

# SECURITIES AND EXCHANGE COMMISSION

## FORM S-4

Registration of securities issued in business combination transactions

Filing Date: **2003-01-31**  
SEC Accession No. **0000893220-03-000098**

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### FILER

#### COMCAST CORP

CIK: **1166691** | IRS No.: **270000798** | State of Incorporation: **PA**  
Type: **S-4** | Act: **33** | File No.: **333-102883** | Film No.: **03534745**  
SIC: **4841** Cable & other pay television services

Mailing Address  
*1500 MARKET STREET  
PHILADELPHIA PA 19102*

#### COMCAST CABLE COMMUNICATIONS HOLDINGS INC

CIK: **1166387** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **S-4** | Act: **33** | File No.: **333-102883-03** | Film No.: **03534748**  
SIC: **4813** Telephone communications (no radiotelephone)

Mailing Address  
*296 NORTH MAPLE AVE  
BASKING RIDGE NJ 07920*

#### COMCAST MO GROUP INC

CIK: **732718** | IRS No.: **840926774** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **S-4** | Act: **33** | File No.: **333-102883-01** | Film No.: **03534746**  
SIC: **4813** Telephone communications (no radiotelephone)

Mailing Address	Business Address
<i>188 INVERNESS DRIVE WEST ENGLEWOOD CO 80112</i>	<i>188 INVERNESS DRIVE WEST ENGLEWOOD CO 80112 3037936500</i>

#### COMCAST CABLE HOLDINGS LLC

CIK: **925692** | IRS No.: **841260157** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **S-4** | Act: **33** | File No.: **333-102883-02** | Film No.: **03534747**  
SIC: **4813** Telephone communications (no radiotelephone)

Mailing Address	Business Address
<i>5619 DTC PARKWAY ENGLEWOOD CO 80001-3000</i>	<i>5619 DTC PARKWAY ENGLEWOOD CO 80001-3000 3032675500</i>

#### COMCAST CABLE COMMUNICATIONS INC

CIK: **1040573** | IRS No.: **232175755** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **S-4** | Act: **33** | File No.: **333-102883-04** | Film No.: **03534749**  
SIC: **4841** Cable & other pay television services

Mailing Address	Business Address
<i>1201 MARKET STREET SUITE 2201 WILMINGTON DE 19801</i>	<i>1201 MARKET STREET SUITE 2201 WILMINGTON DE 19801 3025948700</i>

REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM S-4  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

COMCAST CORPORATION  
(FORMERLY AT&T COMCAST CORPORATION)  
(Exact name of Registrant as specified in its charter)

SEE TABLE OF ADDITIONAL REGISTRANTS  
(next page)

<Table>		
<S>	PENNSYLVANIA (State of other jurisdiction of incorporation or organization)	<C> 27-0000798 (I.R.S. Employer Identification No.)
</Table>		

1500 MARKET STREET  
PHILADELPHIA, PENNSYLVANIA 19102-2148  
(215) 665-1700  
(Address, including zip code, and telephone number including area code, of  
Registrant's principal executive offices)

ARTHUR R. BLOCK, ESQ.  
SENIOR VICE PRESIDENT  
COMCAST CORPORATION  
PHILADELPHIA, PENNSYLVANIA 19102-2148  
(215) 665-1700  
(Name, address, including zip code, and telephone number, including area code,  
of agent for service)

COPIES TO:

BRUCE K. DALLAS  
DAVIS POLK & WARDWELL  
1600 EL CAMINO REAL  
MENLO PARK, CALIFORNIA 94025  
(650) 752-2000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as  
practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in  
connection with the formation of a holding company and there is compliance with  
General Instruction G, check the following box: [ ]

If this Form is filed to register additional securities for an offering  
pursuant to Rule 462(b) under the Securities Act, please check the following box  
and list the Securities Act registration statement number of the earlier  
effective registration statement for the same offering: [ ] \_\_\_\_\_

If this Form is a post-effective amendment filed pursuant to Rule 462(d)  
under the Securities Act, check the following box and list the Securities Act  
registration statement number of the earlier effective registration statement  
for the same offering: [ ] \_\_\_\_\_

<Table>  
<Caption>

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (2)	AMOUNT OF REGISTRATION FEE (2)
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<S>	<C>	<C>
Guarantees of debt securities issued by Comcast MO of Delaware, Inc.(1).....	\$1,872,128,250	\$172,236

</Table>

(1) This registration statement relates to Comcast Corporation ("Comcast"), and Comcast Cable Communications, Inc., Comcast Cable Communications Holdings, Inc., Comcast Cable Holdings, LLC and Comcast MO Group, Inc.'s (collectively, the "Cable Guarantors") offer to fully and unconditionally guarantee certain outstanding debt securities of Comcast's indirect subsidiary Comcast MO of Delaware, Inc. (formerly known as MediaOne of Delaware, Inc.) ("Continental") in return for the consent of the holders of the debt securities to an amendment of the indenture under which the debt securities were issued to conform the covenants to those in Comcast's publicly traded debt securities and allow, among other things, Continental to guarantee the outstanding debt securities of the Cable Guarantors.

(2) The registration fee in the amount of \$172,236, of which \$93,680 is paid herewith and the remaining \$78,556 was paid in connection with our registration statement on Form S-4 (File No. 333-101264), is calculated based upon Rule 457(f) and is based on the average of the bid and ask prices in the over-the-counter market on January 24, 2003 for \$1,700,000 in aggregate outstanding principal amount of the Continental debt securities which would be amended and receive the guarantees registered hereby, and has been estimated solely for the purposes of payment of the registration fee.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

-----  
 -----  
 ADDITIONAL REGISTRANTS

COMCAST CABLE COMMUNICATIONS, INC.  
 (Exact name of registrant as specified in its charter)

<Table>	<S>	<C>	<C>
	DELAWARE (State of other jurisdiction of incorporation or organization)		23-2175755 (I.R.S. Employer Identification No.)

1500 MARKET STREET  
 PHILADELPHIA, PENNSYLVANIA 19102-2148  
 (215) 665-1700  
 (Address, including zip code, and telephone number including area code, of Registrant's principal executive offices)

ARTHUR R. BLOCK, ESQ.  
 SENIOR VICE PRESIDENT  
 COMCAST CORPORATION  
 PHILADELPHIA, PENNSYLVANIA 19102-2148  
 (215) 665-1700  
 (Name, address, including zip code, and telephone number, including area code, of agent for service)

-----  
 -----  
 COMCAST CABLE COMMUNICATIONS HOLDINGS, INC.  
 (FORMERLY AT&T BROADBAND CORP.)  
 (Exact name of registrant as specified in its charter)

<Table>	<S>	<C>	<C>
	DELAWARE (State of other jurisdiction of incorporation or organization)		04-3592397 (I.R.S. Employer Identification No.)

1500 MARKET STREET  
PHILADELPHIA, PENNSYLVANIA 19102-2148  
(215) 665-1700

(Address, including zip code, and telephone number including area code, of  
Registrant's principal executive offices)

ARTHUR R. BLOCK, ESQ.  
SENIOR VICE PRESIDENT  
COMCAST CORPORATION  
PHILADELPHIA, PENNSYLVANIA 19102-2148  
(215) 665-1700

(Name, address, including zip code, and telephone number, including area code,  
of agent for service)

-----

COMCAST CABLE HOLDINGS, LLC  
(FORMERLY AT&T BROADBAND, LLC)  
(Exact name of Registrant as specified in its charter)

<Table>		
<S>	<C>	
DELAWARE		84-1260157
(State of other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)
</Table>		

1500 MARKET STREET  
PHILADELPHIA, PENNSYLVANIA 19102-2148  
(215) 665-1700

(Address, including zip code, and telephone number including area code, of  
registrant's principal executive offices)

ARTHUR R. BLOCK, ESQ.  
SENIOR VICE PRESIDENT  
COMCAST CORPORATION  
PHILADELPHIA, PENNSYLVANIA 19102-2148  
(215) 665-1700

(Name, address, including zip code, and telephone number, including area code,  
of agent for service)

-----

COMCAST MO GROUP, INC.  
(FORMERLY MEDIAONE GROUP, INC.)  
(Exact name of registrant as specified in its charter)

<Table>		
<S>	<C>	
DELAWARE		84-0926774
(State of other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)
</Table>		

1500 MARKET STREET  
PHILADELPHIA, PENNSYLVANIA 19102-2148  
(215) 665-1700

(Address, including zip code, and telephone number including area code, of  
Registrant's principal executive offices)

ARTHUR R. BLOCK, ESQ.  
SENIOR VICE PRESIDENT  
COMCAST CORPORATION  
PHILADELPHIA, PENNSYLVANIA 19102-2148  
(215) 665-1700

(Name, address, including zip code, and telephone number, including area code,  
of agent for service)

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY  
NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE  
SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER  
TO SELL THESE SECURITIES AND WE ARE NOT SOLICITING OFFERS TO BUY THESE  
SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

PROSPECTUS SUBJECT TO COMPLETION ISSUED JANUARY 31, 2003

COMCAST CORPORATION  
1500 MARKET STREET

-----  
CONSENT SOLICITATION AND OFFER TO GUARANTEE

8 7/8% SENIOR NOTES DUE SEPTEMBER 15, 2005 (CUSIP NO. 211177AJ9)  
8.30% SENIOR NOTES DUE MAY 15, 2006 (CUSIP NO. 211177AM2)  
9% SENIOR DEBENTURES DUE SEPTEMBER 1, 2008 (CUSIP NO. 211177AG5)  
9.5% SENIOR NOTES DUE AUGUST 1, 2013 (CUSIP NO. 211177AK6)

OF

COMCAST MO OF DELAWARE, INC.  
(FORMERLY KNOWN AS MEDIAONE OF DELAWARE, INC.)

We and a number of our wholly-owned cable subsidiaries named in this prospectus are offering to fully and unconditionally guarantee the above notes of our indirect subsidiary Comcast MO of Delaware, Inc. (formerly known as MediaOne of Delaware, Inc.), referred to in this prospectus as "Continental," in return for your consent to an amendment to the terms of your notes described in this prospectus which would change the covenants and events of default as described in this prospectus in order to be consistent with those contained in our public debt securities and allow, among other things, Continental to cross-guarantee ours and the wholly-owned cable subsidiaries' outstanding debt securities. If we receive the requisite consents, then upon the issuance of the guarantees your notes will be pari passu with all of our and the wholly-owned cable subsidiaries' senior unsecured indebtedness, which totals approximately \$25.5 billion at January 15, 2003.

The guarantees will be provided only if consents to the amendment have been validly submitted and not withdrawn for more than 50% of the principal amount of each series of notes by the expiration date. The amendment will amend any series of notes so long as more than 50% by principal amount of that series consents, so the terms of your notes may be affected by the amendment even if you do not consent to the amendment.

THE CONSENT SOLICITATION WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON , 2003 UNLESS EXTENDED IN OUR DISCRETION. YOU MAY WITHDRAW ANY CONSENTS TENDERED UNTIL THE EXPIRATION OF THE CONSENT SOLICITATION. THE CONSENT SOLICITATION AND OFFER OF THE GUARANTEES IS DESCRIBED IN DETAIL IN THIS PROSPECTUS AND WE URGE YOU TO READ IT CAREFULLY, INCLUDING THE RISK FACTORS STARTING ON PAGE 7. OUR BOARD OF DIRECTORS IS NOT, NOR IS THE BOARD OF DIRECTORS OF CONTINENTAL OR ANY OTHER PERSON, MAKING ANY RECOMMENDATION AS TO WHETHER YOU SHOULD TENDER YOUR CONSENT TO THE AMENDMENT.

-----  
THE SECURITIES AND EXCHANGE COMMISSION AND STATE SECURITIES REGULATORS HAVE NOT APPROVED OR DISAPPROVED OF THESE SECURITIES, OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

-----  
, 2003

[Illustration:

The diagram is a simplified diagram of the corporate structure of Comcast Corporation and a list of the wholly owned cable subsidiaries that will guarantee the debt securities listed on the front of the prospectus, referred to in the prospectus as the "Continental Notes" of Comcast MO of Delaware, Inc., formerly known as MediaOne of Delaware, Inc., and referred to in this prospectus as "Continental," if the holders of a majority in principal amount of each series of the Continental Notes agree to the amendment to the debt securities described in the prospectus.

The diagram shows the wholly owned Comcast cable subsidiaries that would guarantee the debt in addition to Comcast, referred to in the prospectus as the "Cable Guarantors," if the debt securities consent to the amendment:

- Comcast Cable Communications, Inc., the principal Comcast cable subsidiary prior to Comcast's acquisition of the AT&T Corp. broadband business, which would be a cable guarantor.
- Comcast Cable Communications Holdings, Inc., the company holding the

broadband business acquired from AT&T and which will be a cable guarantor, referred to as "Comcast Cable Communications Holdings."

- Comcast Cable Holdings, LLC, formerly known as AT&T Broadband, LLC, which would be a cable guarantor.
- Comcast MO Group, Inc., formerly known as MediaOne Group, Inc., which would be a cable guarantor and which is the indirect parent of Continental, referred to as "Comcast MO Group."
  - A subsidiary of Comcast MO Group named Comcast of Georgia, Inc., which is the parent of Continental and which would not be one of the cable guarantors.
  - Continental, the issuer of the Continental Notes which would be guaranteed by Comcast and the cable guarantors if Continental guarantees the Continental Notes.
- Comcast ABB Overseas Holdings, Inc., which will not be one of the cable guarantors.

The diagram also shows that Comcast Holdings Corporation a subsidiary of Comcast and the parent of Comcast Cable Communications, Inc., will not be a cable guarantor, and that Comcast has other non-cable subsidiaries, and that the cable guarantors have various operating subsidiaries which will not guarantee the Continental Notes.

End of illustration.]

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You should rely only on information contained in this prospectus. No one is authorized to provide you with information that is different from that contained in this prospectus. We do not intend the contents of any websites referred to in this prospectus to be part of this prospectus.

We are offering the guarantees and soliciting consents with respect to the notes described in this prospectus only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of its date regardless of the time of delivery of this prospectus or any grant of the guarantees.

In this prospectus, we refer to

- Comcast Corporation (formerly known as AT&T Comcast Corporation) as "Comcast" or "we," "us," "our" or comparable terms;
- Comcast MO of Delaware, Inc. (formerly known as MediaOne of Delaware, Inc.) as "Continental";
- Comcast Holdings Corporation (formerly known as Comcast Corporation) as "Comcast Holdings";

- Comcast Cable Communications, Inc. as "Comcast Cable";
- Comcast Cable Communications Holdings, Inc. (formerly known as AT&T Broadband Corp.) as "Comcast Cable Communications Holdings";
- Comcast Cable Holdings, LLC (formerly known as AT&T Broadband, LLC) as "Comcast Cable Holdings";
- Comcast MO Group, Inc. (formerly known as MediaOne Group, Inc.) as "Comcast MO Group"; and
- Comcast Cable, Comcast Cable Communications Holdings, Comcast Cable Holdings and Comcast MO Group collectively as the "Cable Guarantors."

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SUMMARY

THE CONSENT SOLICITATION AND OFFER TO GUARANTEE

We and a number of our wholly-owned cable subsidiaries named in this prospectus, referred to in this prospectus as the "cable guarantors," are offering to fully and unconditionally guarantee the notes of our indirect subsidiary Comcast MO of Delaware, Inc. (formerly known as MediaOne of Delaware, Inc.), referred to in this prospectus as "Continental," in return for your consent to an amendment to the terms of your notes which would change the covenants and events of default as described in this prospectus to be consistent with those contained in our public debt securities and allow, among other things, Continental to cross-guarantee ours and the cable guarantors' outstanding debt securities. Upon the issuance of the guarantees your notes would be pari passu with all of our and the cable guarantors' senior and unsecured indebtedness, which totals approximately \$25.5 billion at January 15, 2003.

The guarantees will be provided only if consents to the amendment have been validly submitted and not withdrawn for more than 50% of the principal amount of each series of notes by the expiration date. The amendment will amend any series of notes so long as more than 50% by principal amount of that series consents and the guarantees are provided, so the terms of your notes may be affected by the amendment even if you do not consent to the amendment. See "Description of the Consent Solicitation and Offer to Guarantee" for a more complete description of the consent solicitation and the amendment for which consent is being sought.

THE CONSENT SOLICITATION WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON MARCH , 2003 UNLESS EXTENDED IN OUR DISCRETION. WE WILL ANNOUNCE ANY EXTENSION OF THE CONSENT SOLICITATION BY MEANS OF A PRESS RELEASE NO LATER THAN 9:00 A.M., NEW YORK CITY TIME, THE NEXT BUSINESS DAY AFTER EXPIRATION OF THE CONSENT SOLICITATION.

IN ORDER TO SUBMIT YOUR CONSENT, YOU MUST FILL OUT THE FORM OF CONSENT INCLUDED AT THE END OF THIS PROSPECTUS AND FAX OR MAIL A COPY TO THE CONSENT AGENT SO THAT IT IS RECEIVED AS SET FORTH BELOW PRIOR TO THE EXPIRATION OF THE CONSENT SOLICITATION:

THE BANK OF NEW YORK  
 CORPORATE TRUST REORGANIZATION UNIT  
 101 BARCLAY STREET, 7E  
 NEW YORK, NEW YORK 10286  
 ATTN: WILLIAM BUCKLEY  
 TOLL FREE: (800) 254-2826  
 TELEPHONE: (212) 815-5788  
 FACSIMILE: (212) 298-1915

YOU MAY WITHDRAW ANY CONSENTS TENDERED UNTIL THE EXPIRATION OF THE CONSENT SOLICITATION.

We reserve the right to determine whether to accept any of the consents we determine have not been validly tendered, and to amend, extend or otherwise interpret or modify the terms of this consent solicitation. We will comply with applicable laws that require us to extend the period during which consents may be tendered or withdrawn as a result of changes in the terms of or information relating to the consent solicitation. OUR BOARD OF DIRECTORS IS NOT, NOR IS THE BOARD OF DIRECTORS OF COMCAST, CONTINENTAL OR ANY OTHER PERSON, MAKING ANY RECOMMENDATION AS TO WHETHER YOU SHOULD TENDER YOUR CONSENT TO THE AMENDMENT.

1

We were formed through the acquisition on November 18, 2002 by Comcast Holdings Corporation (formerly known as Comcast Corporation) of the broadband business of AT&T Corp. We believe that combining the strengths of these businesses will create the world's premier broadband company.

We are principally involved in three lines of business through our wholly-owned subsidiaries:

- Cable -- through the development, management and operation of broadband communications networks and regional sports programming networks,
- Commerce -- through QVC, our electronic retailing subsidiary; and
- Content -- through our consolidated subsidiaries, Comcast-Spectacor, E! Entertainment Television, The Golf Channel, Outdoor Life Network and G4 Media, and through our other programming investments.

The transactions which created Comcast were consummated on November 18, 2002 in several steps. First, AT&T transferred to Comcast Cable Communications Holdings substantially all the assets, liabilities and businesses represented by AT&T Broadband Group, which was the integrated broadband business of AT&T. Second, AT&T spun off Comcast Cable Communications Holdings to its shareholders. Third, Comcast Holdings and Comcast Cable Communications Holdings each merged with a different, wholly-owned subsidiary of ours, and Comcast Holdings and AT&T shareholders received our shares.

For a description of our business, financial condition, results of operations and other important information regarding us, see our and Comcast Holdings' filings with the SEC incorporated by reference in this prospectus. For a description of certain continuing obligations and risks related to the AT&T Broadband acquisition, see "Description of AT&T Broadband Acquisition," and "Risk Factors -- Risks Relating to the AT&T Broadband Acquisition," as well as our and Comcast Holdings' filings with the SEC incorporated by reference in this prospectus. For instructions on how to find copies of these and our other filings incorporated by reference in this prospectus, see "Available Information."

We are a Pennsylvania corporation incorporated in 2001. Our principal executive office is located at 1500 Market Street, Philadelphia, Pennsylvania 19102-2148. Our telephone number is (215) 665-1700. The address of our web site is [www.comcast.com](http://www.comcast.com).

#### CONTINENTAL AND THE CONTINENTAL NOTES

Continental represents the former Continental Cablevision, Inc. cable business. Continental is an indirect wholly owned subsidiary of Comcast MO Group, Inc., one of the cable guarantors, which we refer to in this prospectus as "Comcast MO Group." Continental provides cable television, high-speed cable Internet services and communications services over its broadband networks nationwide. At or for the nine month period ended September 30, 2002, Continental and its subsidiaries:

- owned and operated cable systems aggregating approximately 4.2 million analog video subscribers;
- had approximately \$2.3 billion in combined revenue;
- had approximately \$19.5 billion in net loss; and
- had debt of approximately \$1.9 billion.

Continental is a Delaware corporation incorporated in 1996. Its principal executive office, telephone number and web site address are the same as ours.

#### THE CONTINENTAL NOTES

The consent solicitation relates to Continental's outstanding \$1,700,000,000 in aggregate principal amount of debt securities comprised of its

- \$275 million in principal amount of 8 7/8% Senior Notes Due September 15, 2005 (CUSIP No. 211177AJ9), maturing on September 15, 2005, with interest payable semiannually on each March 15 and September 15 to holders of record on the preceding March 1 and September 1;



- \$600 million in principal amount of 8.30% Senior Notes Due May 15, 2006 (CUSIP No. 211177AM2) maturing on May 15, 2006, with interest payable semiannually on each May 15 and November 15 to holders of record on the preceding May 1 and November 1;
- \$300 million in principal amount of 9% Senior Debentures Due September 1, 2008 (CUSIP No. 211177AG5), maturing on September 1, 2008, with interest payable semiannually on each March 1 and September 1 to holders of record on the preceding February 15 and August 15; and
- \$525 million in principal amount of 9.5% Senior Notes Due August 1, 2013 (CUSIP No. 211177AK6), maturing on August 1, 2013, with interest payable semiannually on each February 1 and August 1 to holders of record on the preceding January 15 and July 15; and

We refer in this prospectus to the above debt securities as the "Continental Notes." The Continental Notes

- rank equally with all of Continental's other unsecured and unsubordinated debt;
- are obligations only of Continental; and
- are not subject to prepayment at the option of Continental prior to their maturity, other than the 8.30% Senior Notes Due May 5, 2013, which may be prepaid at the option of Continental after August 1, 2005.

The Continental Notes contain covenants restricting the actions that Continental may take. See "Description of the Continental Notes" for a description of the terms of the Continental Notes, including the restrictive covenants and the events of default currently applicable to each series of the Continental Notes which would be changed by the amendment, and "The Amendment" below for a summary and "Description of the Consent Solicitation -- The Amendment" for a full description of the proposed changes to the Continental Notes.

#### THE CROSS GUARANTEES

To simplify our capital structure and to insure that our traded debt securities and those of Comcast Cable, Comcast Cable Communications Holdings, Comcast Cable Holdings and Comcast MO Group will be treated equally, upon completion of the AT&T Broadband acquisition, we and Comcast Cable, Comcast Cable Communications Holdings, Comcast Cable Holdings and Comcast MO Group, which we refer to collectively in this prospectus as the "cable guarantors," each fully and unconditionally guaranteed each other's publicly traded debt securities. We refer to these existing guarantees in this prospectus as the "cross guarantees." Comcast Holdings did not become a guarantor, and its debt securities were not guaranteed by the cross guarantees, because we believe that future investors will be interested in "pure play" debt securities of our cable communications operations and not Comcast Holdings' commerce and content assets, such as QVC, E! Entertainment and Comcast Spectacor.

Continental was one of AT&T's cable subsidiaries and was transferred to Comcast Cable Communications Holdings in the AT&T Broadband acquisition. Continental did not become a guarantor, and its debt securities were not guaranteed, because Continental's indentures contain covenants that effectively prohibit Continental from guaranteeing its affiliates' debt obligations.

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#### THE CABLE GUARANTEES

The guarantees offered by this prospectus would be full and unconditional guarantees of the obligations, including the payment of principal, premium, if any, and interest, on the Continental Notes by each of us, Comcast Cable, Comcast Cable Communications Holdings, Comcast Cable Holdings and Comcast MO Group. We refer to the guarantees offered by this prospectus as the "cable guarantees."

The cable guarantees do not contain any restrictions on the ability of any cable guarantor to

- pay dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of that cable guarantor's capital stock; or

- make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities of that cable guarantor.

See "Description of the Cable Guarantees and New Covenants."

#### THE CONTINENTAL CROSS GUARANTEES

If the amendment is approved, the Continental Notes would benefit from the cable guarantees and Continental will also fully and unconditionally guarantee the obligations, including the payment of principal, if any, and interest, on the publicly traded debt securities of ourselves and the cable guarantors, which we refer to in this prospectus as the "Continental cross-guarantees." The Continental cross guarantees would be on the same terms as the cable guarantees. We and the other cable guarantors will grant the cable guarantees with respect to the Continental Notes promptly after the effective date of the amendment.

To accomplish the cross-guarantees, we may elect to defease Continental's \$100 million in aggregate principal amount of 8.625% Senior Notes Due August 15, 2003 (CUSIP No. 211177AF7). See "Description of the Continental Notes -- Defeasance."

#### THE AMENDMENT

The amendment would amend the indentures governing the Continental Notes to conform the covenants and events of default in the indentures for the Continental Notes in order to conform them with those contained in our public debt securities. The changes to the covenants and events of default applicable to the Continental Notes will only take effect when the Continental Notes receive the cable guarantees. We refer in this prospectus to the covenants and events of default as amended which would apply to the Continental Notes if the amendment is approved when the cable guarantees are granted as the "new covenants."

The new covenants would restrict or condition ours, the cable guarantors and Continental's ability to

- grant liens to secure other indebtedness;
- enter into sale-leaseback transactions; and
- consolidate or merge Continental, or sell, convey, transfer, lease, or otherwise dispose of all or substantially all of its property and assets.

The amendment would also add as events of default under each indenture

- default by any of us or any other cable guarantor in the observance or performance of any covenant under that indenture or notes outstanding under that indenture for more than 60 days after written notice thereof shall have been given to us or such other cable guarantor by the trustee, or to us or such other cable guarantor and the trustee by the holders of at least 25% in aggregate principal amount of the notes then outstanding under that indenture;
- any cable guarantee is not (or is claimed by any cable guarantor not to be) in full force and effect; and
- certain events involving bankruptcy, insolvency or reorganization of us or any other cable guarantor.

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A default under any of our or the cable guarantors' other indebtedness will not be a default under the indentures.

In addition, the amendment would remove a default under, or the acceleration of the maturity of, other indebtedness of Continental as an event of default under the indentures.

The amendment would remove covenants in the indentures which restrict or condition Continental's ability to

- make specified restricted payments;
- incur additional indebtedness;
- invest in entities other than specified subsidiaries;
- enter into transactions with Continental stockholders and affiliates;

- grant liens to secure other indebtedness; and
- consolidate or merge Continental, or sell, convey, transfer, lease, or otherwise dispose of all or substantially all of its property and assets.

The amendment would also require us to provide the trustee with copies of our annual reports and the information, documents and other reports we file pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 instead of providing financial statements for Continental, and provide that all the Continental Notes not held as physical certificates as of the date of the amendment generally can only be held in book-entry form through a depository except in limited circumstances.

See "Description of the Continental Notes" for more complete descriptions of the covenants and events of default that currently apply to the Continental Notes and "Description of the Cable Guarantees and New Covenants" for a more complete description of the effect of the amendment.

The amendment would allow for the granting of the Continental cross-guarantees in return for the cable guarantees, notwithstanding any covenants in the Continental Notes which would otherwise prohibit or condition the granting of the Continental cross-guarantees.

#### U.S. FEDERAL INCOME TAX MATTERS

The amendments to the indentures governing the Continental Notes, together with the provision of the cable guarantees and the grant by Continental of the Continental cross-guarantees, will not be a taxable event for holders of the Continental Notes. See "Material U.S. Federal Income Tax Consequences."

#### THE CABLE GUARANTORS

##### COMCAST CABLE COMMUNICATIONS, INC.

Comcast Cable is a Delaware corporation incorporated in 1981 and our indirect wholly-owned subsidiary. Comcast Cable has deployed digital cable applications and high-speed Internet access service to the vast majority of its cable communications systems to expand the products available on its broadband communications networks.

##### COMCAST CABLE COMMUNICATIONS HOLDINGS, INC.

Comcast Cable Communications Holdings is a Delaware corporation (formerly known as AT&T Broadband Corp.) incorporated in 2001 and our wholly-owned subsidiary. As part of the AT&T Broadband acquisition, AT&T transferred to Comcast Cable Communications Holdings substantially all of the assets, liabilities and businesses represented by AT&T Broadband Group, the integrated broadband business of AT&T.

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##### COMCAST CABLE HOLDINGS, LLC

Comcast Cable Holdings is a Delaware limited liability company (formerly known as AT&T Broadband, LLC) formed in 1994. Comcast Cable Holdings is a wholly-owned subsidiary of Comcast Cable Communications Holdings.

##### COMCAST MO GROUP, INC.

Comcast MO Group is a Delaware corporation (formerly known as MediaOne Group, Inc.) incorporated in 1999. Comcast MO Group is a wholly-owned subsidiary of Comcast Cable Communications Holdings.

Each cable guarantor's principal place of business is 1500 Market Street, Philadelphia, Pennsylvania 19102-2148.

#### THE INFORMATION AGENT

We have engaged D.F. King & Co., Inc. as the information agent for the consent solicitation and offer to guarantee. Requests for additional copies of this prospectus or the letter of consent and for assistance in granting consent with respect to Continental Notes should be directed to the information agent below.

D.F. King & Co., Inc.  
48 Wall Street, 22nd Floor  
New York, New York 10005

Banks and Brokers Call Collect:

(212) 269-5550

All Others Call Toll Free:

(866) 868-2409

THE CONSENT AGENT

We have engaged The Bank of New York as the Consent Agent for purposes of processing tenders and withdrawals of consents in the consent solicitation. The address and telephone number of the Consent Agent are as follows:

The Bank of New York  
Corporate Trust Reorganization Unit  
101 Barclay Street, 7E  
New York, New York 10286  
Attn: William Buckley  
Toll Free: (800) 254-2826  
Telephone: 212-815-5788  
Facsimile: (212) 298-1915

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RISK FACTORS

RISKS RELATING TO THE CONSENT SOLICITATION AND OFFER TO GUARANTEE

THE NEW COVENANTS WHICH WILL APPLY TO THE CONTINENTAL NOTES ONCE THE AMENDMENT OF THE COVENANTS IS EFFECTIVE IMPOSE FEWER RESTRICTIONS ON ITS CONDUCT THAN THE COVENANTS CURRENTLY IN THE CONTINENTAL NOTES.

The new covenants would generally impose fewer restrictions on Continental's conduct than the covenants currently in the Continental Notes. The amendment of the covenants may allow Continental to take actions which would otherwise have been restricted or conditioned, including the incurrence of indebtedness or transactions with affiliates, and with which you may not agree. See "Description of the Cable Guarantees and New Covenants" and "Description of the Continental Notes" for more information about the differences between what actions are currently restricted by the covenants currently applicable to the Continental Notes and what actions would be restricted by the covenants as amended.

RISKS RELATING TO THE AT&T BROADBAND ACQUISITION

WE MAY FAIL TO REALIZE THE ANTICIPATED BENEFITS OF THE AT&T BROADBAND ACQUISITION.

The AT&T Broadband acquisition combined two companies that have previously operated separately. We expect to realize cost savings and other financial and operating benefits as a result of the AT&T Broadband acquisition. However, we cannot predict with certainty when these cost savings and benefits will occur, or the extent to which they actually will be achieved. There are a large number of systems that must be integrated, including management information, purchasing, accounting and finance, sales, billing, payroll and benefits, and regulatory compliance. The integration of Comcast Cable and Comcast Cable Communications Holdings will also require substantial attention from management. The diversion of management attention and any difficulties associated with integrating Comcast Cable and Comcast Cable Communications Holdings could have a material adverse effect on our operating results.

WE WILL HAVE TO ABIDE BY RESTRICTIONS TO PRESERVE THE TAX TREATMENT OF THE AT&T BROADBAND ACQUISITION.

Because of the limitations imposed by Section 355(e) of the Internal Revenue Code of 1986, as amended, referred to as the "Code" in this prospectus, and by contractual agreements with AT&T, our ability and the ability of Comcast Cable Communications Holdings to engage in specified acquisitions, redeem stock or issue equity securities will be limited until December 18, 2004. See "Description of AT&T Broadband Acquisition -- Separation and Distribution Agreement -- Post-Spin-Off Transactions." These restrictions may limit our ability to issue equity securities to satisfy our financing needs or to acquire businesses or assets.

ATYPICAL GOVERNANCE ARRANGEMENTS MAY MAKE IT MORE DIFFICULT FOR OUR SHAREHOLDERS TO ACT.

In connection with the AT&T Broadband acquisition, we implemented a number of governance arrangements that are atypical for a large, publicly held corporation. A number of these arrangements relate to the election of our Board.

The term of our Board will not expire until our 2004 annual meeting of shareholders. Since our shareholders will not have the right to call special meetings of shareholders or act by written consent and our directors may be removed only for cause, our shareholders will not be able to replace our initial Board members prior to that meeting. After our 2004 annual meeting of shareholders, our directors will be elected annually. Even then, however, it will be difficult for one of our shareholders, other than BRCC Holdings LLC, to elect a slate of directors of its own choosing to our Board. Brian L. Roberts, our President and Chief Executive Officer, through his control of BRCC Holdings LLC, holds a 33 1/3% nondilutable voting interest in our stock. In addition, we adopted a shareholder rights plan upon completion of the AT&T Broadband acquisition that prevents any holder of our stock, other than any holder of our Class B common stock or any of such holder's affiliates, from acquiring our stock representing more than 10% of the voting power with respect to us without the approval of our Board.

In addition to the governance arrangements relating to our Board, a number of governance arrangements will make it difficult to replace our senior management. Upon completion of the AT&T Broadband acquisition, C. Michael Armstrong, Chairman of the Board and CEO of AT&T, became our Chairman of the

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Board and Brian L. Roberts, President of Comcast Holdings, became our CEO and President. After the 2005 annual meeting of our shareholders, Brian L. Roberts will also be our Chairman of the Board. Prior to the sixth anniversary of our 2004 annual meeting of shareholders, unless Brian L. Roberts ceases to be our Chairman of the Board or CEO prior to such time, our Chairman of the Board and CEO will be able to be removed only with the approval of at least 75% of our entire Board. This supermajority removal requirement makes it unlikely that C. Michael Armstrong or Brian L. Roberts will be removed from their management positions.

OUR PRINCIPAL SHAREHOLDER HAS CONSIDERABLE INFLUENCE OVER OUR OPERATIONS.

Brian L. Roberts has significant control over our operations through his control of BRCC Holdings LLC, which as a result of its ownership of outstanding shares of our Class B common stock holds a nondilutable 33 1/3% of the combined voting power of our stock and also has separate approval rights over certain material transactions involving us. In addition, Brian L. Roberts is our CEO and President and will, together with our Chairman of the Board, comprise the Office of the Chairman, our principal executive deliberative body.

THE PERFORMANCE OF AT&T BROADBAND GROUP PRIOR TO THE AT&T BROADBAND SPIN-OFF MAY NOT BE REPRESENTATIVE OF THE RESULTS OF COMCAST CABLE COMMUNICATIONS HOLDINGS WITHOUT THE OTHER AT&T BUSINESSES AND THEREFORE IS NOT A RELIABLE INDICATOR OF ITS FUTURE RESULTS.

AT&T Broadband Group was a fully integrated business unit of AT&T, and as a result the financial information of AT&T Broadband Group incorporated by reference in this prospectus was derived from the consolidated financial statements and accounting records of AT&T and reflects certain assumptions and allocations. The financial position, results of operations and cash flows of Comcast Cable Communications Holdings without the other AT&T businesses could differ from those that would have resulted had its business operated with the other AT&T businesses.

RISKS RELATING TO OUR BUSINESS

OUR ACTUAL FINANCIAL POSITION AND RESULTS OF OPERATIONS MAY DIFFER SIGNIFICANTLY AND ADVERSELY FROM THE PRO FORMA AMOUNTS INCLUDED IN THIS PROSPECTUS.

Our actual financial position and results of operations may differ, perhaps significantly and adversely, from the pro forma information included in this prospectus due to a variety of factors, including access to additional information, changes in value not currently identified and changes in operating results between the date of the pro forma financial data and the date on which the AT&T Broadband acquisition was completed.

In addition, in many cases each of Comcast Holdings and AT&T Broadband Group had long-term agreements, in some cases with the same counterparties, for the same services and products, such as programming, billing services and interactive programming guides. It is not clear, in the case of certain services and products, whether after completion of the AT&T Broadband acquisition each of the existing agreements continues to apply only to the operations to which they have historically applied or whether instead one of the two contracts will apply to the operations of both companies and the other contract will be terminated.

Since these contracts often differ significantly in their terms, resolution of these contractual issues could cause our actual financial position and results of operations to differ significantly and adversely from those reflected in the pro forma financial information included in this prospectus.

PROGRAMMING COSTS ARE INCREASING AND WE MAY NOT HAVE THE ABILITY TO PASS THESE INCREASES ON TO OUR CUSTOMERS, WHICH WOULD MATERIALLY ADVERSELY AFFECT OUR CASH FLOW AND OPERATING MARGINS.

Programming costs are expected to be our largest single expense item in the foreseeable future. In recent years, the cable and satellite video industries have experienced a rapid increase in the cost of programming, particularly sports programming. This increase is expected to continue, and we may not be able to pass programming cost increases on to our customers. The inability to pass these programming cost increases on to our customers would have a material adverse impact on our cash flow and operating margins. In addition, as we upgrade the channel capacity of our systems and add programming to our basic, expanded basic and digital programming tiers, we may face increased programming costs, which, in conjunction with the additional

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market constraints on our ability to pass programming costs on to our customers, may reduce operating margins.

We also expect to be subject to increasing financial and other demands by broadcasters to obtain the required consent for the transmission of broadcast programming to our subscribers. We cannot predict the financial impact of these negotiations or the effect on our subscribers should we be required to stop offering this programming.

WE FACE A WIDE RANGE OF COMPETITION IN AREAS SERVED BY OUR CABLE SYSTEMS, WHICH COULD ADVERSELY AFFECT OUR FUTURE RESULTS OF OPERATIONS.

Our cable communications systems compete with a number of different sources which provide news, information and entertainment programming to consumers. We compete directly with program distributors and other companies that use satellites, build competing cable systems in the same communities we serve or otherwise provide programming and other communications services to our subscribers and potential subscribers. In addition, federal law now allows local telephone companies to provide directly to subscribers a wide variety of services that are competitive with cable communications services. Some local telephone companies provide, or have announced plans to provide, video services within and outside their telephone service areas through a variety of methods, including broadband cable networks. Additionally, we will be subject to competition from telecommunications providers and Internet service providers, known as ISPs, in connection with offerings of new and advanced services, including telecommunications and Internet services. This competition may materially adversely affect our business and operations in the future. In addition, any increase in vacancy rates in multi-dwelling units has historically adversely impacted subscriber levels and is expected to do so in the future. Subscriber levels also have historically demonstrated seasonal fluctuations, particularly in markets that include major universities.

WE HAVE SUBSTANTIAL CAPITAL REQUIREMENTS WHICH MAY REQUIRE US TO OBTAIN ADDITIONAL FINANCING THAT MAY BE DIFFICULT TO OBTAIN.

We expect that for some period of time our capital expenditures will exceed, perhaps significantly, our net cash provided by operating activities. This may require us to obtain additional financing. We may not be able to obtain or to obtain on favorable terms the capital necessary to fund the substantial capital expenditures described below that are required by our strategy and business plan. A failure to obtain necessary capital or to obtain necessary capital on favorable terms could have a material adverse effect on us and result in the delay, change or abandonment of our development or expansion plans.

Historically, AT&T Broadband Group's capital expenditures significantly exceeded its net cash provided by operations. For the year ended December 31, 2001 and the nine months ended September 30, 2002, AT&T Broadband Group's capital expenditures exceeded its net cash provided by operations by \$3.5 billion and \$1.5 billion, respectively. In addition, for the year ended December 31, 2001, Comcast Holdings' capital expenditures exceeded its net cash provided by operating activities by \$952 million.

We anticipate that we will upgrade a significant portion of our broadband systems over the coming years and make other capital investments, including with respect to our advanced services. In 2003, we anticipate that the combined Comcast Cable Communications Holdings and Comcast Cable cable systems will incur

capital expenditures of approximately \$4.2 billion to \$4.5 billion. We are expected to incur substantial capital expenditures in the years subsequent to 2003. However, the actual amount of the funds required for capital expenditures cannot be determined with precision at this time. Capital is expected to be used to upgrade and rebuild network systems to expand bandwidth capacity and add two-way capability so that it may offer advanced services. In addition, capital expenditures are expected to be used to acquire equipment, such as set-top boxes, cable modems and telephone equipment, and to pay for installation costs for additional video and advanced services customers. There can be no assurance that these amounts will be sufficient to accomplish the planned system upgrades, equipment acquisitions and expansion.

SOME OF OUR SUBSIDIARIES MAY BE SUBJECT TO LONG-TERM EXCLUSIVE AGREEMENTS THAT MAY LIMIT THEIR FUTURE OPERATING FLEXIBILITY AND MATERIALLY ADVERSELY AFFECT OUR FINANCIAL RESULTS.

Some of the entities formerly attributed to AT&T Broadband Group which are now our subsidiaries may be subject to long-term agreements relating to significant aspects of their operations, including long-term agreements for video programming, audio programming, electronic program guides, billing and other services. For example, Comcast Cable Holdings (formerly known as AT&T Broadband, LLC), and AT&T Broadband Group's subsidiary, Satellite Services, Inc., had entered into an affiliation term sheet with Starz Encore Group LLC, an affiliate of Liberty Media, which extended to 2022 and provided for fixed price payments, subject to adjustment for various factors including inflation, and purported to require Comcast Cable Communications Holdings to pay two-thirds of Starz Encore Group's programming costs above levels designated in the term sheet. Satellite Services, Inc. also had entered into a ten-year agreement with TV Guide in January 1999 for interactive program guide services, which designated TV Guide Interactive as the interactive programming guide for Comcast Cable Communications Holdings' systems. Furthermore, a subsidiary of Comcast Cable Communications Holdings had entered into an agreement that extended until December 31, 2013 under which it purchased certain billing services from CSG Systems, Inc. The price, terms and conditions of the Starz Encore term sheet, the TV Guide agreement and the CSG agreement may not reflect current market terms and if one or more of these arrangements were to continue to apply to Comcast Cable Communications Holdings after completion of the AT&T Broadband acquisition, they may materially adversely impact our financial performance.

