets were sold substantially as an entirety for Gross Appraised Value, (2) the Partnership paid its accrued, but unpaid, liabilities and established reserves pursuant to Section 14.3 for the payment of reasonably anticipated contingent or unknown liabilities and (3) the Partnership distributed the remaining proceeds to the Partners in liquidation, all as of such day, provided that in determining such Net Equity, no reserve for contingent or unknown liabilities

shall be taken into account if such Partner (or its successor in interest) agrees to indemnify the Partnership and all other Partners for that portion of any such reserve as would be treated as having been withheld pursuant to Section 14.3 from the distribution such Partner would have received pursuant to Section 14.2 if no such reserve were established.

The Net Equity of a Partner's Interest shall be determined, without audit or certification, from the books and records of the Partnership by the Accountants. The Net Equity of a Partner's Interest shall be determined within thirty (30) days of the day upon which the Accountants are apprised in writing of the Gross Appraised Value of the Partnership's business and assets, and the amount of such Net Equity shall be disclosed to the Partnership and each of the Partners by written notice ("Net Equity Notice"). The Net Equity determination of the Accountants shall be final and binding in the absence of a showing of manifest error.

11.4 Gross Appraised Value.

"Gross Appraised Value," as of any day, means the price at which a willing seller would sell, and a willing buyer would buy, the business and assets of the Partnership, free and clear of all liens and encumbrances, substantially as an entirety and as a going concern in a single arm's-length transaction for cash, without time constraints and without being under any compulsion to buy or sell.

Each provision of this Agreement that requires a determination of Gross Appraised Value also provides the manner and time for the appointment of two (2) appraisers (the "First Appraiser" and the "Second Appraiser"). If the Second Appraiser is not timely designated, the determination of the Gross Appraised Value shall be made by the First Appraiser. The First Appraiser, or each of the First Appraiser and the Second Appraiser if the Second Appraiser is timely designated, shall submit its determination of the Gross Appraised Value to the Partnership, the Partners and the Accountants within forty-five (45) days of the date of its selection (or the selection of the Second Appraiser, as applicable). If there are two (2) Appraisers and their respective determinations of the Gross Appraised Value vary by less than ten percent (10%) of the higher determination, the Gross Appraised Value shall be the average of the two determinations. If such determinations vary by ten percent (10%) or more of the higher determination, the two Appraisers shall promptly designate a third appraiser (the "Third Appraiser"). Neither the Partnership nor any Partner shall provide, and the First Appraiser and Second Appraiser shall be

instructed not to provide, any information to the Third Appraiser as to the determinations of the First Appraiser and the Second Appraiser or otherwise influence such Third Appraiser's determination in any way. The Third Appraiser shall submit its determination of the Gross Appraised Value to the Partnership, the Partners and the Accountants within forty-five (45) days of the date of its selection. The Gross Appraised Value shall be equal to the average of the two closest of the three determinations, provided that, if the difference between the highest and middle determinations is no more than one hundred and five percent (105%) and no less than ninety-five percent (95%) of the difference between the middle and lowest determinations, then the Gross Appraised Value shall be equal to the middle determination. The determination of the Gross Appraised Value in accordance with the foregoing procedure shall be final and binding on the Partnership and each Partner. If any Appraiser is only able to provide a range in which Gross Appraised Value would exist, the average of the highest and lowest value in such range shall be deemed to be such Appraiser's determination of the Gross Appraised Value of the Partnership's business and assets. Each Appraiser selected pursuant to the provisions of this Section shall be an investment banking firm or other qualified Person with prior experience in appraising businesses comparable to the business of the Partnership and that is not an Interested Person with respect to any Partner.

11.5 Extension of Time.

If any Transfer of a Partner's Interest in accordance with this Section 11 or Sections 5.1, 12 or 14.7 requires the consent, approval, waiver, or authorization of any government department, board, bureau, commission, agency or instrumentality as a condition to the lawful and valid Transfer of such Partner's Interest to the proposed transferee thereof, then each of the time periods provided in this Section 11 or Sections 5.1, 12 or 14.7, as applicable, for the closing of such Transfer shall be suspended for the period of time during which any such consent, approval, waiver, or authorization is being diligently pursued; provided, however, that in no event shall the suspension of any time period pursuant to this Section 11.5 extend for more than three hundred sixty-five (365) days other than in the case of a purchase of an Adverse Partner's Interest. Each Partner agrees to use its diligent efforts to obtain, or to assist the affected Partner or the Management Committee in obtaining, any such consent, approval, waiver, or authorization and shall cooperate and use its diligent efforts to respond as promptly as practicable to all inquiries received by it, by the affected Partner or by the Management Committee from any government

department, board, bureau, commission, agency or instrumentality for initial or additional information or documentation in connection therewith.

SECTION 12
DISPOSITIONS OF INTERESTS

12.1 Restriction on Dispositions.

Except as otherwise permitted by this Agreement, no Partner shall Dispose of all or any portion of its Interest.

12.2 Permitted Transfers.

Subject to the conditions and restrictions set forth in Section 12.3, a Partner may at any time Transfer all or any portion of its Interest (a) to any Controlled Affiliate of such Partner, (b) in connection with a Permitted Transaction involving the Parent of such Partner, (c) to the administrator or trustee of such Partner to whom such Interest is transferred in an Involuntary Bankruptcy, (d) pursuant to and in compliance with Sections 5.1, 11.2, 12.4, 12.5, 12.6 and 14.7 or (e) with the prior written consent of the other Partners (each a "Permitted Transfer"). The rights of a Partner to engage in a Permitted Transfer (other than pursuant to clauses (b) and (c) above) will also be subject to the rights of the Partners under Section 12.5.

After any Permitted Transfer, the transferred Interest shall continue to be subject to all the provisions of this Agreement, including the provisions of this Section 12 with respect to the Disposition of Interests. Except in the case of a Transfer of a Partner's entire Interest made in compliance herewith, no Partner shall withdraw from the Partnership, except upon the Unanimous Vote of the Management Committee. The withdrawal of a Partner, whether or not permitted, shall not relieve the withdrawing Partner of its obligations under Section 5.4 or 15.19 and shall not relieve such Partner or any of its Affiliates of its obligations under, or result in a termination of or otherwise affect, any agreement between the Partnership and such Partner or Affiliate then in effect, except to the extent provided therein.

12.3 Conditions to Permitted Transfers.

A Transfer shall not be treated as a Permitted Transfer unless and until the following conditions are satisfied:

(a) Except in the case of a Transfer involuntarily by operation of law, the transferor and transferee shall execute and deliver to the Partnership such documents as may be necessary or appropriate in the opinion of counsel to the Partnership to effect such Transfer. In the case of a Transfer of Interests involuntarily by operation of law, the Transfer shall be confirmed by presentation to the Partnership of legal evidence of such Transfer, in form and substance satisfactory to counsel to the Partnership. In all cases, the Partnership shall be reimbursed by the transferor and/or transferee for all costs and expenses that it reasonably incurs in connection with such Transfer (including reasonable attorneys' fees and expenses, but excluding the portion of the costs of determining Net Equity that are to be borne by the Partnership as provided in Section 11.2(b));

(b) Except in the case of a Transfer involuntarily by operation of law, the transferee of an Interest (other than, with respect to clauses (A) and (B) below, a transferee that was a Partner prior to the Transfer) shall, by written instrument in form and substance reasonably satisfactory to the Management Committee (and, in the case of clause (C) below, the transferor Partner), (A) make representations and warranties to the nontransferring Partners equivalent to those set forth in Section 9, (B) accept and adopt the terms and provisions of this Agreement, including this Section 12, and (C) assume the obligations of the transferor Partner under this Agreement with respect to the transferred Interest. The transferor Partner shall be released from all such assumed obligations except (x) as otherwise provided in Section 6, (y) those obligations or liabilities of the transferor Partner arising out of a breach of this Agreement or pursuant to Section 5.4 or 15.19 and (z) in the case of a transfer to any Person other than a Partner or any of its Controlled Affiliates, those obligations or liabilities of the transferor Partner based on events occurring, arising or maturing prior to the date of Transfer;

(c) Except in the case of a Transfer involuntarily by operation of law, the transferor and its Affiliates will be obligated to sell to the transferee, and the transferee will be obligated to buy from the transferor and its Affiliates, all Partner Loans of the Partnership held directly or indirectly by the transferor or an Affiliate thereof. If the transferee is a Partner or a Controlled Affiliate thereof, the terms of such purchase will be as provided in Section 2.7;

(d) Except in the case of a Transfer involuntarily by operation of law, if required by the Management Committee, the

transferee shall deliver to the Partnership an opinion, satisfactory in form and substance to the Management Committee, of counsel reasonably satisfactory to the Management Committee to the effect that the Transfer of the Partnership Interest is in compliance with applicable state and Federal securities laws;

(e) Except in the case of a Transfer involuntarily by operation of law, if required by the Management Committee, the transferee (other than a transferee that was a Partner prior to the Transfer) shall deliver to the Partnership evidence of the authority of such Person to become a Partner and to be bound by all of the terms and conditions of this Agreement, and the transferee and transferor shall each execute and deliver such other instruments as the Management Committee reasonably deems necessary or appropriate to effect, and as a condition to, such Transfer, including amendments to the Certificate or any other instrument filed with the State of Delaware or any other state or governmental agency;

(f) Unless otherwise approved by the Management Committee (with the Representatives of the transferor General Partner abstaining), no Transfer of an Interest shall be made except upon terms which would not, in the opinion of counsel chosen by and mutually acceptable to the Management Committee and the transferor Partner, result in the termination of the Partnership within the meaning of Section 708 of the Code or cause the application of the rules of Sections 168(g)(1)(B) and 168(h) of the Code or similar rules to apply to the Partnership. If the immediate Transfer of such Interest would, in the opinion of such counsel, cause a termination within the meaning of Section 708 of the Code, then if, in the opinion of such counsel, the following action would not precipitate such termination, the transferor Partner shall be entitled (or required, as the case may be) (i) immediately to Transfer only that portion of its Interest as may, in the opinion of counsel to the Partnership, be transferred without causing such a termination and (ii) to enter into an agreement to Transfer the remainder of its Interest, in one or more Transfers, at the earliest date or dates on which such Transfer or Transfers may be effected without causing such termination. The purchase price for the Interest shall be allocated between the immediate Transfer and the deferred Transfer or Transfers pro rata on the basis of the percentage of the aggregate Interest being transferred each portion to be payable when the respective Transfer is consummated, unless otherwise agreed by the parties to the Transfer. In the case of a Transfer by one Partner to another Partner, the deferred purchase price shall be deposited in an interest-bearing escrow account unless another method of securing the payment thereof is

agreed upon by the transferor Partner and the transferee Partner(s). In determining whether a particular proposed Transfer will result in a termination of the Partnership, counsel to the Partnership shall take into account the existence of prior written commitments to Transfer made pursuant to this Agreement and such commitments shall always be given precedence over subsequent proposed Transfers;

(g) The transferor or transferee shall furnish the Partnership with the transferee's taxpayer identification number, sufficient information to determine the transferee's initial tax basis in the Interest transferred, and any other information reasonably necessary to permit the Partnership to file all required federal and state tax returns and other legally required information statements or returns. Without limiting the generality of the foregoing, the Partnership shall not be required to make any distribution otherwise provided for in this Agreement with respect to any transferred Interest until it has received such information;

(h) Except in the case of a Transfer of an Interest involuntarily by operation of law, if the transferor is a General Partner, the transferor and transferee shall provide the Partnership with an opinion of counsel, which opinion of counsel shall be reasonably satisfactory to the other Partners, to the effect that such Transfer will not cause the Partnership to become taxable as a corporation for federal income tax purposes; and

(i) If the Parent of a transferee is not the same Person as the Parent of the transferring Partner, then the Parent of the transferee (other than a transferee Partner) shall execute and deliver to the Partnership and the other Parents a Parents' Undertaking. If a Partner ceases to be a Controlled Affiliate of its former Parent as a result of a Permitted Transaction, then the new Parent of such Partner shall execute and deliver a Parents' Undertaking to the Partnership and the other Parents.

Upon completion of any Permitted Transfer and compliance with the provisions of this Section 12.3, the transferee of the Interest (if not already a Partner) shall be admitted as a Partner without any further action.

12.4 Right of First Refusal.

Following the fifth anniversary of the date of this Agreement, a Partner may Transfer all or any portion of its Interest (the "Offered Interest") if (i) such Partner (the

"Seller") first offers to sell the Offered Interest pursuant to the terms of this Section 12.4, and (ii) the Transfer of the Offered Interest to the Purchaser (as defined below) would not cause an Adverse Act under clause (vii) of the definition thereof.

(a) Limitation on Transfers. No Transfer may be made under this Section 12.4 unless the Seller has received a bona fide written offer (the "Purchase Offer") from a Person (including another Partner) who is not a Controlled Affiliate of such Partner (the "Purchaser") to purchase the Offered Interest for a purchase price (the "Offer Price") denominated and payable in United States dollars at closing, which offer shall be in writing signed by the Purchaser and shall be irrevocable for a period ending no sooner than the Business Day following the end of the Offer Period, as hereinafter defined.

(b) Offer Notice. Prior to accepting the Purchase Offer, the Seller shall give to the Partnership and each other Partner other than any Exclusive Limited Partner written notice (the "Offer Notice") which shall include a copy of the Purchase Offer and an offer (the "Firm Offer") to sell the Offered Interest to the other Partners (the "Offerees") for the Offer Price, payable according to the same terms as (or on more favorable terms than) those contained in the Purchase Offer, provided that the Firm Offer shall be made without regard to the requirement of any earnest money or similar deposit required of the Purchaser prior to closing. If the Person making the Purchase Offer is not an entity that is subject to the periodic reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, the Seller shall also provide any information concerning the ownership of the Person making the Purchase Offer that may be reasonably requested by any other Partner, to the extent such information is available to the Seller.

(c) Offer Period. The Firm Offer shall be irrevocable for a period (the "Offer Period") ending at 11:59 P.M., local time at the Partnership's principal place of business, on the sixtieth (60th) day following the day of the Offer Notice.

(d) Acceptance of First Offer. At any time during the Offer Period, any Offeree may accept the Firm Offer as to all or any portion of the Offered Interest, by giving written notice of such acceptance to the Seller and each other Offeree, which notice shall indicate the maximum Percentage Interest that such Offeree is willing to purchase (the "purchase commitment"). If the aggregate purchase commitments made by Offerees accepting the

Firm Offer ("Accepting Offerees") are equal to at least one hundred percent (100%) of the Offered Interest, then, except as otherwise provided in Section 12.4(d)(i) and, subject to the following sentence, each Accepting Offeree shall be obligated to purchase, and the Seller shall be obligated to sell to such Accepting Offeree that portion of the Offered Interest that corresponds to the ratio of the Percentage Interest of such Accepting Offeree to the aggregate Percentage Interests of the Accepting Offerees provided that if any Accepting Offeree's purchase commitment was for an amount less than its proportionate share of the Offered Interest as so determined, then the portion of the Offered Interest not so committed to be purchased shall continue to be allocated proportionally in the manner provided above in this sentence among the other Accepting Offerees until each has been allocated, by such process of apportionment, a percentage of the Offered Interest equal to the maximum percentage such Accepting Offeree committed to purchase or until the entire Offered Interest has been allocated among the Accepting Offerees. If Offerees do not accept the Firm Offer as to all of the Offered Interest during the Offer Period, the Firm Offer shall be deemed to be rejected in its entirety.

(i) Except as otherwise provided in Section 12.4(d)(ii), if a Seller is a Cable Partner and no Cable Partner's Percentage Interest, when added to the Percentage Interests of all Controlled Affiliates of such Partner, is equal to or greater than Sprint's Percentage Interest, when added to the Percentage Interests of all Controlled Affiliates of Sprint, then the Offered Interest shall be allocated first among those of the Accepting Offerees that are Cable Partners as though Sprint were not an Accepting Offeree and if and to the extent that the aggregate purchase commitments made by such Cable Partners are less than one hundred percent (100%) of the Offered Interest, the balance of the Offered Interest up to Sprint's purchase commitment shall be allocated to Sprint.

(ii) The Offered Interest shall be allocated among the Cable Partners in the manner set forth in Section 12.4(d)(i) until any Cable Partner would have a Percentage Interest, when added to the Percentage Interests of all Controlled Affiliates of such Partner, that is equal to Sprint's Percentage Interest, when added to the Percentage Interests of all Controlled Affiliates of Sprint, up to the aggregate amount that would yield such result, calculated in each case after giving effect to the adjustments to Percentage Interests to be made in connection with the purchase of the Offered Interest by the Cable Partners in accordance with Section 12.4(d)(i) (as to each Partner, its "Adjusted Percentage Interest"). Any portion

of the Offered Interest not yet allocated shall continue to be allocated proportionately among all Accepting Offerees (including Sprint, if applicable) in the manner set forth in this Section 12.4(d) without regard to Section 12.4(d)(i), but substituting the Adjusted Percentage Interests of the Offerees for the Percentage Interests that would otherwise be used to determine such allocation, until each has been allocated an amount equal to its purchase commitment or until the entire Offered Interest has been allocated among the Accepting Offerees.

(e) Closing of Purchase Pursuant to Firm Offer. If all of the Offered Interest has been subscribed for in accordance with the terms of Section 12.4(d), the Seller shall give notice to such effect (the "Sale Notice") to all Offerees within five days after the end of the Offer Period. Unless the Accepting Offerees and the Seller otherwise agree, the closing of any purchase pursuant to this Section 12.4 shall be held at the principal office of the Seller at 10:00 a.m. (local time at the place of closing) on the first Business Day on or after the thirtieth (30th) day following the date on which the Sale Notice is given (subject to the provisions of Section 11.5). At the closing, each Accepting Offeree shall pay to the Seller, by cash or other immediately available funds, that portion of the purchase price for the Offered Interest, and the Seller shall deliver to each Accepting Offeree good title, free and clear of any liens, claims, encumbrances, security interests or options (other than those created by this Agreement and those securing financing obtained by the Partnership), to the portion of the Offered Interest thus purchased. Each Accepting Offeree shall be liable to the Seller only for its individual portion of the purchase price for the Offered Interest.

At the closing, the Partners shall execute such documents and instruments of conveyance as may be necessary or appropriate to effectuate the transactions contemplated hereby, including the Transfer of the Offered Interest to the Accepting Offerees and the assumption by each Accepting Offeree of the Seller's obligations with respect to the portion of the Seller's Interest Transferred to such Accepting Offerees. Each Partner and the Partnership shall bear its own costs of such Transfer and closing, including attorneys' fees and filing fees.

(f) Sale Pursuant to Purchase Offer If Firm Offer Rejected. If the Firm Offer is not accepted in the manner hereinabove provided, or the Accepting Offerees fail to close the purchase on the closing date, then in either such event, but subject to the last sentence of this Section 12.4(f) and subject to Section 12.3, the Seller shall be free for the period

described below (the "Free to Sell Period") to sell the Offered Interest to the Purchaser upon terms and conditions that are the same as, or more favorable to the Seller than, those contained in the Purchase Offer (including at the same or greater price). The Free to Sell Period shall be the applicable of (i) if the Firm Offer is not accepted, sixty (60) days after the last day of the Offer Period or (ii) sixty (60) days (subject to the provisions of Section 11.5) after the scheduled closing date, provided that if the last sentence of this Section 12.4(f) becomes applicable, then such sixty (60) day period shall be measured from the fifth (5th) Business Day after the previously scheduled closing date or, if applicable, from the subsequently scheduled closing date contemplated by such sentence (assuming the required purchase elections are made). If the Offered Interest is not so sold within the Free to Sell Period, the Seller's right to transfer its Interest shall again be subject to the foregoing restrictions. Notwithstanding the foregoing, if more than one Offeree elected to purchase the Offered Interest and at least one Accepting Offeree tendered its proportionate share of the purchase price therefor at the closing but any other Accepting Offeree failed to make such tender, then any tendering Accepting Offeree may elect, by notice given to the Seller within five (5) Business Days thereafter, to purchase the portion of the Offered Interest for which payment was not tendered (provided that, after giving effect to such election, the entire Offered Interest is being purchased) and shall be provided an additional fifteen (15) days from the previously scheduled closing date in which to tender payment therefor.

(g) Restrictions on Notice. No notice initiating the procedures contemplated by this Section 12.4 may be given by any Partner while any notice, purchase or Transfer is pending under Section 11 or this Section 12.4 or after a Liquidating Event has occurred. No notice initiating the procedures contemplated by this Section 12.4 may be given by an Adverse Partner nor any Delinquent Partner prior to the applicable Cure Date unless such Partner has cured the underlying Payment Default, and no Seller shall be required to offer any portion of its interest to an Adverse Partner during the period that the Partnership is pursuing any remedy specified in Section 11.1 with respect to such Adverse Partner. No Partner may accept a Purchase Offer during any period that, as provided above, such Partner may not give the notice initiating the procedures contemplated by this Section 12.4 or thereafter until it has given such notice and otherwise complied with the provisions of this Section 12.4.