By letter dated May 29, 2001, AT&T Broadband Group disputed the enforceability of the excess programming pass-through provisions of the Starz Encore term sheet and questioned the validity of the term sheet as a whole. In July 2001, Starz Encore Group filed a lawsuit in Colorado state court seeking payment of alleged 2001 excess programming costs and a declaration that the term sheet is a binding and enforceable contract. Since the lawsuit was filed, there has been no significant activity in the case, except that AT&T Broadband Group and Starz Encore Group agreed in 2001 to settle Starz Encore Group's claim for the alleged 2001 excess programming costs. In December 2002, Starz Encore Group filed a motion for leave to amend its complaint (discussed below), and in January 2003, the parties participated in a court-ordered mediation session that failed to resolve the action. Activity in the lawsuit is expected to resume beginning January 31, 2003.

On November 18, 2002, Comcast and Comcast Holdings filed suit against Starz Encore Group in the United States District Court for the Eastern District of Pennsylvania. Comcast and Comcast Holdings seek a declaratory judgment that, pursuant to their rights under a March 17, 1999 contract with a predecessor of Starz Encore Group, upon the completion of the AT&T Broadband acquisition that contract now provides the terms under which Starz Encore Group programming is acquired and transmitted by the Comcast Cable Communications Holdings' systems.

In January 2003, Starz Encore Group filed a motion seeking dismissal of the Pennsylvania lawsuit in favor of the lawsuit already filed by Starz Encore Group against AT&T Broadband Group in Colorado. Comcast and Comcast Holdings intend to oppose the motion.

In December 2002, Starz Encore Group filed a motion for leave to amend its complaint in its lawsuit against AT&T Broadband Group. The amended complaint seeks to assert new claims against AT&T Broadband Group and, in addition, would add Comcast and Comcast Holdings as defendants. The new claims in the amended complaint relate to the lawsuit filed by Comcast and Comcast Holdings against Starz Encore Group in Pennsylvania and the positions taken by AT&T Broadband Group, Comcast and Comcast Holdings with respect to the terms under which Starz Encore Group programming is acquired and transmitted by the Comcast Cable Communications Holdings' systems.

On March 13, 2002, AT&T Broadband Group informed CSG Systems, Inc. that AT&T Broadband Group was considering the initiation of an arbitration against CSG relating to a Master Subscriber Management System Agreement that the two companies entered into in 1997. Pursuant to the Master Agreement, CSG provides billing support to AT&T Broadband Group. On May 10, 2002, AT&T Broadband Group filed a demand for arbitration against CSG before the American Arbitration Association. On May 31,

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2002, CSG answered AT&T Broadband Group's arbitration demand and asserted various counterclaims. On June 21, 2002, CSG filed a lawsuit against Comcast Holdings in federal court located in Denver, Colorado asserting claims related to the Master Agreement and the pending arbitration. On November 4, 2002, CSG withdrew its complaint against Comcast Holdings without prejudice. On November 15, 2002, Comcast, Comcast Holdings, and Comcast Cable initiated a lawsuit against CSG in federal court located in Philadelphia, Pennsylvania. Comcast, Comcast Holdings and Comcast Cable assert that systems owned by Comcast Holdings are not required to use CSG as a billing service or customer care provider pursuant to the Master Agreement, and that systems owned by Comcast Cable Communications Holdings may be added to a billing service agreement between Comcast Cable and CSG. CSG has moved to dismiss or stay the complaint. In the event that either the arbitration or this litigation or the settlement thereof results in the termination of the Master Agreement, Comcast Cable Communications Holdings may incur significant costs in connection with its replacement of these customer care and billing services and may experience temporary disruptions to its operations.

WE ARE SUBJECT TO REGULATION BY FEDERAL, STATE AND LOCAL GOVERNMENTS WHICH MAY IMPOSE COSTS AND RESTRICTIONS.

The federal, state and local governments extensively regulate the cable communications industry. We expect that court actions and regulatory proceedings will refine the rights and obligations of various parties, including the government, under the Communications Act of 1934, as amended. The results of these judicial and administrative proceedings may materially affect our business operations. Local authorities grant us franchises that permit us to operate our cable systems. We will have to renew or renegotiate these franchises from time to time. Local franchising authorities often demand concessions or other commitments as a condition to renewal or transfer, which concessions or other commitments could be costly to obtain.

WE WILL BE SUBJECT TO ADDITIONAL REGULATORY BURDENS IN CONNECTION WITH THE PROVISION OF TELECOMMUNICATIONS SERVICES, WHICH COULD CAUSE US TO INCUR ADDITIONAL COSTS.

We will be subject to risks associated with the regulation of our telecommunications services by the Federal Communications Commission, or FCC, and state public utilities commissions, or PUCs. Telecommunications companies, including companies that have the ability to offer telephone services over the Internet, generally are subject to significant regulation. This regulation could materially adversely affect our business operations.

WE MAY FACE INCREASED COMPETITION BECAUSE OF TECHNOLOGICAL ADVANCES AND NEW REGULATORY REQUIREMENTS, WHICH COULD ADVERSELY AFFECT OUR FUTURE RESULTS OF OPERATIONS.

Numerous companies, including telephone companies, have introduced Digital Subscriber Line technology, known as DSL, which provides Internet access to subscribers at data transmission speeds greater than that of modems over conventional telephone lines. We expect other advances in communications technology, as well as changes in the marketplace, to occur in the future. Other new technologies and services may develop and may compete with services that cable communications systems offer. The success of these ongoing and future developments could have a negative impact on our business operations.

In addition, over the past several years, a number of companies, including telephone companies and ISPs, have asked local, state, and federal governmental authorities to mandate that cable companies provide capacity on their broadband infrastructure so that these and others may deliver high speed cable Internet directly to customers over these cable facilities. Some cable operators have initiated litigation challenging municipal efforts to unilaterally impose so-called "open access" requirements. The few court decisions dealing with this issue have been inconsistent. In connection with their review of the AOL-Time Warner merger, the FCC and the Federal Trade Commission imposed "open access," technical performance, and other requirements related to the merged company's Internet and Instant Messaging platforms. No similar requirements resulted from the Justice Department and FCC's review of the AT&T Broadband acquisition. Although the FCC has issued a declaratory ruling that cable modem service, as it



is currently offered, is properly classified as an interstate information service that is not subject to common carrier regulation, the FCC is still considering whether to impose "open access" requirements on these services, whether certain

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other regulatory requirements do or should apply to cable modem service, and whether and to what extent this service may be subject to local franchise authorities' regulatory requirements or fees. Some local franchise authorities have initiated litigation to collect fees they claim are owed on the basis of cable modem service revenues, and at least one franchise authority has sought to regulate the characteristics and quality of this service. The FCC has also initiated a proceeding to consider requests that it impose nondiscrimination obligations on cable operators to facilitate third-parties' provision of interactive television services.

A number of cable operators have reached agreements to provide unaffiliated ISPs access to their cable systems in the absence of regulatory requirements. Comcast Holdings reached an "access" agreement with United Online and Comcast Cable Communications Holdings reached an "access" agreement with each of Earthlink, Internet Central, Connected Data Systems, Galaxy Internet Services and Connect Plus International. In connection with Comcast Holdings' and AT&T's agreement with AOL Time Warner providing for the restructuring of Time Warner Entertainment Company L.P., or TWE, Comcast Holdings and Comcast Cable Communications will enter into a three-year non-exclusive access agreement with AOL Time Warner. Under the terms of the exchange agreement that Comcast Holdings and AT&T have executed with Microsoft, now that the AT&T Broadband acquisition has been consummated, we will be required, with respect to each such agreement with another ISP, to offer Microsoft an access agreement on terms no less favorable than those provided to the other ISP with respect to the specific cable systems covered under the agreement with the other ISP. Notwithstanding the foregoing, there can be no assurance that regulatory authorities will not impose "open access" or similar requirements on us as part of an industry-wide requirement. Such requirements could have a negative impact on our business operations.

WE, THROUGH COMCAST CABLE COMMUNICATIONS HOLDINGS, HAVE SUBSTANTIAL ECONOMIC INTERESTS IN JOINT VENTURES IN WHICH WE HAVE LIMITED MANAGEMENT RIGHTS.

Comcast Cable Communications Holdings is a partner in several large joint ventures, such as TWE, Texas Cable Partners and Kansas City Cable Partners, in which it has a substantial economic interest but does not have substantial control with regard to management policies or the selection of management. These joint ventures may be managed in a manner contrary to our best interests, and the value of our investment in these joint ventures, through Comcast Cable Communications Holdings, may be affected by management policies that are determined without our input or over our objections. Comcast Cable Communications Holdings has cable partnerships with each of AOL Time Warner, Insight Communications, Adelphia Communications, Midcontinent and US Cable. Materially adverse financial or other developments with respect to a partner could adversely impact the applicable partnership.

On June 25, 2002, three cable partnerships between subsidiaries of AT&T and subsidiaries of Adelphia Communications Corporation commenced bankruptcy proceedings by the filing of Chapter 11 petitions in the Bankruptcy Court for the Southern District of New York at about the same time that other Adelphia entities filed for bankruptcy. These partnerships are: Century-TCI California Communications, L.P. (in which Comcast Cable Communications Holdings holds a 25% interest through a wholly-owned subsidiary and which as of December 31, 2001 had an aggregate of approximately 775,000 subscribers in the greater Los Angeles, California area), Parnassos Communications, L.P. (in which Comcast Cable Communications Holdings holds a 33.33% interest through a wholly-owned subsidiary) and Western NY Cablevision, L.P. (in which Comcast Cable Communications Holdings holds a 33.33% interest through a wholly-owned subsidiary and which as of December 31, 2001 had, together with Parnassos Communications, L.P., an aggregate of approximately 470,000 subscribers in Buffalo, New York and the surrounding areas). We cannot predict what the outcome of these proceedings will be on any of the partnerships and the proceedings may have a material adverse impact on the partnerships. AT&T Broadband Group recorded an impairment charge through net losses related to equity investments of \$143 million, net of taxes of \$90 million, in connection with the bankruptcy proceedings of the Adelphia partnerships.

WE, THROUGH COMCAST HOLDINGS AND COMCAST CABLE COMMUNICATIONS HOLDINGS, FACE RISKS ARISING FROM THEIR AND AT&T'S RELATIONSHIP WITH AT HOME CORPORATION.

Through a subsidiary, AT&T owns approximately 23% of the outstanding common

on September 28, 2001. Until October 1, 2001, AT&T appointed a majority of At Home's directors and it now appoints none. Since September 28, 2001, some creditors of At Home have threatened to commence litigation against AT&T relating to the conduct of AT&T or its designees on the At Home Board in connection with At Home's declaration of bankruptcy and At Home's subsequent aborted efforts to dispose of some of its businesses or assets in a bankruptcy court-supervised auction, as well as in connection with other aspects of AT&T's relationship with At Home. On May 1, 2002, At Home filed a proposed plan of liquidation pursuant to Chapter 11 of the U.S. Bankruptcy Code, which, as modified on June 18, 2002, among other things, provides that all claims and causes of action of the bankrupt estate of At Home against AT&T and other shareholders will be transferred to a liquidating trust owned ratably by the bondholders of At Home and funded with at least \$12 million, and as much as \$17 million, to finance the litigation of those claims. The plan was approved by the bankruptcy court on August 15, 2002 and became effective on or about October 1, 2002. On November 7, 2002, a complaint was filed by the bondholders' liquidating trust against AT&T and certain of its senior officers in California state court alleging various breaches of fiduciary duties, misappropriation of trade secrets and other causes of action in connection with the transactions in March 2000 described below, and prior and subsequent alleged conduct on the part of the defendants. On January 10, 2003, the defendants moved to stay or dismiss the complaint on the ground that California is an inconvenient venue and that the action should have been brought in the Southern District of New York, where the prior filed shareholder suit described below is pending. Any liabilities resulting from this lawsuit would be shared equally between AT&T and Comcast Cable Communications Holdings.

On November 15, 2002, the bondholders' liquidating trust filed a separate action against AT&T in the District Court for the Northern District of California, alleging that AT&T infringes an At Home patent by using its broadband distribution and high-speed Internet backbone networks and equipment. On January 8, 2003, AT&T moved to transfer this action to the Southern District of New York as being a more convenient venue. Due to the vague allegations in the complaint, it is not clear whether any liability resulting from this lawsuit would be shared between AT&T and Comcast Cable Communications Holdings and, if so, in what proportions.

In addition, purported class action lawsuits have been filed in California state court on behalf of At Home shareholders against AT&T, At Home, Comcast Holdings and former directors of At Home. The lawsuits claim that the defendants breached fiduciary obligations of care, candor and loyalty in connection with a transaction announced in March 2000 in which, among other things, AT&T, Cox Communications Inc. and Comcast Holdings agreed to extend existing distribution agreements, the At Home Board was reorganized, and AT&T agreed to give Cox and Comcast Holdings rights to sell their At Home shares to AT&T. These actions have been consolidated by the court. At the request of At Home's bondholders, on September 10, 2002, the bankruptcy court ruled that the claims asserted in these actions belong to At Home's bankruptcy estate, not its shareholders, that the actions must be dismissed, and that the claims in the actions are to be prosecuted by the At Home bondholders' liquidating trust under the confirmed Chapter 11 plan. The plaintiffs have appealed this order, and the appeal is pending. The liability for these lawsuits would be shared equally between AT&T and Comcast Cable Communications Holdings.

On September 23, 2002, the Official Committee of Unsecured Bondholders of At Home filed suit in the United States District Court for the District of Delaware against Comcast Holdings, Cox, Brian L. Roberts in his capacity as a director of At Home, and other corporate and individual defendants. The complaint seeks alleged "short-swing" profits under Section 16(b) of the Securities Exchange Act of 1934 in connection with At Home put options Comcast Holdings and Cox entered into with AT&T. The complaint alleges a total of at least \$600 million in damages in the aggregate from Comcast Holdings and Cox in connection with this claim. The complaint also seeks damages in an unspecified amount for alleged breaches of fiduciary duty by the defendants in connection with transactions entered into among AT&T, At Home, Comcast Holdings and Cox. On November 12, 2002, the defendants moved to dismiss the complaint or, alternatively, to transfer the action to the Southern District of New York, on the grounds that Delaware is an improper and inconvenient venue. We believe this suit is without merit and intend to vigorously defend ourselves in the action.

In March 2002, three purported class actions were filed in the United States District Court for the Southern District of New York against, among others, AT&T and certain of its senior officers alleging

violations of the federal securities laws in connection with disclosures made by At Home in the period from March 28, 2000 through August 28, 2001. These actions have been consolidated. On November 8, 2002, a consolidated class action complaint was filed in this action. The consolidated class action complaint also names as defendants Comcast Cable Communications, Inc. and Brian L. Roberts, in his capacity as a director of At Home. In addition to any direct liability from the claims against Comcast Cable Communications, Inc., any liabilities resulting from the claims against AT&T in this lawsuit would be shared equally between AT&T and Comcast Cable Communications Holdings.

OUR INDENTURES DO NOT RESTRICT OUR ABILITY TO INCUR ADDITIONAL INDEBTEDNESS, WHICH COULD MAKE OUR DEBT SECURITIES MORE RISKY IN THE FUTURE.

As of September 30, 2002, our consolidated indebtedness on a pro forma basis to reflect the closing of the AT&T Broadband acquisition, and our and Comcast Cable Communications Holdings' borrowings under the New Credit Facility on the closing date, and the issuance and sale in January 2003 of approximately \$600 million of aggregate principal amount of our 5.85% Notes Due 2010 and \$900 million aggregate principal amount of our 6.50% Notes Due 2015 to repay short-term indebtedness incurred in connection with the closing of the AT&T Broadband acquisition, was approximately \$32.5 billion, of which \$30.3 billion was issued by our subsidiaries. As of September 30, 2002, our pro forma consolidated stockholders' equity was approximately \$38.5 billion. The indentures that govern the terms of our debt do not restrict our ability or our subsidiaries' ability to incur additional indebtedness. The degree to which we incur additional debt could have important consequences to holders of the securities, including:

- limiting our ability to obtain any necessary financing in the future for working capital, capital expenditures, debt service requirements or other purposes;
- requiring us to dedicate a substantial portion of our cash flows from operations to the payment of indebtedness and not for other purposes, such as working capital and capital expenditures;
- limiting our flexibility to plan for, or react to, changes in our businesses;
- making us more indebted than some of our competitors, which may place us at a competitive disadvantage; and
- making us more vulnerable to a downturn in our businesses.

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#### SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Our businesses may be affected by, among other things:

- changes in laws and regulations;
- changes in the competitive environment;
- changes in technology;
- industry consolidation and mergers;
- franchise-related matters;
- market conditions that may adversely affect the availability of debt and equity financing for working capital, capital expenditures or other purposes;
- demand for the programming content we distribute or the willingness of other video program providers to carry our content; and
- general economic conditions.

In this prospectus and in the documents we incorporate by reference, we state our expectations of future events and our future financial performance. In some cases, you can identify those so-called "forward-looking statements" by words such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of those words and other comparable words. You should be aware that those statements are only our predictions. Actual events or results may differ materially. In evaluating those statements, you should specifically consider

various factors, including the risks outlined under "Risk Factors" above. Those factors may cause our actual results to differ materially from any of our forward-looking statements.

RATIOS OF EARNINGS TO FIXED CHARGES

<Table>  
<Caption>

	FOR THE NINE	FOR THE YEARS ENDED DECEMBER 31,				
	MONTHS ENDED	-----				
	SEPTEMBER 30, 2002	2001	2000	1999	1998	1997
	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Comcast(a).....	1.03x	2.20x	5.93x	3.30x	5.37x	1.21x
Comcast Cable(b).....	2.35x	(c)	1.76x	(c)	(c)	(c)
Comcast Cable Communications						
Holdings(d).....	(e)	(e)	(e)	(e)	--	--
Comcast Cable Holdings(f).....	(g)	(g)	(g)	(g)	--	--
Comcast MO Group(f).....	2.53x	4.96x	(h)	--	--	--
Continental(i).....	(j)	(j)	(j)	--	--	--

</Table>

-----

(a) We became the parent of Comcast Holdings and Comcast Cable Communications Holdings on November 18, 2002 in connection with the consummation of the merger of Comcast Holdings and Comcast Cable Communications Holdings with our subsidiaries. Because Comcast Holdings is our predecessor, our historical ratios are the same as Comcast Holdings' historical ratios. For purposes of our ratio of earnings to fixed charges, earnings consist of income (loss) from continuing operations before income taxes, cumulative effect of accounting changes, minority interest, equity in net (income) losses of affiliates and fixed charges. Fixed charges consist of interest expense and capitalized interest.

(b) For purposes of Comcast Cable's ratio of earnings to fixed charges, earnings consist of income (loss) from continuing operations before income taxes, cumulative effect of accounting changes, minority interest, equity in net (income) losses of affiliates and fixed charges. Fixed charges consist of interest expense and interest expense on notes payable to affiliates. As described in Note 2 to Comcast Cable's unaudited condensed consolidated financial statements for the quarter ended September 30, 2002, which are incorporated herein by reference, Comcast Cable adopted the provisions of SFAS No. 145 on April 1, 2002. In connection with the adoption of SFAS No. 145, amounts previously reported net of taxes as extraordinary items have been reclassified to interest expense and income taxes. The table above gives effect to reclassifications of interest expense of \$10.9 million, \$9.5 million, \$0.2 million and \$25.7 million for the years ended December 31, 2000, 1999, 1998 and 1997, respectively.

In addition, as described in Note 2 to Comcast Cable's unaudited condensed consolidated financial statements for the quarter ended September 30, 2002, which are incorporated herein by reference, Comcast Cable adopted EITF 01-14 effective January 1, 2002. Upon adoption, Comcast Cable reclassified franchise fees collected from cable subscribers from a reduction of selling, general and administrative expenses to a component of service revenues in its consolidated statement of operations. The impact of adopting EITF 01-14 was to increase service revenues and selling, general and administrative expenses by \$189.4 million, \$149.9 million, \$103.4 million, \$94.7 million and \$72.8 million for the years ended December 31, 2001, 2000, 1999, 1998 and 1997, respectively. This reclassification had no impact on Comcast Cable's reported operating income (loss) or financial condition, or on its ratios of earnings to fixed charges.

(c) For the years ended December 31, 2001, 1999, 1998 and 1997, Comcast Cable's earnings, as defined above, were inadequate to cover fixed charges by \$390.0 million, \$408.7 million, \$149.8 million and \$202.4 million, respectively.

(d) From its date of inception on December 14, 2001 through September 30, 2002, Comcast Cable Communications Holdings had no operations. On November 18, 2002, AT&T contributed its broadband communications business, referred to as the AT&T Broadband Group in this prospectus, to Comcast Cable Communications Holdings. Because AT&T Broadband Group is the predecessor of Comcast Cable Communications Holdings, Comcast Cable Communications Holdings' historical ratios are the same as AT&T Broadband Group's historical ratios. For the purpose of calculating the ratio of earnings to fixed charges, earnings is

calculated by adding fixed charges excluding capitalized interest to income from continuing operations before income taxes, and by adding distributions of less-than-fifty-percent-owned affiliates. By fixed charges we mean total interest, including capitalized interest, dividend

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requirements on preferred stock and interest on trust preferred securities and a portion of rentals, which we believe is representative of the interest factor of our rental expense, as applicable.

- (e) Comcast Cable Communications Holdings' loss for the nine months ended September 30, 2002, the years ended December 31, 2001 and 2000, and the ten month period ended December 31, 1999 was inadequate to cover fixed charges, dividend requirements on subsidiary preferred stock and interest on trust preferred securities in the amount of \$19.2 billion, \$9.2 billion, \$10.4 billion and \$2.0 billion, respectively.
- (f) For the purpose of Comcast Cable Holdings' and Comcast MO Group's ratio of earnings to fixed charges, earnings is calculated by adding fixed charges excluding capitalized interest to income from continuing operations before income taxes, and by adding distributions of less-than-fifty-percent-owned affiliates. Fixed charges consist of total interest, including capitalized interest, dividend requirements on preferred stock and interest on trust preferred securities and a portion of rentals, which Comcast Cable Holdings and Comcast MO Group believe is representative of the interest factor of their rental expense, as applicable.
- (g) Comcast Cable Holdings' loss for the nine months ended September 30, 2002, the years ended December 31, 2001 and 2000, and the ten month period ended December 31, 1999 was inadequate to cover fixed charges in the amount of \$1.1 billion, \$1.5 billion, \$1.9 billion and \$1.3 billion, respectively.
- (h) Comcast MO Group's loss for the period ended December 31, 2000 was inadequate to cover fixed charges in the amount of \$0.4 billion.
- (i) For purposes of calculating Continental's ratio of earnings to fixed charges, earnings consist of income (loss) from continuing operations before income tax and cumulative effect of accounting change and fixed charges. Fixed charges consist of interest expense and capitalized interest.
- (j) For the nine months ended September 30, 2002, the year ended December 31, 2001 and the period ended December 31, 2000, Continental's earnings, as defined above, were inadequate to cover fixed charges by \$4.1 billion, \$1.0 billion and \$0.4 billion, respectively.

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UNAUDITED PRO FORMA COMBINED CONDENSED  
FINANCIAL STATEMENTS OF COMCAST CORPORATION

The following Unaudited Pro Forma Combined Condensed Balance Sheet of Comcast as of September 30, 2002 and the Unaudited Pro Forma Combined Condensed Statements of Operations of Comcast for the nine months ended September 30, 2002 and the year ended December 31, 2001 give effect to the AT&T Broadband acquisition. The pro forma financial statements account for the AT&T Broadband acquisition under the purchase method of accounting.

The Unaudited Pro Forma Combined Condensed Balance Sheet assumes the AT&T Broadband acquisition occurred on September 30, 2002. The Unaudited Pro Forma Combined Condensed Statements of Operations assume the AT&T Broadband acquisition occurred on January 1, 2001. The unaudited pro forma financial data is based on the historical consolidated financial statements of Comcast Holdings and the historical combined financial statements of AT&T Broadband Group under the assumptions and adjustments set forth in the accompanying explanatory notes.

The AT&T Broadband acquisition was consummated on November 18, 2002 in several steps. First, AT&T transferred to AT&T Broadband Corp. ("Broadband") substantially all the assets, liabilities and businesses represented by AT&T Broadband Group, which was the integrated broadband business of AT&T. Second, AT&T spun off Broadband to its shareholders. Third, Comcast Holdings and Broadband each merged with a different, wholly-owned subsidiary of Comcast, and Comcast Holdings and AT&T shareholders received Comcast shares.

The AT&T Broadband acquisition has been accounted for as an acquisition by Comcast Holdings of AT&T Broadband Group. See Note 5 to the consolidated financial statements of Comcast Holdings for the year ended December 31, 2001

incorporated by reference in this prospectus. As Comcast Holdings is considered the accounting acquiror, the historical basis of Comcast Holdings' assets and liabilities were not affected by the AT&T Broadband acquisition. For purposes of developing the Unaudited Pro Forma Combined Condensed Balance Sheet as of September 30, 2002, AT&T Broadband Group's assets, including identifiable intangible assets, and liabilities have been recorded at their estimated fair values and the excess purchase price has been assigned to goodwill. No adjustment has been made to AT&T Broadband Group's franchise rights. The fair values assigned in these pro forma financial statements are preliminary and represent management's best estimate of current fair value which are subject to revision. Management currently knows of no events or circumstances other than those disclosed in these pro forma notes that would require a material change to the preliminary purchase price allocation. However, a final determination of required purchase accounting adjustments will be made upon the completion of a study to be undertaken by Comcast in conjunction with independent appraisers to determine the fair value of certain of AT&T Broadband Group's assets, including identifiable intangible assets, and liabilities. The actual financial position and results of operations will differ, perhaps significantly, from the pro forma amounts reflected herein due to a variety of factors, including access to additional information, changes in value not currently identified and changes in operating results between the dates of the pro forma financial data and the date of the AT&T Broadband acquisition. See Note (b) to Unaudited Pro Forma Combined Condensed Balance Sheet.

Upon closing of the AT&T Broadband acquisition, Comcast Holdings' shareholders received shares of Comcast Class A common stock, Comcast Class B common stock and Comcast Class A Special common stock in exchange for shares of Comcast Holdings Class A common stock, Comcast Holdings Class B common stock and Comcast Holdings Class A Special common stock, respectively, based on an exchange ratio of 1 to 1. Comcast issued stock options to purchase shares of Comcast Class A Special common stock in exchange for all outstanding stock options of Comcast Holdings, based on an exchange ratio of 1 to 1.

The consideration to complete the AT&T Broadband acquisition consisted of shares of Comcast common stock, assumed debt of AT&T Broadband Group, the intercompany indebtedness Broadband paid AT&T upon closing and Comcast Holdings' transaction costs. If the closing date of the AT&T Broadband acquisition were as of September 30, 2002, and giving effect to the exchange offer described below, the estimated aggregate consideration to complete the AT&T Broadband acquisition would have been \$48,067 million, consisting of \$25,551 million of Comcast common stock based upon a per share price of \$18.80, \$22,091

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million of assumed debt at estimated fair value, and \$425 million of Comcast Holdings' transaction costs directly related to the AT&T Broadband acquisition.

The consideration in the form of Comcast common stock included the fair value of the issuance of approximately 1,233 million shares of Comcast Class A common stock to AT&T shareholders in exchange for all of AT&T's interests in the AT&T Broadband Group, the fair value of the issuance of 115 million shares of Comcast common stock to Microsoft Corporation ("Microsoft") in exchange for Broadband shares that Microsoft received immediately prior to the completion of the AT&T Broadband acquisition for settlement of its \$5 billion aggregate principal amount in quarterly income preferred securities (QUIPS), and the fair value of Comcast stock options and stock appreciation rights issued in exchange for Broadband stock options and stock appreciation rights.

Subsequent to the original merger agreement, economic and business factors led AT&T and Comcast Holdings to agree to change the form of consideration to be paid in the AT&T Broadband acquisition. On August 12, 2002, AT&T, among others, filed a registration statement with the Securities and Exchange Commission ("SEC") for a proposed exchange offer relating to approximately \$11.8 billion aggregate principal amount of AT&T's existing debt securities. Modification of the original merger agreement to provide for the assumption of a portion of AT&T's debt securities by Broadband and the related reduction in the intercompany indebtedness represented a substantive change in the non-equity, or "other" consideration being paid in the AT&T Broadband acquisition resulting in a new measurement date for determining the value of the Comcast Holdings common stock used to value the Comcast securities issued in the AT&T Broadband acquisition. The new measurement date was established as of the date of the substantive modification of the original merger agreement.

The consideration in the form of assumed debt included the short-term debt due to AT&T, which was paid at closing, of \$7,823 million, as well as \$14,268 million of long-term debt, including current portion, of AT&T Broadband Group. As a result of the successful completion of the exchange offer on November 14, 2002, upon completion of the AT&T Broadband acquisition \$3,505 million of AT&T's debt securities ceased being AT&T obligations and became Broadband obligations

(New Broadband Notes) guaranteed by Comcast and a number of its cable subsidiaries. The AT&T debt securities that became Broadband obligations reduced the intercompany indebtedness Broadband was required to pay AT&T by the aggregate principal amount of New Broadband Notes issued.

The unaudited pro forma financial statements reflect that a substantive modification of the original merger agreement occurred resulting in a new measurement date for accounting purposes. The unaudited pro forma financial statements reflect a measurement date of August 12, 2002, the date the filing of the registration statement with the SEC related to the exchange offer was announced. Accordingly, the fair value of the shares issued for the AT&T Broadband Group was based on a price per share of \$18.80 which reflects the weighted average market price of Comcast Holdings common stock during the period beginning two days before and ending two days after the new measurement date.

Subsequent to the adoption of SFAS 142 on January 1, 2002, goodwill and franchise rights are no longer amortized. An increase or decrease in goodwill and/or franchise rights as a result of a change in the allocation of fair value through the appraisal process would not affect Comcast's future results of operations other than in periods in which Comcast may recognize an impairment charge. A change in the recorded value of these intangible assets could increase or decrease the likelihood that Comcast will recognize an impairment charge related to these intangible assets at some time in the future.

Comcast intends to review the synergies of the combined business, which may result in a plan to realign or reorganize certain of AT&T Broadband Group's existing operations. The costs of implementing such a plan, if it were to occur, have not been reflected in the accompanying pro forma financial statements. The impact of a potential realignment, assuming such a plan were in place at the consummation date of the AT&T Broadband acquisition, could increase or decrease the amount of goodwill and intangible assets recognized by Comcast in accordance with Emerging Issues Task Force No. 95-3, "Recognition of Liabilities in Connection with a Purchase Business Combination." The Unaudited Pro Forma Combined Condensed Statements of Operations

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exclude any benefits that may result from synergies that may be derived, or the elimination of duplicative efforts.

Among the provisions of Statement of Financial Accounting Standards No. 141, "Business Combinations," new criteria have been established for determining whether intangible assets should be recognized separately from goodwill. Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," provides, among other guidelines, that goodwill and intangible assets with indefinite lives will not be amortized, but rather will be tested for impairment on at least an annual basis. Management believes that cable franchise rights have indefinite lives based upon an analysis utilizing the criteria in paragraph 11 of SFAS No. 142. The pro forma adjustments to the Unaudited Pro Forma Combined Condensed Statement of Operations for the year ended December 31, 2001 reflect the elimination of AT&T Broadband Group's amortization expense related to goodwill and cable franchise rights since this acquisition was accounted for under the provisions of SFAS No. 142.

Comcast Holdings incurred goodwill and cable and sports franchise rights amortization expense of approximately \$2,002 million for the year ended December 31, 2001. The historical consolidated financial statements of Comcast Holdings included in the Unaudited Pro Forma Combined Condensed Statement of Operations for the year ended December 31, 2001 include the amortization expense related to Comcast Holdings' goodwill and cable and sports franchise rights, which has not been eliminated in the pro forma adjustments. Effective January 1, 2002, Comcast Holdings, in accordance with the provisions of SFAS No. 142, no longer amortizes goodwill and cable and sports franchise rights.

Management believes that the assumptions used provide a reasonable basis on which to present the unaudited pro forma financial data. Both Comcast Holdings and AT&T Broadband Group have completed other acquisitions and dispositions that are not significant, individually or in the aggregate, and, accordingly, have not been included in the accompanying unaudited pro forma financial data. The unaudited pro forma financial data may not be indicative of the financial position or results that would have occurred if the AT&T Broadband acquisition had been in effect on the dates indicated or which may be obtained in the future.

The unaudited pro forma financial data should be read in conjunction with the historical consolidated financial statements and accompanying notes thereto for Comcast Holdings, and the historical combined financial statements and accompanying notes thereto for AT&T Broadband Group incorporated by reference in this prospectus.

## COMCAST CORPORATION

UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET  
AS OF SEPTEMBER 30, 2002<Table>  
<Caption>

	HISTORICAL COMCAST HOLDINGS (A)	HISTORICAL AT&T BROADBAND (A)	PRO FORMA ADJUSTMENTS	PRO FORMA COMCAST
	(AMOUNTS IN MILLIONS)			
<S>	<C>	<C>	<C>	<C>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents.....	\$ 569.8	\$	\$	\$ 569.8
Investments.....	905.9	459.0		1,364.9
Accounts receivable, net.....	932.8	624.0		1,556.8
Inventories, net.....	482.7			482.7
Deferred income taxes.....	132.9			132.9
Other current assets.....	171.5	999.0		1,170.5
Total current assets.....	3,195.6	2,082.0		5,277.6
INVESTMENTS.....	585.6	17,321.0	(986.5) (d)	16,920.1
PROPERTY AND EQUIPMENT, NET.....	7,035.6	15,263.0		22,298.6
GOODWILL.....	6,446.3	15,162.0	(7,699.7) (b1)	13,908.6
FRANCHISE RIGHTS.....	16,601.5	29,084.0		45,685.5
OTHER INTANGIBLE ASSETS, NET.....	1,414.6	1,416.0		2,830.6
OTHER NON-CURRENT ASSETS, NET.....	498.1	2,093.0	70.0 (b2) (94.5) (e)	2,566.6
	\$35,777.3	\$82,421.0	\$ (8,710.7)	\$109,487.6

&lt;/Table&gt;

See Notes to Unaudited Pro Forma Combined Condensed Balance Sheet  
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## COMCAST CORPORATION

UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET -- (CONTINUED)  
AS OF SEPTEMBER 30, 2002<Table>  
<Caption>

	HISTORICAL COMCAST HOLDINGS (A)	HISTORICAL AT&T BROADBAND (A)	PRO FORMA ADJUSTMENTS	PRO FORMA COMCAST
	(AMOUNTS IN MILLIONS)			
<S>	<C>	<C>	<C>	<C>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>Current Liabilities</b>				
Accounts payable.....	\$ 806.1	\$ 775.0	\$	\$ 1,581.1
Accrued expenses and other current liabilities.....	1,805.8	1,920.0	1,434.0 (b3)	5,159.8
Deferred income taxes.....	69.7	487.0		556.7
Short-term debt.....		7,823.0	(3,823.0) (c)	4,000.0
Current portion of long-term debt.....	113.9	2,329.0		2,442.9
Total current liabilities.....	2,795.5	13,334.0	(2,389.0)	13,740.5
LONG-TERM DEBT, LESS CURRENT PORTION.....	9,927.9	12,701.0	425.0 (b4) (761.8) (b5) 3,823.0 (c) (94.5) (e)	26,020.6
DEFERRED INCOME TAXES.....	6,665.0	20,219.0	43.2 (b6)	26,927.2
OTHER NON-CURRENT LIABILITIES.....	1,419.9	811.0	(179.0) (b7) (0.1) (b8)	2,051.8



MINORITY INTEREST.....	1,027.4	1,214.0		2,241.4
Company-Obligated Convertible Quarterly Income Preferred Securities of Subsidiary Trust Holding Solely Subordinated Debt Securities of AT&T...		4,728.0	(4,728.0) (b9)	
STOCKHOLDERS' EQUITY				
Common stock.....	946.9		1,348.0 (b10) (47.3) (d) (939.2) (d)	2,247.6
Additional capital.....	11,800.8		24,203.0 (b10)	35,064.6
Retained earnings.....	1,391.6			1,391.6
Accumulated other comprehensive loss...	(197.7)			(197.7)
Combined attributed net assets.....		29,414.0	(29,414.0) (b11)	
Total stockholders' equity.....	13,941.6	29,414.0	(4,849.5)	38,506.1
	\$35,777.3	\$82,421.0	\$ (8,710.7)	\$109,487.6
	=====	=====	=====	=====

</Table>

See Notes to Unaudited Pro Forma Combined Condensed Balance Sheet  
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COMCAST CORPORATION

NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET  
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE DATA)

- (a) These columns reflect the historical balance sheets of the respective companies. Certain reclassifications have been made to the combined historical financial statements of AT&T Broadband Group to conform to the presentation expected to be used by Comcast.
- (b) This entry reflects the preliminary allocation of the purchase price to identifiable net assets acquired and the excess purchase price to goodwill.

<Table>  
<Caption>

	COMMON STOCK	ADDITIONAL CAPITAL	TOTAL
<S>	<C>	<C>	<C>
CALCULATION OF CONSIDERATION			
Issuance of common stock to AT&T shareholders (1,233.0 million shares X \$18.80).....	\$1,233.0	\$21,947.4	\$ 23,180.4
Issuance of common stock to Microsoft Corporation (115.0 million shares X \$18.80).....	115.0	2,047.0	2,162.0
Fair value of Comcast stock options resulting from the conversion of AT&T Broadband Group stock options in the merger based on Black-Scholes option pricing model.....		208.6	208.6
(b10) Comcast common stock equity consideration.....	1,348.0	24,203.0	25,551.0
(b4) Transaction costs (assumed to be funded with long-term debt).....			425.0
Total.....			\$ 25,976.0
			=====

PRELIMINARY ESTIMATE OF FAIR VALUE OF IDENTIFIABLE NET  
ASSETS ACQUIRED

(b11) Book value of AT&T Broadband Group.....		\$ 29,414.0
Elimination of AT&T Broadband Group goodwill.....		(15,162.0)
(b2) Long-term portion of deferred financing fees.....		70.0
(b3) Preliminary estimate of current tax liability arising from the transaction.....		(1,434.0)
(b5) Preliminary estimate of adjustment to fair value of AT&T Broadband Group assumed long-term debt.....		761.8
(b6) Preliminary estimate of adjustment to deferred tax liability on adjustments at combined federal and state statutory rate.....		(43.2)
(b7) Certain liabilities retained by AT&T related to Excite@Home.....		179.0
(b8) Preliminary estimate of adjustment to fair value of other non-current liabilities.....		0.1
(b9) Redemption of Microsoft Corporation QUIPS.....		4,728.0
		-----

Preliminary estimate of adjustments to fair value of

identifiable net assets acquired.....	18,513.7
Acquisition goodwill.....	\$ 7,462.3
	=====

</Table>

COMCAST CORPORATION

NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET -- (CONCLUDED)

<Table>  
<Caption>

	COMMON STOCK	ADDITIONAL CAPITAL	TOTAL
	-----	-----	-----
<S>	<C>	<C>	<C>
CALCULATION OF GOODWILL ACQUISITION ADJUSTMENT			
Acquisition goodwill.....			\$ 7,462.3
Gross value of AT&T Broadband Group goodwill.....			(15,162.0)
			-----
(b1) Goodwill acquisition adjustment.....			\$ (7,699.7)
			=====
(i) Shares of common stock issued in the AT&T Broadband acquisition.....	1,235.0		
Share equivalent of intrinsic value of AT&T Broadband Group stock options and stock appreciation rights.....	(2.0)		
	-----		
Common stock issued to AT&T shareholders.....	1,233.0		
	=====		

</Table>

Certain programming and other contracts of AT&T Broadband Group and Comcast Holdings may, by their terms, be assumed, altered or terminated as a result of the completion of the AT&T Broadband acquisition. However, prior to the completion of a review of all of AT&T Broadband Group's programming and other contracts, management does not expect to be able to estimate the impact of duplicate, favorable or unfavorable contracts that may result from the ultimate allocation of purchase price. See note (1) to the Unaudited Pro Forma Combined Condensed Statements of Operations for a sensitivity analysis of purchase price allocation.

(c) Represents the refinancing of existing short-term debt due to AT&T (\$7,823.0) with new debt of Comcast. The refinancing is assumed to be funded with \$4,000.0 of short-term debt and with \$3,823.0 of long-term debt. These amounts give effect to the exchange offer described above.

(d) Represents the reclassification of AT&T Broadband Group's investment in Comcast Holdings as follows:

<S>	<C>
Elimination of Comcast Holdings stock held by AT&T Broadband Group.....	\$ (986.5)
Reclassification of Comcast Holdings stock held by AT&T Broadband Group to equity (par value common stock \$47.3 and additional capital \$939.2).....	986.5
	-----
	\$
	=====

</Table>

(e) Represents the elimination of AT&T Broadband Group bonds owned by Comcast Holdings at September 30, 2002.