12.5 Tagalong Rights.

(a) Direct Transfers. In the event that (i) a Partner proposes to Transfer its Interest (as part of a single transaction or any series of related transactions) to any person other than a Controlled Affiliate of such Partner after the fifth anniversary of the date of this Agreement, and such Transfer would cause the proposed transferee (a "Tagalong Purchaser") and its Controlled Affiliates to own more than fifty-five percent (55%) of the Percentage Interests (a "Tagalong Transaction") and (ii) if Section 12.4 is applicable, the Firm Offer is not accepted in the manner provided in Section 12.4, the Tagalong Transaction shall not be permitted hereunder unless the Tagalong Purchaser offers to purchase the entire Interest of any other Partner that desires to sell its Interest to the Tagalong Purchaser at the same price and on the same terms and conditions as the Tagalong Purchaser has offered to the Partner proposing to make such Transfer (the "Transferring Partner"). If such Transfer occurs as part of a series of related transactions, the price and terms shall be the price and terms most favorable to the Transferring Partner for which any portion of the Percentage Interest of the Transferring Partner is transferred as part of such series of transactions. Prior to effecting any Tagalong Transaction, the Transferring Partner shall deliver to each other Partner a binding, irrevocable offer (the "Tagalong Offer") by the Tagalong Purchaser to purchase the entire Interest of the other Partners at the same price and on the same terms and conditions as the Tagalong Purchaser has offered to the Partner proposing to make such Transfer (the "Tagalong Notice"). The "Tagalong Offer" shall be irrevocable for a period (the "Tagalong Period") ending at 11:59 p.m., local time at the Partnership's principal place of business, (x) with respect to a Tagalong Purchaser that is an existing Partner or a Controlled Affiliate of an existing Partner, on the one hundred eightieth (180th) day following the date of the Tagalong Notice and (y) with respect to any other Tagalong Purchaser, on the first anniversary of the date of the Tagalong Notice. At any time during the Tagalong Period, any Partner may accept the Tagalong Offer as to the entire amount of its Interest by giving written notice of such acceptance to the Tagalong Purchaser. The Tagalong Purchaser's purchase of the Interest of any Partner that accepts the Tagalong Offer shall occur within sixty (60) days following the expiration of the Tagalong Period, subject to Section 11.5.

(b) Indirect Transfers. Within five (5) days of the Parent of any Partner (such Partner, a "Controlling Partner") acquiring, indirectly, Interests in the Partnership causing such Parent to own, directly and indirectly through its Controlled Affiliates, more than fifty-five percent (55%) of the Percentage Interests, such Controlling Partner shall give to each other

Partner written notice of such acquisition (a "Control Notice"), which shall include an offer (the "Control Offer") by the Controlling Partner to purchase the entire Interest of each other Partner at a price equal to the Net Equity thereof (as determined pursuant to Section 11.3) and shall designate a First Appraiser (as required by Section 11.4). The Representatives of the other General Partners shall by Required Majority Vote pursuant to Section 8.7 appoint the Second Appraiser. The Control Offer shall be irrevocable for a period (the "Control Offer Period") ending at 11:59 p.m., local time at the Partnership's principal place of business, on the one hundred eightieth (180th) day following the date of the Net Equity Notice. At any time during the Control Offer Period, any Partner may accept the Control Offer as to the entire amount of its Interest by giving written notice of such acceptance to the Controlling Partner. The Controlling Partner's purchase of the Interest of any Partners that accept the Control Offer shall occur within sixty (60) days following the expiration of the Control Offer Period, subject to Section 11.5. The costs of determining the Net Equity shall be borne one-half by the Controlling Partner and one-half by the Partnership.

12.6 Partner Put Rights.

(a) Determination of Net Equity of Partners' Interests. If the NewTelco Partnership Agreement has not been executed by the Partners on or before the one hundred eightieth (180th) day after the date of this Agreement (the "Determination Date"), any Partner can cause the Net Equity of each Partner's Interest to be determined as of the Determination Date in accordance with Section 11.3 by giving notice to the Management Committee and each other Partner of its desire to have Net Equity so determined. In such event, the initiating Partner shall appoint the First Appraiser and the Representatives of the other Partners shall appoint the Second Appraiser by Required Majority Vote pursuant to Section 8.7.

(b) Put Procedure.

(i) Within thirty (30) days of delivery of the Net Equity Notice, each Partner may elect to put its entire Interest to all other Partners not electing to put their Interests pursuant to this Section 12.6(b) by giving written notice of its election (a "Put Notice") to each other Partner and the Management Committee.

(ii) Within fifteen (15) days of the expiration of the deadline for delivering a Put Notice pursuant to Section

12.6(b)(i), each Partner who did not deliver a Put Notice pursuant to Section 12.6(b)(i) may elect to put its entire Interest to all other Partners who do not elect to put their Interests pursuant to this Section 12.6(b) by delivering a Put Notice to each other Partner and the Management Committee.

(iii) The procedure set forth in Section 12.6(b)(ii) shall be repeated until either (A) all Partners have delivered a Put Notice, in which case a Liquidating Event will occur pursuant to Section 14.1(a)(iv), or (B) a period during which one or more Partners may deliver a Put Notice expires without any Partner delivering a Put Notice, in which case each Partner that has not delivered a Put Notice will be obligated to purchase the Interest of each Partner that has delivered a Put Notice pursuant to the procedures set forth in Section 12.6(c). An election by a Partner to put its Interest by delivery of a Put Notice is binding and irrevocable.

(c) Purchase of Put Interests. Except as otherwise provided in Section 12.6(c)(i), each General Partner not electing to put its Interest pursuant to Section 12.6(b) (a "Buying Partner") shall purchase a pro rata share (based on the relative Percentage Interests of the Buying Partners) of the aggregate Interests of the Partners that delivered Put Notices pursuant to Section 12.6(b) (the "Selling Partners"). The purchase price of each Selling Partner's Interest purchased pursuant to this Section 12.6(c) shall be equal to the lesser of (i) the Net Equity of such Interest or (ii) the cumulative Capital Contribution of the Selling Partner.

(i) Except as otherwise provided in Section 12.6(c)(ii), if any Selling Partner is a Cable Partner, Sprint is a Buying Partner, and no Cable Partner's Percentage Interest, when added to the Percentage Interests of all Controlled Affiliates of such Partner, is equal to or greater than Sprint's Percentage Interest, when added to the Percentage Interests of all Controlled Affiliates of Sprint, then each Cable Partner that is a Buying Partner (a "Cable Buying Partner") may elect by written notice to all other Partners to purchase all or any portion of the Selling Partners' Interests that would, without regard to this Section 12.6(c)(i), have been purchased by Sprint (the "Sprint Obligation"), which notice shall state the maximum share of the Sprint Obligation that such Cable Buying Partner is willing to purchase (each an "additional purchase commitment"). If the aggregate additional purchase commitments are equal to at least one hundred percent (100%) of the Sprint Obligation, each Cable Buying Partner shall be obligated to purchase that portion of the Sprint Obligation that corresponds to the ratio of the

Percentage Interest of such Cable Buying Partner to the aggregate Percentage Interests of the Cable Buying Partners, provided that, if any Cable Partner's additional purchase commitment was for an amount less than its proportionate share of the Sprint Obligation as so determined, then the portion of the Sprint Obligation not so committed to be purchased shall continue to be allocated proportionally in the manner provided above in this sentence among the other Cable Buying Partners until each has been allocated, by such process of apportionment, a percentage of the Sprint Obligation equal to the maximum percentage such Cable Buying Partner committed to purchase or until the entire Sprint Obligation has been allocated among the Cable Buying Partners. If and to the extent that the aggregate Cable Partner's additional purchase commitments are less than one hundred percent (100%) of the Sprint Obligation, the balance of the Sprint Obligation shall be allocated to Sprint.

(ii) The Selling Partners' Interests shall be allocated among the Cable Partners in the manner set forth in Section 12.6(c)(i), if applicable, until any Cable Partner would have a Percentage Interest, when added to the Percentage Interests of all Controlled Affiliates of such Partner, that is equal to Sprint's Percentage Interest, when added to the percentage Interests of all Controlled Affiliates of Sprint, after taking into account a purchase of the Selling Partners' Interests by the Cable Partners in accordance with Section 12.6(c)(i) up to the aggregate amount that would yield such result (as to each Partner, its "Adjusted Percentage Interest"). Any portion of the Selling Partners' Interests not yet allocated shall continue to be allocated proportionately among all Buying Partners (including Sprint, if applicable) in the manner set forth in this Section 12.6(c) without regard to Section 12.6(c)(i), but substituting the Adjusted Percentage Interests of the Buying Partners for the Percentage Interests that would otherwise be used to determine such allocation until each partner has been allocated an amount equal to its purchase commitment or until the entire amount of the Interest has been allocated among the Buying Partners.

(d) Terms of Purchase; Closing. Unless the Buying Partners and the Selling Partners otherwise agree, the closing of the purchase and sale of the Selling Partner's Interest and Partner Loans shall occur at the principal office of the Partnership at 10:00 a.m. (local time at the place of the closing) on the first Business Day occurring on or after the ninetieth (90th) day following the date of the final Put Notice (subject to the provision of Section 11.5) or such earlier date as the Buying and Selling Partners may agree. At the closing,

each Buying Partner shall pay to the Selling Partner, by cash or other immediately available funds, that portion of the purchase price of the Selling Partner's Interest and Partner Loans for which such Buying Partner is liable, and the Selling Partner shall deliver to each Buying Partner good title, free and clear of any liens, claims, encumbrances, security interests or options (other than those created by this Agreement and those securing financing obtained by the Partnership), to the portion of the Selling Partner's Interest and Partner Loans thus purchased. Each Buying Partner shall be liable to the Selling Partner only for its individual portion of the purchase price and the purchase price for such Selling Partner's Interest and Partner Loans.

At the closing, the Partners shall execute such documents and instruments of conveyance as may be necessary or appropriate to effectuate the transactions contemplated hereby, including the Transfer of the Interests and Partner Loans of the Selling Partner to the Buying Partners and the assumption by each Buying Partner of the Selling Partner's obligations with respect to the portion of the Selling Partner's Interest Transferred to such Buying Partner. Each Partner and the Partnership shall bear its own costs of such Transfer and closing, including attorneys' fees and filing fees. The costs of determining Net Equity shall be borne by the Partnership if no Partner or all Partners deliver a Put Notice, and one-half by the Selling Partners and one-half by the Buying Partners (in each case pro rata among the members of each group based on their respective Percentage Interests) otherwise.

12.7 Prohibited Dispositions.

Any purported Disposition of all or any part of an Interest that is not a Permitted Transfer shall be null and void and of no force or effect whatever; provided that, if the Partnership is required to recognize a Disposition that is not a Permitted Transfer (or if the Management Committee, in its sole discretion, elects to recognize a Disposition that is not a Permitted Transfer), the Interest Disposed of shall be strictly limited to the transferor's rights to allocations and distributions as provided by this Agreement with respect to the transferred Interest, which allocations and distributions may be applied (without limiting any other legal or equitable rights of the Partnership) to satisfy any debts, obligations, or liabilities for damages that the transferor or transferee of such Interest may have to the Partnership.

12.8 Representations Regarding Transfers.

Each Partner hereby represents and warrants to the Partnership and the other Partners that such Partner's acquisition of Interests hereunder is made as principal for such Partner's own account and not for resale or distribution of such Interests.

12.9 Distributions and Allocations in Respect of Transferred Interests.

If any Interest is Transferred during any Fiscal Year in compliance with the provisions of this Section 12, Profits, Losses, each item thereof, and all other items attributable to the Transferred Interest for such Fiscal Year shall be divided and allocated between the transferor and the transferee by taking into account their varying Percentage Interests during the Fiscal Year in accordance with Code Section 706(d), using any conventions permitted by law and selected by the Management Committee. All distributions on or before the date of such Transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee. Solely for purposes of making such allocations and distributions, the Partnership shall recognize such Transfer not later than the end of the calendar month during which it is given notice of such Transfer, provided that, if the Partnership is given notice of a Transfer at least ten (10) Business Days prior to the Transfer, the Partnership shall recognize such Transfer as of the date of such Transfer, and provided further that if the Partnership does not receive a notice stating the date such Interest was transferred and such other information as the Management Committee may reasonably require within thirty (30) days after the end of the Fiscal Year during which the Transfer occurs, then all such items shall be allocated, and all distributions shall be made, to the Person who, according to the books and records of the Partnership, was the owner of the Interest on the last day of such Fiscal Year. Neither the Partnership nor the Management Committee shall incur any liability for making allocations and distributions in accordance with the provisions of this Section 12.9, whether or not the Management Committee or the Partnership has knowledge of any Transfer of ownership of any Interest.

SECTION 13
CONVERSION OF INTERESTS

13.1 Termination of Status as General Partner.

(a) A General Partner shall cease to be a General Partner upon the first to occur of (i) the Transfer of such Partner's entire Interest as a Partner in a Permitted Transfer (in which event the transferee of such Interest shall be admitted as a successor General Partner and a Limited Partner upon compliance with Section 12.3), (ii) the Unanimous Vote of the Management Committee to approve a request by such General Partner to withdraw, (iii) any Adverse Act with respect to such Partner, (iv) such Partner's failure to satisfy the Minimum Ownership Requirement or (v) in the case of Comcast only, the occurrence of any of the events described in Section 6.4(a)(v) that cause Comcast to become an Exclusive Limited Partner. In the event a Person ceases to be a General Partner, pursuant to clauses (ii), (iii), (iv) or (v), the Interest of such Person as a General Partner shall automatically and without any further action by the Partners be converted into an Interest solely as a Limited Partner, and such Partner shall thereafter be an Exclusive Limited Partner.

(b) The Partners intend that the Partnership not dissolve as a result of the cessation of any Person's status as a General Partner; provided, however, that if it is determined by a court of competent jurisdiction that the Partnership has dissolved, the provisions of Section 14.1 shall govern.

13.2 Restoration of Status as General Partner.

An Exclusive Limited Partner whose rights to representation on the Management Committee have been restored as provided in Section 5.1(c) shall be restored to the status of a General Partner and its Interest shall thereafter be deemed held in part as a General Partner and in part as a Limited Partner as provided in Section 2.1. If Comcast becomes an Exclusive Limited Partner pursuant to Section 6.4(a)(v), it shall not be entitled to be restored to the status of General Partner except as expressly provided in such Section.

SECTION 14
DISSOLUTION AND WINDING UP

14.1 Liquidating Events.

(a) In General. Subject to Section 14.1(b), the Partnership shall dissolve and commence winding up and liquidating upon the first to occur of any of the following ("Liquidating Events"):

(i) The sale of all or substantially all of the Property;

(ii) A Unanimous Vote of the Management Committee to dissolve, wind up, and liquidate the Partnership in accordance with Section 5.1;

(iii) The failure of the General Partners to resolve a Deadlock Event as provided in Section 5.8(a)(iii) unless the Management Committee determines by Required Majority Vote not to dissolve; and

(iv) The withdrawal of a General Partner, the assignment by a General Partner of its entire Interest or any other event that causes a General Partner to cease to be a general partner under the Act, provided that any such event shall not constitute a Liquidating Event if the Partnership is continued pursuant to this Section 14.1.

The Partners hereby agree that, notwithstanding any provision of the Act or the Delaware Uniform Partnership Act, the Partnership shall not dissolve prior to the occurrence of a Liquidating Event. Upon the occurrence of any event set forth in Section 14.1(a)(iv), the Partnership shall not be dissolved or required to be wound up if (x) at the time of such event there is at least one remaining General Partner and that General Partner carries on the business of the Partnership (any such remaining General Partner being hereby authorized to carry on the business of the Partnership), or (y) within ninety (90) days after such event all remaining Partners agree in writing to continue the business of the Partnership and to the appointment, effective as of the date of such event, of one or more additional General Partners.

(b) Special Rules. The events described in Sections 14.1(a)(ii), 14.1(a)(iii) or 14.1(a)(iv) shall not constitute Liquidating Events until such time as the Partnership is otherwise required to dissolve, and commence winding up and liquidating, in accordance with Section 14.7.

14.2 Winding Up.

Upon the occurrence of a Liquidating Event, the Partnership shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Partners and neither the Management Committee nor any Partner shall take any action that is inconsistent with, or not appropriate for, the winding up of the Partnership's business and affairs. To the extent not

inconsistent with the foregoing, this Agreement shall continue in full force and effect until such time as the Partnership's Property has been distributed pursuant to this Section 14.2 and the Certificate has been cancelled in accordance with the Act. The Management Committee shall be responsible for overseeing the winding up and dissolution of the Partnership, shall take full account of the Partnership's liabilities and Property, shall cause the Partnership's Property to be liquidated as promptly as is consistent with obtaining the fair value thereof, and shall cause the proceeds therefrom, to the extent sufficient therefor, to be applied and distributed in the following order:

(a) First, to the payment of all of the Partnership's debts and liabilities (other than Partner Loans) to creditors other than the Partners and to the payment of the expenses of liquidation;

(b) Second, to the payment of all Partner Loans and all of the Partnership's debts and liabilities to the Partners in the following order and priority:

(i) first, to the payment of all debts and liabilities owed to any Partner other than in respect of Partner Loans;

(ii) second, to the payment of all accrued and unpaid interest on Partner Loans, such interest to be paid to each Partner and its Affiliates (considered as a group) pro rata in proportion to the interest owed to each such group; and

(iii) third, to the payment of the unpaid principal amount of all Partner Loans, such principal to be paid to each Partner and its Affiliates (considered as a group) pro rata in proportion to the outstanding principal owed to each such group; and

(c) The balance, if any, to the Partners in accordance with their Capital Accounts, after giving effect to all contributions, distributions, and allocations for all periods.

(d) In the discretion of the Management Committee, a pro rata portion of the distributions that would otherwise be made to the Partners pursuant to this Section 14.2 may be:

(i) distributed to a trust established for the benefit of the Partners for the purposes of liquidating Partnership assets, collecting amounts owed to the Partnership, and paying any contingent or unforeseen liabilities or

obligations of the Partnership or of the General Partners arising out of or in connection with the Partnership. The assets of any such trust shall be distributed to the Partners from time to time, in the reasonable discretion of the Management Committee in the same proportions as the amount distributed to such trust by the Partnership would otherwise have been distributed to the Partners pursuant to Section 14.2; or

(ii) withheld to provide a reasonable reserve for Partnership liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Partnership, provided that such withheld amounts shall be distributed to the Partners as soon as practicable.

Each Partner and each of its Affiliates (as to Partner Loans only) agrees that by accepting the provisions of this Section 14.2 setting forth the priority of the distribution of the assets of the Partnership to be made upon its liquidation, such Partner or Affiliate expressly waives any right which it, as a creditor of the Partnership, might otherwise have under the Act to receive distributions of assets pari passu with the other creditors of the Partnership in connection with a distribution of assets of the Partnership in satisfaction of any liability of the Partnership, and hereby subordinates to said creditors any such right.

14.3 Compliance With Certain Requirements of Regulations; Deficit Capital Accounts.

In the event the Partnership is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), (a) distributions shall be made pursuant to this Section 14 to the Partners who have positive Capital Accounts in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(2), and (b) if any Partner's Capital Account has any deficit balance (after giving effect to all contributions, distributions, and allocations for all taxable years, including the year during which such liquidation occurs), such Partner shall contribute to the capital of the Partnership the amount necessary to restore such deficit balance to zero in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(3); provided, however, that the obligation of an Exclusive Limited Partner to contribute capital pursuant to this sentence shall be limited to the amount of the deficit balance, if any, that existed in such Exclusive Limited Partner's Capital Account at the time it became an Exclusive Limited Partner (taking into account for this purpose any revaluation of Partnership assets pursuant to subparagraph (ii)(D) of the definition of Gross Asset Value made as a result of such Partner's becoming an Exclusive Limited Partner).

14.4 Deemed Distribution and Recontribution.

Notwithstanding any other provision of this Section 14, in the event the Partnership is liquidated within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations but no Liquidating Event has occurred, the Property shall not be liquidated, the Partnership's liabilities shall not be paid or discharged, and the Partnership's affairs shall not be wound up. Instead, solely for federal income tax purposes, the Partnership shall be deemed to have distributed the Property in kind to the Partners, who shall be deemed to have assumed and taken subject to all Partnership liabilities, all in accordance with their respective Capital Accounts and, if any Partner's Capital Account has a deficit balance that such Partner would be required to restore pursuant to Section 14.3 (after giving effect to all contributions, distributions, and allocations for all Fiscal Years, including the Fiscal Year during which such liquidation occurs), such Partner shall contribute to the capital of the Partnership the amount necessary to restore such deficit balance to zero in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(3). Immediately thereafter, the Partners shall be deemed to have recontributed the Property in kind to the Partnership, which shall be deemed to have assumed and taken subject to all such liabilities.

14.5 Rights of Partners.

Except as otherwise provided in this Agreement, (a) each Partner shall look solely to the assets of the Partnership for the return of its Capital Contributions and shall have no right or power to demand or receive property other than cash from the Partnership, and (b) no Partner shall have priority over any other Partner as to the return of its Capital Contributions, distributions, or allocations. If, after the Partnership ceases to exist as a legal entity, a Partner is required to make a payment to any Person on account of any activity carried on by the Partnership, such paying Partner shall be entitled to reimbursement from each other Partner consistent with the manner in which the economic detriment of such payment would have been borne had the amount been paid by the Partnership immediately prior to its cessation.