COMCAST CORPORATION

UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2001

<Table>  
<Caption>

HISTORICAL COMCAST	HISTORICAL AT&T	INTERCOMPANY	PRO FORMA	PRO FORMA
-----------------------	--------------------	--------------	-----------	-----------

	HOLDINGS (A)	BROADBAND (A)	ADJUSTMENTS	ADJUSTMENTS (D)	COMCAST (L)
	(AMOUNTS IN MILLIONS, EXCEPT PER SHARE AMOUNTS)				
<S>	<C>	<C>	<C>	<C>	<C>
<b>REVENUES</b>					
Service revenues.....	\$5,919.1	\$10,132.0	\$(108.9) (b)	\$	\$15,942.2
Net sales from electronic retailing.....	3,917.3				3,917.3
	9,836.4	10,132.0	(108.9)		19,859.5
<b>COSTS AND EXPENSES</b>					
Operating (excluding depreciation).....	2,906.5	5,459.0	(62.8) (b)		8,302.7
Cost of goods sold from electronic retailing (excluding depreciation).....	2,514.0				2,514.0
Selling, general and administrative(m)....	1,745.7	2,582.0	(22.6) (b)		4,305.1
Depreciation.....	1,141.8	2,626.0			3,767.8
Amortization.....	2,274.6	2,154.0		(1,882.9) (e)	2,545.7
Asset impairment, restructuring and other charges.....		1,494.0			1,494.0
	10,582.6	14,315.0	(85.4)	(1,882.9)	22,929.3
OPERATING LOSS.....	(746.2)	(4,183.0)	(23.5)	1,882.9	(3,069.8)
<b>OTHER INCOME (EXPENSE)</b>					
Interest expense.....	(734.1)	(1,735.0)		87.5 (f) (1.8) (g)	(2,383.4)
Investment income (expense).....	1,061.7	(1,947.0)	(18.7) (b)		(904.0)
				(106.0) (h)	
Equity in net income (losses) of affiliates.....	(28.5)			148.0 (e)	13.5
Other income (expense).....	1,301.0	(927.0)			374.0
	1,600.1	(4,609.0)	(18.7)	127.7	(2,899.9)
<b>INCOME (LOSS) BEFORE INCOME TAXES, MINORITY INTEREST AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE.....</b>					
	853.9	(8,792.0)	(42.2)	2,010.6 (561.3) (i)	(5,969.7)
<b>INCOME TAX (EXPENSE) BENEFIT.....</b>					
	(469.4)	3,857.0	(750.3) (c)	37.0 (h)	2,113.0
<b>INCOME (LOSS) BEFORE MINORITY INTEREST AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE.....</b>					
	384.5	(4,935.0)	(792.5)	1,486.3	(3,856.7)
Net loss from equity investments.....		(69.0)		69.0 (h)	
MINORITY INTEREST INCOME (EXPENSE).....	(160.4)	833.0	(24.0) (b)	160.0 (j)	808.6
<b>INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE.....</b>					
	\$ 224.1	\$(4,171.0)	\$(816.5)	\$ 1,715.3	\$(3,048.1)
<b>Earnings (loss) per share from continuing operations -- basic.....</b>					
	\$ 0.24				\$ (1.35)
<b>Earnings (loss) per share from continuing operations -- assuming dilution.....</b>					
	\$ 0.23				\$ (1.35)
<b>Weighted average number of common shares outstanding -- basic.....</b>					
	949.7			1,300.7 (k)	2,250.4
<b>Weighted average number of common shares outstanding -- assuming dilution.....</b>					
	964.5			1,285.9 (k)	2,250.4

See Notes to Unaudited Pro Forma Combined Condensed Statement of Operations

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COMCAST CORPORATION

UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002

	HISTORICAL COMCAST HOLDINGS (A)	HISTORICAL AT&T BROADBAND (A)	INTERCOMPANY ADJUSTMENTS	PRO FORMA ADJUSTMENTS (D)	PRO FORMA COMCAST (L)
	(AMOUNTS IN MILLIONS, EXCEPT PER SHARE AMOUNTS)				
<S>	<C>	<C>	<C>	<C>	<C>
<b>Revenues</b>					
Service revenues.....	\$5,086.3	\$ 7,512.0	\$(42.0) (b)	\$	\$ 12,556.3
Net sales from electronic retailing.....	2,999.8				2,999.8

	8,086.1	7,512.0	(42.0)		15,556.1
Costs and expenses Operating (excluding depreciation).....	2,191.4	3,889.0	(27.0) (b)		6,053.4
Cost of goods sold from electronic retailing (excluding depreciation).....	1,903.1				1,903.1
Selling, general and administrative.....	1,491.0	2,037.0	(15.0) (b)		3,513.0
Depreciation.....	1,015.5	2,043.0			3,058.5
Amortization.....	155.1	161.0			316.1
Goodwill and franchise impairment charges.....		16,525.0			16,525.0
Asset impairment, restructuring and other charges.....		56.0			56.0
	6,756.1	24,711.0	(42.0)		31,425.1
Operating income (loss).....	1,330.0	(17,199.0)			(15,869.0)
Other income (expense)				(101.8) (f)	
Interest expense.....	(543.5)	(1,111.0)		(24.2) (g)	(1,780.5)
Investment expense.....	(760.4)	(1,172.0)			(1,932.4)
Equity in net losses of affiliates.....	(59.9)			(1,001.0) (h)	(1,060.9)
Other income (expense).....	(10.8)	523.0			512.2
	(1,374.6)	(1,760.0)		(1,127.0)	(4,261.6)
Loss before income taxes, minority interest, extraordinary items and cumulative effect of accounting change.....	(44.6)	(18,959.0)		(1,127.0)	(20,130.6)
Income tax benefit (expense).....	(52.3)	5,536.0		48.9 (i) 386.0 (h)	5,918.6
Loss before minority interest, extraordinary items and cumulative effect of accounting change.....	(96.9)	(13,423.0)		(692.1)	(14,212.0)
Net loss related to equity investments.....		(615.0)		615.0 (h)	
Minority interest expense.....	(126.0)	(206.0)		120.0 (j)	(212.0)
Loss before extraordinary items and cumulative effect of accounting change.....	\$ (222.9)	\$ (14,244.0)	\$	\$ 42.9	\$ (14,424.0)
Loss per share from continuing operations -- basic.....	\$ (0.23)				\$ (6.40)
Loss per share from continuing operations -- assuming dilution.....	\$ (0.23)				\$ (6.40)
Weighted average number of common shares outstanding -- basic.....	952.2			1,300.7 (k)	2,252.9
Weighted average number of common shares outstanding -- assuming dilution.....	952.2			1,300.7 (k)	2,252.9

See Notes to Unaudited Pro Forma Combined Condensed Statement of Operations

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COMCAST CORPORATION

NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS

(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)

- (a) These columns reflect the historical statements of operations of the respective companies.
- (b) Adjustment reflects the elimination of historical intercompany transactions between Comcast Holdings and AT&T Broadband Group as follows: amounts charged by Comcast Holdings to AT&T Broadband Group for programming, the gains and losses resulting from the sales of certain cable systems by AT&T Broadband Group to Comcast Holdings and Excite@Home transactions.
- (c) Represents the elimination of the aggregate historical income tax effects recorded by Comcast Holdings and AT&T Broadband Group on Note (b) adjustments above.
- (d) AT&T Broadband Group has certain intercompany agreements with AT&T Corp. which were terminated as of the date of the AT&T Broadband acquisition. The costs of replacing these services is uncertain. However, the impact of the termination of these arrangements is not expected to be material.

- (e) Represents the elimination of AT&T Broadband Group's historical goodwill and cable franchise rights amortization expense for consolidated subsidiaries and equity method investments. Under the accounting rules set forth in SFAS No. 142 issued by the Financial Accounting Standards Board in June 2001, goodwill and intangibles with indefinite lives are not amortized against earnings other than in connection with an impairment.
- (f) Represents the net effect on interest expense resulting from the financings described in Note (c) to the Unaudited Pro Forma Combined Condensed Balance Sheet. Pro forma interest expense was calculated based on the historical interest rates for the historical debt outstanding and assumed interest rates for the new credit facilities. The pro forma financial information assumes the financings occurred on January 1, 2001. Amortization of deferred financing costs was calculated based on the amounts and terms of the new facilities. Short-term rates are assumed to be 3% and long term rates are assumed to be 7%. Assuming interest rates changed by 0.125%, the related interest expense and pre-tax impact on earnings would be \$9.8 million for the year ended December 31, 2001 and \$7.4 million for the nine months ended September 30, 2002.
- (g) Represents the net effect in interest expense as a result of the adjustment of AT&T Broadband Group's long-term debt to its fair value as described in Note (b5) to the Unaudited Pro Forma Combined Condensed Balance Sheet. The difference between the fair value and the face amount of each borrowing is amortized to interest expense over the remaining term of the borrowing.
- (h) Represents the reclassification of losses in equity investments for the year ended December 31, 2001 and losses related to equity method investments for the nine months ended September 30, 2002 to conform with the presentation currently used by Comcast Holdings.
- (i) Represents the aggregate pro forma income tax effect of Notes (e) through (g) above at the combined federal and state statutory rate.
- (j) Represents the elimination of historical impact of the QUIPS exchanged for AT&T Broadband Group common stock.
- (k) For basic earnings (loss) per share, this adjustment represents the issuance of Comcast shares to AT&T shareholders and Microsoft offset by shares of Comcast Holdings owned by AT&T Broadband Group which are classified as treasury shares (see Note (d) to the Unaudited Pro Forma Combined Condensed Balance Sheet). In addition, earnings per share assuming dilution has been adjusted to include the dilutive effects of Comcast stock options issued in exchange for the AT&T Broadband Group stock options as well as adjustment for the year-ended December 31, 2001 to Comcast's historical average dilutive shares outstanding since such shares would be anti-dilutive on a pro forma basis.

COMCAST CORPORATION

NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED  
STATEMENT OF OPERATIONS -- (CONTINUED)  
(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)

- (l) The pro forma combined condensed financial statements reflect a preliminary allocation to tangible assets, liabilities, goodwill and other intangible assets. The final purchase price allocation may result in different allocations for tangible and intangible assets than that presented in these pro forma combined condensed financial statements. The following table shows the absolute dollar effect on pro forma net income (loss) applicable to common shares and net income (loss) per share assuming dilution for every \$500 of purchase price allocated to amortizable assets or certain liabilities over assumed weighted-average useful lives. An increase in the purchase amount allocated to amortizable assets or a decrease in the amount allocated to certain liabilities will result in a decrease to net income. A decrease in the amount allocated to amortizable assets or an increase in the amount allocated to certain liabilities will result in an increase to net income.

<Table>  
<Caption>

	YEAR ENDED DECEMBER 31, 2001	NINE MONTH ENDED SEPTEMBER 30, 2002
WEIGHTED AVERAGE LIFE		
-----	-----	-----
<S>	<C>	<C>
Five years		

Net Income.....	\$61.5	\$46.1
Per Share.....	\$0.03	\$0.02
Ten years		
Net Income.....	\$30.8	\$23.1
Per Share.....	\$0.01	\$0.01
Twenty years		
Net Income.....	\$15.4	\$11.5
Per Share.....	\$0.01	\$0.01

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SELECTED FINANCIAL DATA OF COMCAST HOLDINGS

The consolidated selected financial data of Comcast Holdings below for the nine months ended September 30, 2002 and 2001 were derived from the unaudited condensed consolidated financial statements of Comcast Holdings, and the consolidated selected financial data of Comcast Holdings for the years ended December 31, 2001, 2000, 1999, 1998 and 1997 were derived from the audited consolidated financial statements of Comcast Holdings.

<Table>  
<Caption>

	NINE MONTHS ENDED SEPTEMBER 30,		YEARS ENDED DECEMBER 31,				
	2002	2001	2001	2000	1999	1998	1997
	(DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
STATEMENT OF OPERATIONS DATA:							
Revenues.....	\$ 8,086.1	\$ 6,971.5	\$ 9,836.4	\$ 8,357.0	\$ 6,632.0	\$ 5,512.9	\$ 4,773.0
Operating income (loss)...	1,330.0	(412.0)	(746.2)	(161.0)	664.0	557.1	466.6
Income loss) from continuing operations before cumulative effect of accounting change....	(222.9)	545.1	224.1	2,021.5	729.9	1,003.5	(213.1)
Discontinued operations(1).....					335.8	(31.4)	(25.6)
Cumulative effect of accounting change.....		384.5	384.5				
Net income (loss).....	(222.9)	929.6	608.6	2,021.5	1,065.7	972.1	(238.7)
BASIC EARNINGS (LOSS) FOR COMMON STOCKHOLDERS PER COMMON SHARE(2)							
Income (loss) from continuing operations before cumulative effect of accounting change.....	\$ (0.23)	\$ 0.58	\$ 0.24	\$ 2.24	\$ 0.93	\$ 1.33	\$ (.33)
Discontinued operations(1).....					0.45	(.04)	(.04)
Cumulative effect of accounting change.....		0.40	0.40				
Net income (loss).....	\$ (0.23)	\$ 0.98	\$ 0.64	\$ 2.24	\$ 1.38	\$ 1.29	\$ (.37)
DILUTED EARNINGS (LOSS) FOR COMMON STOCKHOLDERS PER COMMON SHARE(2)							
Income (loss) from continuing operations before cumulative effect of accounting change.....	\$ (0.23)	\$ 0.56	\$ 0.23	\$ 2.13	\$ 0.89	\$ 1.24	\$ (.33)
Discontinued operations(1).....					0.41	(.03)	(.04)
Cumulative effect of accounting change.....		0.40	0.40				
Net income (loss).....	\$ (0.23)	\$ 0.96	\$ 0.63	\$ 2.13	\$ 1.30	\$ 1.21	\$ (.37)
Cash dividends declared per common share(2).....						\$ .0467	\$ .0467
BALANCE SHEET DATA (AT PERIOD END):							
Total assets.....	\$35,777.3	\$38,921.8	\$38,260.5	\$35,874.0	\$28,823.4	\$14,710.5	\$11,234.3

Working capital.....	400.1	(184.1)	1,454.6	1,694.5	4,786.1	2,505.0	13.6
Long-term debt.....	9,927.9	11,494.8	11,741.6	10,517.4	8,707.2	5,464.2	5,334.1
Stockholders' equity.....	13,941.6	14,838.8	14,473.0	14,086.4	10,341.3	3,815.3	1,646.5

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<Table>  
<Caption>

	NINE MONTHS ENDED SEPTEMBER 30,		YEARS ENDED DECEMBER 31,				
	2002	2001	2001	2000	1999	1998	1997
	(DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
SUPPLEMENTARY FINANCIAL DATA:							
Operating income before depreciation and amortization(3).....	\$ 2,500.6	\$ 2,027.7	\$ 2,670.2	\$ 2,458.3	\$ 1,879.6	\$ 1,496.3	\$ 1,293.1
Net cash provided by (used in) (4)							
Operating activities....	2,000.2	1,582.6	1,596.6	1,219.3	1,249.4	1,067.7	844.6
Financing activities....	(1,052.4)	1,219.8	1,476.3	(271.4)	1,341.4	809.2	283.9
Investing activities....	(728.0)	(2,795.5)	(3,374.4)	(1,218.6)	(2,539.3)	(1,415.3)	(1,045.8)

- 
- (1) In July 1999, Comcast Holdings sold Comcast Cellular Corporation to SBC Communications, Inc. Comcast Cellular is presented as a discontinued operation for all periods presented.
  - (2) Adjusted for Comcast Holdings' two-for-one stock split in the form of a 100% stock dividend in May 1999.
  - (3) Operating income before depreciation and amortization is commonly referred to in Comcast Holdings' business as "operating cash flow." 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 Comcast Holdings' 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 businesses in Comcast Holdings' industries, although Comcast Holdings' measure of operating cash flow may not be comparable to similarly titled measures of other companies. Operating cash flow is the primary basis used by Comcast Holdings' management to measure the operating performance of Comcast Holdings' 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 those measurements as an indicator of Comcast Holdings' performance.
  - (4) Represents net cash provided by (used in) operating activities, financing activities and investing activities as presented in Comcast Holdings' consolidated statement of cash flows.

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#### SELECTED FINANCIAL DATA OF AT&T BROADBAND GROUP

Presented in the table below is selected financial data of AT&T Broadband Group. AT&T Broadband Group was an integrated business of AT&T and not a stand-alone entity. AT&T assigned and transferred the assets, liabilities and businesses of AT&T Broadband Group to Comcast Cable Communications Holdings, Inc. in connection with the AT&T Broadband acquisition. AT&T Broadband Group consisted primarily of the assets, liabilities and business of AT&T Broadband, LLC (formerly known as Tele-Communications, Inc. and now known as Comcast Cable Holdings, LLC), acquired by AT&T on March 9, 1999, and MediaOne Group, Inc. (now known as Comcast MO Group, Inc.), acquired by AT&T on June 15, 2000.

The combined income statement data of AT&T Broadband Group for the years ended December 31, 2001 and 2000 and the ten months ended December 31, 1999 and the combined balance sheet data of AT&T Broadband Group at December 31, 2001 and 2000 were derived from the audited combined financial statements of AT&T Broadband Group. The remaining data was derived from unaudited combined

financial statements of AT&T Broadband Group.

The financial data presented below is not necessarily comparable from period to period as a result of several transactions, including the acquisition and dispositions of cable systems, primarily the Tele-Communications Inc. and MediaOne Group acquisitions. For this and other reasons, you should read the selected historical financial data provided below in conjunction with the combined financial statements and accompanying notes of AT&T Broadband Group incorporated by reference in this prospectus.

<Table>  
<Caption>

	AT OR FOR THE NINE MONTHS ENDED SEPTEMBER 30,		AT OR FOR THE YEARS ENDED DECEMBER 31,		AT OR FOR THE TEN MONTHS ENDED DECEMBER 31,
	2002	2001	2001	2000 (1)	1999 (2)
(DOLLARS IN MILLIONS)					
<S>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT DATA:					
Revenue.....	\$ 7,512	\$ 7,756	\$ 10,132	\$ 8,445	\$ 5,080
Operating loss.....	(17,199)	(3,567)	(4,183)	(8,656)	(1,177)
Loss before extraordinary gain and cumulative effect of accounting changes.....	(14,244)	(2,988)	(4,171)	(5,370)	(2,200)
BALANCE SHEET DATA:					
Total assets.....	\$ 82,421	\$104,261	\$103,187	\$117,534	\$58,228
Total debt.....	22,853	23,274	23,285	28,420	14,900
Minority interest.....	1,214	3,319	3,302	4,421	2,327
Company-Obligated Convertible Quarterly Preferred Securities.....	4,728	4,718	4,720	4,710	4,700

</Table>

- 
- (1) Effective June 15, 2000, AT&T acquired MediaOne Group which was attributed to AT&T Broadband Group. The acquisition was accounted for under the purchase method of accounting.
- (2) Effective March 1, 1999, AT&T acquired Tele-Communications Inc. which was attributed to AT&T Broadband Group. The acquisition was accounted for under the purchase method of accounting.

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SELECTED FINANCIAL DATA OF COMCAST MO OF DELAWARE, INC.

The consolidated selected financial data of Comcast MO of Delaware, Inc. (formerly MediaOne of Delaware, Inc.) referred to in this prospectus as "Continental," below for the nine months ended September 30, 2002 and 2001 and the period from January 1, 2000 to June 14, 2000 were derived from the unaudited condensed consolidated financial statements of Continental. The consolidated selected financial data of Continental for the year ended December 31, 2001 and the period from June 15, 2000 to December 31, 2000 were derived from the audited consolidated financial statements of Continental. The financial data presented below for the periods from January 1, 2000 to June 14, 2000 and from June 15, 2000 to December 31, 2000 is not necessarily comparable from period to period as a result of the indirect acquisition of Continental by AT&T Corp. on June 15, 2000. Until the AT&T Broadband acquisition, Continental was a part of AT&T Broadband Group, and financial statements of Continental for the year ended December 31, 1999 were unavailable from AT&T Corp. or Arthur Andersen LLP, Continental's auditor for that period.

<Table>  
<Caption>

	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DECEMBER 31,	PERIOD FROM JUNE 15, 2000 TO DECEMBER 31, 2000	PERIOD FROM JANUARY 1, 2000 TO JUNE 14, 2000
	2002	2001	2001	2000	2000
(UNAUDITED)					(UNAUDITED)
(DOLLARS IN MILLIONS)					
<S>	<C>	<C>	<C>	<C>	<C>



INCOME STATEMENT DATA:

Revenues.....	\$ 2,277	\$ 2,131	\$ 2,854	\$ 1,515	\$1,227
Operating loss.....	(10,570)	(620)	(821)	(227)	(168)
Income (loss) before cumulative effect of accounting change.....	(9,135)	(613)	(792)	(222)	(94)
Cumulative effect of accounting change.....	(10,367)	34	34	--	--

BALANCE SHEET DATA (AT PERIOD END):

Total assets.....	\$ 15,539	\$37,474	\$36,616	\$19,951
Long-term debt.....	1,885	1,916	1,911	2,105
Stockholders' equity.....	10,903	30,792	30,367	13,660

SUPPLEMENTARY FINANCIAL DATA:

Operating income (loss) before depreciation and amortization(1).....	\$ (9,825)	\$ 599	\$ 845	\$ 432	\$ 438
Net cash provided by (used in)(2)					
Operating activities.....	571	214	921	77	376
Financing activities.....	58	537	28	559	105
Investing activities.....	(629)	(751)	(949)	(649)	485

</Table>

(1) Operating income before depreciation and amortization is commonly referred to in MediaOne of Delaware, Inc.'s business as "operating cash flow." 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 MediaOne of Delaware, Inc.'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 businesses in MediaOne of Delaware, Inc.'s industries, although MediaOne of Delaware, Inc.'s measure of operating cash flow may not be comparable to similarly titled measures of other companies. Operating cash flow is the primary basis used by MediaOne of Delaware, Inc.'s management to measure the operating performance of MediaOne of Delaware, Inc.'s business. 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 those measurements as an indicator of MediaOne of Delaware, Inc.'s performance.

(2) Represents net cash provided by (used in) operating activities, financing activities and investing activities as presented in MediaOne of Delaware, Inc.'s consolidated statement of cash flows.

DESCRIPTION OF THE CONSENT SOLICITATION AND THE OFFER TO GUARANTEE

PURPOSE OF THE CONSENT SOLICITATION AND THE OFFER TO GUARANTEE

To simplify our capital structure and to insure that our traded debt securities and those of Comcast Cable, Comcast Cable Communications Holdings, Comcast Cable Holdings and Comcast MO Group will be treated equally, upon completion of the AT&T Comcast acquisition, we, Comcast Cable, Comcast Cable Communications Holdings, Comcast Cable Holdings and Comcast MO Group each fully and unconditionally guaranteed each other's traded debt securities. Comcast Holdings did not become a guarantor, and its debt securities were not guaranteed, because we believe that future investors will be interested in "pure play" debt securities of our cable communications operations and not Comcast Holdings' commerce and content assets, such as QVC, E! Entertainment and Comcast Spectacor.

Continental was one of AT&T's cable subsidiaries and was transferred to Comcast Cable Communications Holdings in the AT&T Broadband acquisition. Continental did not become a guarantor, and its debt securities were not guaranteed, because Continental's indentures contain covenants that effectively prohibit Continental from guaranteeing its affiliates' debt obligations.

The purpose of the consent solicitation is to amend the covenants and events of default under the Continental Notes to conform them to those in our publicly traded debt securities. If these indentures are amended as described in this prospectus, the Continental Notes will be guaranteed, and Continental will cross-guarantee our publicly traded debt securities and those of Comcast Cable, Comcast Cable Communications Holdings, and Comcast MO Group. No consent fee or other consideration will be paid for the amendment and the Continental cross-guarantee other than the guarantees of the Continental Notes described under "Description of the Continental Notes."

We intend to solicit the consent of the holders of each series of the Continental Notes to the proposed amendment to the indentures governing the Continental Notes described below under "-- The Amendment" and as otherwise described in this prospectus upon the terms and subject to the conditions of this consent solicitation, the accompanying letter of consent, applicable law and, to the extent applicable, the indentures governing the Continental Notes.

REQUISITE CONSENTS; RECORD DATE; OUTSTANDING NOTES

We intend to seek the valid and unrevoked consents of registered holders of a majority in aggregate principal amount of each series of Continental Notes outstanding at the close of business on \_\_\_\_\_, 2003, the record date for determining the holders of the Continental Notes entitled to deliver consents in connection with this consent solicitation. The following table sets forth the principal amount outstanding of each series of Continental Notes as of that date.

CONTINENTAL NOTES -----	PRINCIPAL AMOUNT OUTSTANDING -----
<S>	<C>
8 7/8% Senior Notes Due September 15, 2005 (CUSIP No. 211177AJ9).....	\$ 275,000,000
8.30% Senior Notes Due May 15, 2006 (CUSIP No. 211177AM2)...	600,000,000
9% Senior Debentures Due September 1, 2008 (CUSIP No. 211177AG5).....	300,000,000
9.5% Senior Notes Due August 1, 2013 (CUSIP No. 211177AK6).....	525,000,000
	-----
TOTAL.....	\$1,700,000,000 =====

The failure of a holder to deliver, or cause to be delivered a consent with respect to any Continental Notes, including any failures resulting from broker non-votes with respect to Continental Notes, will have the same effect as if that holder had marked "Does Not Consent" to the proposed amendment on the letter of consent.

To our knowledge, no director or executive officer of ours, the cable guarantors, Continental or any of their affiliates held any Continental Notes as of the close of business on the record date.

EXPIRATION DATE; EXTENSION OF THE CONSENT SOLICITATION PERIOD; AMENDMENT; TERMINATION

The consent solicitation period will expire at 5:00 p.m., New York City time, on \_\_\_\_\_, 2003, unless we extend this period as to any series of Continental Notes. If, at that time, we have obtained the requisite consents, we will so certify to the indenture trustees, and the consents will be effective and irrevocable. We refer in this prospectus to the time that we deliver this certification as the consent certification time. In the event that we do not receive the requisite consents before the expiration of the solicitation period, we reserve the right to extend the solicitation period as to any series of Continental Notes on one or more occasions. If we extend the solicitation period, we will give oral or written notice of this extension to the indenture trustees and make a public announcement of this extension by no later than 9:00 a.m., New York City time, on the next business day after the scheduled expiration date of the solicitation period.

We reserve the right, exercisable in our sole discretion, to terminate the consent solicitation and not adopt the proposed amendment, whether or not we have received the requisite consents, by giving oral or written notice of termination to the indenture trustees and making a public announcement of termination. We also reserve the right, subject to applicable law, to amend this consent solicitation in any respect by giving oral or written notice of the amendment to the indenture trustees and making a public announcement of the amendment.

If we make any public announcement in connection with the consent solicitation, we will disseminate it to holders of Continental Notes in a manner reasonably designed to inform them of the announced change on a timely basis. Without limiting the manner in which we may choose to make a public

announcement, except as may be required by applicable law, we will have no obligation to publish, advertise or otherwise communicate any public announcement other than by issuing a release to the Dow Jones News Service.

#### CONSEQUENCES TO NON-CONSENTING HOLDERS; NO DISSENTERS' RIGHTS

If we obtain the requisite consents and execute the proposed amendment, it will be binding on each holder of Continental Notes, regardless of whether or not that holder delivered its consent. You are not entitled to any dissenters' rights in connection with the consent solicitation or amendment.

#### CONSENT PROCEDURES

In order to consent to the amendment a holder of Continental Notes must execute and deliver to the Consent Agent at the address set forth on the back cover of this prospectus a copy of the accompanying letter of consent, or cause a letter of consent to be delivered to the Consent Agent on the holder's behalf, before the expiration of the solicitation period in accordance with the procedures described in the following paragraphs.

In accordance with the indenture governing the Continental Notes, only registered holders of the notes as of the close of business on the record date may execute and deliver to the Consent Agent a letter of consent. We expect that DTC will authorize its participants, which include banks, brokers and other financial institutions, to execute letters of consent with respect to the Continental Notes they hold through DTC as if the participants were the registered holders of those notes. Accordingly, for purposes of the consent solicitation, when we use the term "registered holders," we include bank, brokers and other financial institutions that are participants of DTC.

If you are a beneficial owner of Continental Notes held through a bank, broker or other financial institution, in order to consent to the amendment you must arrange for the bank, broker or other financial institution that is the registered holder to either (1) execute a letter of consent and deliver it either to the Consent Agent on your behalf or to you for forwarding to the Consent Agent before the expiration of the solicitation period or (2) forward a duly executed proxy from the registered holder authorizing you to execute and deliver a letter of consent with respect to the notes on behalf of the registered holder. You must deliver an executed letter of consent, together with this proxy, to the Consent Agent before the expiration of the solicitation period. A form of proxy that may be used for that purpose is included in the accompanying letter of consent. Beneficial owners of Continental Notes are urged to contact the bank, broker or other financial

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institution through which they hold their notes to obtain a valid proxy or to direct that a letter of consent be executed and delivered in respect of their notes.

Giving a consent by submitting a letter of consent will not affect a holder's right to sell or transfer the Continental Notes. All consents received from the holder of record on the record date and not revoked by that holder of record before the consent certification time will be effective notwithstanding any transfer of those notes after the record date.

REGISTERED HOLDERS OF CONTINENTAL NOTES AS OF THE RECORD DATE WHO WISH TO CONSENT SHOULD MAIL, HAND DELIVER OR SEND BY OVERNIGHT COURIER OR FACSIMILE THEIR PROPERLY COMPLETED AND EXECUTED LETTERS OF CONSENT, A COPY OF WHICH ACCOMPANIES THIS PROSPECTUS, TO THE CONSENT AGENT AT THE ADDRESS SET FORTH ON THE BACK COVER PAGE OF THIS PROSPECTUS, IN ACCORDANCE WITH THE INSTRUCTIONS SET FORTH IN THIS PROSPECTUS AND ON THE ACCOMPANYING LETTER OF CONSENT. LETTERS OF CONSENT SHOULD BE DELIVERED TO THE CONSENT AGENT, NOT TO US, CONTINENTAL OR ONE OF THE INDENTURE TRUSTEES. HOWEVER, WE RESERVE THE RIGHT TO ACCEPT ANY LETTER OF CONSENT RECEIVED BY US, CONTINENTAL OR ONE OF THE INDENTURE TRUSTEES.

All letters of consent that are properly completed, executed and delivered to the Consent Agent, and not revoked before the consent certification time, will be given effect in accordance with the terms of those letters of consent. Registered holders who desire to consent to the amendment should mark the "CONSENTS" box on, and complete, sign and date, the letter of consent accompanying this prospectus and mail, deliver or send by overnight courier or facsimile (confirmed by the consent certification time by physical delivery) the signed letter of consent to the Consent Agent at the address set forth on the back cover page of this prospectus or on the accompanying letter of consent, all in accordance with the instructions contained in this document and in the letter of consent. If none of the boxes in the letter of consent is marked, but the letter of consent is otherwise properly completed and signed, the registered

holder will be deemed to have consented to the amendment.

Letters of consent delivered by the registered holder(s) of Continental Notes as of the record date must be executed in exactly the same manner as those registered holder(s) name(s) appear(s) on the certificates representing the notes or on the position listings of DTC, as applicable. If notes to which a letter of consent relate are registered in the names of two or more joint holders, all of those holders must sign the letter of consent. If a letter of consent is signed by a trustee, partner, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, that person must so indicate when signing. In addition, if a letter of consent relates to less than the total principal amount of Continental Notes registered in the name of a holder, the registered holder must list the serial numbers and principal amount of notes registered in the name of that holder to which the letter of consent relates. If notes are registered in different names, separate letters of consent must be signed and delivered with respect to each registered note. If a letter of consent is executed by a person other than the registered holder, then it must be accompanied by a proxy executed by the registered holder.

All questions as to the validity, form and eligibility regarding the consent procedures will be determined by us, which determination will be conclusive and binding, subject only to final review as may be prescribed by the applicable indenture trustee concerning proof of execution and ownership. We also reserve the right, subject to any final review that the applicable indenture trustee prescribes for proof of execution and ownership, to waive any defects or irregularities in connection with deliveries of particular letters of consent. Our interpretations of the terms and conditions of the consent solicitation shall be conclusive and binding.

#### REVOCAION OF CONSENTS

If you hold Continental Notes and consent using a letter of consent:

- Each properly completed and executed letter of consent will be counted, notwithstanding any transfer of the notes to which the letter of consent relates, unless the procedure for revoking consents described below has been followed.
- Before the consent certification time, any registered holder of Continental Notes as of the close of business on the record date may revoke any consent given as to its notes or any portion of its notes (in

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integral multiples of \$1,000). A registered holder of Continental Notes may revoke a consent by delivering to the Consent Agent at the address set forth on the back cover page of this prospectus or the indenture trustee a written notice of revocation of the consent (which may be in the form of a subsequently dated letter of consent marked with a specification, i.e., "CONSENTS" or "DOES NOT CONSENT") containing the name of the registered holder, the serial numbers of the notes to which the revocation relates, the principal amount of notes to which the revocation relates and the signature of the registered holder. Only a registered holder of notes as of the record date is entitled to revoke a consent previously given.

- A beneficial owner of Continental Notes who is not the registered holder as of the record date of the notes in respect of which the beneficial owner desires to revoke a previously delivered consent must arrange with the registered holder to either (1) execute and deliver to the Consent Agent on the beneficial owner's behalf, or to the beneficial owner for forwarding to the Consent Agent by the beneficial owner, in either case before the consent solicitation time, a notice of revocation of any consent already given with respect to those notes or (2) forward a duly executed proxy from the registered holder authorizing the beneficial holder to deliver a notice of revocation on behalf of the registered holder as to that consent. To revoke the consent, the beneficial owner must deliver an executed notice of revocation, together with this proxy, to the Consent Agent before the consent certification time.
- Any notice of revocation must be executed by a registered holder in the same manner as the holder's name appears on the letter of consent to which the revocation relates. If a notice of revocation is signed by a trustee, partner, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, that person must so indicate when signing and must submit with the notice of revocation appropriate evidence of authority to execute the revocation. A revocation of a consent will be

effective only as to the notes listed on the applicable notice of revocation and only if that notice of revocation complies with the procedures for revocation of consents described in this prospectus.

- We reserve the right to contest the validity of any revocation, and all questions as to validity, including time of receipt of any revocation will be determined by us. Our determination will be conclusive and binding subject only to any final review as may be prescribed by the applicable indenture trustee concerning proof of execution and ownership. None of ourselves, any of our affiliates, the Consent Agent, any of the indenture trustees or any other person will be under any duty to give notification of any defects or irregularities with respect to any revocation nor will any of them be liable for failure to give any notification.

#### THE INFORMATION AGENT

We have engaged D.F. King & Co., Inc. as the information agent for the consent solicitation and offer to guarantee. Requests for additional copies of this prospectus or the letter of consent and for assistance in tendering consents with respect to Continental Notes should be directed to the information agent below.

D.F. KING & CO., INC.  
48 WALL STREET, 22ND FLOOR  
NEW YORK, NEW YORK 10005  
BANKS AND BROKERS CALL COLLECT:  
(212) 269-5550

ALL OTHERS CALL TOLL FREE:  
(866) 868-2409

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#### THE CONSENT AGENT

We have engaged The Bank of New York as the Consent Agent for the consent solicitation and offer to guarantee. All executed letters of consent and notices of revocation should be directed to the Consent Agent at the address set forth below:

THE BANK OF NEW YORK, CONSENT AGENT  
CORPORATE TRUST REORGANIZATION UNIT  
101 BARCLAY STREET, 7E  
NEW YORK, NEW YORK 10286  
ATTN: WILLIAM BUCKLEY

FACSIMILE TRANSMISSIONS:  
(212) 298-1915  
TO CONFIRM BY TELEPHONE  
OR FOR INFORMATION:  
TOLL FREE (800) 254-2826  
212-815-5788

Delivery of the letter of consent or a notice of revocation to an address other than as listed above or transmission of instructions via facsimile other than as listed above does not constitute a valid delivery.

#### FEEES AND EXPENSES

The Information Agent and the Consent Agent will receive reasonable and customary compensation for their services, will be reimbursed by us for various reasonable out-of-pocket expenses and will be indemnified against various liabilities in connection with the consent solicitation and offer to guarantee, including liabilities under the federal securities laws.

No fees or commissions (other than fees to the Information Agent and Consent Agent as described above) will be payable by us to brokers, dealers or other persons for soliciting consents of noteholders pursuant to the consent solicitation. We will, however, upon request, reimburse brokers, dealers and commercial banks for customary mailing and handling expenses incurred by them in forwarding this prospectus and related materials to the beneficial owners of notes held by them as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as our agent or an agent of the Consent Agent for purposes of the consent solicitation.

We estimate that the approximate amount of out-of-pocket fees and other expenses of the consent solicitation will be \$ .

## THE CONTINENTAL CROSS GUARANTEES

If the amendment is approved, the Continental Notes would benefit from the cable guarantees and Continental will also fully and unconditionally guarantee the obligations, including the payment of principal, if any, and interest, on the publicly traded debt securities of ourselves and the cable guarantors, which we refer to in this prospectus as the "Continental cross-guarantees." The Continental cross guarantees would be on the same terms as the cable guarantees. We and the other cable guarantors will grant the cable guarantees with respect to the Continental Notes promptly after the effective date of the amendment.

## THE AMENDMENT

The amendment would amend the indentures governing the Continental Notes in order to conform the covenants and events of default in the indentures for the Continental Notes with those contained in our public debt securities. The changes to the covenants and events of default applicable to the Continental Notes will only take effect when the Continental Notes receive the cable guarantees. We refer in this prospectus to the covenants and events of default as amended which would apply to the Continental Notes if the amendment is approved when the cable guarantees are granted as the "new covenants."

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The new covenants would restrict or condition our, the cable guarantors and Continental's ability to

- grant liens to secure other indebtedness;
- enter into sale-leaseback transactions; and
- consolidate or merge Continental, or sell, convey, transfer, lease, or otherwise dispose of all or substantially all of Continental's property and assets.

The amendment would also add as events of default under each indenture

- default by any of us or any other cable guarantor in the observance or performance of any covenant under that indenture or notes outstanding under that indenture for more than 60 days after written notice thereof shall have been given to us or such other cable guarantor by the trustee, or to us or such other cable guarantor and the trustee by the holders of at least 25% in aggregate principal amount of the notes then outstanding under that indenture;
- any cable guarantee is not (or is claimed by any cable guarantor not to be) in full force and effect;
- certain events involving bankruptcy, insolvency or reorganization of us or any other cable guarantor.

A default under any of our or the cable guarantors' other indebtedness will not be a default under the indentures.

In addition, the amendment would remove a default under, or the acceleration of the maturity of, other indebtedness of Continental as an event of default under the indentures.

The amendment would remove covenants in the indentures which restrict or condition Continental's ability to

- make specified restricted payments;
- incur additional indebtedness;
- invest in entities other than specified subsidiaries;
- enter into transactions with Continental stockholders and affiliates;
- grant liens to secure other indebtedness; and
- consolidate, merge, or sell, convey, transfer, lease, or otherwise dispose of all or substantially all of its property and assets.

The amendment would also require us to provide the trustee with copies of our annual reports and the information, documents and other reports we file pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 instead of providing financial statements for Continental, and provide that all the

Continental Notes not held as physical certificates as of the date of the amendment may generally only be held in book-entry form through a depository.

See "Description of the Continental Notes" for more complete descriptions of the covenants and events of default that currently apply to the Continental Notes and "Description of the Cable Guarantees and New Covenants" for a more complete description of the effect of the amendment.

The amendment would allow for the granting of the Continental cross-guarantees in return for the cable guarantees, notwithstanding any covenants in the Continental Notes which would otherwise prohibit or condition the granting of the Continental cross-guarantees.

#### MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The amendments to the indentures governing the Continental Notes, together with the provision of the cable guarantees and the grant by Continental of the Continental cross-guarantees, will not be a taxable event for holders of the Continental Notes. Consequently, a holder of Continental Notes will not recognize any gain or loss, and the holder's holding period for and tax basis in the Continental Notes will not be affected.

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This discussion is based on the Internal Revenue Code of 1986, as amended, applicable Treasury regulations, administrative interpretations and court decisions as in effect as of the date of this prospectus, all of which may change, possibly with retroactive effect. It does not describe all of the tax consequences that may be relevant to a holder in light of the holder's particular circumstances, and does not address any non-income tax or any foreign, state or local tax consequences of the amendments to the indentures or the provision of the guarantees. Each holder is urged to consult his or her own tax advisor to determine the particular U.S. federal, state or local or foreign income or other tax consequences to him or her.

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#### DESCRIPTION OF THE CABLE GUARANTEES AND NEW COVENANTS

##### THE CABLE GUARANTEES

To simplify our capital structure and to insure that our traded debt securities and those of Comcast Cable, Comcast Cable Communications Holdings, Comcast Cable Holdings and Comcast MO Group will be treated equally, upon completion of the AT&T Broadband acquisition, we, Comcast Cable, Comcast Cable Communications Holdings, Comcast Cable Holdings and Comcast MO Group each fully and unconditionally guaranteed each other's traded debt securities. Comcast Holdings did not become a guarantor, and its debt securities were not guaranteed, because we believe that future investors will be interested in "pure play" debt securities of our cable communications operations and not Comcast Holdings' commerce and content assets, such as QVC, E! Entertainment and Comcast Spectacor.

Continental was one of AT&T's cable subsidiaries and was transferred to Comcast Cable Communications Holdings in the AT&T Broadband acquisition. Continental did not become a guarantor, and its debt securities were not guaranteed, because Continental's indentures contain covenants that effectively prohibit Continental from guaranteeing its affiliates' debt obligations.

In the event that the consent solicitation described in this prospectus is successful and the amendment to the covenants and events of default under the Continental Notes becomes effective, the Continental Notes would be fully and unconditionally guaranteed of the obligations, including the payment of principal, premium, if any, and interest, on the Continental Notes by each of us, and Comcast Cable, Comcast Cable Communications Holdings, Comcast Cable Holdings and Comcast MO Group. We refer to these guarantees offered by this prospectus as the "cable guarantees."

The cable guarantees will not contain any restrictions on the ability of any cable guarantor to:

- pay dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of that cable guarantor's capital stock; or
- make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities of that cable guarantor.

The following table presents as of September 30, 2002 for each of Continental and ourselves, Comcast Cable, Comcast Cable Holdings, and Comcast MO Group, their pro forma payment obligations for principal, excluding obligations of their subsidiaries and excluding interest but including principal accreted under discount obligations, under (a) debt securities that are subject, or in the case of Continental, would be subject, to the cross guarantees, (b) other contractual liabilities, including capital leases, none of which will be subject to the cross-guarantees and (c) operating leases, none of which will be subject to the cross guarantees. For purposes of the table, amounts set forth opposite "guaranteed debt securities" only include amounts with respect to the person who is the primary obligor and not with respect to amounts for which that person may be secondarily liable as guarantor. The table presents for Comcast Cable Communications Holdings the pro forma effect of its issuance in connection with the AT&T Broadband acquisition of approximately \$3.50 billion in debt securities to retire existing AT&T debt. The table also presents for us the pro forma effect of our and Comcast Cable Communications Holdings' borrowings under the New Credit Facility in connection with the closing of the AT&T Broadband acquisition, as well as the issuance and sale in January 2003 of approximately \$600 million aggregate principal amount of our 5.85% Notes Due 2010 and \$900 million aggregate principal amount of our 6.50% Notes Due 2015 and the application of the proceeds from the issuance to repay short-term indebtedness incurred in connection with the AT&T Broadband acquisition.