14.6 Notice of Dissolution.

In the event a Liquidating Event occurs or an event described in Section 14.1(a)(iv) occurs that would, but for provisions of Section 14.1, result in a dissolution of the Partnership, the Management Committee shall, within thirty (30)

days thereafter, provide written notice thereof to each of the Partners.

14.7 Buy/Sell Arrangements.

(a) As soon as practicable after the occurrence of an event described in Section 14.1(a)(ii), 14.1(a)(iii) or, subject to the proviso contained therein, Section 14.1(a)(iv), the Net Equity of the Interests shall be determined and delivered to each General Partner. Such Net Equity shall be determined in accordance with Section 11.3. For purpose of such determination of Net Equity pursuant to this Section 14.7(a), the General Partner that (together with its Controlled Affiliates) holds the largest Voting Percentage Interest shall designate the First Appraiser as required by Section 11.4 and the General Partner that (together with its Controlled Affiliates) holds the smallest Voting Percentage Interest shall appoint the Second Appraiser within ten (10) days of receiving notice of the First Appraiser.

(b) Within thirty (30) days after its receipt of the determination of Net Equity, each General Partner (individually or together with one or more other General Partners) must submit simultaneously to each other Partner sealed statements (the "Initial Offer") notifying the other Partners in writing either (i) that such General Partner or group of General Partners offers to sell all of its Interest(s), or (ii) that such General Partner or group of General Partners offers to buy all of the other Partners' Interests. Except as provided in Section 14.7(g), each Exclusive Limited Partner shall be automatically deemed to have offered to sell its Interest hereunder and shall for all purposes under this Section 14.7 shall be treated as a General Partner that has offered to sell its Interest.

(c) If the Initial Offers indicate that one General Partner or group of General Partners wishes to buy and all of the other Partners wish to sell, the Net Equity of the Interests shall thereupon be the price at which the Interests will be sold.

(d) If the Initial Offers indicate that all Partners wish to sell their Interests, the Partnership shall dissolve, and commence winding up and liquidating in accordance with Section 14.2.

(e) If the Initial Offers indicate that more than one General Partner or group of General Partners wishes to purchase the other Partners' Interests, then the General Partners or groups of General Partners wishing to purchase (each General

Partner or group of Partners, a "Bidding Partner") shall begin the bidding process described below and the highest bidder (determined as the amount bid per each Percentage Interest in the Partnership) shall buy all other Partners' Interests. Each of the Bidding Partners can make an initial offer to purchase the Interests of the other Partners, which offer cannot be less than the Net Equity of the Interests to be purchased and shall be made within fifteen (15) days of receipt of the last of the Initial Offers. If no Bidding Partner makes an initial offer within such fifteen (15) day period, the Partnership shall dissolve, and commence winding up and liquidating in accordance with Section 14.2. If only one Bidding Partner makes an initial offer, such offer shall thereupon be the price at which all other Partners' Interests shall be sold to such Bidding Partner. If more than one Bidding Partner makes an initial offer, each such Bidding Partner must respond within fifteen (15) days of receiving such initial offer either by accepting the highest of such initial offers or delivering a counteroffer to purchase the Interests of the other Partners. A counteroffer must be at least one percent (1%) higher than the prior offer of which the Bidding Partner has received notice. The bidding process shall continue until all Bidding Partners have either responded by accepting the highest immediate prior offer or failed to make a timely response, in which case the highest immediate prior offer shall be deemed accepted. For purposes of this Section 14.7, all offers, acceptances and counteroffers must be in writing, in a form which is firm and binding and delivered to the Chief Executive Officer (who shall promptly notify each other Partner of the identity of the bidder and the amount of such bid); all offers must be responded to within fifteen (15) days of receipt of notice of a prior offer. If no response to an offer or counteroffer is received within such fifteen (15) day period, the highest immediate prior offer shall be deemed to be accepted.

(f) The closing of the purchase and sale of each selling Partner's Interests and Partner Loans shall occur at the principal office of the Partnership at 10:00 a.m. (local time at the place of the closing) on the first Business Day occurring on or after the thirtieth (30th) day following the date of the final determination of the purchase price pursuant to Section 14.7(e) (subject to Section 11.5). At the closing, the purchasing Partner(s) shall pay to each selling Partner, by cash or other immediately available funds, the purchase price for such selling Partners' Interest and Partner Loans, and the selling Partner shall deliver to the purchasing Partner(s) good title, free and clear of any liens, claims, encumbrances, security interests or options (other than those created by this Agreement and those

securing financing obtained by the Partnership), to the selling Partner's Interest and Partner Loans thus purchased.

At the closing, the Partners shall execute such documents and instruments of conveyance as may be necessary or appropriate to effectuate the transactions contemplated hereby, including the Transfer of the Interests and Partner Loans of the selling Partner(s) to the purchasing Partner(s) and the assumption by each purchasing Partner of the selling Partner's obligations with respect to the selling Partner's Interest Transferred to the purchasing Partner(s). Each Partner shall bear its own costs of such Transfer and closing, including attorneys' fees and filing fees. The costs of determining Net Equity shall be borne by the Partners (pro rata based on their respective Percentage Interests as of the occurrence of the Liquidating Event).

(g) Solely for the purposes of this Section 14.7, Comcast will have the same rights and obligations as a General Partner hereunder even if it has become an Exclusive Limited Partner under Section 6.4(a)(v) so long as Comcast would not otherwise then be an Exclusive Limited Partner under Section 13.1(a).

SECTION 15
MISCELLANEOUS

15.1 Notices.

Any notice, payment, demand, or communication required or permitted to be given by any provision of this Agreement shall be in writing and mailed (certified or registered mail, postage prepaid, return receipt requested) or sent by hand or overnight courier, or by facsimile (with acknowledgment received), charges prepaid and addressed as follows, or to such other address or number as such Person may from time to time specify by notice to the Partners:

(a) If to the Partnership, to the address or number set forth on Schedule 2.2;

(b) If to a Partner or its designated Representative(s), to the address or number set forth in Schedule 2.2;

(c) If to the Management Committee, to the Partnership and to each Partner and its designated Representative(s).

Any Person may from time to time specify a different address by notice to the Partnership and the Partners. All notices and other communications given to a Person in accordance with the provisions of this Agreement shall be deemed to have been given and received (i) four (4) Business Days after the same are sent by certified or registered mail, postage prepaid, return receipt requested, (ii) when delivered by hand or transmitted by facsimile (with acknowledgment received and, in the case of a facsimile only, a copy of such notice is sent no later than the next Business Day by a reliable overnight courier service, with acknowledgment of receipt) or (iii) one (1) Business Day after the same are sent by a reliable overnight courier service, with acknowledgment of receipt.

15.2 Binding Effect.

Except as otherwise provided in this Agreement, this Agreement shall be binding upon and inure to the benefit of the Partners and their respective successors, transferees, and assigns.

15.3 Construction.

This Agreement shall be construed simply according to its fair meaning and not strictly for or against any Partner.

15.4 Time.

Time is of the essence with respect to this Agreement.

15.5 Table of Contents; Headings.

The table of contents and section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope, extent or intent of this Agreement.

15.6 Severability.

Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal, invalid or unenforceable for any reason whatsoever, that term or provision will be enforced to the maximum extent permissible so as to effect the intent of the Partners, and such illegality, invalidity or unenforceability shall not affect the validity or legality of the remainder of this Agreement. If necessary to effect the intent of the Partners, the Partners will negotiate in good faith to amend this Agreement to replace the unenforceable

language with enforceable language which as closely as possible reflects such intent.

15.7 Incorporation by Reference.

Every exhibit and other appendix (other than schedules) attached to this Agreement and referred to herein is not incorporated in this Agreement by reference unless this Agreement expressly otherwise provides.

15.8 Further Action.

Each Partner, upon the reasonable request of the Management Committee, agrees to perform all further acts and execute, acknowledge, and deliver any documents which may be reasonably necessary, appropriate, or desirable to carry out the intent and purposes of this Agreement.

15.9 Governing Law.

The internal laws of the State of Delaware (without regard to principles of conflict of law) shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the Partners.

15.10 Waiver of Action for Partition; No Bill For Partnership Accounting.

Each Partner irrevocably waives any right that it may have to maintain any action for partition with respect to any of the Property; provided that the foregoing shall not be construed to apply to any action by a Partner for the enforcement of its rights under this Agreement. Each Partner waives its right to seek a court decree of dissolution (other than a dissolution in accordance with Section 14) or to seek appointment of a court receiver for the Partnership as now or hereafter permitted under applicable law. To the fullest extent permitted by law, each Partner covenants that it will not (except with the consent of the Management Committee) file a bill for Partnership accounting.

15.11 Counterpart Execution.

This Agreement may be executed in any number of counterparts with the same effect as if all the Partners had signed the same document. All counterparts shall be construed together and shall constitute one agreement.

15.12 Sole and Absolute Discretion.

Except as otherwise provided in this Agreement, all actions which the Management Committee may take and all determinations which the Management Committee may make pursuant to this Agreement may be taken and made at the sole and absolute discretion of the Management Committee.

15.13 Specific Performance.

Each Partner agrees with the other Partners that the other Partners would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that monetary damages would not provide an adequate remedy in such event. Accordingly, in addition to any other remedy to which the nonbreaching Partners may be entitled, at law or in equity, the nonbreaching Partners shall be entitled to injunctive relief to prevent breaches of this Agreement and specifically to enforce the terms and provisions hereof.

15.14 Entire Agreement.

The provisions of this Agreement set forth the entire agreement and understanding between the Partners as to the subject matter hereof and supersede all prior agreements, oral or written, and other communications between the Partners relating to the subject matter hereof.

15.15 Limitation on Rights of Others.

Nothing in this Agreement, whether express or implied, shall be construed to give any Person other than the Partners any legal or equitable right, remedy or claim under or in respect of this Agreement.

15.16 Waivers; Remedies.

The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party or parties entitled to enforce such term, but any such waiver shall be effective only if in a writing signed by the party or parties against which such waiver is to be asserted. Except as otherwise provided herein, no failure or delay of any Partner in exercising any power or right under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power.

15.17 Jurisdiction; Consent to Service of Process.

(a) Each Partner hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court sitting in the County of New York or any Federal court of the United States of America sitting in the Southern District of New York, and any appellate court from any such court, in any suit, action or proceeding arising out of or relating to the Partnership or this Agreement, or for recognition or enforcement of any judgment, and each Partner hereby irrevocably and unconditionally agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court.