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<Table>  
<Caption>

CONTRACTUAL OBLIGATION	PAYMENT TOTAL	PAYMENTS DUE BY PERIOD			
		REMAINDER OF 2002	1-2 YEARS	3-5 YEARS	AFTER 5 YEARS
(IN MILLIONS, UNAUDITED)					
<S>	<C>	<C>	<C>	<C>	<C>
Continental:					
Potentially guaranteed debt securities.....	\$ 1,700.0	\$ --	\$	\$ 875.0	\$ 825.0
Other liabilities, including capital leases.....	103.8	0.7	103.1	--	--
Operating leases.....	1.1	0.2	0.9	--	--
Total Continental.....	\$ 1,804.9	\$ 0.9	\$ 104.0	\$ 875.0	\$ 825.0
Comcast:					
New Credit Facility.....	\$ 680.0	\$ --	\$ 680.0	\$ --	\$ --
Guaranteed debt securities.....	1,500.0	--	--	--	1,500.0
Total Comcast.....	2,180.0	--	\$ 680.0	--	1,500.0
Comcast Cable:					
Guaranteed debt securities.....	7,821.7	--	315.8	2,887.6	4,618.3
Other liabilities, including capital leases.....	6.8	1.1	2.8	0.5	2.4
Total Comcast Cable.....	7,828.5	1.1	318.6	2,888.1	4,620.7
Comcast Cable Communications Holdings:					
New Credit Facility.....	5,000.0	--	5,000.0	--	--
Guaranteed debt securities.....	3,505.1	--	--	--	3,505.1
Total Comcast Cable Communications Holdings.....	8,505.1	--	5,000.0	--	3,505.1
Comcast Cable Holdings:					
Guaranteed debt securities.....	5,883.9	30.0	1,748.7	1,165.5	2,939.7
Operating leases.....	52.2	3.6	25.8	15.9	6.9
Total Comcast Cable Holdings.....	5,936.1	33.6	1,774.5	1,181.4	2,946.6
Comcast MO Group:					
Guaranteed debt securities.....	302.8	10.4	7.2	82.3	202.9
Operating leases.....	4.3	0.5	3.8	--	--
Total Comcast MO Group.....	307.1	10.9	11.0	82.3	202.9
Total of Continental, Comcast and cable guarantors.....	\$26,561.7	\$46.5	\$7,888.1	\$5,026.8	\$13,600.3



## THE NEW COVENANTS

If the consent solicitation is successful and the amendment becomes effective, we, Continental and the cable guarantors will agree to some restrictions on our activities for the benefit of the holders of the Continental Notes. The restrictive covenants and amended events of default summarized below will apply, unless the covenants are waived or amended, so long as any of the Continental Notes are outstanding, and will replace the existing Continental covenants and amend the events of default described under "Description of the Continental Notes." The following discussion of the new covenants and amended events of default which will apply assumes that Continental will have granted the Continental cross guarantees and will have become one of the "cable guarantors." All references to the "indentures" are to the indentures governing the Continental Notes as amended.

The Continental Notes will not contain any financial covenants other than those summarized below and will not restrict us or our subsidiaries, including Continental or its subsidiaries, from paying dividends or incurring additional debt. In addition, the Continental Notes will not protect holders of the notes in the event of a highly leveraged transaction or a change in control.

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**Limitation on Liens Securing Indebtedness.** Neither we nor any cable guarantor shall create, incur or assume any Lien (other than any Permitted Lien) on such person's assets, including the Capital Stock of such person's wholly-owned subsidiaries' to secure the payment of our Indebtedness or that of any cable guarantor, unless we secure the outstanding Continental Notes or cable guarantee, as the case may be, equally and ratably with (or prior to) all Indebtedness secured by such Lien, so long as such Indebtedness shall be so secured.

**Limitation on Sale and Leaseback Transactions.** Neither we nor any cable guarantor shall enter into any Sale and Leaseback Transaction involving any of such person's assets, including the Capital Stock of such person's wholly-owned subsidiaries.

The restriction in the foregoing paragraph shall not apply to any Sale and Leaseback Transaction if:

- the lease is for a period not in excess of three years, including renewal of rights;
- the lease secures or relates to industrial revenue or similar financing;
- the transaction is solely between us and a cable guarantor or between or among cable guarantors; or
- we or the applicable cable guarantor, within 270 days after the sale is completed, applies an amount equal to or greater than (a) the net proceeds of the sale of the assets or part thereof leased or (b) the fair market value of the assets or part thereof leased (as determined in good faith by our Board of Directors) either to:
  - the retirement (or open market purchase) of Continental Notes, our other long-term Indebtedness ranking on a parity with or senior to the Continental Notes or long-term Indebtedness of a cable guarantor; or
  - the purchase by us or any cable guarantor of other property, plant or equipment related to our business or the business of any cable guarantor having a value at least equal to the value of the assets or part thereof leased.

This provision and the provision described under "-- Limitation on Liens Securing Indebtedness" do not apply to any of our subsidiaries other than the cable guarantors.

"Capitalized Lease" means, as applied to any person, any lease of any property (whether real, personal, or mixed) of which the discounted present value of the rental obligations of such person as lessee, in conformity with GAAP, is required to be capitalized on the balance sheet of such person; and "Capitalized Lease Obligation" is defined to mean the rental obligations, as aforesaid, under such lease.

"Capital Stock" means, with respect to any person, any and all shares, interests, participations, or other equivalents (however designated, whether

voting or non-voting) of such person's capital stock or other ownership interests, whether now outstanding or issued after the date of hereof, including, without limitation, all common stock and preferred stock.

"Currency Agreement" means any foreign exchange contract, currency swap agreement, or other similar agreement or arrangement designed to protect against the fluctuation in currency values.

"GAAP" means generally accepted accounting principles in the United States of America as in effect as of the date of determination, including, without limitation, those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession. All ratios and computations contained in the Continental indentures as amended shall be computed in conformity with GAAP applied on a consistent basis.

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"Guarantee" means any obligation, contingent or otherwise, of any person directly or indirectly guaranteeing any Indebtedness or other obligation of any other person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such person:

- to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities, or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or
- entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Indebtedness" means, with respect to any person at any date of determination (without duplication):

- all indebtedness of such person for borrowed money;
- all obligations of such person evidenced by bonds, debentures, notes, or other similar instruments;
- all obligations of such person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto);
- all obligations of such person to pay the deferred and unpaid purchase price of property or services (but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business);
- all obligations of such person as lessee under Capitalized Leases;
- all Indebtedness of other persons secured by a Lien on any asset of such person, whether or not such Indebtedness is assumed by such person; provided that the amount of such Indebtedness shall be the lesser of:
  - the fair market value of such asset at such date of determination; and
  - the amount of such Indebtedness;
- all Indebtedness of other persons Guaranteed by such person to the extent such Indebtedness is Guaranteed by such person;
- to the extent not otherwise included in this definition, obligations under Currency Agreements and Interest Rate Agreements.

The amount of Indebtedness of any person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; provided:

- that the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP; and
- that Indebtedness shall not include any liability for federal, state, local, or other taxes.

"Interest Rate Agreements" means any obligations of any person pursuant to any interest rate swaps, caps, collars, and similar arrangements providing protection against fluctuations in interest rates. For purposes of the Continental indentures as amended, the amount of such obligations shall be the amount determined in respect thereof as of the end of the then most recently ended fiscal quarter of such person, based on the assumption that such obligation had terminated at the end of such fiscal quarter, and in making such determination, if any agreement relating to such obligation provides for the netting of amounts payable by and to such person thereunder or if any such agreement provides for the simultaneous payment of amounts by and

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to such person, then in each such case, the amount of such obligations shall be the net amount so determined, plus any premium due upon default by such person.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind, or any other type of preferential arrangement that has the practical effect of creating a security interest, in respect of such asset. For the purposes of the Continental indentures as amended, we or any cable guarantor shall be deemed to own subject to a Lien any asset acquired or held subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"Permitted Liens" means:

- any Lien on any asset incurred prior to the effective date of the amendment;
- any Lien on any assets acquired after the effective date of the amendment (including by way of merger or consolidation) by us or any cable guarantor, which Lien is created, incurred or assumed contemporaneously with such acquisition, or within 270 days thereafter, to secure or provide for the payment or financing of any part of the purchase price thereof, or any Lien upon any assets acquired after the effective date of the amendment existing at the time of such acquisition (whether or not assumed by us or any cable guarantor), provided that any such Lien shall attach only to the assets so acquired;
- any Lien on any assets in favor of us or any cable guarantor;
- any Lien on assets incurred in connection with the issuance of tax-exempt governmental obligations (including, without limitation, industrial revenue bonds and similar financing);
- any Lien granted by any cable guarantor on assets to the extent limitations on the incurrence of such Liens are prohibited by any agreement to which such cable guarantor is subject as of the effective date of the amendment; and
- any renewal of or substitution for any Lien permitted by any of the preceding bullet points, including any Lien securing reborrowing of amounts previously secured within 270 days of the repayment thereof, provided that no such renewal or substitution shall extend to any assets other than the assets covered by the Lien being renewed or substituted.

"Sale and Leaseback Transaction" means any direct or indirect arrangement with any person or to which any such person is a party, providing for the leasing to us or a cable guarantor of any property, whether owned by us or such cable guarantor at the date of the original issuance of the debt securities or later acquired, which has been or is to be sold or transferred by us or such cable guarantor to such person or to any other person by whom funds have been or are to be advanced on the security of such property.

Financial Information. We will file, whether or not required to do so under applicable law, with the trustee, within 15 days after being required to file the same under the Securities Exchange Act of 1934, copies of the annual reports and the information, documents and other reports to be filed pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. We intend to file

all such reports, information and documents with the SEC, whether or not required by Section 13 or 15(d), and will send copies to the trustee within such 15-day period.

Consolidation, Merger and Sale of Assets. Each indenture as amended will restrict Continental's ability to consolidate with, merge with or into, or sell, convey, transfer, lease, or otherwise dispose of all or substantially all of its property and assets as an entirety or substantially an entirety in one transaction or a series of related transactions to any person (other than a consolidation with or merger with or into or a sale, conveyance, transfer, lease or other disposition to an affiliate with a positive net worth; provided that, in connection with any merger of Continental and an affiliate, no consideration other than common stock in the

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surviving person shall be issued or distributed to Continental's stockholders) or permit any person to merge with or into Continental unless:

- Continental is the continuing person or the person formed by such consolidation or into which such party is merged or that acquired or leased such property and assets shall be a corporation or limited liability company organized and validly existing under the laws of the United States of America or any jurisdiction thereof and shall expressly assume, by a supplemental indenture, executed and delivered to the trustee, all of Continental's obligations on all of the Continental notes under that indenture;
- immediately after giving effect to such transaction, no default or event of default shall have occurred and be continuing; and
- Continental delivers to the trustee an officers' certificate and opinion of counsel, in each case stating that such consolidation, merger, or transfer and such supplemental indenture complies with this provision and that all conditions precedent provided for in that indenture and notes relating to such transaction have been complied with;

provided, however, that the foregoing limitations will not apply if, in the good faith determination of Continental's board of directors set forth in a board resolution, the principal purpose of such transaction is to change the state of incorporation of such party; and provided further that any such transaction shall not have as one of its purposes the evasion of the foregoing limitations.

Upon any express assumption of Continental's obligations under an indenture as described above, Continental will be released and discharged from all obligations and covenants under that indenture and all the Continental Notes issued under that indenture.

The indentures as amended and the cable guarantees will not limit the ability of any cable guarantor to consolidate with or merge into or sell all or substantially all its assets. Upon the sale or disposition of any cable guarantor (whether by merger, consolidation, the sale of its capital stock or the sale of all or substantially all of its assets) to any person, that cable guarantor will be deemed released from all its obligations under the indentures and its cable guarantee.

#### EVENTS OF DEFAULT

In the event the amendment becomes effective, upon the granting of the cable guarantees the following changes will be made to the event of defaults under the indentures for the Condor Notes. For purposes of this section, the term "Obligor" shall mean each of us, Comcast Cable, Comcast Cable Communications Holdings, Comcast Cable Holdings and Comcast MO Group, in each case excluding such entity's subsidiaries.

The amendment would add as events of default under each indenture

- default by any Obligor in the observance or performance of any covenant under that indenture or notes outstanding under that indenture for more than 60 days after written notice thereof shall have been given to that Obligor by the trustee, or to that Obligor and the trustee by the holders of at least 25% in aggregate principal amount of the notes then outstanding under that indenture;
- any cable guarantee is not (or is claimed by any cable guarantor not to be) in full force and effect;
- certain events involving bankruptcy, insolvency or reorganization of us

or any cable guarantor.

A default under any of our or the cable guarantors' other indebtedness will not be a default under the indentures.

In addition, upon the granting of the cable guarantees the amendment would remove a default under, or the acceleration of the maturity of, other indebtedness of Continental as an event of default under the indentures.

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#### DESCRIPTION OF THE CONTINENTAL NOTES

##### GENERAL

This prospectus relates to Continental's \$1,700,000,000 in principal amount of

- 8 7/8% Debentures Due September 15, 2005, referred to in this prospectus as the "2005 Notes";
- 8.30% Senior Notes Due May 15, 2006, referred to in this prospectus as the "2006 Notes";
- 9% Senior Debenture Due September 1, 2008 of Continental, referred to in this prospectus as the "2008 Notes"; and
- 9.5% Senior Notes Due August 1, 2013, referred to in this prospectus as the "2013 Notes."

We refer to these notes in this prospectus as the "Continental Notes." The Continental Notes were issued under separate but substantially similar indentures. We refer to these indentures in this prospectus as the "Continental Indentures."

The following is a summary of the material terms common to all of the Continental Indentures and is qualified by reference to the description of the terms of the issues of Continental Notes below, which sets forth any terms of a Continental Indenture or the Continental Notes issued under that indenture which differ materially from the summary of common terms, and by reference to the Continental Indentures and the Continental Notes, which are exhibits to the registration statement of which this prospectus forms a part. Terms used in the following description are defined below under "-- Certain Definitions."

The Continental Notes:

- represent unsecured senior indebtedness of Continental;
- are not guaranteed by any of Continental's subsidiaries;
- rank pari passu in right of payment with the other Continental Notes and with all other Senior Indebtedness of Continental; and
- are senior in right of payment to all subordinated indebtedness of Continental.

Continental has existing long-term indebtedness, all of which is senior indebtedness, in the aggregate amount of approximately \$1,885,000,000. Subject to certain limitation set forth in the Continental Indentures described under "-- Negative Covenants -- Limitations on Indebtedness" and "-- Limitation on Liens" below, the Continental Indentures permit Continental and the Restricted Subsidiaries to incur and secure additional Indebtedness, which Indebtedness may be guaranteed by the Restricted Subsidiaries. The Continental Indentures do not restrict the incurrence of Indebtedness, whether secured or unsecured, by Continental's Unrestricted Subsidiaries. As of the date of this prospectus, all of Continental's Subsidiaries are Restricted Subsidiaries.

As of September 30, 2002, Continental's subsidiaries had no long-term indebtedness. Since substantially all of Continental's assets consist of the stock of its subsidiaries, its ability to satisfy its obligations, including its obligations in respect of the Continental Notes, is dependent upon its receipt of funds from its subsidiaries. Upon any distribution of the assets of Continental and its subsidiaries pursuant to any dissolution, winding up, liquidation or reorganization, the assets of Continental's subsidiaries will be applied first to discharge the claims of such subsidiaries' creditors and to discharge any other indebtedness that has been guaranteed or secured by the subsidiaries. As a result, holders of the Continental Notes may recover less, ratably, than creditors of Continental's subsidiaries in the event that the

remaining assets of it and its subsidiaries are insufficient to discharge all of the Senior Indebtedness of Continental.

#### PAYMENT AT MATURITY AND OPTIONAL PREPAYMENTS

Payment at Maturity. The principal of the Continental Notes will be payable at maturity. No sinking fund is provided for the Continental Notes. Continental may not elect to prepay the Continental Notes prior to

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their maturity, with the exception of the 2013 Notes which Continental may elect to prepay as described below under "Description of 2013 Notes -- Payment at Maturity and Optional Prepayments -- Prepayment at the Option of Continental"

Prepayment at the Option of the Holders. The holders of Continental Notes are entitled to demand prepayment of the Continental Notes upon the occurrence of the following events:

- Prepayment in the Event of Certain Exempt Repurchases.

If Continental proposes:

- to make an Exempt Repurchase, and immediately after giving effect to any such Indebtedness incurred for the purpose of making such Exempt Repurchase, Continental would be unable to incur an additional One Dollar (\$1.00) of Indebtedness under the terms of Continental's covenant on limitation on Indebtedness described below under "-- Negative Covenants -- Limitation on Indebtedness" (without giving effect to that portion of the covenant which excludes Exempt Repurchase Indebtedness), as defined below under "-- Negative Covenants -- Limitation on Indebtedness"; or
- to incur additional Indebtedness and immediately after giving effect to the incurrence of such Indebtedness Continental would be able to incur an additional One Dollar (\$1.00) of Indebtedness under the foregoing covenant on limitation on Indebtedness only because Exempt Repurchase Indebtedness is not included in the computation of Indebtedness for purposes of such covenant,

then Continental will give to each holder of Continental Notes notice (the "Repurchase Notice") of such proposed Exempt Repurchase or proposed incurrence of such additional Indebtedness (either, a "Put Option Transaction") not less than 15 nor more than 45 days before the proposed date of consummation (the "Proposed Consummation Date") specified in the Repurchase Notice.

If the Put Option Transaction is consummated on the Proposed Consummation Date or within 30 days after such date, Continental will send notice to each holder of Continental Notes on the date of consummation (the "Put Option Transaction Date") that each holder has the right, for the 30 day period following the Put Option Transaction Date, to tender all, but not less than all, of such holder's Continental Notes and thereby to require Continental to redeem the holder's Continental Notes at a price equal to the principal amount of such Continental Notes and accrued interest thereon to the date of prepayment.

The prepayment price for any Continental Notes properly tendered will be paid 35 days after the Put Option Transaction Date. Continental will be prohibited from consummating a Put Option Transaction unless it has delivered to the Trustee an Officers' Certificate to the effect that Continental has committed financing sufficient to redeem all outstanding Continental Notes. In the event that the proposed Put Option Transaction is not consummated within 30 days of the Proposed Consummation Date, Continental will give notice to each holder of Continental Notes that the proposed Put Option Transaction was not consummated. If a Put Option Transaction is consummated, Continental will comply with all applicable tender offer rules, including, without limitation, Section 14(e) of the Securities Exchange Act of 1934, as amended, and Rule 14e-1 promulgated thereunder.

Following the consummation of a Put Option Transaction and the repurchase by Continental of those Continental Notes, if any, properly tendered for repurchase:

- holders of each series of the Continental Notes will have no further right to cause Continental to prepay their Continental Notes as a result of any subsequent Put Option Transaction; and
- Continental will no longer be bound by the covenants described below under "-- Negative Covenants -- Limitation on Indebtedness,"

"-- Investments in Unrestricted Subsidiaries" and "-- Limitations on Liens."

The Repurchase Notice will inform holders of the Continental Notes of the events described above.

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- Prepayment in the Event of Certain Cash Repurchases of Convertible Preferred Stock.

The Continental Indentures provide for prepayment to the holders of Continental Notes in the event of certain cash repurchases of convertible preferred stock. This convertible preferred stock is no longer outstanding and therefore this covenant is no longer relevant.

#### NEGATIVE COVENANTS

Restricted Payments. The Continental Note Indentures provide that, so long as any of the Continental Notes remain outstanding, neither Continental nor any of its Subsidiaries will pay any dividend on, or make any distribution in respect of, any shares of any class of Continental's stock (except dividends or distributions payable in shares of its stock), or purchase, redeem or otherwise acquire for value any shares of any class of Continental's stock (or any rights, warrants or options to purchase any class of Continental's stock, except if such rights, warrants or options are held by an employee of Continental and such purchase, redemption or acquisition occurs in connection with the termination of such employee's employment with Continental), otherwise than pursuant to Exempt Repurchases if either of the following is true:

- if a default shall have occurred and be continuing at the time of such proposed Restricted Payment or shall occur as a consequence thereof; or
- if the aggregate of all Restricted Payments made from March 31, 1992 through and including the date on which such Restricted Payment is made, would exceed the sum of
  - the amount by which Operating Cash Flow of the Restricted Group on a consolidated basis for the period, treated as a single accounting period, from March 31, 1992 through the fiscal quarter immediately preceding such proposed restricted payment for which financial statements are available exceeds 1.20 times the Total Interest Expense for the period, treated as a single accounting period from March 31, 1992 through said fiscal quarter immediately preceding such proposed Restricted Payment, plus
  - \$150,000,000, plus
  - the aggregate net proceeds, including the fair market value of property other than cash, received by Continental from the issue or sale (other than to a Subsidiary) subsequent to June 23, 1992 of capital stock of Continental or from the exercise subsequent to June 23, 1992 of any options, warrants or other rights to acquire capital stock of Continental.

Any payment made in contravention of the terms above is referred to in this description of the Continental Notes as a "Restricted Payment." Approximately \$4.4 billion would have been available as of September 30, 2002 for payments subject to this test.

For all purposes of this covenant, any recapitalization of Continental (whether or not effected through a merger or consolidation with, or sale of substantially all of the assets of Continental to, any person) that has the effect of transferring money, property, or securities other than capital stock of Continental to any holder of any shares of the capital stock of Continental (otherwise than in connection with an Exempt Repurchase) shall be deemed a Restricted Payment. Exempt Repurchases shall not constitute Restricted Payments or be taken into account in computing the amount of Restricted Payments that Continental may make but may entitle the holders of Continental Notes to require the prepayment of their Continental Notes. See "Description of the Continental Notes -- Prepayment at the Option of the Holders" above.

Limitation on Indebtedness. The Continental Indentures provide that no member of the Restricted Group will incur any additional Indebtedness -- other than Indebtedness in connection with Exempt Repurchases ("Exempt Repurchase Indebtedness") -- if, immediately thereafter and giving effect thereto on a pro forma basis, the aggregate Indebtedness (exclusive of any and all Exempt Repurchase Indebtedness) of the Restricted Group would be more than the product

of (a) the Annualized Operating Cash Flow of the Restricted Group multiplied by (b) nine. Continental's obligation to comply with this covenant may terminate under certain circumstances. See "-- Prepayment at the Option of the Holders" above.

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At September 30, 2002, the aggregate Indebtedness of the Restricted Group (exclusive of any Exempt Repurchase Indebtedness) was \$1,855.0 million. The Operating Cash Flow of the Restricted Group would have been \$213.3 million for the three month period ending September 30, 2002. Accordingly, the ratio of aggregate Indebtedness of the Restricted Group to four times such Operating Cash Flow was 2.2 to 1 at September 30, 2002.

Investments in Unrestricted Subsidiaries. The Continental Indentures provide that no member of the Restricted Group will make any loan or transfer of property to or investment in a Unrestricted Subsidiary unless, immediately after and giving effect to such loan or investment on a pro forma basis, the Restricted Group would be able to incur additional One Dollar (\$1.00) of Indebtedness without violating the covenant in the Continental Indentures on limitation of Indebtedness described above under "-- Limitation on Indebtedness," as determined for the fiscal quarter most recently completed for which financial statements are available at the date of such loan, transfer or investment. The following loans, transfers of property to or investments in a Restricted Subsidiary which would otherwise be prohibited are permitted:

- the provision of goods and services to an Unrestricted Subsidiary if such goods and services are billed to an Unrestricted Subsidiary on the basis of the provider's cost therefor; and
- advances to a Unrestricted Subsidiary in the ordinary course of business by the Restricted Group if the interest payable on such advances is generally consistent with Continental's cost of borrowings under its credit facilities.

Continental's obligation to comply with this covenant may terminate under certain circumstances. See "-- Prepayment at the Option of the Holders" above.

Transactions with Affiliates. The Continental Indentures provide that Continental will not, and will not permit any Restricted Subsidiary to, enter into any transaction (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with any holder of 5% or more of any class of capital stock of Continental or with any affiliate of Continental or of any such holder, on terms that are less favorable to Continental or such Restricted Subsidiary, as the case may be, than those which might be obtained at the time of such transaction from a person who is not such a holder or affiliate. This covenant will not limit, or be applicable to:

- Exempt Repurchases;
- transactions between Continental and a Subsidiary or between Subsidiaries;
- transactions pursuant or relating to a stock purchase agreement between an employee selected by the Board of Directors and Continental pursuant to which that employee may purchase shares of Common Stock; and
- the payment of reasonable and customary regular fees to directors of Continental who are not employees of Continental.

Merger or Sales of Assets. The Continental Indentures provide that Continental may not merge into or consolidate with another corporation or sell or lease all or substantially all of its assets to another corporation unless either Continental is the surviving corporation, or the resulting, surviving or transferee corporation is organized under the laws of a state of the United States or the District of Columbia and agrees to pay promptly when due the principal of and premium, if any, and interest on the Continental Notes, and to assume, perform and observe all the covenants and conditions of the Continental Indentures, and immediately after and giving effect to such transaction, no Event of Default has occurred.

Limitation on Liens. The Continental Indentures provide that Continental will not, and will not permit any Restricted Subsidiary to, create, incur or assume any Lien on any Principal Property or any shares of capital stock or Indebtedness of any Restricted Subsidiary without making effective provision for all of the Continental Notes and all other amounts due under the Continental Indentures to be directly secured equally and ratably with (or prior to) the obligation or liability secured by such Lien unless, at the time of such



creation, incurrence or assumption and, after giving effect thereto, the aggregate amount of all Indebtedness so

secured does not exceed five times Annualized Cash Flow. However, if all Liens (other than Liens created pursuant to this provision or a comparable provision of the indenture under which the other Continental Notes were issued) on principal property or shares of capital stock or Indebtedness of a Restricted Subsidiary which secure indebtedness of Continental or any Restricted Subsidiary are released, then:

- existing Liens so created (together with all then existing Liens created pursuant to a comparable provision of the indentures under which the other Continental Notes were issued) shall be automatically released; and
- the trustee shall be authorized to execute and deliver to Continental any documents requested by Continental which are required to evidence the release of such Liens.

Continental's obligation to comply with this covenant may terminate under certain circumstances. See "-- Prepayment at the Option of the Holders" above.

Under the terms of the Continental Indentures, the foregoing limitation does not apply to:

- Liens securing obligations of Continental to reimburse any bank or other person in respect of amounts paid under letters of credit, acceptances or other similar instruments; or
- Liens securing Indebtedness on the assets of any entity existing at the time such assets are acquired by Continental or any of its Restricted Subsidiaries, whether by merger, consolidation, purchase of assets or otherwise, provided such Liens;
- are not created, incurred or assumed in connection with, or in contemplation of, such assets being acquired by Continental or any of its Restricted Subsidiaries; and
- do not extend to any other Principal Property or assets of Continental or any of its Restricted Subsidiaries.

At September 30, 2002, the Restricted Group had no Indebtedness secured by Liens.

#### CERTAIN DEFINITIONS

Terms used in these description generally are defined as set forth below. However, terms that are defined under the description of any particular series of Continental Notes or elsewhere in this prospectus are defined as set forth under that section.

"Annualized Cash Flow" means Operating Cash Flow for the latest fiscal quarter for which financial statements are available multiplied by four.

"Exempt Repurchases" mean repurchases by Continental at any time or from time to time of up to 751,305 shares of its Common Stock which are subject to the 1998-1999 Share Repurchase Program, provided that Continental has received prior to any such Exempt Repurchase an opinion of an investment banker knowledgeable in the communications industry (who may be Continental's investment banker) that the price per share of Common Stock paid pursuant to any such Exempt Repurchase does not exceed the greater of:

- the dollar amount that a holder of Common Stock would then receive per share of Common Stock upon a sale of Continental as a whole pursuant to a merger or sale of stock or, if greater, the dollar amount a holder of Common Stock would then receive per share of Common Stock derived from the sale of Continental's assets and subsequent distribution of the proceeds therefrom (net of taxes including corporate, sales and capital gain taxes in connection with such sale of assets), in each instance less a discount of 22.5%; or
- the net proceeds which would be expected to be received by a shareholder of Continental from the sale of a share of Continental's Common Stock in an underwritten public offering held at the time any such Exempt Repurchase is to occur after being reduced by pro forma expenses and underwriting discounts unless the Common Stock is publicly traded and such expenses and underwriting discounts would not be incurred in

provided, further, that no such opinion of an investment banker will be required for repurchases of shares of Common Stock which are subject to the 1998-1999 Share Repurchase Program to the extent that the aggregate purchase price paid therefor in any calendar year does not exceed \$10,000,000.

"Indebtedness" means, with respect to any issue of Continental Notes, without duplication, with respect to any person, any indebtedness, contingent or otherwise, in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such person or only to a portion thereof), or evidenced by bonds, notes, debentures or similar instruments or representing the balance deferred and unpaid of the purchase price of any property (excluding any balances that constitute subscriber advance payments and deposits, accounts payable or trade payables, and other accrued liabilities arising in the ordinary course) if and to the extent any of the foregoing indebtedness would appear as a liability upon a balance sheet of such person prepared in accordance with generally accepted accounting principles, and shall also include, to the extent not otherwise included, the maximum fixed repurchase price of any equity securities or other similar interests of such person which by their terms or otherwise are required to be redeemed prior to the maturity of that issue of Continental Notes or at the option of the holder thereof, obligations secured by a Lien to which the property or assets owned or held by such person is subject, whether or not the obligation or obligations secured thereby shall have been assumed, all obligations to reimburse any person in respect of amounts paid under letters of credit, acceptances or other similar instruments, and guarantees of any of the above items (whether or not such items would appear upon such balance sheet). Indebtedness does not include:

- any Interest Rate Agreement, however denominated, of Continental or any of its Subsidiaries;
- as to the Restricted Group, any indebtedness of any Subsidiary which is non-recourse to the Restricted Group or any pledge of the stock of any such Subsidiary to secure such indebtedness;
- as to the Restricted Group, Indebtedness of a Restricted Subsidiary to Continental or another Restricted Subsidiary, and Indebtedness of Continental to a Restricted Subsidiary;
- any obligation of Continental to redeem, or to pay dividends on, its outstanding convertible preferred stock;
- any obligation of Continental to repurchase shares of its outstanding Common Stock pursuant to the 1998-1999 Share Repurchase Program; or
- any equity securities or other similar interests which, at the option of Continental or otherwise, are redeemable into shares of capital stock.

"Interest Rate Agreement" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement designed to protect the party indicated therein against fluctuations in interest rates.

"Lien" means, as to the Restricted Group and as used in the definition of "Indebtedness," any mortgage, pledge, lien or security interest except for:

- pledges of the stock of unrestricted subsidiaries to secure indebtedness;
- Liens for taxes, assessments or governmental charges or claims the payment of which is being contested in good faith by appropriate proceedings and with respect to which Continental or a Restricted Subsidiary shall have created adequate reserves on its books;
- Liens of mechanics, carriers, warehousemen or materialmen arising in the ordinary course of business in respect of obligations which are not overdue or which are being contested in good faith;
- Liens resulting from deposits or pledges made in the ordinary course of business to secure payment of workers' compensation, unemployment insurance, old age pension or other social security, or in connection with or to secure the performance of bids, tenders or contracts made in the ordinary course of business, or to secure statutory obligations or surety, performance or appeal bonds;

- Liens in respect of judgments or awards the payment of which is being contested in good faith by appropriate proceedings and with respect to which the Restricted Group shall have created adequate reserves on its books;
- purchase money security interests (including mortgages, any conditional sale or other title retention agreement and any capitalized lease); provided, however, that the principal amount of Indebtedness secured by each such security interest in each such item (or group of items) of property shall not exceed the cost of the item (or group of items) subject thereto and each such security interest shall attach only the particular item (or group of items) so acquired and any additions or accessions thereto;
- landlord's or lessor's Liens under leases to which any member of the Restricted Group is a party; and
- Liens of utilities and other persons pursuant to pole attachment agreements, and restrictions on the transfer of rights under franchises or pole attachment agreements, and any encumbrances created in favor of franchising authorities and subscribers by provisions of franchises on cable television plant and equipment located in the areas covered thereby.

"Operating Cash Flow" means, for any period, an amount equal to:

- aggregate operating revenues plus interest and ordinary dividend income; minus
- aggregate operating expenses, excluding therefrom nonoperating expenses such as interest expense, depreciation and amortization, non-cash amounts and taxes on income, of the Restricted Group for such period, determined on a consolidated basis, after eliminating all intercompany items, in accordance with generally accepted accounting principles consistently applied.

For purposes of calculating Operating Cash Flow, there will be included in the Operating Cash Flow of the Restricted Group for any fiscal quarter for which Operating Cash Flow is being calculated the Operating Cash Flow for such fiscal period of any Subsidiary which has been designated a Restricted Subsidiary or of operating assets acquired by Continental or a Restricted Subsidiary (including assets constituting a cable television system acquired by Continental or a Restricted Subsidiary) after the commencement of such fiscal period. If the actual financial Statements of any such new Restricted Subsidiary or new operating assets for any fiscal period or portion thereof prior to the inclusion of such subsidiary as a Restricted Subsidiary or the acquisition of such operating assets by Continental or a Restricted Subsidiary are unavailable or inaccurate in the reasonable opinion of Continental, then the Operating Cash Flow of such new Restricted Subsidiary or new operating assets may be determined from pro forma financial statements of such new Restricted Subsidiary or new operating assets for such period as prepared in good faith by Continental, provided, however, that not more than \$10,000,000 of Operating Cash Flow determined on an annualized basis from such pro forma financial statements shall be included in the Operating Cash Flow of the Restricted Group. For purposes of calculating Operating Cash Flow, there will not be included in the Operating Cash Flow of the Restricted Group for any fiscal quarter for which Operating Cash Flow is being calculated the Operating Cash Flow for such fiscal period of any Restricted Subsidiary which has been designated an Unrestricted Subsidiary after the commencement of such fiscal period or of operating assets (including assets constituting a cable television system) owned by Continental or a Restricted Subsidiary which has been transferred to an Unrestricted Subsidiary after the commencement of such fiscal period.

"Principal Property" means, as of any date of determination, any property or assets owned by any Restricted Subsidiary other than:

- any such property which, in the good faith opinion of the Board of Directors, is not of material importance to the business conducted by Continental and its Restricted Subsidiaries taken as a whole; and
- any shares of any class of stock or any other security of any Unrestricted Subsidiary.

"Restricted Group" means Continental and its Restricted Subsidiaries.

"Restricted Subsidiary" means:

- any subsidiary of Continental, whether existing on or after the date of the Continental Indentures, which has been designated a Restricted Subsidiary for purposes of
- the Credit Agreement dated as of May 1, 1989, as amended and restated as of July 30, 1990 among Continental and certain financial institutions, as amended from time to time; or
- the Credit Agreement, dated as of May 15, 1992, among Continental, certain Restricted Subsidiaries and certain financial institutions, as amended from time to time, unless any such Subsidiary is subsequently classified as an Unrestricted Subsidiary by Continental for purposes of the Continental Indentures; and
- an Unrestricted Subsidiary which is classified as a Restricted Subsidiary for purposes of the Continental Indentures by Continental. Continental may not classify as an Unrestricted Subsidiary for purposes of the Continental Indentures any subsidiary that is classified as a Restricted Subsidiary for purposes of the credit agreements set forth above in the two bullet points above or any similar, successor agreements.

"Subsidiary" means:

- any corporation of which the outstanding stock having at least a majority in voting power in the election of directors under ordinary circumstances shall at the time be owned, directly or indirectly, by Continental or by Continental and one or more Subsidiaries or by one or more Subsidiaries; or
- any other person of which at least a majority in voting interest, under ordinary circumstances, is at the time, directly or indirectly, owned or controlled by Continental or by Continental and one or more Subsidiaries or by one or more Subsidiaries. A partnership of which Continental or any Subsidiary is the managing general partner shall be deemed to be a Subsidiary.

"Total Interest Expense" means, for any period, the aggregate amount of interest in respect of Indebtedness (including amortization of original issue discount on any Indebtedness and the interest portion of any deferred payment obligation and after taking into account the effect of any Interest Rate Agreement, however denominated, with respect to such Indebtedness) and all but the principal component of rentals in respect of capital lease obligations, paid, accrued, or scheduled to be paid or accrued by the Restricted Group, during such period, determined on a consolidated basis, after eliminating all intercompany items, in accordance with generally accepted accounting principles, provided that such amounts paid, accrued and scheduled to be paid or accrued by any person which is not a Subsidiary but the accounts of which are consolidated with those of Continental will be deducted therefrom. For purposes of this definition, interest on a capital lease obligation will be deemed to accrue at an interest rate reasonably determined by Continental to be the rate of interest implicit in such capital lease obligation in accordance with generally accepted accounting principles.

"Unrestricted Subsidiary" means any Subsidiary of Continental, whether existing on or after the date of the Continental Indentures, which is not a Restricted Subsidiary.

#### EVENTS OF DEFAULT

An Event of Default is defined with respect to each series of Continental Notes as being:

- default in payment of any principal of or premium, if any, on that series of Continental Notes;
- default for 30 days in payment of any installment of interest on that series of Continental Notes;
- default by Continental in the observance or performance of any other covenant in each of the Continental Notes or each of the Continental Indentures for more than 60 days after notice thereof shall have been given to Continental by the trustee, or to Continental and the trustee by the holders of at least 25% in aggregate principal amount of that series of Continental Notes then outstanding;

- default by Continental in payment when due at maturity of indebtedness for borrowed money in excess of \$10,000,000 (\$25,000,000 with respect to the 2006 Notes) and the continuation of such default for the greater of the applicable grace period thereto or ten days from the date of default;
- the acceleration of the maturity of any indebtedness for borrowed money issued under an indenture or other instrument of Continental in excess of \$10,000,000 (\$25,000,000 with respect to the 2006 Notes) if the trustee or the holders of at least 25% in aggregate principal amount of that series of Continental Notes then outstanding give to Continental and trustee notice thereof requiring Continental to remedy the same and within ten days after receiving such notice Continental fails to cause such acceleration to be rescinded or annulled or such indebtedness to be discharged; or
- certain events involving bankruptcy, insolvency or reorganization of Continental.

The applicable trustee may withhold notice to the holders of Continental Notes of any default (except in payment of principal of, or premium, if any, or interest on, the Continental Notes) if the trustee considers it in the interest of the holders of that series of Continental Notes to do so.

Each Continental Indenture provides that if an Event of Default shall have occurred and be continuing, the trustee or the holders of not less than 25% in the principal amount of the series of Continental Notes issued under that Continental Indenture then outstanding may declare the principal of that series of the Continental Notes and the interest accrued thereon to be due and payable immediately by notice in writing to Continental (an "Acceleration Notice"), provided that, except in the case:

- of an Event of Default in connection with certain events involving bankruptcy, insolvency or reorganization of Continental; or
- that no more than 10 days and no less than 5 days prior to the giving of an Acceleration Notice the trustee shall have given to Continental (or, in the case of an acceleration by the holders of any series of the Continental Notes, the holders shall have given to the trustee and Continental) a notice (a "Pre-Acceleration Notice") in writing that in no more than 10 days the Trustee (or the holders) intends to give an Acceleration Notice, an Acceleration Notice shall not become effective until 5 days after receipt of such notice by Continental (and the Trustee if given by holders).

With respect to any series of Continental Notes, if Continental shall cure all defaults (except the nonpayment of interest on and principal of any Continental Notes which shall have become due by acceleration) and certain other conditions are met, an acceleration notice may be annulled and past defaults may be waived by the holders of a majority in principal amount of that series of the Continental Notes then outstanding.

The applicable trustee shall give the holders of a series of Continental Notes notice of any default under the applicable Continental Indenture as and to the extent provided by the Trust Indenture Act of 1939, as in effect on the date of applicable Continental Indenture. For this purpose, the term "default" shall mean any event which is, or after notice or lapse of time or both would become, an Event of Default under the Continental Indentures.

The holders of a majority of the aggregate principal amount of any series of the Continental Notes then outstanding shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee with respect to that series of Continental Notes, subject to certain limitations specified in the applicable Continental Indentures. Prior to any declaration accelerating the maturity of the Continental Notes, the holders of a majority in aggregate principal amount of a series of the Continental Notes then outstanding may on behalf of the holders of all the Continental Notes of that series waive any past default or event of default and its consequences except a default in the payment of interest, or premium, if any, on, or the principal of, that series of Continental Notes.

Continental will furnish to the trustee not more than 90 days after the end of Continental's fiscal year in each year (beginning with fiscal 1993) an Officers' Certificate stating that in the course of the performance by the signers of their duties as officers of Continental they would normally have knowledge of any default by Continental in the performance of the covenants contained in the Continental Indentures, stating whether or

not they have knowledge of any such default and, if so, specifying each such default of which the signers have knowledge and the nature thereof.

#### DEFEASANCE

The Continental Indentures and the Continental Notes provide that Continental will be discharged from any and all obligations in respect to any series of the Continental Notes (except for certain obligations to register the transfer, substitution or exchange of Continental Notes, to replace stolen, lost or mutilated Continental Notes, and to maintain paying agencies, and except for the right of the holders of the Continental Notes to receive payments of principal, premium, if any, and interest, and the rights, obligations and immunities of the trustee), upon the deposit with the trustee, in trust, of money and/or U.S. government obligations which through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of (and premium, if any) and each installment of interest on each series of the Continental Notes on the stated maturity of such payments or on a selected date of redemption or on the remaining dates in accordance with the terms of each Continental Indenture and the corresponding series of Continental Notes. Such a trust may only be established if, among other things, Continental has received an opinion of counsel:

- to the effect that neither the trust nor the trustee will be required to register as an investment company under the Investment Company Act of 1940, as amended; and
- describing either a private ruling concerning the Continental Notes or a published ruling of the Internal Revenue Service, to the effect that holders of the Continental Notes or persons in their position will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to Federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred.

#### MODIFICATION OF THE CONTINENTAL INDENTURES

The Continental Indentures contain provisions permitting Continental and the trustee, with the consent of the holders of a majority in aggregate principal amount of that series of the Continental Notes at the time outstanding, to modify the corresponding Continental Indenture or any supplemental note indenture or the rights of the holders of that series of Continental Notes, except that no such modification shall:

- extend the fixed maturity of any Continental Note, reduce the rate or extend the time of payment of interest thereon, reduce the principal amount thereof or premium, if any, thereon or change the currency in which the Continental Notes are payable, without the consent of the holder of each 2003 Note so affected; or
- reduce the aforementioned percentage of Continental Notes, the consent of the holders of which is required for any such modification, without the consent of the holders of all that series of Continental Notes.

In addition, Continental and the trustee may execute supplemental note indentures without the consent of holders of the Continental Notes:

- to evidence the succession of any successor corporation to Continental;
- to add further restrictions, covenants or conditions for Continental;
- to provide for the issuance of the Continental Notes in coupon form and to provide for exchangeability of such Continental Notes with Continental Notes issued in registered form; and
- to cure any ambiguity or supplement any provision which may be inconsistent with any other provision of the Continental Indentures or any supplemental note indenture or to make such other provision for matters or questions arising under the Continental Indentures which shall not adversely affect the interests of the holders of the Continental Notes in any material respect.

#### REPORTS BY CONTINENTAL

Continental will deliver to the trustee and the holders of the Continental Notes:

(1) as soon as available and in any event within 90 days after the end of each fiscal year of Continental:

- a consolidated balance sheet of Continental and its subsidiaries as of the end of such fiscal year and the related consolidated statements of operations, shareholders' equity and cash flows for such fiscal year, all reported on by Deloitte & Touche or other independent public accountants of nationally recognized standing;
- a report containing a management's discussion and analysis of the financial condition and results of operations and a description of the business and properties of Continental; and
- a report as to the maximum amount of Restricted Payments that Continental could have made as of the end of the fiscal year without violating the covenant on Restricted Payments described above, which will explain how such maximum amount was calculated and briefly describe any transaction that occurred during the last quarter that affected such maximum amount;

(2) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of Continental:

- an unaudited consolidated financial report for such quarter; and
- a report containing a management's discussion and analysis of the financial condition and results of operations of Continental; and
- a report as to the maximum amount of Restricted Payments that Continental could have made as of the end of the quarter without violating the covenant on Restricted Payments described above, which shall explain how such maximum amount was calculated and briefly describe any transaction that occurred during the quarter that affected such maximum amount;

(3) promptly upon the mailing thereof to the shareholders of Continental generally, copies of annual letters; and

(4) promptly upon the filing thereof, copies of all annual, quarterly, monthly or periodic reports which Continental shall have filed with the Securities and Exchange Commission.

#### BOOK ENTRY SYSTEM

The Continental Notes are currently held under a book-entry system in the form of one or more global securities. The amendment will provide that all series of Continental Notes must be held solely as book-entry securities in the form of one or more global securities held by a depository, with physical certificates issued only under the limited circumstances described below.

We will register the global securities in the name of a depository or its nominee and deposit the global securities with that depository. The Depository Trust Company, New York, New York will be the depository if we use a depository.

DTC has advised us as follows:

DTC is a limited purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of the New York banking law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants through electronic book entry changes in accounts of its participants, eliminating the need for physical movements of securities certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations and others, some of

whom own DTC. Access to DTC's book-entry system is also available to others that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

Following the issuance of a global security in registered form, the depositary will credit the accounts of its participants with the debt securities upon our instructions. Only persons who hold directly or indirectly through financial institutions that are participants in the depositary can hold beneficial interests in the global securities. Since the laws of some jurisdictions require certain types of purchasers to take physical delivery of such securities in definitive form, you may encounter difficulties in your ability to own, transfer or pledge beneficial interests in a global security.

So long as the depositary or its nominee is the registered owner of a global security, we and the trustee will treat the depositary as the sole owner or holder of the debt securities for purposes of the applicable indenture. Therefore, except as set forth below, you will not be entitled to have debt securities registered in your name or to receive physical delivery of certificates representing the debt securities. Accordingly you will have to rely on the procedures of the depositary and the participant in the depositary through whom you hold your beneficial interest in order to exercise any rights of a holder under the indentures. We understand that under existing practices, the depositary would act upon the instructions of a participant or authorize that participant to take any action that a holder is entitled to take.

We will make all payments of principal, premium and interest on the debt securities to the depositary. We expect that the depositary will then credit participants' accounts proportionately with these payments on the payment date and that the participants will in turn credit their customers in accordance with their customary practices. Neither we nor the Trustee will be responsible for making any payments to participants and their customers and you will have to rely on the procedures of the depositary and its participants.

Global securities are generally not transferable. We will issue physical certificates to beneficial owners of a global security if:

- The depositary notifies us that it is unwilling or unable to continue as depositary and we do not appoint a successor within 90 days;
- The depositary ceases to be a clearing agency registered under the Exchange Act and we do not appoint a successor within 90 days; or
- We decide in our sole discretion that we do not want to have the debt securities of that series represented by global securities.

NO PERSONAL LIABILITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS, DIRECTORS, OR EMPLOYEES

The Continental Indentures provide that no recourse for the payment of the principal of, the premium, if any, or interest on any of the Continental Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of Continental in any of the Continental Indentures, or in any supplemental indenture, or in any of the Continental Notes or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, stockholder, officer, director, employee or controlling person of Continental or of any successor thereof. Each holder, by accepting the Continental Notes, waives and releases all such liability.

CONCERNING THE TRUSTEE

If an event of default occurs and is continuing, the trustee will be required to use the degree of care and skill of a prudent man in the conduct of his own affairs. The trustee will become obligated to exercise any of its powers under the applicable Continental Indenture at the request of any of the holders of any Continental Notes only after those holders have offered the trustee indemnity reasonably satisfactory to it.

If the trustee becomes one of Continental's creditors, it will be subject to limitations in the applicable Continental Indenture on its rights to obtain payment of claims or to realize on some property received for any such claim, as security or otherwise. The trustee is permitted to engage in other transactions with Continental

and we may have business relationships with the trustee, however if it acquires any conflicting interest, it must eliminate that conflict or resign.

DESCRIPTION OF THE 2005 NOTES

The 8 7/8% Senior Debentures Due September 15, 2005 of Continental,



referred to in this prospectus as the "2005 Notes," were issued under an Indenture, referred to in this prospectus as the "2005 Note Indenture," dated as of August 1, 1993, between Continental and The Bank of New York, as trustee. The 2005 Notes are limited to \$275,000,000 in aggregate principal amount, issued in fully registered form in denominations of \$100,000 and any larger amount which is an integral multiple of \$100,000, and mature on September 15, 2005. The following description of the material terms of the 2005 Notes should be read in connection with the description of the terms common to the Continental Notes above.

Interest at the annual rate for the 2005 Notes of 8 7/8% is payable semiannually on March 15 and September 15 of each year while the 2005 Notes are outstanding, to holders of record at the close of business on the preceding March 1 and September 1, respectively, and unless other arrangements are made, is paid by check mailed to such holders at their registered addresses, as shown on the 2005 Note register. Interest will be computed on the basis of a year of twelve months of 30 days each.

Payments of principal of, and premium (if any) on, the 2005 Notes will be made against presentation of the 2005 Notes at or after the due date for such payments, at an office maintained by the trustee for such purpose at 101 Barclay Street, New York, New York 10286, and the 2005 Notes may be presented for registration of transfer and exchange, without service charge, at such office during normal business hours on any day on which banks in the Borough of Manhattan in the City of New York are open for business.

Prepayment at the Option of the Holders. The 2005 Note Indenture provides for prepayment of the 2005 Notes by Continental in certain circumstances to the same effect as those set forth under "Description of the Continental Notes -- Payment at Maturity and Optional Prepayment -- Prepayment at the Option of the Holders," except that the price at which each holder has the right, for the 30 day period following the Put Option Transaction Date, to tender all, but not less than all, of such holder's 2005 Notes and thereby to require Continental to redeem the holder's 2005 Notes shall be equal to the principal amount of such 2005 Notes and accrued interest thereon to the date of prepayment, plus a premium (expressed as a percentage of the principal amount prepaid) determined as follows:

If prepaid during the 12-month period ending September 14,

YEAR	PREMIUM
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2003.....	0.8875%
2004 and thereafter.....	0

DESCRIPTION OF THE 8.30% NOTES DUE ON MAY 15, 2006

The 8.30% Senior Notes Due May 15, 2006 of Continental, referred to in this prospectus as the "2006 Notes," were issued under an Indenture, referred to in this prospectus as the "1995 Indenture," dated December 13, 1995 with The Bank of New York, as successor trustee to the Bank of Montreal Trust Company. The 2006 Notes are limited to \$600,000,000 in aggregate principal amount, are issued in fully registered form in denominations of \$100,000 and any larger amount which is an integral multiple of \$50,000, and will mature on May 15, 2006. The following description of the material terms of the 2006 Notes should be read in connection with the description of the terms common to the Continental Notes above.

Interest at the annual rate of 8.30% is payable semi-annually on May 15 and November 15 of each year while the 2006 Notes are outstanding, commencing on May 15, 1996, to holders of record at the close of business on the preceding May 1 and November 1, respectively, and unless other arrangements are made, is paid by check mailed to such holders at their registered addresses, as shown on the 2006 Note register. Interest will be computed on the basis of a year of twelve months of 30 days each.

Payments of principal of, and premium (if any) on, the 2006 Notes will be made against presentation of the 2006 Notes at or after the due date for such payments, at an office maintained by the trustee for such purpose at 101 Barclay Street, New York, New York 10286, Attn: Corporate Trust Administration and the 2006 Notes may be presented for registration of transfer and exchange, without service charge, at such office during normal business hours on any day on which

banks in the Borough of Manhattan in The City of New York are open for business.

Prepayment At The Option Of The Holders. The 1995 Indenture provides for prepayment of the 2006 Notes by Continental in certain circumstances to the same effect as those set forth under "Description of the Continental Notes -- Payment at Maturity and Optional Prepayment -- Prepayment at the Option of the Holders," except that the price at which each holder has the right, for the 30 day period following the Put Option Transaction Date, to tender all, but not less than all, of such holder's 2006 Notes and thereby to require Continental to redeem the holder's 2006 Notes shall be equal to the principal amount of such 2006 Notes and accrued interest thereon to the date of prepayment, plus a premium (expressed as a percentage of the principal amount prepaid) determined as follows:

If prepaid during 12-month periods, each ending May 14,

YEAR	PREMIUM
2003.....	2.0750
2004.....	1.0375
2005 and thereafter.....	0

Restricted Payments. The 1995 Indenture provides that, so long as any of the 2006 Notes remain outstanding, Continental will not declare or pay any dividend on, or authorize or make any distribution in respect of, any shares of any class of Continental's capital stock (except dividends or distributions payable in shares of its capital stock), or authorize or make any purchase, redemption or acquisition for value, or permit any Subsidiary to purchase, redeem or otherwise acquire for value, any shares of any class of Continental's capital stock (or any rights, warrants or options to purchase any class of Continental's capital stock, except if such rights, warrants or options are held by an employee of Continental and such purchase, redemption or acquisition occurs in connection with the termination of such employee's employment with Continental), otherwise than pursuant to Exempt Repurchases if either of the following is true:

- if a default shall have occurred and be continuing at the time of such proposed Restricted Payment or shall occur as a consequence of the Restricted Payment; or
- if the aggregate of all Restricted Payments made from September 30, 1995 through and including the date on which such Restricted Payment is made, would exceed the sum of (a) the amount by which Operating Cash Flow, as defined under "Description of Continental Notes -- Certain Definitions," of the Restricted Group, as defined under "Description of Continental Notes -- Certain Definitions," on a consolidated basis for the period, treated as a single accounting period, from September 30, 1995 through the fiscal quarter immediately preceding such proposed Restricted Payment for which financial statements are available exceeds 1.20 times the Total Interest Expense, as defined under "Description of Continental Notes -- Certain Definitions," for the period, treated as a single accounting period, from September 30, 1995 through said fiscal quarter immediately preceding such proposed Restricted Payment, plus (b) \$1,029,726,000, plus (c) the aggregate net proceeds, including the fair market value of property other than cash, received by Continental from the issue or sale (other than to a Subsidiary) subsequent to September 30, 1995 of any class of capital stock of Continental.

We refer to any payments made in contravention of the above conditions in this prospectus as a "Restricted Payment." Approximately \$4.4 billion was available as of September 30, 2002 for Restricted Payments under this covenant.

For all purposes of this covenant, any recapitalization of Continental (whether or not effected through a merger or consolidation with, or sale of substantially all of the assets of Continental to, any person) that has the effect of transferring money, property, or securities other than capital stock of Continental to any holder of

any shares of the capital stock of Continental (otherwise than in connection with an Exempt Repurchase) shall be deemed a Restricted Payment.

Exempt Repurchases shall not constitute Restricted Payments or be taken

into account in computing the amount of Restricted Payments that Continental may make but may entitle the holders of the 2006 Notes to require the prepayment of their 2006 Notes. See "-- Description of 2006 Notes -- Prepayment at the Option of the Holders."

Investments In Subsidiaries Other Than The Restricted Group. The 1995 Indenture provides for covenants related to investments in Subsidiaries other than the Restricted Group to the same effect as those set forth under "Description of the Continental Notes -- Negative Covenants -- Investments In Subsidiaries Other Than The Restricted Group." However, the 1995 Indenture provides that Continental's obligation to comply with this covenant will be suspended once the 2006 Notes are Investment Grade Rated, as defined below under "Description of 2006 Notes -- Certain Definitions." The 2006 Notes are currently Investment Grade Rated. Continental's obligation to comply with this covenant may also terminate under certain other circumstances. See "Description of the Continental Notes -- Prepayment at the Option of the Holders."

Transactions With Affiliates. The 1995 Indenture provides for covenants related to transactions with affiliates to the same effect as those set forth under "Description of the Continental Notes -- Negative Covenants -- Transactions with Affiliates." However, the 1995 Indenture provides that Continental's obligation to comply with this covenant will be suspended once the 2006 Notes are Investment Grade Rated. The 2006 Notes are currently Investment Grade Rated.

#### CERTAIN DEFINITIONS

Capitalized terms used in "Description of the 2006 Notes," unless defined elsewhere in this prospectus, have the meanings set forth under "Description of the Continental Notes -- Certain Definitions," with the following exceptions:

"Exempt Repurchases" means repurchases by Continental at any time or from time to time of up to 16,684,150 shares of its Redeemable Common Stock that are subject to the 1998-1999 Share Repurchase Program, provided that Continental has received prior to any such Exempt Repurchase an opinion of an investment banker knowledgeable in the communications industry (who may be Continental's investment banker) that the price per share of Common Stock paid pursuant to any such Exempt Repurchase does not exceed the greater of (A) the dollar amount that a holder of Common Stock would then receive per share of Common Stock upon a sale of Continental as a whole pursuant to a merger or sale of stock or, if greater, the dollar amount a holder of Common Stock would then receive per share of Common Stock derived from the sale of Continental's assets and subsequent distribution of the proceeds therefrom (net of taxes, including corporate, sales and capital gains taxes in connection with such sale of assets), in each instance less a discount of 22.5% or (B) the net proceeds which would be expected to be received by a shareholder of Continental from the sale of a share of Continental's Common Stock in any underwritten public offering held at the time any such Exempt Repurchase is to occur after being reduced by pro forma expenses and underwriting discounts unless the Common Stock is publicly traded and such expenses and underwriting discounts would not be incurred in connection with an underwritten public sale of a shareholders' non-registered shares in the opinion of the investment banker; provided, further, that no such opinion of an investment banker will be required for repurchases of shares of Common Stock which are subject to the 1998-1999 Share Repurchase Program to the extent that the aggregate purchase price paid therefor in any calendar year does not exceed \$10.0 million.

"Investment Grade Rated" means, with respect to any security, both a rating of such security by Standard & Poor's Ratings Group or successor entity of BBB- or better and a rating of such security by Moody's Investors Service or successor entity of Baa3 or better.

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"Lien" means, as to the Restricted Group and as used in the definition of "Indebtedness," any mortgage, pledge, lien or security interest except for:

- pledges of the stock of any Subsidiaries that are not part of the Restricted Group to secure Indebtedness;
- Liens for taxes, assessments or governmental charges or claims the payment of which is being contested in good faith by appropriate proceedings and with respect to which Continental or a Subsidiary that is part of the Restricted Group shall have created adequate reserves on its books;

- Liens of mechanics, carriers, warehousemen or materialmen arising in the ordinary course of business in respect of obligations which are not overdue or which are being contested in good faith;
- Liens resulting from deposits or pledges made in the ordinary course of business to secure payment of workers' compensation, unemployment insurance, old age pension or other social security, or in connection with or to secure the performance of, bids, tenders or contracts made in the ordinary course of business, or to secure statutory obligations or surety, performance or appeal bonds;
- Liens in respect of judgments or awards the payment of which is being contested in good faith by appropriate proceedings and with respect to which the Restricted Group shall have created adequate reserves on its books;
- purchase money security interests (including mortgages, any conditional sale or other title retention agreement and any capitalized lease); provided, however, that the principal amount of Indebtedness secured by each such security interest in each such item (or group of items) of property shall not exceed the cost of the item (or group of items) subject thereto and each such security interest shall attach only to the particular item (or group of items) so acquired and any additions or accessions thereto;
- landlord's or lessor's Liens under leases to which any member of the Restricted Group is a party; and
- Liens of utilities and other persons pursuant to pole attachment agreements, and restrictions on the transfer of rights under franchises or pole attachment agreements, and any encumbrances created in favor of franchising authorities and subscribers by provisions of franchises on cable television plant and equipment located in the areas covered thereby.

"Restricted Group" means, Continental and the Restricted Subsidiaries.

"Restricted Subsidiary" means:

- any Subsidiary that is a party to the Credit Agreement dated as of July 18, 1995 among Colony Communications, Inc., Columbia Cable of Michigan, Inc., and each of their respective Subsidiaries and certain financial institutions, as amended from time to time, whether as borrowers or as guarantors, and any other Subsidiary of Continental, whether existing on or after the date of the 1995 Indenture, which has been designated a Restricted Subsidiary for purposes of Continental's Amended and Restated Credit Agreement dated as of October 1, 1994 among Continental, the Restricted Subsidiaries and certain financial institutions, as amended from time to time, which we refer to in this prospectus as the "1994 Credit Facility," unless any such Subsidiary is subsequently classified as a Subsidiary that is not part of the Restricted Group by Continental for purposes of the 1995 Indenture; and
- any Subsidiary which is classified as a member of the Restricted Group for purposes of the 1995 Indenture by Continental. Continental may not classify a Subsidiary as not part of the Restricted Group for purposes of the 1995 Indenture if such Subsidiary is classified as a Restricted Subsidiary for purposes of the 1994 Credit Facility or any similar, successor agreements.

#### DESCRIPTION OF THE 2008 NOTES

The 9% Senior Debentures Due Sept. 1, 2008 of Continental, referred to in this prospectus as the "2008 Notes," were issued under an Indenture, referred to in this prospectus as the "2008 Notes Indenture," dated as of June 1, 1993, between Continental and Bank One, N.A., as the successor trustee to The First National Bank of Chicago. The 2008 Notes are limited to \$300,000,000 in aggregate principal amount, issued in fully registered form in denominations of \$100,000 and any larger amount which is an integral multiple of \$100,000, and mature on September 1, 2008. The following description of the material terms of the 2008 Notes should be read in connection with the description of the terms common to the Continental Notes above.

Interest at the annual rate for the 2008 Notes set forth on the cover page hereof is payable semiannually on March 1 and September 1 of each year while the

2008 Notes are outstanding, to holders of record at the close of business on the preceding February 15 and August 15, respectively, and unless other arrangements are made, is paid by check mailed to such holders at their registered addresses, as shown on the 2008 Note register. Interest will be computed on the basis of a year of twelve months of 30 days each.

Payments of principal of, and premium (if any) on, the 2008 Notes will be made against presentation of the 2008 Notes at or after the due date for such payments, at an office maintained by the trustee for such purpose at 14 Wall Street, 8th Floor, New York, New York 10005, and the 2008 Notes may be presented for registration of transfer and exchange, without service charge, at such office during normal business hours on any day on which banks in the Borough of Manhattan in the City of New York are open for business.

Prepayment at the Option of the Holders. The 2008 Notes Indenture provides for prepayment of the 2008 Notes by Continental in certain circumstances to the same effect as those set forth under "Description of the Continental Notes -- Payment at Maturity and Optional Prepayment -- Prepayment at the Option of the Holders -- Prepayment in the Event of Certain Exempt Repurchases," except that the price at which each holder has the right, for the 30 day period following the Put Option Transaction Date, to tender all, but not less than all, of such holder's 2008 Notes and thereby to require Continental to redeem the holder's 2008 Notes shall be equal to the principal amount of such 2008 Notes and accrued interest thereon to the date of prepayment, plus a premium (expressed as a percentage of the principal amount prepaid) determined as follows:

If prepaid during the 12-month period ending August 31,

YEAR	PREMIUM
2003.....	2.7692%
2004.....	2.0769%
2005.....	1.3846%
2006.....	0.6923%
2007 and thereafter.....	0

The Repurchase Notice will inform holders of the 2008 Notes of the events described in this section.

Limitation On Liens. The 2008 Note Indenture provides that Continental will not, and will not permit any Subsidiary that is part of the Restricted Group to, create, incur or assume any Lien on any Principal Property or any shares of capital stock or Indebtedness of any such Subsidiary without making effective provision for all of the 2008 Notes and all other amounts due under the 2008 Note Indenture to be directly secured equally and ratably with (or prior to) the obligation or liability secured by such Lien unless, at the time of such creation, incurrence or assumption and, after giving effect thereto, the aggregate amount of all Indebtedness of the Restricted Group so secured does not exceed five times Annualized Cash Flow; provided, however, that if all Liens (other than Liens created pursuant to this provision or the comparable provisions of the 2003 Note Indenture) on Principal Property or shares of capital stock or Indebtedness of any Subsidiary

that is part of the Restricted Group which secure Indebtedness of Continental or any such Subsidiary are released, then:

- all then existing Liens so created (together with all then existing Liens created pursuant to the comparable provisions of the 2003 Note Indenture) shall be automatically released and

Continental's obligation to comply with this covenant may terminate under certain circumstances. See "-- Description of the Continental Notes -- Prepayment at the Option of the Holders."

- the trustee shall be authorized to execute and deliver to Continental any documents requested by Continental which are required to evidence the release of such Liens.

Continental's obligation to comply with this covenant may terminate under certain circumstances. See "-- Description of the Continental Notes -- Prepayment at the Option of the Holders."

Under the terms of the 2008 Note Indenture, the foregoing limitation does not apply to:

- Liens securing obligations of Continental to reimburse any bank or other person in respect of amounts paid under letters of credit, acceptances or other similar instruments; or
- Liens securing Indebtedness on the assets of any entity existing at the time such assets are acquired by Continental or any of its Subsidiaries that are part of the Restricted Group, whether by merger, consolidation, purchase of assets or otherwise;

provided, that such Liens described under the second clause above (i) are not created, incurred or assumed in connection with, or in contemplation of, such assets being acquired by Continental or any of its Subsidiaries that are part of the Restricted Group and (ii) do not extend to any other Principal Property or assets of Continental or any of its Subsidiaries that are part of the Restricted Group.

#### DESCRIPTION OF THE 2013 NOTES

The 9.5% Senior Debentures Due August 1, 2013, referred to in this prospectus as the "2013 Notes," were issued under an Indenture, referred to in this prospectus as the "2013 Note Indenture," dated as of August 1, 1993, between Continental and The Bank of New York, as trustee. The 2013 Notes are limited to \$525,000,000 in aggregate principal amount, were issued in fully registered form in denominations of \$100,000 and any larger amount which is an integral multiple of \$100,000, and will mature on August 1, 2013. The following description of the material terms of the 2013 Notes should be read in connection with the description of the terms common to the Continental Notes above.

Interest at the annual rate for the 2013 Notes set forth on the cover page hereof is payable semiannually on February 1 and August 1 of each year while the 2013 Notes are outstanding to holders of record at the close of business on the preceding January 15 and July 15, respectively, and unless other arrangements are made, is paid by check mailed to such holders at their registered addresses, as shown on the 2013 Note register. Interest is computed on the basis of a year of twelve months of 30 days each.

Payments of principal of, and premium (if any) on, the 2013 Notes will be made against presentation of the 2013 Notes at or after the due date for such payments, at an office maintained by the trustee for such purpose at 101 Barclay Street, New York, New York 10286, Attn: Corporate Trust Administration, and the 2013 Notes may be presented for registration of transfer and exchange, without service charge, at such office during normal business hours on any day on which banks in the Borough of Manhattan in the City of New York are open for business.

Prepayments at the Option of Continental. Except as set forth in the following paragraph, the 2013 Notes may not be called for prepayment at the option of Continental prior to August 1, 2005, On and after that date, Continental may prepay all or any part of the 2013 Notes at its option, at any time or from time to time, on at least 30- and not more than 60-days notice, at the principal amount thereof plus accrued interest

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thereon to the date fixed for prepayment, plus a premium (expressed as a percentage of the principal amount prepaid) determined as follows:

If prepaid during the 12-month period ending July 31,

YEAR	PREMIUM
2006.....	4.7500%
2007.....	3.1667%
2008.....	1.5833%
2009 and thereafter.....	0

In addition to optional prepayments of the 2013 Notes in accordance with the provisions of the preceding paragraph, at any time prior to August 1, 1996. with the proceeds from any offering by Continental of its capital stock, other than Disqualified Stock (as defined below), Continental may prepay the 2013 Notes, in part, at 109.5% of their principal amount, plus accrued interest

thereon to the date fixed for prepayment, provided that after such prepayment no less than \$341,250,000 in aggregate principal amount of 2013 Notes remains outstanding. Notice of such prepayment shall be given at least 30-days and no more than 60-days prior to the date fixed for prepayment.

For this purpose, "Disqualified Stock" shall mean any class or series of capital stock of Continental that by its terms or otherwise is:

- required to be redeemed prior to the stated maturity of the 2013 Notes;
- redeemable at the option of the holder at any time prior to the stated maturity of the 2013 Notes; or
- convertible into or exchangeable for capital stock referred to in the two clauses above; provided that any capital stock which would not constitute Disqualified Stock but for provisions giving holders the right to require Continental to repurchase or redeem such capital stock upon the occurrence of a change in control shall not constitute Disqualified Stock, and any capital stock which is redeemable by its terms or at Continental's option solely for shares of Continental's Common Stock shall not constitute Disqualified Stock.

Prepayment in the Event of Certain Exempt Repurchases. The 2013 Notes Indenture provides for prepayment of the 2013 Notes by Continental in certain circumstances to the same effect as those set forth under "Description of the Continental Notes -- Payment at Maturity and Optional Prepayment -- Prepayment at the Option of the Holders -- Prepayment in the Event of Certain Exempt Repurchases," except that the price at which each holder has the right, for the 30 day period following the Put Option Transaction Date, to tender all, but not less than all, of such holder's 2013 Notes and thereby to require Continental to redeem the holder's 2013 Notes shall be equal to the principal amount of such 2013 Notes and accrued interest thereon to the date of prepayment, plus a premium (expressed as a percentage of the principal amount prepaid) determined as follows:

If prepaid during the 12-month period ending July 31,

YEAR	PREMIUM
2003.....	4.7500%
2004.....	4.2222%
2005.....	3.6944%
2006.....	3.1667%
2007.....	2.6389%
2008.....	2.1111%
2009.....	1.5833%
2010.....	1.0556%
2011.....	0.5278%
2012 and thereafter.....	0

The Repurchase Notice will inform holders of the 2013 Notes of the events described above.

DESCRIPTION OF AT&T BROADBAND ACQUISITION

The following summary of material transactions and continuing obligations in connection with the AT&T Broadband acquisition is qualified by reference to the merger agreement, as amended, and the related agreements described below, which are exhibits to the registration statement of which this prospectus is a part.

THE MERGER AGREEMENT

GOVERNANCE ARRANGEMENTS

Our Board of Directors. Our Board has twelve members, five of whom -- Ralph J. Roberts, Brian L. Roberts, Sheldon M. Bonovitz, Julian A. Brodsky and Decker Anstrom -- were designated at the time of the AT&T Broadband acquisition by Comcast Holdings from the then-existing Comcast Holdings Board, five of whom -- C. Michael Armstrong, J. Michael Cook, George M.C. Fisher, Louis A. Simpson and Michael I. Sovern -- were designated by AT&T from the then-existing AT&T Board and two of whom -- Kenneth J. Bacon and Dr. Judith

Rodin -- were independent persons jointly designated by Comcast Holdings and AT&T. At all times, our Board will consist of a majority of independent persons. The individuals designated by each of Comcast Holdings and AT&T were mutually agreed upon by Comcast Holdings and AT&T. All of the initial director designees will hold office until the 2004 annual meeting of our shareholders, which will be held in April 2004. After this initial term, our entire Board will be elected annually. Brian L. Roberts, through his control of BRCC Holdings LLC, holds a 33 1/3% nondilutable voting interest in our stock.

Management. Under the merger agreement, C. Michael Armstrong, AT&T's Chairman of the Board, will be our Chairman of the Board until the 2005 annual meeting of our shareholders and will serve as non-executive Chairman of the Board from April 1, 2004 until the 2005 annual meeting of our shareholders. Thereafter, Brian L. Roberts will be the Chairman of the Board. Removal of the Chairman of the Board will require the vote of at least 75% of the entire Board until the earlier to occur of (1) the date on which neither C. Michael Armstrong nor Brian L. Roberts is Chairman of the Board and (2) the sixth anniversary of the 2004 annual meeting of our shareholders.

Upon completion of the AT&T Broadband acquisition, Brian L. Roberts, Comcast Holdings' President, became our CEO. Brian L. Roberts will also be President for as long as he is the CEO. Removal of the CEO requires the vote of at least 75% of our entire Board until the earlier of the date when Brian L. Roberts is not the CEO and the sixth anniversary of the 2004 annual meeting of shareholders.

We will also have an Office of the Chairman comprised of the Chairman of the Board and the CEO until the earlier to occur of (1) the 2005 annual meeting of our shareholders and (2) the date on which C. Michael Armstrong ceases to be the Chairman of the Board. The Office of the Chairman will be our principal executive deliberative body with responsibility for corporate strategy, policy and direction, governmental affairs and other significant matters.

Our charter provisions that implement the foregoing governance arrangements may not be amended or changed except with the approval of at least 75% of our entire Board until the earlier to occur of (1) the date on which Brian L. Roberts is no longer serving as Chairman of the Board or CEO and (2) the sixth anniversary of the 2004 annual meeting of our shareholders.

BRCC Holdings LLC hold shares of our Class B common stock constituting 33 1/3% of the combined voting power of our common stock. Brian L. Roberts has sole voting power over membership interests representing a majority of the voting power of all BRCC Holdings LLC equity.

#### EMPLOYEE BENEFITS MATTERS; INDEMNIFICATION AND INSURANCE

In the merger agreement, we agreed to honor the terms of all Comcast Cable Communications Holdings' employee benefit plans and arrangements and to pay and provide the benefits required thereunder, recognizing that the AT&T Broadband acquisition is a change in control under the plans, and to provide, until December 31, 2003, to employees of Comcast Cable Communications Holdings and its subsidiaries (other than those subject to collective bargaining obligations or agreements) aggregate employee benefits and

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compensation that are substantially comparable in the aggregate to those provided by Comcast Cable Communications Holdings and its subsidiaries as of the completion of the AT&T Broadband acquisition, other than benefits provided under severance or separation plans of Comcast Cable Communications Holdings or its subsidiaries. Until December 31, 2003, we have agreed to continue certain severance plans of Comcast Cable Communications Holdings and its subsidiaries without adverse change, including those that provide certain enhanced benefits to AT&T executive officers who became employees of Comcast Cable Communications Holdings prior to consummation of the AT&T Broadband acquisition. Based on currently available information, if all such executive officers were terminated without cause immediately following completion of the AT&T Broadband acquisition, they would receive severance payments equal in the aggregate to approximately \$44.7 million.

#### OBLIGATIONS RELATING TO COMCAST CABLE COMMUNICATIONS HOLDINGS' TOPRS SECURITIES

We have agreed, on the earliest date on which the Comcast Cable Communications Holdings debt known by the acronym TOPRS as to which AT&T has guaranteed certain obligations may be redeemed, to either redeem such series of TOPRS, cause AT&T to be released from any such guarantee or post a letter of credit in respect of such debt. As of the date of this filing, approximately \$500 million of outstanding TOPRS remains subject to this obligation.



THE SEPARATION

Assignment. AT&T assigned and transferred to Comcast Cable Communications Holdings all of AT&T's and its subsidiaries' right, title and interest in all of the assets of AT&T's broadband business which are not already held by Comcast Cable Communications Holdings or a Comcast Cable Communications Holdings subsidiary. The assets comprising AT&T's broadband business are generally determined in the following manner:

- assets reflected in the AT&T Broadband Group balance sheet dated as of December 31, 2000 are assets of AT&T's broadband business, except as described below;
- assets reflected in the AT&T Communications balance sheet dated as of December 31, 2000 are assets of AT&T's communications business, except as described below;
- assets acquired after December 31, 2000 by AT&T or any of its subsidiaries utilizing assets of AT&T's broadband business are assets of AT&T's broadband business, except as described below;
- any assets acquired after December 31, 2000 by AT&T or any of its subsidiaries utilizing assets of AT&T's communications business are assets of AT&T's communications business, except as described below;
- certain assets are specifically assigned to AT&T's broadband business regardless of whether or not they are reflected in the AT&T Broadband Group balance sheet dated as of December 31, 2000;
- certain assets are specifically assigned to AT&T's communications business regardless of whether or not they are reflected in the AT&T Communications balance sheet dated as of December 31, 2000; and
- assets that are not reflected in the AT&T Broadband Group balance sheet or the AT&T Communications balance sheet, in each case dated as of December 31, 2000, or specifically assigned to AT&T's broadband business or AT&T's communications business are assigned to the business to which they primarily relate.

Assumption. At the same time as the assignment, Comcast Cable Communications Holdings assumed all of the liabilities of AT&T's broadband business that were not already liabilities of Comcast Cable

Communications Holdings or a Comcast Cable Communications Holdings subsidiary. The liabilities of AT&T's broadband business were generally determined in the following manner:

- liabilities reflected in the AT&T Broadband Group balance sheet dated as of December 31, 2000 are liabilities of AT&T's broadband business, except as described below;
- liabilities reflected in the AT&T Communications balance sheet dated as of December 31, 2000 are liabilities of AT&T's communications business, except as described below;
- liabilities incurred after December 31, 2000 by entities transferred as part of AT&T's broadband business are liabilities of AT&T's broadband business, except as described below;
- liabilities incurred after December 31, 2000 by entities not transferred as part of AT&T's broadband business are liabilities of AT&T's communications business, except as described below;
- certain liabilities are specifically assigned to AT&T's broadband business regardless of whether or not they are reflected in the AT&T Broadband Group balance sheet dated as of December 31, 2000;
- certain liabilities are specifically assigned to AT&T's communications business regardless of whether or not they are reflected in the AT&T Communications balance sheet dated as of December 31, 2000;
- certain liabilities such as liabilities arising out of the AT&T Broadband acquisition or involving At Home or AT&T Wireless (to the extent AT&T is

not indemnified by AT&T Wireless for such liabilities) are divided evenly between AT&T's broadband business and AT&T's communications business regardless of whether or not they are reflected in the AT&T Broadband Group balance sheet or the AT&T Communications balance sheet, in each case dated as of December 31, 2000; and

- liabilities that are not reflected in the AT&T Broadband Group balance sheet or the AT&T Communications balance sheet, in each case dated as of December 31, 2000, or specifically assigned to AT&T's broadband business or AT&T's communications business are assigned to the business to which they primarily relate.

The separation occurred on November 18, 2002, immediately prior to the mergers which occurred as part of the AT&T Broadband acquisition.

#### REPAYMENT OF INTRACOMPANY DEBT

In connection with the closing of the AT&T Broadband acquisition, Comcast Cable Communications Holdings repaid all intracompany debt owed by AT&T's broadband business to AT&T's communications business. Comcast Cable Communications Holdings effected this repayment by making a cash payment to AT&T in an amount equal to \$5.85 billion and by issuing approximately \$3.50 billion in debt to retire existing AT&T debt. The cash payment referred to in the preceding sentence reflected certain adjustments and was made with the proceeds of (i) a borrowing by Comcast Cable Communications Holdings of \$4 billion under a bridge credit agreement dated April 26, 2002 among Comcast Cable Communications Holdings, us, the lenders party thereto and JPMorgan Chase Bank, as administrative agent, Citibank N.A., as syndication agent, and Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley Senior Funding, Inc., as co-documentation agents, and (ii) a borrowing by Comcast Cable Communications Holdings of \$2.5 billion under a credit agreement dated April 26, 2002 among Comcast Cable Communications Holdings, us, the lenders party thereto and JPMorgan Chase Bank, as administrative agent, swingline lender and issuing lender, Citibank N.A., as syndication agent, and Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley Senior Funding, Inc., as co-documentation agents, together referred to as the New Credit Facility in this prospectus. The retirement of existing AT&T debt by Comcast Cable Communications Holdings referred to above resulted from a recently completed debt exchange offer pursuant to which Comcast Cable Communications Holdings issued debt guaranteed by us and the cable guarantors in an aggregate principal amount of approximately \$3.50 billion consisting of approximately \$2.43 billion of 8.375% Notes Due 2013 and approximately \$1.07 billion of 9.455% Notes Due 2022.

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#### POST-SPIN-OFF TRANSACTIONS

Our ability and the ability of Comcast Cable Communications Holdings to engage in specified acquisitions, redeem stock, issue equity securities or take any other action or actions that in the aggregate would be reasonably likely to have the effect of causing or permitting one or more persons to acquire directly or indirectly stock representing a 50% or greater interest, within the meaning of Section 355(e) of the Code, in Comcast Cable Communications Holdings or otherwise jeopardize the non-recognition of taxable gain or loss for U.S. federal income tax purposes to AT&T, AT&T affiliates and AT&T shareholders in connection with the separation and the Comcast Cable Communications Holdings spin-off may be limited until December 18, 2004.

#### DISPOSITION OF TIME WARNER ENTERTAINMENT INTEREST

Sharing of Proceeds. The separation and distribution agreement provides that upon any disposition of all or any portion of its interest in TWE after the signing of the merger agreement, Comcast Cable Communications Holdings will pay AT&T 50% of the proceeds received from such disposition in excess of the threshold amount described in the next sentence reduced by taxes on 50% of such excess. The threshold amount is equal to the balance, plus 7% simple interest per annum on the balance, of \$10.2 billion reduced by the aggregate proceeds of any previous dispositions of any portion of the TWE interest. If the TWE interest has not been fully disposed of within 54 months of the completion of the AT&T Broadband acquisition, the remaining TWE interest will be appraised at fair market value. To the extent that the amount of such appraisal exceeds the threshold amount specified above, Comcast Cable Communications Holdings has agreed to pay AT&T 50% of such excess, on a tax-adjusted basis.

Restructuring Agreement. On August 21, 2002, AT&T and Comcast Holdings announced that they had entered into an agreement with AOL Time Warner providing for the restructuring of TWE. The restructuring agreement was intended to

provide for a more orderly and timely disposition of AT&T Broadband Group's entire stake in TWE than would likely be available under the registration rights provisions of the TWE partnership agreement, which AT&T Broadband Group had been pursuing. Upon consummation of the AT&T Broadband acquisition, we assumed all of AT&T's interest in TWE and in the restructuring agreement.

Under the restructuring agreement, which is expected to close in the first quarter of 2003, for its 27.64% interest in TWE, Comcast Cable Communications Holdings will receive \$1.5 billion in common stock of AOL Time Warner Inc. (valued at the time of the closing and subject to certain limitations) and an effective 21% equity interest in all of AOL Time Warner's cable properties, including those already in TWE, and Comcast Cable Communications Holdings will also receive \$2.1 billion in cash. As part of the restructuring, TWE will distribute to AOL Time Warner all of TWE's major content assets, which include Home Box Office (HBO), Warner Bros., and stakes in The WB Network, Comedy Central and Court TV. Time Warner Cable, which will own substantially all of AOL Time Warner's cable interests, is expected to conduct an initial public offering of common stock following the restructuring. Under the restructuring agreement, Comcast Cable Communications Holdings has registration rights enabling it to dispose of its shares in Time Warner Cable and in AOL Time Warner. In connection with the transactions, Comcast Holdings and Comcast Cable Communications Holdings will also enter into a three-year non-exclusive agreement with AOL Time Warner under which AOL High-Speed Broadband service would be made available on certain of our cable systems which pass approximately 10 million homes.

On November 13, 2002, the FCC gave conditional approval to the transfer of certain FCC licenses required to complete the AT&T Broadband acquisition. The Memorandum Opinion and Order issued by the FCC ordered AT&T and Comcast Holdings to place Comcast Cable Communications Holdings' interest in TWE into irrevocable trust prior to completion of the transaction and to fully divest the TWE interest within five-and-a-half years after completion of the transaction. During the divestiture period, the divestiture order prohibits us from any involvement in the video programming activities of TWE. Copies of the trust agreements pursuant to which Comcast Cable Communications Holdings' TWE interest will be placed into irrevocable trust are attached as exhibits to our Current Report on Form 8-K filed on November 18, 2002 incorporated by reference herein.

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AT&T acquired its stake in TWE as part of its June 2000 acquisition of Comcast MO Group. In February of 2001, AT&T requested that TWE convert from a limited partnership into a corporation and create equity securities for registration with the Securities and Exchange Commission. On July 30, 2002, AT&T and TWE agreed to suspend the registration process to explore alternative approaches that led to the transactions contemplated by the restructuring agreement. In connection with the Comcast Cable Communications Holdings spin-off, all of AT&T Broadband Group's interests and rights with respect to TWE were transferred to Comcast Cable Communications Holdings subsidiaries, and subsequently placed in trust for orderly disposition. The TWE restructuring is subject to receipt of certain regulatory approvals and other closing conditions, certain of which are outside our control. There can be no assurance that the transactions contemplated by the TWE restructuring agreement will be consummated. If the restructuring agreement is terminated without the restructuring being consummated, the parties will return to the registration rights process under the TWE partnership agreement.