(b) Each Partner hereby irrevocably and unconditionally waives, to the fullest extent it may legally do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to the Partnership or this Agreement in any New York State court sitting in the County of New York or any Federal court sitting in the Southern District of New York. Each Partner hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding in any such court and further waives the right to object, with respect to such suit, action or proceeding, that such court does not have jurisdiction over such Partner.

(c) Each Partner irrevocably consents to service of process in the manner provided for the giving of notices pursuant to this Agreement, provided that such service shall be deemed to have been given only when actually received by such Partner. Nothing in this Agreement shall affect the right of a party to serve process in any other manner permitted by law.

15.18 Waiver of Jury Trial.

Each Partner waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any action, suit or proceeding arising out of or relating to the Partnership or this Agreement.

15.19 No Right of Set-Off.

No Partner shall be entitled to offset against any of its financial obligations to the Partnership under this Agreement,

any obligation owed to it or any of its Affiliates by any other Partner or any of such other Partner's Affiliates.

IN WITNESS WHEREOF, the parties have entered into this Agreement of Limited Partnership as of the day first above set forth.

[SIGNATURES FOLLOW ON A SEPARATE PAGE]

GENERAL AND LIMITED PARTNERS:

SPRINT SPECTRUM, INC.

By: /s/ J. Richard Devlin
_____

Title: _____

TCI NETWORK, INC.

By: /s/ Brendon Clouston
_____

Title: _____

COMCAST TELEPHONY SERVICES

By: Comcast Telephony Services, Inc., Its General Partner

By: /s/ Lawrence S. Smith
_____

Title: _____

COX COMMUNICATIONS WIRELESS, INC.

By: /s/ David M. Woodrow
_____

Title: _____

THIS IS A SIGNATURE PAGE TO THE AGREEMENT OF LIMITED PARTNERSHIP OF WIRELESSCO, L.P.

SCHEDULE 2.1
INITIAL PERCENTAGE INTERESTS

PARTNER	INITIAL PERCENTAGE INTEREST
Sprint	40%
TCI	30%
Comcast	15%
Cox	15%

SCHEDULE 2.2
ORIGINAL CAPITAL CONTRIBUTIONS AND NOTICE ADDRESSES

PARTNER	ORIGINAL CAPITAL CONTRIBUTION
SPRINT:	$4,000

Sprint Spectrum, Inc.
2330 Shawnee Mission Parkway
Westwood, KS 66205
Telecopy No.: (913) 624-2256
Attn: Corporate Secretary

with copy to:

Sprint Spectrum, Inc.
2330 Shawnee Mission Parkway
Westwood, KS 66205
Telecopy No.: (913) 624-8426
Attn: Chief Financial Officer

TCI:	$3,000

TCI Network, Inc.
5619 DTC Parkway
Englewood, CO 80111
Telecopy No.: (303) 488-3200
Attn: President

with copies to:

Baker & Botts, L.L.P.
885 Third Avenue
New York, NY 10022-4834
Telecopy No.: (212) 705-5125
Attn: Elizabeth Markowski, Esq.

Tele-Communications, Inc.
5619 DTC Parkway
Englewood, CO 80111
Telecopy No.: (303) 488-3200
Attn: General Counsel

COX: $1,500

Cox Communications Wireless, Inc.
1400 Lake Hearn Drive
Atlanta, Georgia 30319-1464
Telecopy No.: (404) 843-5142
Attn: John R. Dillon

with copy to:

Dow, Lohnes & Albertson
1255 23rd Street, N.W.
Washington, DC 20037
Telecopy No.: (202) 857-2900
Attn: Leonard J. Baxt

COMCAST: $1,500

Comcast Telephony Services
1500 Market Street
Philadelphia, PA 19102-2148
Telecopy No.: (215) 981-7794
Attn: General Counsel

with copy to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, NY 10017
Telecopy No.: (212) 450-4800
Attn: Mr. Dennis S. Hersch

Schedule 5.1(i)
Required Majority Vote

The following matters with respect to the Partnership, and all other matters required by the Management Committee to be submitted to it, except as provided for in Schedule 5.1(j) and Schedule 5.1(k) or as otherwise expressly provided in this Agreement, require a Required Majority Vote:

A. the incurrence of any indebtedness by the Partnership or any Subsidiary of the Partnership for loans made by any Partner or an Affiliate of a Partner, provided, that in any event all Partners (other than a Defaulting Partner or a Bankrupt Partner) shall be given the opportunity to participate pro rata in accordance with the respective Percentage Interests of the Partners in making such loans;

B. the conversion by the Partnership or any Subsidiary of the Partnership to non-partnership form, provided, that such Required Majority Vote must include the affirmative vote of any Partner that (or which is a member of a consolidated group for federal income tax reporting purposes that) is reasonably likely to suffer a material adverse effect for federal income tax purposes in connection with the conversion to non-partnership form (other than any material adverse effect which is also reasonably likely to affect all Partners or their respective consolidated groups on a similar pro rata basis);

C. the election or removal of the Chief Executive Officer and the other senior management of the Partnership, except as provided in Item E. of Schedule 5.1(j); the compensation of the Chief Executive Officer and the other senior management of the Partnership; and the adoption or amendment of incentive compensation and benefit plans for executive officers and employees;

D. subject to Item E. of Schedule 5.1(k), the declaration or payment of any distribution by the Partnership on any Interest, except as required by Section 4.2;

E. the adoption of a Business Plan or Annual Budget (or of any amendment thereto or material deviation therefrom) other than as expressly provided in Items A. or B. of Schedule 5.1(j);

F. the acquisition by the Partnership or any Subsidiary of the Partnership of any assets (including stock or other equity interests) in a transaction or series of transactions that have an aggregate purchase price in excess of one percent (1%) of the book value of the consolidated assets of the Partnership as determined in accordance with GAAP (or such greater or lesser amount (subject to Item N. of Schedule 5.1(j) as may be approved from time to time by the Management Committee);

G. the disposition by the Partnership or any Subsidiary of the Partnership of any assets (including stock or other equity interests) in a transaction or series of transactions that have an aggregate value in excess of one percent (1%) of the book value of the consolidated assets of the Partnership as determined in accordance with GAAP (or such greater or lesser amount (subject to Item O. of Schedule 5.1(j) as may be approved from time to time by the Management Committee);

H. the incurrence of any Debt by the Partnership or any Subsidiary of the Partnership in an aggregate amount which, together with all other Debt of the Partnership and its Subsidiaries (other than Debt to the Partners incurred with the approval of the Management Committee pursuant Item D. of Schedule 5.1(k)), is in excess of limits to be approved by the Management Committee by Required Majority Vote);

I. the selection of, and changes in, the Accountants; and

J. the institution or settlement by the Partnership or any Subsidiary of the Partnership of any legal action or other proceeding before any court or other governmental or administrative authority which is reasonably likely to have a material adverse effect on a Partner or any Affiliate of such Partner (other than as a result of the diminution of the value if the Interest of such Partner where such diminution affects all Partners and their respective affiliates proportionately), provided, that such Required Majority Vote shall include the affirmative vote of any Partner so affected.

Schedule 5.1(j)
Unanimous Vote

The following matters with respect to the Partnership require a Unanimous Vote:

A. the adoption of and any amendment to the Wireless Strategic Plan;

B. the adoption of the Initial Business Plan and the initial Annual Budget and any amendment thereto or any material deviation therefrom during the first Fiscal Year;

B. the approval of any amendments, modifications or supplements to Schedule 5.1(j);

C. the admission of new Partners or other equity holders, other than pursuant to transfers expressly permitted by Section 12 of this Agreement;

D. the taking of any action that would result in a Voluntary Bankruptcy of the Partnership or any subsidiary of the Partnership;

E. the approval of the initial Chief Executive Officer and the removal of such initial Chief Executive Officer within one year of his or her appointment;

F. the approval of any transaction involving the Partnership or any subsidiary of the Partnership which would have the effect of the Partnership's becoming a BOC or the Partnership's or any Partner's becoming a BOC Affiliated Enterprise or an entity subject to any restrictions under Section II of the MFJ;

F. the approval or implementation of any material changes in the operations, scope or direction of the business of the Partnership or any Subsidiary of the Partnership (including any disposition of material assets or any other transaction involving the Partnership) that is implemented for the primary purpose of avoiding the Partnership's becoming a BOC, a BOC Affiliated Enterprise or an entity subject to any restrictions under Section II of the MFJ in connection with any proposed, pending or completed transaction involving

the Partnership or any Subsidiary of the Partnership, a Partner or any entity that is related to a Partner;

G. the commingling of funds of the Partnership with those of any other Person (other than a wholly owned subsidiary of the Partnership);

H. subject to Schedule 5.1(k), the taking of any action that would make it impossible for the Partnership or any Subsidiary of the Partnership to carry on its ordinary business or that is in contravention of this Agreement or that would constitute a breach of or default under any senior credit agreement of the Partnership any Subsidiary of the Partnership;

I. the incurrence of any indebtedness for borrowed money that is recourse to any or all of the Partners and their Affiliates;

J. except as specifically provided for by this Agreement (including Section 2.3(d)), the satisfaction by any Partner of its obligations to make Capital Contributions with property other than cash;

K. any direct or indirect purchase or other acquisition, or any direct or indirect sale, by the Partnership or any subsidiary of the Partnership of any Interest;

L. the merger, consolidation or other business combination by the Partnership or any subsidiary of the Partnership into or with any other entity, or entering into a joint venture, partnership or other like relationship with any other entity, other than any transaction involving only the Partnership and/or one or more wholly owned subsidiaries of the Partnership;

M. the approval of a nonjudicial dissolution by the Partnership or any subsidiary of the Partnership and, subject to the provisions of this Agreement, decisions with respect to the winding up by the Partnership or any subsidiary of the Partnership including the making of liquidating distributions on any Interest;

N. the acquisition of any assets by the Partnership or any subsidiary of the Partnership (including stock or other equity interests) in a transaction or series of transactions that have an aggregate purchase price in excess of twenty percent (20%) of the book value of the

consolidated assets of the Partnership as determined in accordance with GAAP; and

O. the disposition of any assets by the Partnership or any subsidiary of the Partnership (including stock or other equity interests) in a transaction or series of transactions that have an aggregate value in excess of twenty percent (20%) of the book value of the consolidated assets of the Partnership as determined in accordance with GAAP.