#### MUTUAL RELEASE; INDEMNIFICATION

Mutual Release of Pre-Closing Claims. AT&T and Comcast Cable Communications Holdings have each released the other from any and all claims that it may have against the other party arising from any acts or events occurring or failing to occur prior to the completion of the Comcast Cable Communications Holdings spin-off, subject to certain exceptions specified in the separation and distribution agreement.

Indemnification by AT&T. AT&T has indemnified Comcast Cable Communications Holdings from any and all liabilities relating to, arising out of or resulting from any of the following:

- the failure of AT&T or any of its subsidiaries or any other person to pay any liabilities, or perform under any contracts, of AT&T's communications business;
- the assets or contracts of AT&T's communications business; and
- any breach of the separation and distribution agreement or any of the ancillary agreements by AT&T.

Indemnification by Comcast Cable Communications Holdings. Comcast Cable Communications Holdings has indemnified AT&T from any and all liabilities relating to, arising out of or resulting from any of the following:

- the failure of Comcast Cable Communications Holdings or any of its subsidiaries or any other person to pay any liabilities, or perform under any contracts, of AT&T's broadband business;
- the assets or contracts of AT&T's broadband business; and
- any breach of the separation and distribution agreement or any of the ancillary agreements by Comcast Cable Communications Holdings;

Tax Indemnification. Subject to the exceptions described below, Comcast Cable Communications Holdings has indemnified AT&T against 50% of the taxes and related costs assessed against AT&T resulting from the disqualification of the separation and the Comcast Cable Communications Holdings spin-off as tax-free transactions under Section 355 of the Code.

If such disqualification results from a transaction involving the stock or assets of Comcast Cable Communications Holdings occurring after the Comcast Cable Communications Holdings spin-off, from Comcast Cable Communications Holdings' failure to remain actively engaged in a trade or business or from the failure of any representation made with respect to Comcast Cable Communications Holdings in connection with certain tax opinions and Internal Revenue Service rulings, then Comcast Cable Communications Holdings will be required to indemnify AT&T against all such taxes and related costs.

If such disqualification results from a transaction involving the stock or assets of AT&T occurring after the Comcast Cable Communications Holdings spin-off, from AT&T's failure to remain actively engaged in a trade or business or from the failure of any representation made with respect to AT&T in connection with certain tax opinions and Internal Revenue Service rulings, then Comcast Cable Communications Holdings is not required to indemnify AT&T against any such taxes or related costs.

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Comcast Cable Communications Holdings has also indemnified AT&T against 50% of the taxes and related costs resulting from the Liberty Media or AT&T Wireless spin-offs failing to be tax-free, unless either spin-off becomes taxable as a result of an action taken by AT&T or Comcast Cable Communications Holdings, in which case the acting party bears full responsibility for any resulting AT&T liabilities. Comcast Cable Communications Holdings' obligation described in the preceding sentence is reduced by Comcast Cable Communications Holdings' share of any indemnification that AT&T receives from Liberty Media or AT&T Wireless as a result of the relevant spin-off failing to qualify as tax-free.

Other Indemnification. Subject to the next sentence, AT&T and Comcast Cable Communications Holdings have indemnified each other for 50% of any liability resulting from any untrue statement or omission of a material fact in any registration statement relating to the Comcast Cable Communications Holdings spin-off or in any other filing made by AT&T or Comcast Cable Communications Holdings with the Securities and Exchange Commission in connection with the separation, the Comcast Cable Communications Holdings spin-off, the Comcast Cable Communications Holdings merger or any related agreements. AT&T also indemnified us and Comcast Cable Communications Holdings for any liability resulting from any untrue statement or omission of a material fact in any registration statement relating to the Consumer Services charter amendment proposal, any other proposal related to the creation of AT&T Consumer Services Group tracking stock, the reverse stock split proposal or any AT&T 2002 annual meeting proposal other than the AT&T transaction proposal or the proposal related to our charter.

#### THE TAX SHARING AGREEMENT

In General. Comcast Cable Communications Holdings' tax liability, as described below, for the period beginning January 1, 2002 through November 18, 2002 will be included in the consolidated federal income tax return of AT&T for 2002 and for the period beginning November 19, 2002 through December 31, 2002 will be included in the consolidated federal income tax return of Comcast. The tax sharing agreement provides for tax sharing payments between Comcast Cable Communications Holdings and AT&T for periods prior to the Comcast Cable Communications Holdings spin-off, based on the taxes or tax benefits of hypothetical affiliated groups consisting of the businesses, assets and liabilities that make up Comcast Cable Communications Holdings, on the one hand, and all other businesses, assets and liabilities of AT&T, on the other hand. Each group is generally responsible for the taxes attributable to its lines of business and entities comprising its group.

AT&T and Comcast Cable Communications Holdings have agreed that the consolidated tax liability (before credits) of the hypothetical group will be allocated to each group based on such group's contribution to consolidated taxable income. This allocation will take into account losses, deductions and other tax attributes that are utilized by the hypothetical group even if these attributes could not be utilized on a stand-alone basis. Tax sharing payments in respect of the consolidated tax liability of the hypothetical group, after allocation of consolidated tax credits, will be made between AT&T and Comcast Cable Communications Holdings consistent with the allocations under the tax sharing agreement. As between AT&T and Comcast Cable Communications Holdings, certain tax items are specially allocated to the AT&T group and Comcast Cable Communications Holdings group under the tax sharing agreement.

Comcast Cable Communications Holdings Spin-off. AT&T and Comcast Cable Communications Holdings have agreed that taxes related to intercompany transactions that are triggered by the Comcast Cable Communications Holdings spin-off will be generally allocated to Comcast Cable Communications Holdings.

Non-Income Tax Liabilities. AT&T and Comcast Cable Communications Holdings have agreed that joint non-income tax liabilities will generally be allocated between AT&T and Comcast Cable Communications Holdings based on the amount of such taxes attributable to each group's line of business. If the line of business with respect to which the liability is appropriately associated cannot be readily determined, the tax liability will be allocated to the AT&T group.

Audit Adjustments. AT&T and Comcast Cable Communications Holdings have agreed that taxes resulting from audit adjustments will generally be allocated between the two groups based on line of business. In general, AT&T controls audits and administrative matters related to pre-spin-off periods.

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Post-Spin-off Tax Attributes. Generally, Comcast Cable Communications Holdings may not carry back a loss, credit or other tax attribute from a post-spin-off period to a pre-spin-off period, unless Comcast Cable Communications Holdings obtains AT&T's consent (which, in the case of significant net operating or capital loss carrybacks, may not be unreasonably withheld) and then only to the extent permitted by applicable law.

#### THE ANCILLARY AGREEMENTS

In addition to the other agreements described in this section, AT&T and Comcast Cable Communications Holdings entered into various other commercial agreements in connection with the AT&T Broadband acquisition. A brief summary of these agreements follows:

Network Service Agreements. AT&T and Comcast Cable Communications Holdings entered into principal network service agreements as follows.

- Master Carrier Agreement. This agreement reflects the rates, terms and conditions on which AT&T Business Services Group will provide voice, data and Internet services to Comcast Cable Communications Holdings, including both wholesale services (those used as a component in Comcast Cable Communications Holdings' services to its customers) and "administrative" services (for internal Comcast Cable Communications Holdings usage). Pricing is market based, with provisions defining an ongoing process to ensure that the prices remain competitive.
- First Amended and Restated Local Network Connectivity Services Agreement. This agreement reflects the rates, terms and conditions on which AT&T Business Services Group will provide certain local network connectivity services to Comcast Cable Communications Holdings for use in providing local telephone services to Comcast Cable Communications Holdings' subscribers. This agreement consists of two parts:
  - a capital lease from AT&T Business Services Group to Comcast Cable Communications Holdings of certain network switching and transport assets to be used exclusively by Comcast Cable Communications Holdings for a term of up to ten years, commencing January 1, 2002 for initial assets leased under the agreement; and
  - an operating agreement for the provision of local network connectivity, management and operational services in support of Comcast Cable Communications Holdings' local cable telephone services, with a minimum term of five years commencing January 1, 2002.
- Master Facilities Agreement. This agreement permits AT&T or any of its subsidiaries to use existing fiber facilities owned or leased by Comcast

Cable Communications Holdings or its controlled affiliates, together with related services. In addition, Comcast Cable Communications Holdings will construct and lease to AT&T new fiber facilities in the areas served by Comcast Cable Communications Holdings' cable systems for use in providing telecommunications services. The term of the build-out period will expire on January 8, 2012. Subject to certain termination rights specified in this agreement, the term of AT&T's right to use facilities leased under this agreement will expire on January 8, 2028, renewable at AT&T's option for successive 20-year terms in perpetuity.

- Interconnection and Intercarrier Compensation Term Sheet. This agreement, which has a five-year initial term commencing January 1, 2002, specifies the terms of interconnection of the parties' networks, and compensation for:
  - the origination or termination of interexchange traffic for the other party; and
  - the exchange of local traffic between the parties' local customers.
- High Speed Internet Services Binding Term Sheet. This agreement reflects the rates, terms and conditions on which AT&T will provide specified processes, procedures and services to support Comcast Cable Communications Holdings in its provision of broadband Internet services to Comcast Cable Communications Holdings subscribers. This agreement has a four-year initial term commencing December 4, 2001.

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- Intellectual Property Agreement. This agreement specifies the ownership and license rights granted by each party to the other in specified patents, software, copyrights and trade secrets. Among other rights granted, the effect of this agreement is to allow Comcast Cable Communications Holdings and AT&T to continue to have the same rights to use the intellectual property that they had at the time of the separation and Comcast Cable Communications Holdings spin-off.
- Corporate Name Agreement. AT&T and we entered into a corporate name agreement immediately prior to the completion of the AT&T Broadband acquisition pursuant to which AT&T will grant to us the right to use the term "AT&T" as part of our full corporate name, but prohibit any use of "AT&T" as a trade name, trademark, or service mark, or in a domain name other than specified domain names permitted for certain purposes. Such grant of rights will be perpetual unless terminated as a result of the Roberts family's voting power falling below 33% or pursuant to any other terms of the agreement. On November 18, 2002, we changed our name from AT&T Comcast Corporation to Comcast Corporation.

#### THE QUIPS EXCHANGE

Prior to the AT&T Broadband acquisition, Microsoft (through a wholly owned subsidiary) held \$5 billion in aggregate liquidation preference amount of 5% Convertible Quarterly Income Preferred Securities, referred to in this prospectus by their acronym "QUIPS," of AT&T Finance Trust I, a Delaware business trust. The QUIPS were convertible into \$5 billion aggregate face amount of 5% Junior Convertible Subordinated Debentures due 2029 of AT&T, which were in turn convertible into AT&T common stock. In connection with the AT&T Broadband acquisition, Comcast Holdings and Microsoft entered into an exchange agreement dated December 7, 2001 relating to the exchange of the QUIPS for a combination of our voting and non-voting shares to be issued in the merger, and on December 19, 2001 we became a party to the exchange agreement by executing the instrument of admission. On March 11, 2002, the parties amended the exchange agreement and instrument of admission. The following summary of the exchange agreement and the instrument of admission, in each case as amended, is qualified in its entirety by reference to the complete texts of the amended exchange agreement and the instrument of admission, which are incorporated by reference and attached as exhibits to the registration statement in which this prospectus is included.

The Exchange. In the exchange agreement and instrument of admission, we agreed to exchange the QUIPS for approximately 100.6 million shares of our Class A Common Stock, and approximately 14.4 million shares of our non-voting Class A Special Common Stock in the AT&T Broadband acquisition. If Microsoft transfers shares of our Class A Common Stock or its voting interest in us is diluted below 4.95%, subject to certain conditions, Microsoft will have the right to cause us to exchange the shares of our non-voting Class A Special Common Stock received in the AT&T Broadband acquisition for shares of our voting Class A Common Stock provided that its voting interest in us does not exceed 4.95% after the exchange. Prior to six months after completion of the Microsoft transaction,

subject to certain exceptions, Microsoft has agreed that neither Microsoft nor any of its wholly-owned subsidiaries will sell, or enter into any agreement, arrangement or negotiations relating to the sale of, any of the shares of our Class A Special Common Stock that it received in connection with the Microsoft transaction. Comcast Holdings agreed to indemnify Microsoft against any claim by Comcast Holdings, AT&T or any shareholder of Comcast Holdings, AT&T or us for any loss arising as a result of the Comcast Cable Communications Holdings spin-off or the mergers failing to be tax-free, except to the extent such a failure results directly from a breach by Microsoft of the lock-up agreement described above or of the failure of a related representation and warranty made by Microsoft in the exchange agreement.

Internet Access. Until the fifth anniversary of the Microsoft transaction, we have agreed that if we offer a high-speed Internet access agreement to any third party, then we will be obligated to offer an agreement on nondiscriminatory terms with respect to the same cable systems to Microsoft for its ISP, The Microsoft Network. In connection with Comcast Holdings' and AT&T's agreement with AOL Time Warner providing for the restructuring of TWE, Comcast Holdings and Comcast Cable Communications will enter into a three-year non-exclusive access agreement with AOL Time Warner. Because Comcast Holdings has also entered into an access agreement with United Online and Comcast Cable Communications Holdings has also entered

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into an access agreement with each of Earthlink, Internet Central, Connected Data Systems, Galaxy Internet Services and Connect Plus International, we will be required after the consummation of the AT&T Broadband acquisition, with respect to each such agreement with another ISP, including the agreement to be entered into with AOL Time Warner, to offer an access agreement to Microsoft on terms no less favorable than those provided to the other ISP with respect to the specific cable systems covered under the agreement with the other ISP.

Interactive Technology Agreement. In connection with the exchange agreement, Microsoft and Comcast Cable entered into a letter of intent and are currently negotiating a definitive agreement pursuant to which the parties will conduct a trial during 2003 of an interactive television platform, including set-top box middleware. If the trial results meet agreed technical standards, the platform meets defined competitive requirements and a launch would meet Comcast Cable's reasonable business objectives, Comcast Cable has agreed that it will commercially launch the Microsoft platform to at least 25% of its newly installed middleware customer base.

#### LEGAL MATTERS

As to matters governed by Pennsylvania law, Arthur R. Block, Esquire, Senior Vice President, General Counsel and Secretary of Comcast, and as to matters governed by New York and Delaware law, Davis Polk & Wardwell, will pass upon the validity of the cable guarantees on our behalf and on behalf of the cable guarantors, although we may use other counsel, including our employees, to do so.

#### EXPERTS

##### COMCAST

The balance sheet of Comcast at December 31, 2001 incorporated by reference from Comcast's Current Report on Form 8-K/A dated November 18, 2002 filed on December 16, 2002 has been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein by reference, and has been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

##### COMCAST HOLDINGS

The consolidated financial statements and the related financial statement schedule of Comcast Holdings incorporated in this prospectus by reference from Comcast's Current Report on Form 8-K/A dated November 18, 2002 filed on December 16, 2002 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report (which report expresses an unqualified opinion and includes an explanatory paragraph related to the adoption of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, effective January 1, 2001), which is incorporated herein by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

##### COMCAST CABLE

The financial statements and the related financial statement schedule of Comcast Cable, an indirect wholly-owned subsidiary of Comcast, and subsidiaries incorporated in this prospectus by reference from Comcast Cable's Annual Report on Form 10-K for the year ended December 31, 2001 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which report on the financial statements expresses an unqualified opinion and includes an explanatory paragraph related to the adoption of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, effective January 1, 2001), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

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#### COMCAST MO OF DELAWARE, INC.

The financial statements of Comcast MO of Delaware, Inc. (formerly MediaOne of Delaware, Inc.), and its subsidiaries as of December 31, 2001 and 2000, and for the year ended December 31, 2001 and for the period June 15, 2000 to December 31, 2000 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in accounting and auditing.

#### AT&T BROADBAND GROUP

The audited historical combined financial statements of AT&T Broadband Group incorporated in this prospectus by reference to Comcast's Current Report on Form 8-K/A dated November 18, 2002 filed on December 16, 2002, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in accounting and auditing.

#### AVAILABLE INFORMATION

We, along with the cable guarantors, have filed this prospectus as part of a combined registration statement on Form S-4 with the SEC. The registration statement contains exhibits and other information that are not contained in this prospectus. In particular, the registration statement includes as exhibits a form of the amendment, a form of cable guarantee, a form of Continental cross guarantee, copies of the indentures under which the Continental notes were issued, and the forms of the Continental notes. Our descriptions in this prospectus of the provisions of documents filed as an exhibit to the registration statement or otherwise filed with the SEC are only summaries of the documents' material terms. If you want a complete description of the content of the documents, you should obtain the documents by following the procedures described below.

Comcast Cable Communications Holdings, Comcast MO Group, Comcast Cable Holdings and Continental do not currently file information with the SEC. We, and Comcast Holdings as our predecessor, file annual, quarterly and special reports and other information with the SEC. Although Comcast Cable, which currently files annual, quarterly and special reports and other information with the SEC, the other cable guarantors and Continental would normally be required to file information with the SEC on an ongoing basis, we expect that Comcast Cable and the cable guarantors will be exempt from this filing obligation for as long as we continue to file our information with the SEC. You may read and copy any document we, Comcast Holdings or Comcast Cable file at the SEC's public reference room located at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings, including the complete registration statement and all of the exhibits to it, and the SEC filings of Comcast Holdings and Comcast Cable are available through the SEC's web site at <http://www.sec.gov>.

You should rely only on the information contained in this prospectus, in the accompanying prospectus supplement and in material we, Comcast Holdings and Comcast Cable file with the SEC and incorporate by reference herein. We have not authorized anyone to provide you with information that is different. We are offering the cable guaranties, and seeking consents to the amendment, only where the consent solicitation and offer to guarantee are permitted. The information contained in this prospectus and our filings and the filings of Comcast Holdings and Comcast Cable with the SEC is accurate only as of its date, regardless of the time of delivery of this prospectus.

#### INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring you directly to those documents. The information incorporated by



reference is considered to be part of this prospectus. In addition, information we file with the SEC in the future will automatically update and supersede information contained in this prospectus and any accompanying prospectus supplement.

This prospectus incorporates by reference the documents set forth below that we, Comcast Holdings and Comcast Cable have previously filed with the SEC.

Comcast SEC Filings (File No. 333-82460)

- Current Report on Form 8-K filed on October 30, 2002, Current Report on Form 8-K filed on November 18, 2002, Current Report on Form 8-K/A dated November 18, 2002 filed on December 16, 2002, and Current Report on Form 8-K filed on January 10, 2003.

Comcast Holdings SEC Filings (File No. 001-15471)

- Annual Report on Form 10-K (except for Item 8) for the year ended December 31, 2001, filed on March 29, 2002.
- Quarterly Reports on Form 10-Q for the quarters ended March 31, 2002, filed on May 15, 2002, June 30, 2002, filed on August 14, 2002, and September 30, 2002, filed on October 30, 2002.
- Current Report on Form 8-K filed on November 18, 2002.

Comcast Cable SEC Filings (File No. 333-30745)

- Annual Report on Form 10-K for the year ended December 31, 2001, filed on March 29, 2002.
- Quarterly Reports on Form 10-Q for the quarters ended March 31, 2002, filed on May 15, 2002, June 30, 2002, filed on August 14, 2002, and September 30, 2002, filed on November 13, 2002.
- Current Report on Form 8-K filed on November 18, 2002.

We also incorporate by reference into this prospectus additional documents that we may file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until we sell all of the securities we are offering. Any statements contained in a previously filed document incorporated by reference into this prospectus is deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus, or in a subsequently filed document also incorporated by reference herein, modifies or supersedes that statement.

We will provide free copies of any of those documents, if you write or telephone us at: 1500 Market Street, Philadelphia, Pennsylvania 19102-2148, (215) 665-1700.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS  
(UNAUDITED)

<Table>  
<Caption>

	NINE MONTHS ENDED SEPTEMBER 30,	
	2002	2001
	(DOLLARS IN MILLIONS)	
<S>	<C>	<C>
REVENUE.....	\$ 2,277	\$2,131
Costs and expenses:		
Operating:		
Programming -- related parties (note 6).....	647	568
Other (excluding depreciation of \$544 and \$429, included below).....	495	467
Selling, general and administrative:		
Related party (note 6).....	132	115
Other.....	420	353
Restructuring charge (note 5).....	14	29
Goodwill and franchise impairment charges (note 4).....	10,394	--
Depreciation.....	678	549
Amortization (note 3).....	67	670
Total costs and expenses.....	12,847	2,751
OPERATING LOSS.....	(10,570)	(620)
Other income (expense):		
Interest expense.....	(109)	(118)
Other income (expense), net.....	2	(43)
Loss before income taxes, net losses related to equity investments and cumulative effect of accounting change....	(10,677)	(781)
Income tax benefit.....	1,559	176
Net loss related to equity investments (note 4).....	(17)	(8)
Loss before cumulative effect of accounting change.....	(9,135)	(613)
Cumulative effect of accounting change (net of income taxes of \$148 and \$(20)) (note 3).....	(10,367)	34
Net loss.....	(19,502)	(579)
Other comprehensive loss, net of taxes:		
Unrealized loss on securities.....	(4)	(1)
Recognition of previously unrealized losses.....	--	4
Comprehensive loss.....	\$ (19,506)	\$ (576)

</Table>

MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

CONDENSED CONSOLIDATED BALANCE SHEET  
(UNAUDITED)

<Table>  
<Caption>

	SEPTEMBER 30, 2002	DECEMBER 31, 2001
	-----	-----
	(DOLLARS IN MILLIONS)	
<S>	<C>	<C>
ASSETS		
Cash and cash equivalents.....	\$ --	\$ --
Accounts receivable -- net of allowance of \$12 and \$10.....	181	160
Investments.....	324	370
Property, plant and equipment.....	5,597	5,054
Less: accumulated depreciation.....	1,637	997
	-----	-----
	3,960	4,057
	-----	-----
Franchise costs (notes 3 and 4).....	10,342	14,536
Goodwill (notes 3 and 4).....	--	16,727
Other intangible assets (note 3).....	876	876
Less: accumulated amortization.....	209	143
	-----	-----
	667	733
	-----	-----
Other assets.....	65	33
	-----	-----
Total assets.....	\$ 15,539	\$36,616
	=====	=====
LIABILITIES AND STOCKHOLDER'S EQUITY		
Accounts payable.....	\$ 97	\$ 98
Accrued interest.....	32	46
Accrued liabilities and other.....	229	246
Debt.....	1,885	1,911
Deferred income taxes.....	2,393	3,948
	-----	-----
Total liabilities.....	4,636	6,249
	-----	-----
Stockholder's Equity:		
Common stock, \$.01 par value; 100 shares authorized and outstanding.....	--	--
Additional paid-in-capital.....	30,585	30,585
Accumulated deficit.....	(20,482)	(980)
Accumulated other comprehensive loss.....	(3)	1
Due to related parties -- net (note 6).....	803	761
	-----	-----
Total stockholder's equity.....	10,903	30,367
	-----	-----
Commitments and contingencies (note 7)		
Total liabilities and stockholder's equity.....	\$ 15,539	\$36,616
	=====	=====

</Table>

MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDER'S EQUITY  
(UNAUDITED)

<Table>  
<Caption>

COMMON STOCK	ADDITIONAL PAID-IN- CAPITAL	ACCUMULATED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	DUE TO RELATED PARTIES -- NET	TOTAL STOCKHOLDER'S EQUITY
-----	-----	-----	-----	-----	-----

	(DOLLARS IN MILLIONS)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, January 1, 2002.....	\$ --	\$30,585	\$ (980)	\$ 1	\$761	\$ 30,367	
Net loss.....	--	--	(19,502)	--	--	(19,502)	
Change in amounts due to related parties, net.....	--	--	--	--	42	42	
Other comprehensive loss, net of income taxes.....	--	--	--	(4)	--	(4)	
Balance, September 30, 2002....	\$ --	\$30,585	\$ (20,482)	\$ (3)	\$803	\$ 10,903	

</Table>

See accompanying notes to condensed consolidated financial statements.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(UNAUDITED)

<Table>  
<Caption>

	NINE MONTHS ENDED SEPTEMBER 30,	
	2002	2001
	(DOLLARS IN MILLIONS)	
<S>	<C>	<C>
<b>OPERATING ACTIVITIES:</b>		
Net loss.....	\$ (19,502)	\$ (579)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Cumulative effect of accounting change, net of income taxes.....	10,367	(34)
Goodwill and franchise impairment charges.....	10,394	--
Depreciation and amortization.....	745	1,219
Net revaluation of warrants.....	5	53
Net loss related to equity investments.....	27	13
Net realized gain on investments.....	--	(16)
Deferred income taxes.....	(1,404)	88
Other noncash credits, net.....	(15)	(12)
Change in operating assets and liabilities:		
Accounts receivable and other assets.....	(24)	(471)
Accounts payable and other accrued liabilities.....	(22)	(47)
Net cash provided by operating activities.....	571	214
<b>INVESTING ACTIVITIES:</b>		
Expenditures for property, plant and equipment.....	(605)	(650)
Net cash paid on exchange of cable systems.....	--	(119)
Investment distributions and sales.....	12	275
Investment contributions and purchases.....	(14)	(247)
Other.....	(22)	(10)
Net cash used in investing activities.....	(629)	(751)
<b>FINANCING ACTIVITIES:</b>		
Repayments of debt.....	(5)	(200)
Funds advanced from related parties, net.....	63	740
Other.....	--	(3)
Net cash provided by financing activities.....	58	537
<b>CASH AND CASH EQUIVALENTS:</b>		
Net change.....	--	--
Beginning balance.....	--	--
Ending balance.....	\$ --	\$ --
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Transfer of net assets to parent.....	\$ 21	\$ --
Transfer of telephony assets.....	\$ --	\$ 305
Cash paid for interest.....	\$ 123	\$ 138

</Table>

See accompanying notes to condensed consolidated financial statements.  
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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001  
(UNAUDITED)

1. BASIS OF PRESENTATION

MediaOne of Delaware, Inc. (the "Company") is a wholly-owned subsidiary of MediaOne Group, Inc., ("MediaOne"). On November 18, 2002, Comcast Corporation ("Comcast") completed the acquisition of AT&T's broadband business ("AT&T Broadband") (the "AT&T Broadband Acquisition"). Prior to the AT&T Broadband Acquisition, MediaOne was a subsidiary of AT&T. MediaOne and the Company became subsidiaries of Comcast as of the date of the AT&T Broadband Acquisition. Subsequent to the AT&T Broadband Acquisition the Company changed its name to Comcast MO of Delaware, Inc.

The Company is a provider of domestic broadband communications services, having the capability to offer its subscribers video and high speed Internet access services simultaneously over its broadband network. The Company's cable systems include large clusters in California, Chicago, Florida, Massachusetts and Minneapolis/St. Paul. In addition, the Company holds domestic investments encompassing cable television and broadband systems and programming services.

The accompanying condensed consolidated financial statements were part of the consolidated financial statements and accounting records of AT&T. The Company's consolidated financial statements are based on the operating procedures implemented by management of the Company and reflect the assets, liabilities, revenues and expenses attributable to the Company, as well as allocations deemed reasonable by management to present the financial position, results of operations, and cash flows of the Company on a stand-alone basis. The financial position, results of operations, and cash flows of the Company could differ from reported results had the Company operated autonomously or as an entity independent of AT&T. The allocation methodologies have been described within the respective notes to the financial statements where appropriate and management considers the allocations to be reasonable.

The consolidated financial statements include the accounts of the Company and its majority owned subsidiaries and, in management's opinion, contain all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial information set forth therein. All significant intercompany accounts and transactions have been eliminated. The consolidated results for the interim periods presented are not necessarily indicative of results for the full year. These condensed consolidated financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2001.

In connection with the review of these interim financial statements prepared in connection with the filing by Comcast of a registration statement, the Company recorded a noncash adjustment to goodwill and franchise impairment charges of \$6,599 million to the previously reported results for the period ended September 30, 2002. The impairment charge resulted from the assessment of goodwill in accordance with Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142") (see note 4). In addition, the Company recorded certain other adjustments related to the nine month periods ended September 30, 2002 and 2001. The adjustments for the nine month period ended September 30, 2001 had been included in the Company's fourth quarter results of operations and, accordingly, do not affect the Company's previously reported results for the year ended December 31, 2001. The effect of the goodwill impairment charge and the other adjustments, which have been recorded in the accompanying condensed consolidated financial statements, is summarized as follows (amounts in millions):

<Table>  
<Caption>

	STOCKHOLDER'S EQUITY SEPTEMBER 30, 2002	NET LOSS NINE MONTHS ENDED SEPTEMBER 30, 2002	NET LOSS NINE MONTHS ENDED SEPTEMBER 30, 2001
	-----	-----	-----
<S> As previously reported.....	<C> \$17,511	<C> \$12,896	<C> \$228

Adjustments.....	(6,608)	6,606	351
	-----	-----	----
As restated.....	\$10,903	\$19,502	\$579
	=====	=====	=====

</Table>

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MEDIAONE OF DELAWARE, INC.  
 (AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

2. ACQUISITIONS, EXCHANGES AND DISPOSITIONS

In January 2001, the Company exchanged certain cable systems in New York, providing cable services to approximately 130,000 subscribers, and cash of \$184 million, for certain cable systems in Massachusetts owned by Cablevision Systems Corp., providing cable services to approximately 150,000 cable subscribers valued at approximately \$675 million. The Company accounted for the cable systems acquired under the purchase method of accounting.

In January 2001, the Company received cash of \$54 million and contributed various cable systems in Illinois, providing cable services to approximately 45,000 subscribers to an existing partnership owned equally by Insight Midwest, LP ("Insight") and AT&T. The partnership interest attributable to the Company was valued at \$119 million. No gain or loss was recognized on the transaction.

In April 2001, the joint venture to provide high speed internet access services under the Roadrunner brand name ("Roadrunner") was liquidated. The Company received cash distributions of \$67 million for its 31.4% interest in Roadrunner at liquidation and recorded a loss of \$27 million. In connection with the liquidation of Roadrunner, the Company acquired fixed assets of \$81 million from Roadrunner and assumed \$16 million of obligations under capital leases.

During the third quarter of 2001, the Company sold certain investments for cash proceeds of \$209 million. The Company recognized a gain of \$43 million on such sale.

3. NEWLY ADOPTED ACCOUNTING PRONOUNCEMENTS

SFAS NO. 142, "GOODWILL AND OTHER INTANGIBLE ASSETS"

Effective January 1, 2002, the Company adopted SFAS No. 142. SFAS 142 requires that goodwill and indefinite-lived intangible assets no longer be amortized, but instead be tested for impairment at least annually. Intangible assets that have finite useful lives will continue to be amortized over their useful lives. In addition, the amortization period of intangible assets with finite lives will no longer be limited to 40 years. The Company has determined that franchise costs are indefinite-lived assets, as defined in SFAS 142, and therefore are not subject to amortization beginning in 2002. In accordance with SFAS 142, goodwill was tested for impairment by comparing the fair value of the reporting unit to its carrying value. As of January 1, 2002, a goodwill impairment loss of \$10,128 million was recorded and included in the cumulative effect of accounting change in the accompanying condensed consolidated statement of operations. Franchise costs were tested for impairment as of January 1, 2002, by comparing the fair value to the carrying value (at the market level). An impairment loss for franchise costs of \$239 million, net of taxes of \$148 million, was recorded and included in the cumulative effect of accounting change in the accompanying condensed consolidated statement of operations.

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MEDIAONE OF DELAWARE, INC.  
 (AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The following table presents the impact of amortization under SFAS 142 on net loss had the standard been in effect for the nine months ended September 30, 2001.

<Table>  
 <Caption>

NINE MONTHS ENDED SEPTEMBER 30	
-----	
2002	2001
-----	

<S>	<C>	<C>
Reported loss before cumulative effect of accounting change.....	\$ (9,135)	\$(613)
Add back amortization, net of tax:		
Goodwill.....	--	322
Equity method excess basis.....	--	1
Franchise costs.....	--	175
	-----	-----
Adjusted reported loss before cumulative effect of accounting change.....	(9,135)	(115)
Cumulative effect of accounting change, net of income taxes.....	(10,367)	34
	-----	-----
Adjusted net loss.....	\$ (19,502)	\$ (81)
	=====	=====

</Table>

During 2002, all goodwill had been impaired primarily as a result of the adoption of SFAS 142 and impairment losses recorded in the second quarter of 2002 (see note 4).

Other intangible assets are amortized and consist primarily of customer lists. The amortization expense associated with other intangible assets for the nine months ended September 30, 2002 was \$66 million. Annual amortization expense for other intangible assets is estimated to be \$88 million for the years ended 2002 through 2006.

#### SFAS NO. 144, "ACCOUNTING FOR THE IMPAIRMENT OR DISPOSAL OF LONG-LIVED ASSETS"

On January 1, 2002, the Company adopted SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"), which supercedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" ("SFAS 121"). SFAS 144 applies to all long-lived assets, including discontinued operations, and consequently amends Accounting Principles Board ("APB") Opinion No. 30, "Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" ("APB 30"). Based on SFAS 121, SFAS 144 develops one accounting model for long-lived assets that are to be disposed of by sale, as well as addresses the principal implementation issues. SFAS 144 requires that long-lived assets that are to be disposed of by sale be measured at the lower of book value or fair value less cost to sell. Additionally, SFAS 144 expands the scope of discontinued operations to include all components of an entity with operations that (1) can be distinguished from the rest of the entity and (2) will be eliminated from the ongoing operations of the entity in a disposal transaction. SFAS 144 also amends Accounting Research Bulletin No. 51, "Consolidated Financial Statements" to eliminate the exception to consolidation for a subsidiary for which control is likely to be temporary. The adoption of SFAS 144 had no impact on the Company's results of operations, financial position or cash flows.

#### SFAS NO. 133 "ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES"

Effective January 1, 2001, the Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", and its corresponding amendments under SFAS No. 138. SFAS 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. All derivatives, whether designated in hedging relationships or not, are required to be recorded on the balance sheet at fair value. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative is designated as a cash flow hedge,

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

the effective portions of changes in the fair value of the derivative are recorded in other comprehensive income and are recognized in the income statement when the hedged item affects earnings. Changes in fair values of derivative instruments not designated as hedging instruments and ineffective portions of hedges, if any, are recognized in earnings in the current period.

The adoption of SFAS No. 133 resulted in a pretax cumulative-effect decrease to net loss of \$54 million (\$34 million net of tax). Such decrease was attributable to warrants held in both public and private companies. Included in

the after tax cumulative effect benefit was a \$4 million after tax loss which was reclassified from other comprehensive loss for changes in the fair value of warrants.

For the nine months ended September 30, 2002 and 2001, other income included a total pretax loss of \$5 million and \$53 million, respectively, related to changes in the fair value of warrants.

#### 4. IMPAIRMENT CHARGES

##### GOODWILL AND FRANCHISE IMPAIRMENT CHARGES

SFAS 142 requires that intangible assets not subject to amortization and goodwill shall be tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test shall consist of a comparison of the fair value of the intangible asset/goodwill with its carrying amount.

In the second quarter of 2002, the Company noted significant changes in the general business climate as evidenced by the severe downward movement in the U.S. stock market (including the decline in values of publicly traded cable industry stocks). At June 30, 2002, five cable competitors as a group experienced an average decline in total market capitalization of over 20% since January 1, 2002. The Company also witnessed corporate bankruptcies. The Company believes these factors created a "trigger event" which necessitated the testing of goodwill and franchise costs for impairment as of the end of the second quarter.

The Company assessed impairment on similar principles employed during the initial adoption of SFAS 142. Such testing resulted in the recognition of a \$3,795 million franchise cost impairment charge and a \$6,599 million goodwill impairment charge (aggregating \$8,942 million after-tax) recorded in goodwill and franchise impairment charges in the accompanying condensed consolidated statement of operations.

##### INVESTMENT IMPAIRMENT CHARGES

In accordance with SFAS No. 115 "Accounting for Certain Investments in Debt and Equity Securities" and APB Opinion No. 18 "The Equity Method of Accounting for Investments in Common Stock" ("APB 18"), the Company evaluated its portfolio of investments as of September 30, 2002 for potential impairments. SFAS 115 and APB 18 both require the recognition in earnings of declines in value of cost and equity method securities that are other than temporary.

Given the significant decline in stock prices in the first half of the year, the length of time these investments were below market and industry specific issues, the Company believes that its investment in Insight would not recover its cost basis in the foreseeable future. Accordingly, the Company believes the decline in value is other than temporary and, as a result, the Company recorded an investment impairment charge of \$23 million pretax (\$14 million after tax) related to Insight which is included in net losses related to equity investments in the accompanying condensed consolidated statement of operations.

#### 5. RESTRUCTURING CHARGE

During the nine months ended September 30, 2002, the Company recorded a \$14 million charge for restructuring and exit costs associated with efforts to reorganize and streamline certain field functions. The restructuring charge included \$4 million related to severance costs for approximately 103 employees and

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

\$10 million for facilities closings. Substantially all of the affected employees are non-management employees. Nearly all of the employees have left their positions as of September 30, 2002.

During the nine months ended September 30, 2001, the Company recorded a \$29 million charge for restructuring and exit costs primarily as part of an initiative to reduce costs. The restructuring and exit plans primarily resulted from synergies created by AT&T's acquisition of MediaOne. The restructuring charge included \$26 million related to severance costs for approximately 1,170 employees and \$3 million for facilities closings. Approximately 36% of the



affected employees are management and 64% are non-management employees. Nearly all of the employees had left their positions as of December 31, 2001.

#### 6. RELATED PARTIES

Due to the significant capital requirements associated with upgrading its cable systems, cash generated from the Company's operations is not sufficient to fund capital expenditures. Accordingly, AT&T provided cash advances to the Company. Such amounts are non-interest bearing and are reflected in the accompanying consolidated balance sheet as due to related parties -- net. Amounts due to related parties have been classified as a component of stockholder's equity in the accompanying condensed consolidated balance sheet as AT&T owned all of the outstanding stock of the Company as of September 30, 2002 and December 31, 2001.

Certain subsidiaries of AT&T provided administrative services to the Company and assumed managerial responsibility for the Company's operations. As compensation for these services, the Company pays a fee to such subsidiaries calculated on a per-subscriber basis. In addition, the Company reimbursed AT&T for all direct expenses incurred by AT&T in providing services to the Company. Such amounts are reflected in the accompanying condensed consolidated statement of operations as selling, general and administrative expenses -- related party.

The Company purchased certain pay television and other programming services from an indirect subsidiary of AT&T. Charges for such programming totaled \$647 million and \$568 million for the nine months ended September 30, 2002 and 2001, respectively.

During the second quarter of 2001, the Company transferred ownership of its broadband telephone business to AT&T and certain of its subsidiaries. The transfer included the following assets and liabilities (amounts in millions):

<Table>	
<S>	<C>
Accounts receivable.....	\$ 12
Property and equipment.....	289
Other net assets.....	12
Accounts payable.....	8
Due to related parties.....	458
Additional paid in capital.....	(153)
</Table>	

#### 7. COMMITMENTS AND CONTINGENCIES

The Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act") imposed certain rate regulations on the cable television industry. Under the 1992 Cable Act, all cable systems are subject to rate regulation, unless they face "effective competition," as defined by the 1992 Cable Act and expanded in the Telecommunications Act of 1996 (the "1996 Act"), in their local franchise area.

The Company believes that it has complied in all material respects with the provisions of the 1992 Cable Act and the 1996 Act, including its rate setting provisions. If, as a result of the review process, a system cannot substantiate its rates, it could be required to retroactively reduce its rates to the appropriate benchmark and refund the excess portion of rates received.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The Company's rates for its cable systems have also been subject to rate regulation under a social contract (the "Social Contract") with the Federal Communications Commission (the "FCC") which expired on December 31, 2000. As part of the Social Contract, the Company agreed to, among other things, rebuild and upgrade its cable television systems to expand channel capacity and improve system reliability and picture quality. At September 30, 2002, the Company had not met the upgrade requirements of the Social Contract for certain of its cable television systems. In the event that the Company is not able to address individual franchise authority concerns through negotiations and alternative methods of providing similar levels of service, the Company could be required to pay fines and/or refund a portion of its rates for the systems in which the upgrade requirements have not been met. The Company has worked with the FCC and local franchising authorities to resolve this matter, however, at this time, the ultimate outcome of this matter is unknown.

The Company is subject to legal proceedings and claims that arise in the ordinary course of business. Although it is reasonably possible that the Company may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made.

#### 8. NEW ACCOUNTING PRONOUNCEMENTS

In 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143"). This standard requires that obligations associated with the retirement of tangible long-lived assets be recorded as liabilities when those obligations are incurred, with the amount of the liability initially measured at fair value. Upon initially recognizing a liability for an asset retirement obligation, an entity must capitalize the cost by recognizing an increase in the carrying amount of the related long-lived asset. Over time, this liability is accreted to its future value, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, an entity either settles the obligation for its recorded amount or incurs a gain or loss upon settlement. SFAS 143 is effective for financial statements issued for fiscal years beginning after June 15, 2002, which for the Company means the standard will be adopted on January 1, 2003. The Company does not expect that the adoption of this statement will have a material impact on the Company's results of operations, financial position or cash flows.

On April 30, 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13 and Technical Corrections" ("SFAS 145"). SFAS 145 eliminates the requirement that gains and losses from the extinguishment of debt be aggregated and classified as an extraordinary item, net of the related income tax. An entity is not prohibited from classifying such gains and losses as extraordinary items, as long as they meet the criteria in paragraph 20 of APB 30. In addition, FAS 145 requires that capital leases that are modified so that the resulting lease agreement is classified as an operating lease be accounted for in the same manner as sale-leaseback transactions. The rescission of SFAS No. 4, "Reporting Gains and Losses from Extinguishment of Debt" is effective for fiscal years beginning after May 15, 2002, which for the Company means January 1, 2003. Earlier application is encouraged. Any gain or loss on extinguishment of debt that was previously classified as an extraordinary item would be reclassified to other income (expense). The remainder of the statement is generally effective for transactions occurring after May 15, 2002. The Company does not expect that the adoption of SFAS No. 145 will have a material impact on the Company's results of operations, financial position or cash flows.

On June 28, 2002, the FASB issued SFAS No. 146, "Accounting for Exit or Disposal Activities" ("SFAS 146"). This statement addresses the recognition, measurement and reporting of costs that are associated with exit and disposal activities. This statement includes the restructuring activities that are currently accounted for pursuant to the guidance set forth in Emerging Issues Task Force 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to exit an Activity (including Certain Costs incurred in a Restructuring)" ("EITF 94-3"), costs related to terminating a contract that is not a capital lease and one-time benefit arrangements received by employees who are involuntarily terminated --

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS -- (CONCLUDED)

nullifying the guidance under EITF 94-3. Under SFAS 146 the cost associated with an exit or disposal activity is recognized in the period in which it is incurred rather than at the date the company committed to the exit plan. This statement is effective for exit or disposal activities initiated after December 31, 2002 with earlier application encouraged. Previously issued financial statements will not be restated. The provisions of EITF 94-3 shall continue to apply for exit plans initiated prior to the adoption of SFAS 146. Accordingly, the initial adoption of SFAS 146 will not have an effect on the Company's results of operations, financial position or cash flows. However, liabilities associated with future exit and disposal activities will not be recognized until actually incurred.

In November 2002, the EITF reached a consensus on EITF 02-16, "Accounting by a Customer (including a Reseller) for Cash Consideration Received from a Vendor" ("EITF 02-16"). EITF 02-16 requires that cash consideration received by a customer from a vendor should be classified as a reduction of cost of sales when recognized in the customer's income statement unless certain criteria are met. EITF 02-16 also requires that a rebate or refund of cash that is payable

only if the customer completes a specified cumulative level of purchases or remains a customer for a specified time period should be recognized as a reduction of the cost of sales based on a systematic and rational allocation, provided the amounts are reasonably estimable. The Company adopted EITF 02-16 in the fourth quarter of 2002. The Company's cable subsidiaries have received or may receive distribution fees from programming networks for carriage of their programming. The Company classifies these fees as a reduction of programming costs which are included in operating expenses in the Company's condensed consolidated statement of operations. Accordingly, the adoption of EITF 02-16 had no impact on the Company's results of operations, financial position or cash flows.

In November 2002, the FASB issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" ("FIN 45"). FIN 45 expands on the accounting guidance of SFAS No.'s 5, 57, and 107 and supercedes FIN 34. FIN 45 clarifies that a guarantor is required to disclose in its interim and annual financial statements its obligations under certain guarantees that it has issued including, the nature and terms of the guarantee, the maximum potential amount of future payments under the guarantee, the carrying amount, if any, for the guarantor's obligations under the guarantee, and the nature and extent of any recourse provisions or available collateral that would enable the guarantor to recover the amounts paid under the guarantee. FIN 45 also clarifies that, for certain guarantees, a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. FIN 45 does not prescribe a specific approach for subsequently measuring the guarantor's recognized liability over the term of the related guarantee. The initial recognition and initial measurement provisions of FIN 45 apply on a prospective basis to certain guarantees issued or modified after December 31, 2002. The disclosure requirements in FIN 45 are effective for financial statements of interim or annual periods ending after December 15, 2002. The Company adopted the disclosure provisions of FIN 45 in the fourth quarter of 2002 and adopted the initial recognition and measurement provisions of FIN 45 on January 1, 2003, as required by the Interpretation. The Company is currently evaluating the impact the adoption of FIN 45 will have on its results of operations, financial position and cash flows.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"). FIN 46 is an Interpretation of Accounting Research Bulletin No. 51, "Consolidated Financial Statements" ("ARB 51"). FIN 46 clarifies the application of ARB 51 to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN 46 requires existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries if the entities do not effectively disperse risks among parties involved. Variable interest entities that effectively disperse risks will not be consolidated unless a single party holds an interest or combination of interests that effectively recombines risks that were previously dispersed. FIN 46 will require disclosures

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS -- (CONCLUDED)

regarding ownership interests in variable interest entities. FIN 46 applies immediately to variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. FIN 46 applies in the first fiscal year or interim period beginning after June 15, 2003 to variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. FIN 46 may be applied prospectively with a cumulative-effect adjustment as of the date on which it is first applied or by restating previously issued financial statements for one or more years with a cumulative-effect adjustment as of the beginning of the first year restated. The Company will adopt the initial recognition and measurement provisions of FIN 46 on February 1, 2003, as required by the Interpretation. The Company is currently evaluating the impact the adoption of FIN 46 will have on its results of operations, financial position and cash flows.

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors of  
AT&T Broadband LLC:

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of operations and comprehensive loss, of stockholder's equity and of cash flows, present fairly, in all material respects, the financial position of MediaOne of Delaware Inc. and its subsidiaries at December 31, 2001, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of MediaOne of Delaware Inc.'s management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

MediaOne of Delaware, Inc. is an indirect wholly-owned subsidiary of AT&T Corp.; consequently, as indicated in Note 1, these consolidated financial statements have been derived from the consolidated financial statements and accounting records of AT&T Corp. and reflect certain assumptions and allocations. Moreover, as indicated in Note 1, MediaOne of Delaware, Inc. relies on AT&T Corp. for administrative, management and other services. The financial position, results of operations and cash flows of MediaOne of Delaware, Inc. could differ from those that would have resulted had MediaOne of Delaware, Inc. operated autonomously or as an entity independent of AT&T Corp.

As discussed in the notes to the financial statements, MediaOne of Delaware Inc. was required to adopt Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities, effective January 1, 2001.

PricewaterhouseCoopers LLP  
Denver, Colorado  
March 31, 2002

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS

<Table>  
<Caption>

	YEAR ENDED DECEMBER 31, 2001 ----- (DOLLARS IN MILLIONS)
<S>	<C>
REVENUE.....	\$ 2,854
Costs and expenses:	
Operating:	
Programming -- related parties (note 12).....	743
Other (excluding depreciation of \$588, included below).....	610
Selling, general and administrative:	
Related party (note 12).....	155
Other.....	472
Restructuring charge (note 5).....	29
Depreciation.....	752
Amortization.....	914
	-----
Total costs and expenses.....	3,675
	-----
OPERATING LOSS.....	(821)
Other income (expense):	
Interest expense.....	(157)
Other expense, net.....	(20)
	-----
Loss before income taxes, net losses related to equity investments and cumulative effect of accounting change....	(998)
Income tax benefit.....	218
Net losses related to equity investments.....	(12)

Loss before cumulative effect of accounting change.....	(792)
Cumulative effect of accounting change (net of income taxes of \$20).....	34
Net loss.....	(758)
Other comprehensive earnings (losses), net of taxes:	
Unrealized gains on securities.....	4
Recognition of previously unrecognized losses.....	3
Other comprehensive income.....	7
Comprehensive loss.....	\$ (751)

</Table>

See accompanying notes to consolidated financial statements.  
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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

CONSOLIDATED BALANCE SHEET

<Table>  
<Caption>

	DECEMBER 31, 2001
	-----
	(DOLLARS IN MILLIONS)
<S>	<C>
	ASSETS
Cash and cash equivalents.....	\$ --
Accounts receivable -- net of allowance of \$10.....	160
Investments.....	370
Property, plant and equipment:	
Land.....	35
Distribution systems.....	4,364
Support equipment and buildings.....	655
	-----
	5,054
Less: accumulated depreciation.....	997
	-----
	4,057
	-----
Franchise costs.....	15,101
Less: accumulated amortization.....	565
	-----
	14,536
	-----
Goodwill.....	17,156
Less: accumulated amortization.....	429
	-----
	16,727
	-----
Other assets -- net of accumulated amortization of \$143....	766
	-----
Total assets.....	\$36,616
	=====
	LIABILITIES AND STOCKHOLDER'S EQUITY
Accounts payable.....	\$ 98
Accrued interest.....	46
Accrued liabilities and other.....	246
Debt (note 7).....	1,911
Deferred income taxes (note 11).....	3,948
	-----
Total liabilities.....	6,249
	-----
Stockholder's Equity:	
Common stock, \$.01 par value; 100 shares authorized and outstanding.....	--
Additional paid-in capital.....	30,585
Accumulated deficit.....	(980)
Accumulated other comprehensive income.....	1
Due to related parties -- net (note 12).....	761
	-----
Total stockholder's equity.....	30,367

Commitments and contingencies (note 13)  
 Total liabilities and stockholder's equity..... \$36,616  
 =====

</Table>

See accompanying notes to consolidated financial statements.  
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MEDIAONE OF DELAWARE, INC.  
 (AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

CONSOLIDATED STATEMENT OF STOCKHOLDER'S EQUITY

<Table>  
 <Caption>

	COMMON STOCK	ADDITIONAL PAID IN CAPITAL	ACCUMULATED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	DUE TO RELATED PARTIES -- NET	TOTAL STOCKHOLDER'S EQUITY
	-----	-----	-----	-----	-----	-----
	(DOLLARS IN MILLIONS)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, January 1, 2001.....	\$ --	\$12,940	\$ (222)	\$ (6)	\$ 948	\$13,660
Net loss.....	--	--	(758)	--	--	(758)
Adjustments in connection with allocation of purchase price.....	--	17,492	--	--	--	17,492
Transfer of assets.....	--	153	--	--	(426)	(273)
Change in amount due to related parties, net....	--	--	--	--	239	239
Other comprehensive income, net of income taxes of \$4.....	--	--	--	7	--	7
	-----	-----	-----	---	-----	-----
Balance, December 31, 2001.....	\$ --	\$30,585	\$ (980)	\$ 1	\$ 761	\$30,367
	=====	=====	=====	===	=====	=====

</Table>

See accompanying notes to consolidated financial statements.  
 F-17

MEDIAONE OF DELAWARE, INC.  
 (AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

CONSOLIDATED STATEMENT OF CASH FLOWS

<Table>  
 <Caption>

	YEAR ENDED DECEMBER 31, 2001
	-----
	(DOLLARS IN MILLIONS)
<S>	<C>
OPERATING ACTIVITIES:	
Net loss.....	\$ (758)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation and amortization.....	1,666
Cumulative effect of accounting change, net of income taxes.....	(34)
Net revaluation of warrants.....	53
Net loss on equity investments.....	19
Gain on disposition of investments.....	(23)
Deferred income tax benefit.....	(49)
Other noncash credits, net.....	(15)
Change in operating assets and liabilities:	
Accounts receivable and other assets.....	6
Accounts payable and other accrued liabilities.....	56
	-----
Net cash provided by operating activities.....	921
	-----
INVESTING ACTIVITIES:	

Expenditures for property, plant and equipment.....	(785)
Net cash paid on exchange of cable systems.....	(130)
Proceeds from sales of investments.....	209
Investment distributions.....	(284)
Investment contributions.....	67
Other investing activities.....	(26)
	-----
Net cash used in investing activities.....	(949)
	-----
FINANCING ACTIVITIES:	
Repayments of debt.....	(211)
Funds advanced from related parties, net.....	239
	-----
Net cash provided by financing activities.....	28
	-----
CASH AND CASH EQUIVALENTS:	
Net change.....	--
Beginning balance.....	--
	-----
Ending balance.....	\$ --
	=====
SUPPLEMENTAL CASH FLOW INFORMATION:	
Transfer of assets to related party.....	\$ 273
	=====
Cash paid for interest.....	\$ 177
	=====

</Table>

See accompanying notes to consolidated financial statements.  
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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

1. BASIS OF PRESENTATION

MediaOne of Delaware, Inc. and its subsidiaries (the "Company") is a wholly-owned subsidiary of MediaOne Group, Inc., ("MediaOne"). On June 15, 2000, AT&T Corp. ("AT&T") acquired MediaOne in a merger transaction (the "AT&T Merger"). In the AT&T Merger, MediaOne became a subsidiary of AT&T.

The Company is a provider of domestic broadband communications services, having the capability to offer its subscribers video, high speed Internet access and telephone services simultaneously over its broadband network. The Company's cable systems include large clusters in California, Chicago, Florida, Massachusetts and Minneapolis/St. Paul. In addition, the Company holds domestic investments encompassing cable television and broadband systems and programming services.

On December 19, 2001, AT&T and Comcast Corporation ("Comcast") announced that their Boards of Directors approved a definitive agreement to combine AT&T's broadband business ("AT&T Broadband") with Comcast in a transaction that values AT&T Broadband at an aggregate value of \$72 billion (the "AT&T Broadband Acquisition"). The AT&T Broadband Acquisition is subject to regulatory review, approval by both companies' shareholders and certain other conditions. MediaOne of Delaware, Inc. is included in AT&T Broadband.

The accompanying consolidated financial statements are part of the consolidated financial statements and accounting records of AT&T. The Company's consolidated financial statements are based on the operating procedures implemented by management of the Company and reflect the assets, liabilities, revenues and expenses attributable to the Company, as well as allocations deemed reasonable by management to present the financial position, results of operations, and cash flows of the Company on a stand-alone basis. The financial position, results of operations, and cash flows of the Company could differ from reported results had the Company operated autonomously or as an entity independent of AT&T. The allocation methodologies have been described within the respective notes to the financial statements where appropriate and management considers the allocations to be reasonable.

The consolidated financial statements include the accounts of the Company and its majority owned subsidiaries and contain all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial information set forth therein. All significant intercompany accounts and transactions have been eliminated.

## 2. AT&T MERGER

As described in note 1, on June 15, 2000, AT&T acquired MediaOne. The AT&T Merger was completed in a cash and stock transaction valued at approximately \$45 billion. The AT&T shares issued in the AT&T Merger had an aggregate market value of approximately \$21 billion and cash payments totaled approximately \$24 billion.

The AT&T Merger was accounted for using the purchase method of accounting. Accordingly, the purchase price was preliminarily allocated to the assets acquired and liabilities assumed based on their estimated fair values in 2000. A final allocation of the purchase price was made in 2001. The allocation of AT&T's purchase price to acquire MediaOne has been reflected in the accompanying consolidated financial statements of the Company.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The final purchase price allocation in 2001 resulted in the following increases (decreases) to certain assets and liabilities of the Company as follows (amounts in millions):

<Table>	
<S>	<C>
Investments.....	\$ 141
Property and equipment.....	\$ (358)
Franchise costs.....	\$ 877
Goodwill.....	\$17,156
Other net assets.....	\$ (81)
Deferred income tax liability.....	\$ 243
Additional paid-in capital.....	\$17,492
</Table>	

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include highly liquid investments with original maturities of three months or less that are readily convertible into cash.

AT&T performs cash management functions on behalf of the Company. Substantially all of the Company's cash balances are swept to AT&T on a daily basis, where they are managed and invested by AT&T. Transfers of cash to and from AT&T are reflected in the due to related parties account, with no interest income or expense reflected.

### INVESTMENTS

Investments in which the Company and AT&T exercise significant influence, but do not control, are accounted for under the equity method of accounting. Under the equity method, investments are stated at cost and are adjusted for the Company's subsequent contributions and share of earnings, losses and distributions. The excess of the investment over the underlying book value of the investee's net assets is being amortized over periods ranging from 25 to 40 years. Effective January 1, 2002, in accordance with Statement of Financial Accounting Standards ("SFAS") No. 142, "Accounting for Goodwill and Other Intangible Assets ("SFAS 142")," such excess costs will no longer be amortized. Investments in which the Company and AT&T have no significant influence over the investee are accounted for under the cost method of accounting. Under the cost method, investments are stated at cost and earnings are recognized to the extent distributions are received from the accumulated earnings of the investee. Distributions in excess of accumulated earnings are recognized as a reduction of the investment balance.

Marketable equity securities are classified as available-for-sale and are carried at fair market value with unrealized gains and losses, net of tax, included in combined attributed net assets as a component of other comprehensive income. The fair market value of these securities is based on quoted market prices.

The Company recognizes impairment charges on investment holdings in the consolidated statement of operations when management believes the decline in the investment value is other-than-temporary.



Property, plant and equipment is carried at cost, including acquisition costs allocated to tangible assets acquired. Construction costs, labor and applicable overhead related to installations and interest during construction are capitalized. The Company capitalized interest of \$3 million during the year ended December 31, 2001. Costs of additions and substantial improvements to property, plant and equipment are capitalized. The cost of repairs and maintenance of property, plant and equipment are charged to operations.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Depreciation is computed on a straight-line basis based upon the assets estimated useful lives using either the group or unit method. The useful lives of distribution systems ranges from 3 to 15 years. The useful lives of support equipment and buildings ranges from 3 to 40 years. The group method is used for most depreciable assets, including distribution systems.

Under the group method, at the time of ordinary retirements, sales or other dispositions of property, the original cost and cost of removal of such property are charged to accumulated depreciation, without recognition of a gain or loss. Gains or losses are only recognized in connection with the sale of properties in their entirety.

FRANCHISE COSTS

Franchise costs include the value attributed to agreements with local authorities that allow access to homes in cable service areas acquired in connection with a business combination. Such amounts are generally amortized on a straight-line basis over 25 to 40 years. Costs incurred in negotiating and renewing the franchise agreements are amortized on a straight-line basis over the 15 year life of the franchise.

Beginning in 2002, in accordance with SFAS 142, franchise costs associated with a business combination will no longer be amortized, but will continue to be tested for impairment (see note 14).

GOODWILL

Goodwill is the excess of the purchase price over the fair value of net assets acquired in business combinations accounted for as purchases. Goodwill is amortized on a straight-line basis over 40 years. Beginning in 2002, in accordance with SFAS 142, goodwill will no longer be amortized but will continue to be tested for impairment (see note 14).

OTHER INTANGIBLE ASSETS

The Company has other intangible assets which relate to the value attributed to customers in connection with a business combination. Such intangibles are included in other assets and are amortized on a straight-line basis over ten years.

VALUATION OF LONG-LIVED ASSETS

Long-lived assets such as property, plant and equipment, franchise costs, goodwill and software are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. If the total of the expected future undiscounted cash flows is less than the carrying amount of the asset, a loss is recognized for the difference between the fair value and carrying value of the asset. Assets to be disposed of are carried at the lower of their financial statement carrying value or fair value less cost to sell.

Beginning in 2002, in accordance with SFAS 142, franchise costs and goodwill will be tested for impairment on an annual basis by comparing their fair values to their carrying values (see note 14).

DERIVATIVE FINANCIAL INSTRUMENTS

Effective January 1, 2001, the Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), and its corresponding amendments under SFAS No. 138. The Company does not use derivative financial instruments for speculative purposes. All derivatives, whether designated in hedging relationships or not, are required to be recorded on the balance sheet at fair value. If the derivative is designated as a fair value

hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative is designated as a cash flow

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

hedge, the effective portions of changes in the fair value of the derivative are recorded in other comprehensive income and are recognized in the income statement when the hedged item affects earnings. Changes in fair values of derivative instruments not designated as hedging instruments and ineffective portions of hedges, if any, are recognized in earnings in the current period.

REVENUE RECOGNITION

Video, voice and data services revenue is recognized based upon monthly service fees, fees per event or minutes of traffic processed. Revenue for customer fees, equipment rental, advertising and pay-per-view programming is recognized in the period services are delivered. Video and nonvideo installation revenue is recognized in the period the installation services are provided to the extent of direct selling costs. Any remaining amount is deferred and recognized over the estimated average period that customers are expected to remain connected to the cable distribution system.

ADVERTISING COSTS

Costs related to advertising and promotions are expensed as incurred. During the year ended December 31, 2001, advertising expense was \$70 million.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair market value of financial instruments is based upon pertinent information available to management as of December 31, 2001. Although management is not aware of any factors which could significantly affect the estimates provided, such amounts have not been comprehensively revalued for purposes of these consolidated financial statements since that date, and current estimates of fair market value may differ significantly. At December 31, 2001, the carrying value of the Company's financial instruments, exclusive of debt, approximated fair market value.

INCOME TAXES

The Company is not a separate taxable entity for federal and state income tax purposes and its results of operations are included in the consolidated federal and state income tax returns of AT&T and its affiliates. The provision for income taxes is based on the Company's contribution to the overall income tax liability or benefit of AT&T and its affiliates. Under the balance sheet method, the Company recognizes deferred tax assets and liabilities at enacted income tax rates for the temporary differences between the financial reporting basis and the tax basis of its assets and liabilities. Any effects of changes in income tax rates or tax laws are included in the provision for income taxes in the period of enactment. When it is more likely than not that a portion or all of a deferred tax asset will not be realized in the future, the Company provides a corresponding valuation allowance against the deferred tax asset.

STOCK-BASED COMPENSATION

Stock-based compensation is accounted for in accordance with Accounting Principles Board ("APB") No. 25, "Accounting for Stock Issued to Employees ("APB 25")." The Company follows the disclosure-only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation ("SFAS 123")."

STATEMENT OF CASH FLOWS

With the exception of certain asset transfers, transactions effected through the intercompany account due to related parties have been considered constructive cash receipts and payments for purposes of the statement of cash flows.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

## CONCENTRATIONS

As of December 31, 2001, except as disclosed below, the Company does not have any significant concentration of business transacted with a particular customer, supplier, or lender that could, if suddenly eliminated, severely impact its operations. The Company does not have a concentration of available sources of labor, services or other rights that could, if suddenly eliminated, severely impact its operations.

All video and high speed data billing services are provided by a single vendor. In addition, all broadband telephone billing services are provided by a separate single vendor. AT&T Broadband Group also purchases its digital set-top devices from one source.

## RECOGNITION OF GAINS ON ASSET DISPOSITIONS

From time to time, AT&T and its affiliates contribute cable television systems to joint ventures and partnerships in exchange for a non-controlling interest in such entity. In connection with such contributions, affiliates of AT&T may guarantee the debt of the joint venture or partnership. The Company defers any gain associated with such transactions until such time as AT&T and its affiliates have no remaining financial obligation to the joint venture or partnership.

## ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. Actual results could differ from those estimates. Estimates are used when accounting for certain items such as long-term contracts, allowance for doubtful accounts, depreciation and amortization, employee benefit plans, taxes and contingencies.

## 4. EXCHANGES AND DISPOSITIONS

In January 2001, the Company exchanged certain cable systems in New York, providing cable services to approximately 130,000 subscribers, and cash of \$184 million, for certain cable systems in Massachusetts owned by Cablevision Systems Corp., providing cable services to approximately 150,000 cable subscribers valued at approximately \$675 million. The Company accounted for the cable systems acquired in conjunction with the purchase accounting for MediaOne.

In January 2001, the Company received cash of \$54 million and contributed various cable systems in Illinois, providing cable services to approximately 45,000 subscribers, to an existing partnership owned equally by Insight Midwest, L.P. and AT&T. The partnership interest attributable to the Company was valued at \$119 million. No gain or loss was recognized on the transaction due to a debt support agreement with Insight Midwest, L.P.

In April 2001, the joint venture to provide high speed Internet access services under the Roadrunner brand name ("Roadrunner") was liquidated. The Company received cash distributions of \$67 million for its 31.4% interest in RoadRunner at liquidation and recorded a loss of \$20 million. In connection with the liquidation of RoadRunner, the Company acquired fixed assets of \$81 million from RoadRunner and assumed \$16 million of obligations under capital leases.

During 2001, the Company sold certain investments for cash proceeds of \$209 million. The Company recognized a gain of \$43 million on such sale.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

## 5. RESTRUCTURING CHARGE

The Company recorded a \$29 million charge in 2001 for restructuring and exit costs primarily as part of an initiative to reduce costs. The restructuring and exit plans primarily resulted from synergies created by the AT&T Merger and cost control efforts. The restructuring charge included \$26 million related to severance costs for approximately 1,170 employees and \$3 million for facilities closings. Approximately 36% of the affected employees are management and 64% are non-management employees. Nearly all of the employees have left their positions as of December 31, 2001 and the remaining balance to be paid is not significant.

6. INVESTMENTS

The Company's investments consist of the following (amounts in millions):

<Table>	
<Caption>	
	DECEMBER 31, 2001 -----
<S>	<C>
Equity method investments.....	\$105
Marketable equity securities and warrants.....	34
Other cost method investments.....	231
	----
Total investments.....	\$370 =====
</Table>	

The Company has investments in partnerships accounted for under the equity method of accounting of \$105 million. The carrying value of these investments exceeded the Company's share of the underlying reported net assets by approximately \$42 million. The excess cost is being amortized over 25 years. Amortization of the excess cost for the year ended December 31, 2001 totaled \$2 million (before taxes) and is reflected as a component of other expense in the consolidated statement of operations. In accordance with SFAS 142, such excess costs will no longer be amortized beginning in 2002 (see note 14).

The Company's significant equity method investments include an ownership interest of 7.05% in Insight Midwest LP and 16.67% in National Cable Communications, LLC. Such investments are accounted for under the equity method, as the combined investments of the Company and AT&T result in significant influence over such investees. Summarized combined financial information for investments accounted for under the equity method are as follows (amounts in millions):

<Table>	
<Caption>	
	YEAR ENDED DECEMBER 31, 2001 -----
<S>	<C>
Revenue.....	\$ 764
Operating loss.....	\$ (59)
Loss from continuing operations before extraordinary items and cumulative effect of accounting change.....	\$ (249)
Net loss.....	\$ (260)
</Table>	

<Table>	
<Caption>	
	DECEMBER 31, 2001 -----
<S>	<C>
Assets.....	\$3,703
Liabilities.....	\$2,660
Minority interest.....	\$ 186
</Table>	

As of December 31, 2001, the marketable equity securities had a cost basis of \$20 million and gross unrealized gains of \$4 million. Such securities are classified as available for sale.

At December 31, 2001, the fair market value of warrants held by the Company was \$10 million.

Cost method investments consist primarily of investments in programming and other similar entities. Included in cost method investments are certain investments which, in accordance with regulatory orders, the Company is prohibited from contacting and is unable to obtain financial or other

information about the results of operations of such investments. Absent such orders, these investments would be accounted for under the equity method. In the event that the Company is no longer restricted from contact with these investees in the future, such investments would be accounted for under the equity method.

7. DEBT

Total debt outstanding is as follows (amounts in millions):

<Table>  
<Caption>

	DECEMBER 31, 2001 -----
<S>	<C>
Senior Notes and Debentures:	
8 5/8% Senior Notes, due 8/15/2003.....	\$ 100
8 7/8% Senior Debentures, due 9/15/2005.....	275
8 3/10% Senior Notes, due 5/15/2006.....	600
9% Senior Debentures, due 9/1/2008.....	300
9 1/2% Senior Debentures, due 8/1/2013.....	525
	-----
Total senior notes and debentures.....	1,800
Capital lease obligations.....	28
	-----
	1,828
Debt premiums.....	83
	-----
Total debt outstanding.....	\$1,911
	=====

</Table>

The Company's unsecured Senior Notes and Debentures are non-redeemable prior to maturity, except for the 9% Senior Debentures which are redeemable at the Company's option at par plus declining premiums beginning in 2005. No sinking fund is required for any of the Senior Notes and Debentures. The Senior Notes and Debentures limit the Company with respect to payment of dividends, the creation of liens and additional indebtedness, property dispositions, investments, and leases, and require a minimum ratio of cash flow to debt, among other things.

Debt premiums resulted from valuing the Company's outstanding debt at fair market value as of June 15, 2000 in connection with the AT&T Merger. Debt premiums are amortized to interest expense over the life of the corresponding debt, using the effective interest method.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Debt maturities of Senior Notes and Debentures at December 31, 2001 are as follows (amounts in millions):

<Table>  
<Caption>

	YEAR ----
<S>	<C>
2002.....	\$ 4
2003.....	103
2004.....	4
2005.....	278
2006.....	603
Thereafter.....	836
	-----
Total.....	\$1,828
	=====

</Table>

The fair value of debt at December 31, 2001 was \$2,006 million, based on quoted market prices where available, or, if not available, based on discounting future cash flows using current interest rates.

8. STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 133 "ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES"

Effective January 1, 2001, the Company adopted SFAS 133, and its corresponding amendments under SFAS No. 138. SFAS 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. All derivatives, whether designated in hedging relationships or not, are required to be recorded on the balance sheet at fair value.

The adoption of SFAS 133 resulted in a pretax cumulative-effect decrease to net loss of \$54 million (\$34 million net of tax). Such decrease was attributable to warrants held in both public and private companies. Included in the after tax cumulative effect benefit was a \$4 million after tax loss which was reclassified from other comprehensive loss for changes in the fair value of warrants.

The Company may obtain warrants to purchase equity securities in other private and public companies as a result of certain transactions. Private warrants and public warrants that provide for net share settlement (i.e. allow for cashless exercise) are considered to be derivative instruments and recognized in the balance sheet at fair value in accordance with SFAS 133. Warrants are not eligible to be designated as hedging instruments because there is no underlying exposure. Instead, warrants are effectively investments on private and public companies (see note 6).

For the year ended December 31, 2001, other income included a total pretax loss of \$53 million related to changes in the fair value of warrants.

#### 9. LEASING ARRANGEMENTS

The Company and its subsidiaries have entered into various operating lease agreements for office facilities, equipment and real estate. In addition, the Company and its subsidiaries also rent pole space from various companies under agreements that can be terminated on short notice. Lease and rental costs charged to operations during the year ended December 31, 2001 totaled \$53 million.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Future minimum lease payments under noncancelable operating leases for each of the next five years are summarized as follows (amounts in millions):

<Table>	<C>
<S>	
2002.....	\$25
2003.....	23
2004.....	22
2005.....	20
2006.....	18

It is expected that, in the normal course of business, expiring leases will be renewed or replaced by leases on other properties.

#### 10. EMPLOYEE BENEFITS AND STOCK-BASED COMPENSATION PLANS

The Company participates in various employee benefit plans sponsored by AT&T, such as a defined benefit pension plan, a non qualified pension plan, a post-retirement medical and life insurance benefit plan, and a defined contribution savings plan.

The defined contribution savings plan covers substantially all employees. The plans allow employees to contribute a portion of their pretax and/or after tax income in accordance with specified guidelines. Employee contributions are matched up to certain limits. The Company's contributions amounted to \$16 million during the year ended December 31, 2001.

Under AT&T's 1997 Long-term Incentive Program (the "Program"), AT&T grants stock options, performance shares, restricted stock and other awards on AT&T common stock as well as stock options on the AT&T Wireless Group tracking stock prior to the split-off of the AT&T Wireless Group. The exercise price of any stock option is equal to the stock price when the option is granted. Generally the options vest over three to four years and are exercisable up to 10 years from the date of grant.

Under the Program, performance share units are awarded to key employees in the form of either common stock or cash at the end of a three-year period, based

on AT&T's total shareholder return and/or certain financial-performance targets.

On July 9, 2001, AT&T completed the split-off of AT&T Wireless Group as a separate, independently-traded company. The AT&T Wireless common stock held by AT&T was distributed to AT&T common shareowners on a basis of 0.3218 of a share of AT&T Wireless for each AT&T share outstanding. All outstanding AT&T Wireless Group common stock options granted prior to January 1, 2001 were treated in a similar manner. AT&T modified the terms and conditions of all outstanding stock option grants to allow the AT&T Wireless Group common stock options held by AT&T employees to immediately vest and become exercisable for their remaining contractual term.

Under the AT&T 1996 Employee Stock Purchase Plan (the "Plan"), which was effective July 1, 1996, and amended on May 23, 2001, AT&T is authorized to sell up to 105 million shares of AT&T common stock to its eligible employees through June 30, 2006. Under the terms of the Plan, employees may have up to 10% of their earnings withheld to purchase AT&T's common stock. The purchase price of the stock on the date of exercise is 85% of the average high and low sale prices of shares on the New York Stock Exchange for that day.

The Company applies Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for its plans. Accordingly, no compensation expense has been recognized for stock-based compensation plans for the Company.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The Company has adopted the disclosure-only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation." If the Company had elected to recognize compensation costs based on the fair value at the date of grant for AT&T awards granted to Company employees, consistent with the provisions of SFAS No. 123, the Company's net loss would have been adjusted to reflect additional compensation expense resulting in the following pro forma amounts (amounts in millions):

<Table>  
<Caption>

	YEAR ENDED DECEMBER 31, 2001 -----
<S>	<C>
Net loss.....	\$781

</Table>

AT&T granted approximately 2.2 million stock options to the Company's employees during 2001. At the date of grant, the exercise price was \$17.39. The fair value at date of grant was \$5.66, and was estimated using the Black-Scholes option-pricing model. The following assumptions were applied in determining the fair value of the stock options: (i) expected dividend yield of 0.86%, (ii) expected volatility rate of 35.0%, (iii) risk-free interest rate of 5.08%, and (iv) expected life of 4 years.

11. INCOME TAXES

The Company is included in the consolidated federal income tax return of AT&T. Income tax expense or benefit for the Company is based on those items in the consolidated calculation applicable to the Company. Intercompany tax allocation represents an apportionment of tax expense or benefit (other than deferred taxes) among the subsidiaries of AT&T in relation to their respective amounts of taxable earnings or losses. The payable or receivable arising from the intercompany tax allocation is recorded as an increase or decrease in amounts due to related parties.

The components of the income tax benefit for the year ended December 31, 2001 are as follows (amounts in millions):

<Table>	
<S>	<C>
FEDERAL:	
Current.....	\$152
Deferred.....	37
	----
	189

STATE AND LOCAL:	
Current.....	23
Deferred.....	6
	-----
	29
	-----
Income tax benefit.....	\$218
	=====

</Table>

The effective tax rates differ from the federal statutory tax rate of 35% as follows (amounts in millions):

<Table>	
<S>	
Computed "expected" tax benefit.....	<C>
	\$ 349
Goodwill amortization (federal only).....	(150)
State income tax -- net of federal effect.....	19
	-----
	\$ 218
	=====

</Table>

In addition, the Company also recorded deferred income tax benefits of \$7 million in net losses related to equity investments in the accompanying condensed consolidated statement of operations.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The components of the net deferred tax liability at December 31, 2001 are as follows (amounts in millions):

<Table>	
<S>	
Intangible assets.....	<C>
	\$3,197
Property, plant and equipment.....	490
State deferred tax liability -- net of federal effect.....	331
Other.....	49
	-----
Deferred tax liabilities.....	4,067
	-----
State deferred tax asset -- net of federal effect.....	9
Net operating loss carryforwards.....	7
Tax credit carryforwards.....	3
Other accrued liabilities.....	91
Other.....	9
	-----
Deferred tax assets.....	119
	-----
Net deferred tax liability.....	\$3,948
	=====

</Table>

The Company has net operating loss carryforwards of approximately \$21 million for federal tax purposes, expiring in various years through 2011.

12. RELATED PARTIES

Due to the significant capital requirements associated with upgrading its cable systems, cash generated from the Company's operations is not sufficient to fund capital expenditures. Accordingly, AT&T provides cash advances to the Company. Such amounts are non-interest bearing and are reflected in the accompanying consolidated balance sheet as due to related parties -- net. Amounts due to related parties have been classified as a component of stockholder's equity in the accompanying consolidated balance sheet as AT&T owns all of the outstanding stock of the Company.

Certain subsidiaries of AT&T provide administrative services to the Company and have assumed managerial responsibility for the Company's operations. As compensation for these services, the Company pays a monthly fee to such subsidiaries based on the number of the Company's subscribers. In addition, the Company reimburses AT&T for all direct expenses incurred by AT&T in providing services to the Company. Such amounts are reflected in the



accompanying consolidated statement of operations as selling, general and administrative expenses -- related party.

The Company purchases certain pay television and other programming services from an indirect subsidiary of AT&T. Charges for such programming totaled \$743 million for the year ended December 31, 2001.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

During the second quarter of 2001, the Company transferred ownership of its broadband telephone business to AT&T and certain of its subsidiaries. The transfer included the following assets and liabilities (amounts in millions):

<Table>	
<S>	<C>
Accounts receivable.....	\$ 12
Property and equipment.....	257
Other net assets.....	12
Accounts payable.....	8
Due to related parties.....	426
Additional paid in capital.....	(153)
</Table>	

13. COMMITMENTS AND CONTINGENCIES

The Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act") imposed certain rate regulations on the cable television industry. Under the 1992 Cable Act, all cable systems are subject to rate regulation, unless they face "effective competition," as defined by the 1992 Cable Act and expanded in the Telecommunications Act of 1996 (the "1996 Act"), in their local franchise area.

The entities attributed to the Company believe that they have complied in all material respects with the provisions of the 1992 Cable Act and the 1996 Act, including its rate setting provisions. If, as a result of the review process, a system cannot substantiate its rates, it could be required to retroactively reduce its rates to the appropriate benchmark and refund the excess portion of rates received.

The Company's rates for its cable systems have also been subject to rate regulation under a social contract (the "Social Contract") with the Federal Communications Commission (the "FCC") which expired on December 31, 2000. As part of the Social Contract, the Company agreed to, among other things, rebuild and upgrade its cable television systems to expand channel capacity and improve system reliability and picture quality. At December 31, 2001, the Company had not met the upgrade requirements of the Social Contract for certain of its cable television systems. In the event that the Company is not able to address individual franchise authority concerns through negotiations and alternative methods of providing similar levels of service, the Company could be required to pay fines and/or refund a portion of its rates for the systems in which the upgrade requirements have not been met. The Company is working with the FCC to resolve this matter, however, at this time, the ultimate outcome of this matter is unknown.

The Company is subject to legal proceedings and claims that arise in the ordinary course of business. Although it is reasonably possible that the Company may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made.

14. NEW ACCOUNTING PRONOUNCEMENTS

In 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141, "Business Combinations ("SFAS 141)," which supercedes APB Opinion No. 16. SFAS 141 requires all business combinations initiated after June 30, 2001 be accounted for under the purchase method. In addition, SFAS 141 establishes criteria for the recognition of intangible assets separately from goodwill. The adoption of SFAS 141 did not have a material effect on the Company's results of operations, financial position or cash flow.

Also in 2001, the FASB issued SFAS 142, which supercedes APB Opinion No. 17. Under SFAS 142 goodwill and indefinite lived intangible assets will no longer be amortized, but rather will be tested for impairment upon adoption and at least annually thereafter. In addition, the amortization period of intangible assets with finite lives will no longer be limited to 40 years. SFAS 142 is

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

after December 15, 2001, which for the Company means the standard will be adopted on January 1, 2002. In connection with the adoption of this standard, the Company's unamortized goodwill balance and excess basis related to goodwill in equity method investments will no longer be amortized, but will continue to be tested for impairment. The net goodwill balance as of December 31, 2001 was \$16,727 million with related amortization for the year ended December 31, 2001 of \$429 million. The excess basis related to the Company's equity method in investments was \$42 million at December 31, 2001 with related amortization of \$2 million for the year ended December 31, 2001. In addition the Company has determined that franchise costs are indefinite lived assets and therefore, as of January 1, 2002, will no longer be subject to amortization, but will continue to be tested for impairment. The net franchise cost balance as of December 31, 2001 was \$14,536 million with related amortization expense of \$397 million. In accordance with SFAS 142, franchise costs were tested for impairment as of January 1, 2002, by comparing the fair values to the carrying values. As a result of such tests, an impairment loss of approximately \$350 million (before taxes) will be recognized as a change in accounting principle in the first quarter of 2002. The Company is continuing to assess the adoption impairment impacts of SFAS 142 on goodwill. The results of this goodwill assessment could have a significant impact on the Company's results of operations and financial position.

The following table presents the impact of amortization under SFAS 142 on net loss had the standard been in effect for year ended December 31, 2001.

<Table>	<C>
<S>	
Reported loss before cumulative effect of accounting change.....	\$ (792)
Add back amortization, net of tax:	
Goodwill.....	429
Equity method excess basis.....	1
Franchise costs.....	245
	-----
Adjusted reported loss before cumulative effect of accounting change.....	(117)
Cumulative effect of accounting change, net of income taxes.....	34
	-----
Adjusted net loss.....	\$ (83)
	=====

</Table>

In 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations ("SFAS 143")." This standard requires that obligations associated with the retirement of tangible long-lived assets be recorded as liabilities when those obligations are incurred, with the amount of the liability initially measured at fair value. Upon initially recognizing a liability for an asset retirement obligation, an entity must capitalize the cost by recognizing an increase in the carrying amount of the related long-lived asset. Over time, this liability is accreted to its present value, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, an entity either settles the obligation for its recorded amount or incurs a gain or loss upon settlement. SFAS 143 is effective for financial statements issued for fiscal years beginning after June 15, 2002, which for the Company means the standard will be adopted on January 1, 2003. The Company does not expect that the adoption of this statement will have a material impact on the Company's results of operations, financial position or cash flows.

In 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets ("SFAS 144")," which supercedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." SFAS 144 applies to all long-lived assets, including discontinued operations, and consequently amends APB Opinion No. 30, "Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." Based on SFAS 121, SFAS 144 develops one accounting model for long-lived assets that are to be disposed of by sale, as well as addresses the principal implementation issues. SFAS 144 requires that long-lived assets that are to be disposed of by sale be measured at the lower of

MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONCLUDED)

book value of fair value less cost to sell. Additionally, SFAS No. 144 expands the scope of discontinued operations to include all components of an entity with operations that (i) can be distinguished from the rest of the entity and (ii) will be eliminated from the ongoing operations of the entity in a disposal transaction. SFAS 144 is effective for financial statements issued for fiscal years beginning after December 15, 2001, which for the Company means the standard will be adopted on January 1, 2002. The Company does not expect that the adoption of SFAS 144 will have a material impact on the Company's results of operations, financial position or cash flows.

## REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors of  
AT&T Broadband LLC:

In our opinion, the accompanying consolidated balance sheet as of December 31, 2000 and the related consolidated statements of operations, of stockholder's equity and of cash flows present fairly, in all material respects, the financial position of MediaOne of Delaware Inc. and its subsidiaries at December 31, 2000 and the results of their operations and its cash flows for the period from June 15, 2000 to December 31, 2000 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of MediaOne of Delaware Inc.'s management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

MediaOne of Delaware, Inc. is an indirect wholly-owned subsidiary of AT&T Corp.; consequently, as indicated in Note 1, these consolidated financial statements have been derived from the consolidated financial statements and accounting records of AT&T Corp. and reflect certain assumptions and allocations. Moreover, as indicated in Note 1, MediaOne of Delaware, Inc. relies on AT&T Corp. for administrative, management and other services. The financial position, results of operations and cash flows of MediaOne of Delaware, Inc. could differ from those that would have resulted had MediaOne of Delaware, Inc. operated autonomously or as an entity independent of AT&T Corp.