Schedule 5.1(k)
Unanimous Partner Vote

The following matters with respect to the Partnership require a Unanimous Partner Vote:

A. the engagement by the Partnership or any Subsidiary of the Partnership in any Excluded Business or any other business outside the scope of the Partnership's business as set forth in Section 1.3 of this Agreement;

B. except with respect to the items listed on Schedules 5.1(i) and 5.1(j), the approval of any amendments, modifications or supplements to this Agreement, including this Schedule 5.1(k);

C. the loan or advancement by the Partnership or any Subsidiary of the Partnership of funds to, or the guarantee of any obligations of, a Partner or any Affiliate thereof;

D. the incurrence of any indebtedness for loans made by any Partner or Affiliate of a Partner other than in accordance with Section 2.7 of this Agreement;

E. the making of any non-pro rata cash or any in-kind distributions to a Partner in respect of its Interest, other than in accordance with this Agreement; and

F. the approval of any amendment, modification or supplement of, or deviation from, the procedures to be followed for the winding up of the Partnership's affairs, it being understood that the determination to dissolve the Partnership merely requires a Unanimous Vote of the Management Committee.

LIST OF SUBSIDIARIES

Amcell - Tel, Inc.
Amcell Holding Corp.
Amcell of Atlantic City, Inc.
Amcell of Cumberland County, Inc.
Amcell of Hunterdon, Inc.
Amcell of Ocean County, Inc.
Amcell of Pennsylvania Holdings, Inc.
Amcell of Trenton, Inc.
Amcell of Vineland Holdings, Inc.
American Cellular Network Corp.
American Cellular Network Corp. of Delaware
American Cellular Network Corp. of Maryland
American Cellular Network Corp. of Pennsylvania
At Home Entertainment, Inc.
Aurora/Elgin Cellular Telephone Company, Inc.
AWACS Financial Corporation
AWACS Garden State, Inc.
AWACS Investment Holdings, Inc.
AWACS, Inc.
Box Office Enterprises, Inc.
Cable Enterprises, Inc.
Cable Management of Detroit
Cable Shopping Mall, Inc.
Cable TV of Jersey City, Inc.
Cablevision Investment of Detroit, Inc.
California Ad Sales, Inc.
Cell South of New Jersey, Inc.
Citizens Cable South, Inc.
Classic Services, Inc.
Clinton Cable TV Investors, Inc.
Coastal Cable TV, Inc.
COM Indiana, Inc.
COM Indianapolis, Inc.
COM Inkster, Inc.
COM Maryland, Inc.
COM Philadelphia, Inc.
COM Telephony Services, Inc.
Comcast Argentina, Inc.
Comcast Australia, Inc.
Comcast Brazil, Inc.
Comcast Cable Communications, Inc.
Comcast Cable Guide, Inc.
Comcast Cable Investors, Inc.
Comcast Cable of Indiana, Inc.
Comcast Cable of Maryland, Inc.
Comcast Cable Tri-Holdings, Inc.
Comcast CablePhone, Inc.
Comcast Cablevision Corporation of Alabama

Comcast Cablevision Corporation of California
Comcast Cablevision Corporation of Connecticut
Comcast Cablevision Corporation of Florida
Comcast Cablevision Corporation of the Southeast
Comcast Cablevision Investment Corporation
Comcast Cablevision of Arkansas, Inc.
Comcast Cablevision of Birmingham, Inc.
Comcast Cablevision of Boca Raton, Inc.
Comcast Cablevision of Bryant, Inc.
Comcast Cablevision of Burlington County, Inc.
Comcast Cablevision of Cambridge, Inc.
Comcast Cablevision of Carolina, Inc.
Comcast Cablevision of Central New Jersey, Inc.
Comcast Cablevision of Chesterfield County, Inc.
Comcast Cablevision of Clinton
Comcast Cablevision of Clinton, Inc.
Comcast Cablevision of Clinton, Inc.
Comcast Cablevision of Danbury, Inc.
Comcast Cablevision of Delmarva, Inc.
Comcast Cablevision of Detroit
Comcast Cablevision of Dothan, Inc.
Comcast Cablevision of Flint, Inc.
Comcast Cablevision of Fontana, Inc.
Comcast Cablevision of Fort Wayne Limited Partnership
Comcast Cablevision of Gadsden, Inc.
Comcast Cablevision of Garden State, Inc.
Comcast Cablevision of Gloucester County, Inc.
Comcast Cablevision of Groton, Inc.
Comcast Cablevision of Harford County, Inc.
Comcast Cablevision of Hopewell Valley, Inc.
Comcast Cablevision of Howard County, Inc.
Comcast Cablevision of Huntsville, Inc.
Comcast Cablevision of Indianapolis, Inc.
Comcast Cablevision of Indianapolis, L.P.
Comcast Cablevision of Inkster Limited Partnership
Comcast Cablevision of Inland Valley, Inc.

Comcast Cablevision of Laurel, Inc.
Comcast Cablevision of Lawrence, Inc.
Comcast Cablevision of Little Rock, Inc.
Comcast Cablevision of Lompoc, Inc.
Comcast Cablevision of London, Inc.
Comcast Cablevision of Lower Merion, Inc.
Comcast Cablevision of Macomb County, Inc.
Comcast Cablevision of Macomb, Inc.
Comcast Cablevision of Marianna, Inc.
Comcast Cablevision of Maryland Limited Partnership
Comcast Cablevision of Mercer County, Inc.
Comcast Cablevision of Meridian, Inc.
Comcast Cablevision of Middletown, Inc.
Comcast Cablevision of Mobile, Inc.
Comcast Cablevision of Monmouth County, Inc.
Comcast Cablevision of Mt. Clemens

Comcast Cablevision of Mt. Clemens, Inc.
Comcast Cablevision of New Haven, Inc.
Comcast Cablevision of New Haven, Inc.
Comcast Cablevision of Newport Beach, Inc.
Comcast Cablevision of North Orange, Inc.
Comcast Cablevision of Northwest New Jersey, Inc.
Comcast Cablevision of Oakland County, Inc.
Comcast Cablevision of Ocean County, Inc.
Comcast Cablevision of Paducah, Inc.
Comcast Cablevision of Panama City, Inc.
Comcast Cablevision of Perry, Inc.
Comcast Cablevision of Philadelphia, Inc.
Comcast Cablevision of Philadelphia, L.P.
Comcast Cablevision of Plainfield, Inc.
Comcast Cablevision of Quincy, Inc.
Comcast Cablevision of San Bernardino, Inc.
Comcast Cablevision of Santa Ana, Inc.
Comcast Cablevision of Santa Maria, Inc.
Comcast Cablevision of Seal Beach, Inc.
Comcast Cablevision of Shelby, Inc.
Comcast Cablevision of Simi Valley, Inc.
Comcast Cablevision of Southeast Michigan, Inc.
Comcast Cablevision of Sterling Heights, Inc.
Comcast Cablevision of Tallahassee, Inc.
Comcast Cablevision of the Meadowlands, Inc.
Comcast Cablevision of the Shoals, Inc.
Comcast Cablevision of Tupelo, Inc.
Comcast Cablevision of Tuscaloosa, Inc.
Comcast Cablevision of Utica, Inc.
Comcast Cablevision of Warren
Comcast Cablevision of West Florida, Inc.
Comcast Cablevision of West Palm Beach, Inc.
Comcast Cablevision of Westmoreland, Inc.
Comcast Cablevision of Willow Grove, Inc.
Comcast CAP of Philadelphia Holdings, Inc.
Comcast CAP of Philadelphia, Inc.
Comcast Cellular Communications, Inc.
Comcast Cellular Corporation
Comcast Cellular Holding Company, Inc.
Comcast Cellular Management, Inc.
Comcast Central Europe, Inc.
Comcast Central NJ Holding Company Inc.
Comcast Communications Properties, Inc.
Comcast Consulting Company, Inc.
Comcast Crystalvision, Inc.
Comcast Darlington Limited
Comcast DBS, Inc.
Comcast DC Radio, Inc.
Comcast Delaware Services, Inc.
Comcast Directory Assistance Partnership
Comcast Directory Services, Inc.
Comcast do Brasil S.A.

Comcast do Brasil S/C Ltda.
Comcast Europe Holdings, Inc.
Comcast FCI, Inc.
Comcast Financial Corporation
Comcast France Holdings, Inc.
Comcast Funding, Inc.
Comcast FW, Inc.
Comcast Garden State, Inc.
Comcast Heritage, Inc.
Comcast Holdings, Inc.
Comcast IAP, Inc.
Comcast International Holdings, Inc.
Comcast International Programming, Inc.
Comcast Investment Holdings, Inc.
Comcast ISD, Inc.
Comcast Management Corporation
Comcast Management Corporation
Comcast Merger, Inc.
Comcast Mexico, Inc.
Comcast MH Holdings, Inc.
Comcast MHCP Holdings, L.L.C.
Comcast MHCP, Inc.
Comcast Michigan Holdings, Inc.
Comcast Midwest Management, Inc.
Comcast MLP Partner, Inc.
Comcast Mobile Communications, Inc.
Comcast Multicable Media, Inc.
Comcast Network Communciations of Connecticut, Inc.
Comcast Network Communications of South Florida, Inc.
Comcast Network Communications of Southeast Michigan, Inc.
Comcast Network Communications of Southern California, Inc.
Comcast Network Communications of Southern New Jersey, Inc.
Comcast Network Communications of Tallahassee, Inc.
Comcast Network Communications, Inc.
Comcast PC Communications, Inc.
Comcast PCS Communications, Inc.
Comcast Prism, Inc.
Comcast Programming Holdings, Inc.
Comcast PTK, Inc.
Comcast Publishing Holdings Corporation
Comcast Publishing Holdings Financial Corporation
Comcast QVC, Inc.
Comcast Real Estate Holdings of Alabama, Inc.
Comcast Real Estate Holdings, Inc.
Comcast RSA, Inc.
Comcast RVC, Inc.
Comcast Satellite Communications California, Inc.
Comcast Satellite Communications Mid-Atlantic, Inc.
Comcast Satellite Communications Midwest, Inc.
Comcast Satellite Communications Northeast, Inc.
Comcast Satellite Communications South Central, Inc.
Comcast Satellite Communications Southeast, Inc.

Comcast Satellite Communications, Inc.
Comcast Sound Communications, Inc.
Comcast Sound Communications, Inc.
Comcast Storer Finance Sub, Inc.
Comcast Storer, Inc.
Comcast Technology, Inc.
Comcast Teesside Limited
Comcast Telephony Communications, Inc.
Comcast Telephony Services
Comcast Telephony Services II, Inc.
Comcast Telephony Services, Inc.
Comcast Teleport Partners, Inc.
Comcast Teleport, Inc.
Comcast TM, Inc.
Comcast U.K. Consulting, Inc.
Comcast U.K. Holdings, Inc.
Comcast UK Cable Partners Consulting, Inc.
Comcast UK Cable Partners Limited
Comcast UK Programming Limited
Comcast Venezuela PCS, Inc.
CSNJ Merger Co., Inc.
CVN - Michigan, Inc.
CVN Companies, Inc.
CVN Direct Marketing Corp.
CVN Distribution Co., Inc.
CVN Management, Inc.
DCCS S.A.
Deonica S.A.
Detroit Cable TV, Inc.
Diamonique (Pennsylvania) Corporation
Diamonique Corporation
Dinara S.A.
East Rutherford Realty, Inc.
Eastern TeleLogic Corporation
First Television Corporation
Grosse Pointe Cable, Inc.
Hebcom Enterprises, Inc.
Joliet Cellular Telephone Company, Inc.
Liberty City Funding Corporation
Long Branch Cellular Telephone Company
Maclean-Hunter Cable TV, Inc.
Maclean-Hunter, Inc.
MH Lightnet Inc.
MH Lightnet of Florida, Inc.
Mobile Enterprises, Inc.
Mt. Clemens Cable TV Investors, Inc.
Multicast do Brazil S.A.
Multiview Cable Corporation
New Brunswick Cellular Telephone Company
New England Microwave, Inc.
New Hope Cable TV, Inc.
Philadelphia Cable Investment Corporation

Philadelphia Mobile Communications, Inc.
Q2, Inc.
QDirect Ventures, Inc.
QExhibits, Inc.
QFlight, Inc.
QVC
QVC - QRT, Inc.
QVC Britain
QVC Britain II, Inc.
QVC Britain III, Inc.
QVC Britain, Inc.
QVC Chesapeake, Inc.
QVC Delaware, Inc.
QVC Holdings, Inc.
QVC International, Inc.
QVC Local, Inc.
QVC Mexico II, Inc.
QVC Mexico III, Inc.
QVC Mexico, Inc.
QVC Network of Colorado, Inc.
QVC of Thailand, Inc.
QVC Realty, Inc.
QVC San Antonio, Inc.
QVC, Inc.
SCI 11, Inc.
SCI 34, Inc.
SCI 36, Inc.
SCI 37, Inc.
SCI 38, Inc.
SCI 39, Inc.
SCI 44, Inc.
SCI 48, Inc.
SCI 55, Inc.
Selkirk Communications (Delaware) Corporation
Selkirk Communications (Hallandale), Inc.
Selkirk Communications, Inc.
Selkirk Systems, Inc.
Storer Administration, Inc.
Storer Broadcast Finance Corp.
Storer Cable Advertising Sales, Inc.
Storer Cable TV of Radnor, Inc.
Storer Communications, Inc.
Storer Disbursements, Inc.
Storer Finance Corp.
Suburban Cablevision
Westmoreland Financial Corporation
Wilmington Cellular Telephone Company

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the following Registration Statements of Comcast Corporation and its subsidiaries on Forms S-3 and S-8 of our report dated February 21, 1995 appearing in the Annual Report on Form 10-K of Comcast Corporation and its subsidiaries for the year ended December 31, 1994 and to the reference to us under the heading "Experts" in the Prospectus contained in the following Registration Statements.

Registration Statements on Form S-8:

Title of Securities Registered	Registration Statement Number
The Comcast Corporation Retirement Investment Plan	33-41440
Storer Communications Retirement Savings Plan	33-54365
Stock Option Plans	33-25105
Stock Option Plans	33-56903

Registration Statements on Form S-3:

Title of Securities Registered	
Senior Debentures; Senior Subordinated Debentures; Subordinated Debentures; Preferred Stock, without par value; Depository Shares representing Preferred Stock; Class A Common Stock, $1.00 par value; Class A Special Common Stock, $1.00 par value and Warrants	33-40386
Class A Special Common Stock $1.00 par value	33-46988
Senior Debentures, Senior Subordinated Debentures and Subordinated Debentures	33-57410
Senior Debentures; Senior Subordinated Debentures; Subordinated Debentures; Preferred Stock, without par value; Depository Shares representing Preferred Stock; Class A Common Stock, $1.00 par value; Class A Special Common Stock, $1.00 par value and Warrants	33-50785

DELOITTE & TOUCHE LLP

February 24, 1995
Philadelphia, Pennsylvania

Exhibit 23.2

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Comcast Corporation:

As independent public accountants, we hereby consent to the incorporation of our report dated February 17, 1995 on Comcast International Holdings, Inc. and Subsidiaries included in Comcast Corporation's Form 10-K, into Comcast Corporation's previously filed Registration Statements File No. 33-41440; File No. 33-54365; File No. 33-25105; File No. 33-56903; File No. 33-40386; File No. 33-46988; File No. 33-57410; and File No. 33-50785. It should be noted that we have not audited any financial statements of Comcast International Holdings, Inc. and Subsidiaries subsequent to December 31, 1994 or performed any audit procedures subsequent to the date of our report.

Arthur Andersen LLP
Philadelphia, PA.
February 28, 1995

Exhibit 23.3

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Comcast Corporation:

As independent public accountants, we hereby consent to the incorporation of our report dated February 6, 1995 on Garden State Cablevision L.P. included in Comcast Corporation's Form 10-K, into Comcast Corporation's previously filed Registration Statements File No. 33-41440; File No. 33-54365; File No. 33-25105; File No. 33-56903; File No. 33-40386; File No. 33-46988; File No. 33-57410; and File No. 33-50785. It should be noted that we have not audited any financial statements of Garden State Cablevision L.P. subsequent to December 31, 1994 or performed any audit procedures subsequent to the date of our report.

Arthur Andersen LLP
Philadelphia, PA.
February 24, 1995

Exhibit 23.4

CONSENT OF INDEPENDENT AUDITORS

The Board of Directors
QVC, Inc.:

We consent to the incorporation by reference in the registration statements (Nos. 33-41440, 33-54365, 33-25105, and 33-56903) on Form S-8 and (Nos. 33-40386, 33-46988, 33-57410, and 33-50785) on Form S-3 of Comcast Corporation of our report dated March 4, 1994, with respect to the consolidated balance sheets of QVC, Inc. and subsidiaries as of January 31, 1994 and 1993, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the years in the three-year period ended January 31, 1994, which report appears in the Form 10-K of QVC, Inc. and subsidiaries for the year ended January 31, 1994 which Form 10-K is incorporated by reference in the Current Report on Form 8-K of Comcast Corporation filed on November 2, 1994. Our report thereon refers to a change in accounting for income taxes.

KPMG Peat Marwick LLP

Philadelphia, Pennsylvania
February 24, 1995

Exhibit 23.5

AUDITORS' CONSENT

We consent to the incorporation by reference in the Registration Statements (Form S-3 Nos. 33-40386, 33-46988, 33-57410 and 33-50785 and Form S-8 Nos. 33-41440, 33-25105, 33-54365 and 33-56903) of Comcast Corporation and in the related Prospectuses of our report dated August 5, 1994 with respect to the combined financial statements of the U.S. Cable Television Operations of Maclean Hunter, Inc. as at December 31, 1993 and 1992 and for the years ended December 31, 1993, 1992 and 1991 included in Comcast Corporation's Current Report on Form 8-K dated November 2, 1994, filed with the Securities and Exchange Commission.

ERNST & YOUNG

Chartered Accountants

Toronto, Canada
February 24, 1995

Exhibit 23.6

The Board of Directors
Comcast Corporation:

We consent to the incorporation by reference in the following Registration Statements of Comcast Corporation of our report dated February 12, 1993 relating to the consolidated balance sheet of Storer Communications, Inc. and subsidiaries (formerly SCI Holdings, Inc. and Storer Communications, Inc. and subsidiaries) as of December 31, 1992 and the related consolidated statements of operations, stockholders' equity (deficiency), cash flows and all related schedules for each of the years in the two-year period ended December 31, 1992, which report is incorporated by reference in the December 31, 1994 annual report on Form 10-K of Comcast Corporation.

Registration Statements of Form S-8	Registration Statement Number
Title of securities registered:	
The Comcast Corporation Retirement Investment Plan	33-41440
Storer Communications Retirement Savings Plan	33-54365
Stock Option Plans	33-25105
Stock Option Plans	33-56903
Registration Statements of Form S-3	
Title of securities registered:	
Senior Debentures; Senior Subordinated Debentures; Subordinated Debentures; Preferred Stock, without par value; Depository Shares representing Preferred Stock; Class A Common Stock, $1.00 par value; Class A Special Common Stock, $1.00 par value and Warrants	33-40386
Class A Special Common Stock $1.00 par value	33-46988
Senior Debentures, Senior Subordinated Debentures and Subordinated Debentures	33-57410
Senior Debentures; Senior Subordinated Debentures; Subordinated Debentures; Preferred Stock, without par value; Depository Shares representing Preferred Stock; Class A Common Stock, $1.00 par value; Class A Special Common Stock, $1.00 par value and Warrants	33-50785

KPMG Peat Marwick LLP

Fort Lauderdale, Florida
February 22, 1995

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This schedule contains summary financial information extracted from the consolidated statement of operations and consolidated balance sheet and is qualified in its entirety by reference to such financial statements.

0000022301
COMCAST CORPORATION
1,000

YEAR	
DEC-31-1994	
DEC-31-1994	
	335,320
	130,134
	119,517
	(11,272)
	0
	608,506
	2,081,256
	(823,570)
	6,762,984
	660,638
	4,810,541
	239,037
	0
	0
	(965,826)
	6,762,984
	1,375,304
	1,375,304
	0
	(1,135,510)
	(10,876)
	0
	(313,477)
	(84,559)
	(9,234)
	(75,325)
	0
	(11,703)
	0
	(87,028)
	(.37)
	(.37)

Exhibit 99.1

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Garden State Cablevision L.P.:

We have audited the accompanying balance sheets of Garden State Cablevision L.P. (a Delaware Limited Partnership) as of December 31, 1994 and 1993, and the related statements of operations, partners' (deficit) capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Garden State Cablevision L.P. as of December 31, 1994 and 1993, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note 9, the Partnership is subject to regulations under the Cable Television Consumer Protection and Competition Act of 1992 and is currently seeking to justify its existing rates on the basis of cost-of-service showings with the regulatory authorities. No provision for any liabilities that may result from the outcome of this matter have been made in the accompanying financial statements as the impact, if any, is uncertain and indeterminable at this time.

ARTHUR ANDERSEN LLP

Philadelphia, PA.,
February 6, 1995

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and Stockholder of
Comcast International Holdings, Inc.:

We have audited the accompanying consolidated balance sheet of Comcast International Holdings, Inc. (a Delaware corporation) and subsidiaries as of December 31, 1994 and 1993, and the related consolidated statements of operations, stockholder's equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Comcast International Holdings, Inc. and subsidiaries as of December 31, 1994 and 1993, and the results of their operations and their cash flows for the years then ended, in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP
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Philadelphia, Pennsylvania
February 17, 1995