As discussed in the Notes 1 and 2 to the financial statements, MediaOne of Delaware, Inc. was indirectly acquired by AT&T Corp. on June 15, 2000, resulting in a new basis of accounting for the period from June 15, 2000 to December 31, 2000.

PricewaterhouseCoopers LLP  
Denver, Colorado  
April 30, 2001

MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

## CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS

<Table>  
<Caption>

NEW MEDIAONE	OLD MEDIAONE
-----	-----
JUNE 15, 2000 TO DECEMBER 31, 2000	JANUARY 1, 2000 TO JUNE 14, 2000
-----	-----
	(UNAUDITED)

	(DOLLARS IN MILLIONS)	
<S>	<C>	<C>
REVENUE.....	\$1,515.1	\$1,226.7
Costs and expenses:		
Operating:		
Programming.....	--	294.0
Programming -- related parties (note 11).....	381.1	--
Other (excluding depreciation of \$356.2 and \$284.0 included below).....	341.7	241.7
Selling, general and administrative:		
Related party (note 11).....	38.5	--
Other.....	322.0	253.2
Depreciation.....	430.5	374.1
Amortization.....	228.3	231.5
	-----	-----
Total costs and expenses.....	1,742.1	1,394.5
	-----	-----
OPERATING LOSS.....	(227.0)	(167.8)
Other income (expense):		
Interest expense.....	(80.3)	(63.4)
Interest expense -- related parties -- net (note 11).....	--	(94.3)
Gain on sale of assets -- net.....	--	223.8
Merger costs.....	(26.1)	(20.3)
Other income (expense).....	(25.0)	11.0
	-----	-----
Loss before income taxes.....	(358.4)	(111.0)
Income tax benefit.....	136.8	16.7
	-----	-----
Net loss.....	(221.6)	(94.3)
	-----	-----
Other comprehensive earnings (losses), net of taxes (note 8):		
Foreign currency translation adjustments.....	--	1.3
Unrealized losses on securities.....	(5.8)	(12.8)
	-----	-----
Other comprehensive loss.....	(5.8)	(11.5)
	-----	-----
Comprehensive loss.....	\$ (227.4)	\$ (105.8)
	=====	=====

</Table>

See accompanying notes to consolidated financial statements.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

CONSOLIDATED BALANCE SHEET

<Table>

<Caption>

	NEW MEDIAONE	
	-----	
	DECEMBER 31, 2000	
	-----	
	(DOLLARS IN MILLIONS)	
<S>	<C>	
		ASSETS
Cash and cash equivalents.....	\$ --	
Accounts receivable -- net of allowance of \$21.8.....	178.2	
Investments.....	277.4	
Property, plant and equipment:		
Land.....	34.3	
Distribution systems.....	4,384.6	
Support equipment and buildings.....	570.8	
	-----	
	4,989.7	
Less: accumulated depreciation.....	380.7	
	-----	
	4,609.0	
	-----	
Franchise costs.....	14,205.3	
Less: accumulated amortization.....	163.0	
	-----	
	14,042.3	
	-----	
Other assets -- net accumulated amortization of \$56.6.....	844.1	
	-----	

Total assets.....	\$19,951.0
	=====
LIABILITIES AND STOCKHOLDER'S EQUITY	
Accounts payable.....	\$ 82.6
Accrued interest.....	51.3
Accrued liabilities and other.....	325.0
Debt (note 6).....	2,104.7
Deferred income taxes (note 10).....	3,727.6
	-----
Total liabilities.....	6,291.2
	-----
Stockholder's Equity:	
Common stock, \$.01 par value; 100 shares authorized and outstanding.....	--
Additional paid-in capital.....	12,939.8
Accumulated deficit.....	(221.6)
Accumulated other comprehensive loss.....	(5.8)
Due to related parties -- net.....	947.4
	-----
Total stockholder's equity.....	13,659.8
	-----
Commitments and contingencies (note 12)	
Total liabilities and stockholder's equity.....	\$19,951.0
	=====

</Table>

See accompanying notes to consolidated financial statements.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

CONSOLIDATED STATEMENT OF STOCKHOLDER'S EQUITY  
(UNAUDITED)

<Table>  
<Caption>

	COMMON STOCK	ADDITIONAL PAID IN CAPITAL	ACCUMULATED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE LOSS	TOTAL STOCKHOLDER'S EQUITY
	-----	-----	-----	-----	-----
	(DOLLARS IN MILLIONS)				
<S>	<C>	<C>	<C>	<C>	<C>
OLD MEDIAONE					
Balance, January 1, 2000.....	\$ --	\$6,921.5	\$ (533.4)	\$ 22.0	\$6,410.1
Equity infusions from parent.....	--	47.0			47.0
Net loss.....	--	--	(94.3)	--	(94.3)
Market value adjustments for equity securities, net of income taxes of \$8.7.....	--	--	--	(12.8)	(12.8)
Foreign currency translation, net of income taxes of \$0.9.....	--	--	--	1.3	1.3
	-----	-----	-----	-----	-----
Balance, June 14, 2000.....	\$ --	\$6,968.5	\$ (627.7)	\$ 10.5	\$6,351.3
	=====	=====	=====	=====	=====

</Table>

(continued)

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

CONSOLIDATED STATEMENT OF STOCKHOLDER'S EQUITY -- (CONTINUED)

<Table>  
<Caption>

	COMMON STOCK	ADDITIONAL PAID IN CAPITAL	ACCUMULATED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE LOSS	DUE TO RELATED PARTIES NET	TOTAL STOCKHOLDER'S EQUITY
	-----	-----	-----	-----	-----	-----
	(DOLLARS IN MILLIONS)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>

NEW MEDIAONE						
Balance, June 15, 2000.....	\$ --	\$12,939.8	\$ --	\$ --	\$ --	\$12,939.8
Change in amount due to related parties, net.....	--	--	--	--	947.4	947.4
Net loss.....	--	--	(221.6)	--	--	(221.6)
Market value adjustments for equity securities, net of income taxes of \$3.6.....	--	--	--	(5.8)	--	(5.8)
Balance, December 31, 2000.....	\$ --	\$12,939.8	\$ (221.6)	\$ (5.8)	\$947.4	\$13,659.8

</Table>

See accompanying notes to consolidated financial statements.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

CONSOLIDATED STATEMENT OF CASH FLOWS

<Table>  
<Caption>

	NEW MEDIAONE	OLD MEDIAONE
	JUNE 15, 2000 TO DECEMBER 31, 2000	JANUARY 1, 2000 TO JUNE 14, 2000
	(UNAUDITED)	
	(DOLLARS IN MILLIONS)	
<S>	<C>	<C>
<b>OPERATING ACTIVITIES:</b>		
Net loss.....	\$ (221.6)	\$ (94.3)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization.....	658.8	605.6
Gain on sale assets -- net.....	--	(223.8)
Deferred income taxes.....	24.7	52.2
Change in operating assets and liabilities:		
Accounts receivable and other assets.....	(97.6)	245.5
Accounts payable and other accrued liabilities.....	(279.4)	(40.6)
Other -- net.....	(7.8)	(168.8)
Net cash provided by operating activities.....	77.1	375.8
<b>INVESTING ACTIVITIES:</b>		
Expenditures for property, plant and equipment -- net.....	(648.5)	(727.8)
Investments in unconsolidated affiliates.....	--	(9.6)
Net proceeds from sales of investments and assets.....	--	252.9
Net cash used in investing activities.....	(648.5)	(484.5)
<b>FINANCING ACTIVITIES:</b>		
Repayments of debt.....	(200.0)	--
Funds advanced from related parties -- net.....	759.1	57.9
Equity contributions from parent.....	--	47.0
Net cash provided by financing activities.....	559.1	104.9
<b>CASH AND CASH EQUIVALENTS:</b>		
Net change.....	(12.3)	(3.8)
Beginning balance.....	12.3	16.1
Ending balance.....	\$ --	12.3
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Transfer of assets from related party.....	\$ 188.3	--
Cash paid for interest.....	\$ 88.4	\$ 69.6

</Table>

See accompanying notes to consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

1. BASIS OF PRESENTATION

MediaOne of Delaware, Inc. and its subsidiaries (the "Company") is a wholly-owned subsidiary of MediaOne Group, Inc., ("MediaOne"). On June 15, 2000, AT&T Corp., ("AT&T") acquired MediaOne in a merger transaction (the "AT&T Merger"). In the AT&T Merger, MediaOne became a subsidiary of AT&T. The consolidated financial statements for the period from January 1, 2000 through June 14, 2000 are referred to herein as the "Pre Merger Period," or "Old MediaOne" and consolidated financial statements for the period from June 15, 2000 through December 31, 2000 are referred to herein as the "Post Merger Period" or "New MediaOne." Due to the application of purchase accounting in connection with the AT&T Merger, the predecessor consolidated financial statements of Old MediaOne are not comparable to the successor consolidated financial statements of New MediaOne. In the following text, "the Company" refers to both Old MediaOne and New MediaOne. See note 2.

The Company is a provider of domestic broadband communications services, having the capability to offer its subscribers video, high speed Internet access and telephone services simultaneously over its broadband network. The Company's cable systems include large clusters in California, Chicago, Florida, Massachusetts and Minneapolis/St. Paul. In addition, the Company holds domestic investments encompassing cable television and broadband systems and programming services.

The accompanying consolidated financial statements are part of the consolidated financial statements and accounting records of MediaOne for the Pre Merger Period and of AT&T for the Post Merger Period. The Company's consolidated financial statements are based on the operating procedures implemented by management of the Company and reflect the assets, liabilities, revenues and expenses attributable to the Company, as well as allocations deemed reasonable by management to present the financial position, results of operations, and cash flows of the Company on a stand-alone basis. The financial position, results of operations, and cash flows of the Company could differ from reported results had the Company operated autonomously or as an entity independent of AT&T or MediaOne. The allocation methodologies have been described within the respective notes to the financial statements where appropriate and management considers the allocations to be reasonable.

The consolidated financial statements include the accounts of the Company and its majority owned subsidiaries and contain all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial information set forth therein. All significant intercompany accounts and transactions have been eliminated.

2. AT&T MERGER

On June 15, 2000, the AT&T Merger was completed in a cash and stock transaction valued at approximately \$45 billion. The AT&T shares had an aggregate market value of approximately \$21 billion and cash payments totaled approximately \$24 billion.

The AT&T Merger was accounted for using the purchase method of accounting. Accordingly, the purchase price was allocated to the assets acquired and liabilities assumed based on their estimated fair values. The Company's portion of the preliminary allocation of AT&T's purchase price to acquire MediaOne has been reflected in the accompanying consolidated financial statements as of June 15, 2000. A final allocation of such purchase price will be made by AT&T upon resolution of pre-acquisition contingencies and receipt of final third party appraisals.

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The following table reflects the opening summarized balance sheet of New MediaOne as adjusted to give effect to the preliminary allocation of AT&T's purchase price to acquire MediaOne (as adjusted through December 31, 2000):

<Table>

<Caption>

(AMOUNTS IN MILLIONS)

<S>		<C>
	ASSETS	
Cash.....		\$ 12.3
Accounts receivable, net.....		153.8
Investments.....		286.8
Property, plant and equipment.....		4,461.3
Franchise costs.....		13,886.3
Other assets.....		896.9
		-----
		\$19,697.4
		=====
	LIABILITIES AND STOCKHOLDERS' EQUITY	
Accounts payable and accrued expenses.....		\$ 738.4
Debt.....		2,312.7
Deferred income taxes.....		3,706.5
		-----
Total liabilities.....		6,757.6
		-----
Stockholders' equity.....		12,939.8
		-----
		\$19,697.4
		=====

</Table>

Following are summarized, combined, unaudited pro forma results of operations for the Company assuming the AT&T Merger had occurred as of January 1, 2000 (in millions):

<Table>

<Caption>

	YEAR ENDED
	DECEMBER 31,
	2000
	-----
	(UNAUDITED)
<S>	<C>
Revenue.....	\$2,741.8
Net loss.....	\$ (351.3)

</Table>

Pro forma data may not be indicative of the results that would have been obtained had the events actually occurred at the beginning of the periods presented, nor does it intend to be a projection of future results.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include highly liquid investments with original maturities of three months or less that are readily convertible into cash and are not subject to significant risk from fluctuations in interest rates.

#### INVESTMENTS

Investments in which the Company exercises significant influence, but does not control, are accounted for under the equity method of accounting. Under the equity method, investments are stated at cost and are adjusted for the Company's subsequent contributions and share of earnings, losses and distributions. Investments in which the Company has no significant influence over the investee are accounted for under the cost method of accounting. Under the cost method, investments are stated at cost and earnings are recognized

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

to the extent distributions are received from the accumulated earnings of the investee. Distributions in excess of accumulated earnings are recognized as a reduction of the investment balance.

Marketable equity securities are classified as available-for-sale and are carried at fair market value with unrealized gains and losses, net of tax, included in combined attributed net assets as a component of other comprehensive



income. The fair market value of these securities is based on quoted market prices.

#### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is carried at cost, including acquisition costs allocated to tangible assets acquired. Construction costs, labor and applicable overhead related to installations and interest during construction are capitalized. The Company capitalized interest of \$6.4 million during the Post Merger period and \$7.4 million during the Pre Merger Period (unaudited).

Depreciation is computed on a straight-line basis using estimated useful lives of 3 to 15 years for distribution systems and 3 to 40 years for support equipment and building.

Repairs and maintenance are charged to operations, and renewals and additions are capitalized. At the time of ordinary retirements, sales or other dispositions of property, the original cost and cost of removal of such property are charged to accumulated depreciation, and salvage, if any, is credited thereto. Gains or losses are only recognized in connection with the sale of properties in their entirety.

#### FRANCHISE COSTS

Franchise costs include the value attributed to agreements with local authorities that allow access to homes in cable service areas acquired in connection with a business combination. Such amounts are generally amortized on a straight-line basis over 40 years. Costs incurred in negotiating and renewing the franchise agreements are amortized on a straight-line basis over the 15 year life of the franchise.

#### OTHER INTANGIBLE ASSETS

The Company has other intangible assets which relate to the value attributed to customers in connection with a business combination. Such intangibles are included in other assets and are amortized on a straight-line basis over ten years.

#### VALUATION OF LONG-LIVED ASSETS

Long-lived assets such as property, plant and equipment, franchise costs, and software are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. If the total of the expected future undiscounted cash flows is less than the carrying amount of the asset, a loss is recognized for the difference between the fair value and carrying value of the asset. Assets to be disposed of are carried at the lower of their financial statement carrying value or fair value less cost to sell. In addition, in accordance with Accounting Principles Board ("APB") Opinion No. 17, "Intangible assets", the amortization periods are evaluated to determine whether events or circumstances warrant revised amortization periods.

#### REVENUE RECOGNITION

Revenue for customer fees, equipment rental, advertising and pay-per-view programming is recognized in the period services are delivered. Installation revenue is recognized in the period the installation services are provided to the extent of direct selling costs. Any remaining amount is deferred and recognized over the estimated average period that customers are expected to remain connected to the cable distribution system.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

During 2000, the System adopted Securities and Exchange Commission ("SEC") Staff Accounting Bulletin No. 101 ("SAB No. 101"), "Revenue Recognition in Financial Statements". The adoption of SAB No. 101 did not have a material impact on the results of operations or financial condition.

#### ADVERTISING COSTS

Costs related to advertising and promotions are expensed as incurred. During 2000, advertising expense was \$41.2 million for the Post Merger Period and \$24.8 million for the Pre Merger Period (unaudited).

#### FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair market value of financial instruments is based upon pertinent information available to management as of December 31, 2000. Although management is not aware of any factors which could significantly affect the estimates provided, such amounts have not been comprehensively revalued for purposes of these consolidated financial statements since that date, and current estimates of fair market value may differ significantly. At December 31, 2000, the carrying value of the Company's financial instruments, exclusive of debt, approximated fair market value.

#### INCOME TAXES

The provision for income taxes consists of an amount for taxes currently payable or receivable and an amount for tax consequences deferred to future periods. For federal income tax purposes, the Company's operations are included in the consolidated tax return filed by AT&T. The Company calculates federal income tax (expense) benefit on its results of operations for those items which carryover onto AT&T's consolidated tax return. The Company records an income tax receivable for such benefits or an income tax payable for such liabilities, which is reflected in amounts due to related parties on the consolidated balance sheet. For state income tax purposes, the Company is allocated state tax expense as if it filed tax returns on a stand alone basis.

#### STATEMENT OF CASH FLOWS

AT&T performs cash management functions on behalf of the Company. Substantially all of the Company's cash balances are swept to AT&T on a daily basis, where they are managed and invested by AT&T. Transfers of cash to and from AT&T are reflected in the due to related parties account, with no interest income or expense reflected.

With the exception of certain asset transfers, transactions effected through the intercompany account due to related parties have been considered constructive cash receipts and payments for purposes of the statement of cash flows.

#### CONCENTRATIONS

As of December 31, 2000, the Company does not have any significant concentration of business transacted with a particular customer, supplier, or lender that could, if suddenly eliminated, severely impact its operations. The Company does not have a concentration of available sources of labor, services or other rights that could, if suddenly eliminated, severely impact its operations. Cash is invested with high-quality credit institutions.

#### ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and revenue

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

and expenses during the period reported. Actual results could differ from those estimates. Estimates are used when accounting for certain items such as long-term contracts, allowance for doubtful accounts, depreciation and amortization, employee benefit plans, taxes and contingencies.

#### 4. EXCHANGES AND DISPOSITIONS

Effective on December 31, 2000, the Company completed an exchange of certain cable systems with Comcast Corporation ("Comcast"). The Company exchanged cable systems in Florida and Michigan serving approximately 330,000 subscribers for cable systems in Chicago and California serving approximately 270,000 subscribers valued at \$1,913.9 million. The Company accounted for the cable systems acquired under the purchase method of accounting. The purchase price allocation is based on preliminary information and may be modified upon the receipt of final asset appraisals. In addition, prior to the exchange with Comcast, the Company transferred a cable system in Michigan serving approximately 90,000 subscribers to a separate subsidiary of AT&T for proceeds of \$562.1 million. No gain or loss was recognized on such exchange.

On March 1, 2000, the Company sold its investment in shares of Motorola,

Inc. ("Motorola") for gross proceeds of \$41.3 million, resulting in a net pretax gain of \$24.5 million (unaudited). The Motorola shares were received in January 2000 as a result of the exercise of certain General Instrument Corporation ("GI") warrants held by the Company, which were converted to Motorola shares as a result of the merger of GI into Motorola.

On February 15, 2000, the Company sold its 25% interest in Singapore Cablevision ("Singapore") to Singapore Technologies for gross proceeds of \$218.0 million, resulting in a net pretax gain of \$199.3 million (unaudited).

5. INVESTMENTS

The Company's investments consist of the following:

<Table>	
<Caption>	
	NEW MEDIAONE DECEMBER 31, 2000
	-----
	(IN MILLIONS)
<S>	<C>
Marketable equity investments.....	\$134.2
Other cost investments.....	143.2
	-----
Total investments.....	\$277.4
	=====
</Table>	

During the fourth quarter of 2000, the Company suspended equity method accounting, including the suspension of amortization of the Company's excess basis, on all of its equity method investments which have been included in other cost investments. In accordance with regulatory orders, the Company is prohibited from contacting and is unable to obtain financial or other information about the results of operations of such investments. In the event that the Company is no longer restricted from contact with these investees in the future, such investments would be accounted for under the equity method.

As of December 31, 2000, the marketable equity method investments balance included investments in equity securities with a cost basis of \$29.5 million and gross unrealized losses of \$9.4 million. The securities are classified as available for sale and are carried at market value.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

6. DEBT

Total debt outstanding is as follows:

<Table>	
<Caption>	
	NEW MEDIAONE DECEMBER 31, 2000
	-----
	(IN MILLIONS)
<S>	<C>
Senior Notes and Debentures:	
8 1/2% Senior Notes, due 9/15/2001.....	\$ 200.0
8 5/8% Senior Notes, due 8/15/2003.....	100.0
8 7/8% Senior Debentures, due 9/15/2005.....	275.0
8 3/10% Senior Notes, due 5/15/2006.....	600.0
9% Senior Debentures, due 9/1/2008.....	300.0
9 1/2% Senior Debentures, due 8/1/2013.....	525.0
	-----
Total senior notes and debentures.....	2,000.0
Capital lease obligations and other.....	6.2
	-----
Sub-total.....	2,006.2
Plus: debt premiums.....	98.5
	-----
Total debt outstanding.....	\$2,104.7
	=====
</Table>	

The Company's unsecured Senior Notes and Debentures are non-redeemable prior to maturity, except for the 9% Senior Debentures which are redeemable at the Company's option at par plus declining premiums beginning in 2005. No sinking fund is required for any of the Senior Notes and Debentures. The Senior Notes and Debentures limit the Company with respect to payment of dividends, the creation of liens and additional indebtedness, property dispositions, investments, and leases, and require a minimum ratio of cash flow to debt, among other things.

Debt premiums resulted from valuing the Company's outstanding debt to fair market value as of June 15, 2000 in connection with the AT&T Merger. Debt premiums are being amortized to interest expense over the life of the corresponding debt, using the effective interest method.

Debt maturities of Senior Notes and Debentures at December 31, 2000 are as follows:

YEAR	MATURITIES
----	-----
	(IN MILLIONS)
2001.....	\$ 201.2
2002.....	1.2
2003.....	101.2
2004.....	1.2
2005.....	276.2
Thereafter.....	1,425.2
	-----
Total.....	\$2,006.2
	=====

The fair value of debt at December 31, 2000 was \$2,111.7 million, based on quoted market prices where available, or, if not available, based on discounting future cash flows using current interest rates, compared with a carrying value of \$2,104.7 million.

MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

7. LEASING ARRANGEMENTS

The Company and its subsidiaries have entered into various operating lease agreements for office facilities, equipment and real estate. In addition, the Company and its subsidiaries also rent pole space from various companies under agreements that can be terminated on short notice. Lease and rental costs charged to operations during 2000 totaled \$16.9 million for the Post Merger Period and \$16.5 million for the Pre Merger Period (unaudited).

Future minimum lease payments as of December 31, 2000 under noncancelable operating leases follow:

YEAR	MATURITIES
----	-----
	(IN MILLIONS)
2001.....	\$ 23.1
2002.....	22.6
2003.....	21.8
2004.....	21.4
2005.....	26.2
Thereafter.....	38.2
	-----
Total.....	\$153.3
	=====

8. COMPREHENSIVE EARNINGS (LOSSES)

The following table presents the components of comprehensive loss and

related tax impacts:

<Table>  
<Caption>

	PRE TAX	TAX	AFTER TAX
	(IN MILLIONS)		
<S>	<C>	<C>	<C>
OLD MEDIAONE			
-----			
For the Period from January 1 through June 14, 2000 (unaudited):			
Unrealized loss on equity securities.....	\$ (1.3)	\$ 0.6	\$ (0.7)
Reclassification of gains realized in net income.....	(20.2)	8.1	(12.1)
	-----	-----	-----
Net unrealized loss.....	(21.5)	8.7	(12.8)
	-----	-----	-----
Reclassification of loss realized in net income.....	2.2	(0.9)	1.3
	-----	-----	-----
Net foreign currency translation.....	2.2	(0.9)	1.3
	-----	-----	-----
Other comprehensive loss.....	\$ (19.3)	\$ 7.8	\$ (11.5)
	=====	=====	=====
-----			
NEW MEDIAONE			
-----			
For the Period from June 15 through December 31, 2000:			
Unrealized loss on equity securities.....	\$ (9.4)	\$ 3.6	\$ (5.8)
	-----	-----	-----
Other comprehensive loss.....	\$ (9.4)	\$ 3.6	\$ (5.8)
	=====	=====	=====

</Table>

The reclassifications of gains and losses realized represent the gains realized upon the sale of the Motorola shares and an adjustment to foreign currency translation loss for the sale of the Company's investment in Singapore, respectively.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

#### 9. EMPLOYEE BENEFITS AND STOCK-BASED COMPENSATION PLANS

The Company participates in various employee benefit plans sponsored by AT&T, such as a defined benefit pension plan, a non qualified pension plan, a post-retirement medical and life insurance benefit plan, and a defined contribution savings plan.

Substantially all of the Company's employees participate in the defined benefit pension plan. Benefits are based on a final pay formula. The Company's policy is to fund amounts required under the Employee Retirement Income Security Act of 1974.

The nonqualified pension plan pays supplemental pension benefits to key executives in addition to amounts received under the defined benefit pension plan.

Certain health care and life insurance benefits are paid to retired employees. The Company uses the projected unit credit method to determine post-retirement medical and life costs for financial reporting purposes.

The defined contribution savings plan covers substantially all employees. The Company matches up to 6% of an employee's eligible contribution to the plan with AT&T common stock. The first 4% of a participant's salary contribution is matched 100% by the Company; the remaining 2% of a participant's salary contribution is matched 50% by the Company. Participants in the defined contribution savings plan are fully vested in the Company's matching contributions. The Company's contributions amounted to \$11.3 million during the Post Merger Period.

Under AT&T's 1997 Long-term Incentive Program (the "Program"), which was effective June 1, 1997, and amended on May 19, 1999 and March 14, 2000, AT&T grants stock options, performance shares, restricted stock and other awards on AT&T common stock as well as stock options on the AT&T Wireless Group tracking

stock. Employees of the Company were eligible to receive stock options under this plan effective with the AT&T Merger (see Note 1).

Under the Program, there were 150 million shares of AT&T common stock available for grant with a maximum of 22.5 million common shares that could be used for awards other than stock options. Beginning with January 1, 2000, the remaining shares available for grant at December 31 of the prior year, plus 1.75% of the shares of AT&T common stock outstanding on January 1 of each year, become available for grant. There is a maximum of 37.5 million shares that may be used for awards other than stock options. The exercise price of any stock option is equal to the stock price when the option is granted. Generally, the options vest over three or four years and are exercisable up to 10 years from the date of grant.

Under the AT&T 1996 Employee Stock Purchase Plan (the "Plan"), which was effective July 1, 1996, AT&T is authorized to sell up to 75 million shares of AT&T common stock to its eligible employees. Under the terms of the Plan, employees may have up to 10% of their earnings withheld to purchase AT&T's common stock. The purchase price of the stock on the date of exercise is 85% of the average high and low sale prices of shares on the New York Stock Exchange for that day.

The Company applies Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for its plans. Accordingly, no compensation expense has been recognized for stock-based compensation plans for the Company.

The Company has adopted the disclosure-only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation." If the Company had elected to recognize compensation costs based on the fair value at the date of grant for AT&T awards granted to Company employees in 2000, consistent with the provisions of

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

SFAS No. 123, the Company's net loss would have been adjusted to reflect additional compensation expense resulting in the following pro forma amounts:

<Table>  
<Caption>

	YEAR ENDED DECEMBER 31, 2000 ----- (AMOUNTS IN MILLIONS)
<S>	<C>
Net loss.....	\$238.6

</Table>

AT&T granted approximately 2.1 million and .7 million stock options to the Company's employees during 2000 for AT&T stock and AT&T Wireless Group tracking stock, respectively. At the date of grant, the exercise price for AT&T options and AT&T Wireless Group tracking stock options granted to AT&T Broadband employees during 2000 was \$33.81 and \$27.56, respectively. The fair value at date of grant for AT&T options and AT&T Wireless Group tracking stock options granted to MediaOne employees during 2000 was \$9.18 and \$11.74, respectively, and was estimated using the Black-Scholes option-pricing model. The following assumptions were applied for 2000 for the AT&T options and the AT&T Wireless Group tracking stock options: (i) expected dividend yield of 1.7% and 0%, respectively, (ii) expected volatility rate of 34% and 55%, respectively, (iii) risk-free interest rate of 6.21% and 6.20%, respectively, and (iv) expected life of 3 years.

10. INCOME TAXES

The Company is included in the consolidated federal income tax return of AT&T for the period from June 15, 2000 to December 31, 2000 and is included in the consolidated federal income tax return of MediaOne for the period from January 1, 2000 to June 14, 2000. Income tax expense or benefit for the Company is based on those items in the consolidated calculation applicable to the Company. Intercompany tax allocation represents an apportionment of tax expense or benefit (other than deferred taxes) among the subsidiaries of MediaOne or AT&T, as applicable, in relation to their respective amounts of taxable earnings

or losses. The payable or receivable arising from the intercompany tax allocation is recorded as an increase or decrease in amounts due to related parties.

The components of the income tax (expense) benefit follow (in millions):

	NEW MEDIAONE JUNE 16, 2000 TO DECEMBER 31, 2000	OLD MEDIAONE JANUARY 1, 2000 TO JUNE 15, 2000
	(UNAUDITED)	
<S>	<C>	<C>
FEDERAL:		
Current.....	\$135.1	\$ 61.9
Deferred.....	(21.5)	(49.2)
	-----	-----
	113.6	12.7
	-----	-----
STATE AND LOCAL:		
Current.....	26.4	7.0
Deferred.....	(3.2)	(3.0)
	-----	-----
	23.2	4.0
	-----	-----
Income tax benefit.....	\$136.8	\$ 16.7
	=====	=====

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The effective tax rates differ from the federal statutory tax rate of 35% as follows:

	NEW MEDIAONE JUNE 16, 2000 TO DECEMBER 31, 2000	OLD MEDIAONE JANUARY 1, 2000 TO JUNE 15, 2000
	(UNAUDITED)	
<S>	<C>	<C>
Computed "expected" tax benefit.....	\$125.4	\$ 38.9
Goodwill amortization (federal only).....	--	(22.2)
State income tax -- net of federal effect.....	11.4	2.6
Other.....	--	(2.6)
	-----	-----
	\$136.8	\$ 16.7
	=====	=====

The components of the net deferred tax liability follow:

	NEW MEDIAONE DECEMBER 31, 2000
	(IN MILLIONS)
<S>	<C>
Intangible assets.....	\$3,098.2
Property, plant and equipment.....	362.2
State deferred tax liability -- net of federal effect.....	313.2
Other.....	91.0
	-----
Deferred tax liabilities.....	3,864.6
	-----
State deferred tax asset -- net of federal effect.....	10.3
Net operating loss carryforwards.....	7.1
Tax credit carryforwards.....	3.0
Other accrued liabilities.....	103.3
Other.....	13.3

Deferred tax assets.....	137.0
Net deferred tax liability.....	\$3,727.6

</Table>

The Company has net operating loss carryforwards of approximately \$21.0 million for federal tax purposes, expiring in various years through 2011.

11. RELATED PARTIES

Due to the significant capital requirements associated with upgrading its cable systems, cash generated from the Company's operations is not sufficient to fund capital expenditures. Prior to the merger with AT&T, MediaOne Group provided to the Company equity contributions of \$47.0 million and working capital loans of \$57.9 million, net of repayments (unaudited). As a result of the AT&T Merger, the working capital loans were deemed to be settled in full. Subsequent to the AT&T Merger, AT&T provides cash advances to the Company. Such amounts are non-interest bearing and are reflected in the accompanying consolidated balance sheet as due to related parties -- net. Amounts due to related parties have been classified as a component of stockholder's equity in the accompanying consolidated balance sheet as AT&T owns all of the outstanding stock of the Company.

Certain subsidiaries of AT&T provide administrative services to New MediaOne and have assumed managerial responsibility for New MediaOne's operations. As compensation for these services, New MediaOne pays a monthly fee to such subsidiaries based on the number of New MediaOne's subscribers. In addition, New MediaOne reimburses AT&T for all direct expenses incurred by AT&T in providing services to

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONCLUDED)

New MediaOne. Such amounts are reflected in the accompanying consolidated statement of operations as selling, general and administrative expenses -- related party.

New MediaOne purchases certain pay television and other programming services from an indirect subsidiary of AT&T. Charges for such programming totaled \$381.1 million for the Post Merger period.

During February and March 2000, two loans outstanding as of December 1999 and due from MediaOne subsidiaries were repaid. The loans were originally issued in 1997 for certain asset sales proceeds, and had a face value of \$896.0 million and \$397.8 million. Proceeds from the repayments were used to reduce the outstanding working capital loans advanced to the Company by MediaOne and certain of its subsidiaries, resulting in a net cash receipt of \$40.3 million (unaudited).

Prior to the AT&T Merger, Old MediaOne provided certain corporate services to MediaOne's cable television systems in Atlanta, Georgia ("Atlanta"). Fees related to such services totaled \$17.7 million (unaudited) during the Pre Merger period, and are recorded as a reduction to operating, selling, general and administrative expenses in the accompanying consolidated statement of operations.

12. COMMITMENTS AND CONTINGENCIES

The Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act") imposed certain rate regulations on the cable television industry. Under the 1992 Cable Act, all cable systems are subject to rate regulation, unless they face "effective competition," as defined by the 1992 Cable Act and expanded in the Telecommunications Act of 1996 (the "1996 Act"), in their local franchise area.

The entities attributed to the Company believe that they have complied in all material respects with the provisions of the 1992 Cable Act and the 1996 Act, including its rate setting provisions. If, as a result of the review process, a system cannot substantiate its rates, it could be required to retroactively reduce its rates to the appropriate benchmark and refund the excess portion of rates received.

The Company's rates for its cable systems have also been subject to rate



regulation under a social contract (the "Social Contract") with the Federal Communications Commission (the "FCC") which expired on December 31, 2000. As part of the Social Contract, the Company agreed to, among other things, rebuild and upgrade its cable television systems to expand channel capacity and improve system reliability and picture quality. At December 31, 2000, the Company had not met the upgrade requirements of the Social Contract for certain of its cable television systems. In the event that the Company is not able to address individual franchise authority concerns through negotiations and alternative methods of providing similar levels of service, the Company could be required to pay fines and/or refund a portion of its rates for the systems in which the upgrade requirements have not been met. The Company is working with the FCC to resolve this matter, however, at this time, the ultimate outcome of this matter is unknown.

The Company is subject to legal proceedings and claims that arise in the ordinary course of business. Although it is reasonably possible that the Company may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made.

13. SUBSEQUENT EVENTS

In January 2001, the Company exchanged certain cable systems in New York, providing cable services to approximately 130,000 subscribers, for certain cable systems in Massachusetts owned by Cablevision Systems Corp., providing cable services to approximately 150,000 cable subscribers valued at approximately \$585 million. The Company accounted for the cable systems acquired under the purchase method of accounting. The Company also contributed various cable systems in Illinois, providing cable services to approximately 45,000 subscribers, to an existing partnership owned equally by Insight Midwest, L.P. and AT&T. No gain or loss was recognized on such transaction.

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MEDIAONE OF DELAWARE, INC.  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AT&T CORP.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONCLUDED)

14. NEW ACCOUNTING PRONOUNCEMENTS

In 2001, the FASB issued SFAS 142, "Goodwill and Other Intangible Assets", which supercedes APB Opinion No. 17. Under SFAS 142 goodwill and indefinite lived intangible assets will no longer be amortized, but rather will be tested for impairment upon adoption and at least annually thereafter. In addition, the amortization period of intangible assets with finite lives will no longer be limited to 40 years. SFAS 142 is effective for fiscal years beginning after December 15, 2001, which for the Company means the standard will be adopted on January 1, 2002. In connection with the adoption of this standard, the Company has determined that franchise costs are indefinite lived assets and therefore, as of January 1, 2002, will no longer be subject to amortization, but will continue to be tested for impairment.

The following table presents the impact of amortization under SFAS 142 on net loss had the standard been in effect as of January 1, 2000.

<Table>  
<Caption>

	NEW MEDIAONE ----- JUNE 15, 2000 TO DECEMBER 31, 2000 -----	OLD MEDIAONE ----- JANUARY 1, 2000 TO JUNE 14, 2000 -----
		(UNAUDITED)
<S>	<C>	<C>
Reported net loss.....	\$(221.6)	\$(94.3)
Add back amortization, net of tax:		
Goodwill.....	--	63.6
Franchise costs.....	106.1	96.1
	-----	-----
Adjusted net income (loss).....	\$(115.5)	\$ 65.4
	=====	=====

</Table>

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THE CONSENT AGENT

The Bank of New York  
Corporate Trust Reorganization Unit

101 Barclay Street, 7E  
New York, New York 10286  
Attn: William Buckley

Toll Free: (800) 254-2826

Telephone: (212) 815-5788

Facsimile: (212) 298-1915

THE INFORMATION AGENT

D.F. King & Co., Inc.  
48 Wall Street, 22nd Floor  
New York, New York 10005

Banks and Brokers Call Collect:  
(212) 269-5550

All Others Call Toll Free:  
(866) 868-2409

## PART II

### INFORMATION NOT REQUIRED IN PROSPECTUS

#### ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

##### COMCAST CORPORATION

Indemnification under Pennsylvania Law and Comcast Charter and Bylaws. Sections 1741 through 1750 of Subchapter D, Chapter 17, of the Pennsylvania Business Corporation Law ("PBCL") contain provisions for mandatory and discretionary indemnification of a corporation's directors, officers and other personnel, and related matters.

Under Section 1741 of the PBCL, subject to certain limitations, a corporation has the power to indemnify directors and officers under certain prescribed circumstances against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with an action or proceeding, whether civil, criminal, administrative or investigative (other than derivative actions), to which any such officer or director is a party or is threatened to be made a party by reason of such person being a representative of the corporation or serving at the request of the corporation as a representative of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise, so long as the director or officer acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal proceeding, such officer or director had no reasonable cause to believe his/her conduct was unlawful.

Section 1742 of the PBCL permits indemnification in derivative and corporate actions if the appropriate standard of conduct is met, except in respect of any claim, issue or matter as to which the person has been adjudged to be liable to the corporation unless and only to the extent that the proper court determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for the expenses that the court deems proper.

Under Section 1743 of the PBCL, indemnification is mandatory to the extent that the officer or director has been successful on the merits or otherwise in defense of any action or proceeding referred to in Section 1741 or 1742 of the PBCL.

Section 1744 of the PBCL provides that, unless ordered by a court, any indemnification under Section 1741 or 1742 of the PBCL shall be made by the corporation only as authorized in the specific case upon a determination that the representative met the applicable standard of conduct, and such determination will be made by (i) the board of directors by a majority vote of a quorum of directors not parties to the action or proceeding, (ii) if a quorum is not obtainable, or if obtainable and a majority of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the shareholders.

Section 1745 of the PBCL provides that expenses (including attorneys' fees) incurred by an officer, director, employee or agent in defending any action or proceeding referred to in Subchapter D of Chapter 17 of the PBCL may be paid by

the corporation in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation. Except as otherwise provided in the corporation's bylaws, advancement of expenses must be authorized by the board of directors.

Section 1746 of the PBCL provides generally that the indemnification and advancement of expenses provided by Subchapter D of Chapter 17 of the PBCL shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding that office. In no event may indemnification be made in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

Section 1747 of the PBCL grants a corporation the power to purchase and maintain insurance on behalf of any director or officer against any liability incurred by him in his capacity as officer or director, whether or

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not the corporation would have the power to indemnify him against that liability under Subchapter D of Chapter 17 of the PBCL.

Sections 1748 and 1749 of the PBCL extend the indemnification and advancement of expenses provisions contained in Subchapter D of Chapter 17 of the PBCL to successor corporations in fundamental changes and to representatives serving as fiduciaries of employee benefit plans.

Section 1750 of the PBCL provides that the indemnification and advancement of expenses provided by, or granted pursuant to, Subchapter D of Chapter 17 of the PBCL shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and personal representatives of such person.

Article Eleventh of the Comcast charter and Article VII of the Comcast bylaws provide that no director of Comcast will be personally liable, as such, for monetary damages (other than under criminal statutes and under laws imposing such liability on directors or officers for the payment of taxes) unless such person's conduct constitutes self-dealing, willful misconduct or recklessness. Article Eleventh of the Comcast charter also extends such protection to officers.

Article VII of the Comcast bylaws provides that each officer and director of Comcast is indemnified and held harmless by Comcast for all actions taken by him or her and for all failures to take action (regardless of the date of any such action or failure to take action) to the fullest extent permitted by Pennsylvania law against all expense, liability and loss (including, without limitation, attorneys' fees, judgments, fines, taxes, penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such officer or director in connection with any threatened, pending or completed action, suit or proceeding (including, without limitation, an action, suit or proceeding by or in the right of Comcast), whether civil, criminal, administrative or investigative.

The foregoing statements are subject to the detailed provisions of the PBCL and to the applicable provisions of the Comcast charter and bylaws.

#### MERGER AGREEMENT PROVISION RELATING TO AT&T AND COMCAST HOLDINGS DIRECTORS AND OFFICERS

Comcast has agreed in the merger agreement to indemnify the present and former officers and directors of AT&T, the AT&T subsidiaries, Comcast Cable Communications Holdings, the Comcast Cable Communications Holdings subsidiaries, Comcast Holdings and the Comcast Holdings subsidiaries, and each individual who prior to the completion of the AT&T Broadband acquisition becomes such an officer or director, from their acts or omissions in those capacities occurring at or prior to the completion of such transaction to the maximum extent permitted by law; provided, however, no such indemnification will be required for officers or directors acting in a capacity for AT&T and its subsidiaries other than in connection with either AT&T's broadband business or the merger agreement and the transactions contemplated by the merger agreement.

AT&T (and not Comcast Cable Communications Holdings) will indemnify and hold harmless Comcast for 50% of any losses described in the preceding paragraph

arising out of acts or omissions of the AT&T officers and directors in connection with the merger agreement and the transactions contemplated by the merger agreement.

For six years after completion of the AT&T Broadband acquisition, Comcast will provide officers' and directors' liability insurance in respect of acts or omissions occurring prior to completion of the transactions covering each officer and director identified in the second preceding paragraph (for officers and directors of AT&T and its subsidiaries, only for acts or omissions of such person acting in connection with either AT&T's broadband business or the merger agreement and the transactions contemplated by the merger agreement) currently covered by the officers' and directors' liability insurance policy of AT&T or Comcast Holdings, as the case may be, on terms no less favorable than those of such policy in effect on December 19, 2001, except that Comcast will only be obligated to pay up to 300% of the annual premium paid for such insurance by either AT&T or Comcast Holdings as of December 19, 2001.

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COMCAST CABLE COMMUNICATIONS HOLDINGS, INC.

Comcast Cable Communications Holdings, Inc. is a corporation organized under the laws of the State of Delaware. Subsection (a) of Section 145 of the General Corporation Law of the State of Delaware empowers a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no cause to believe his conduct was unlawful.

Subsection (b) of Section 145 empowers a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person acted in any of the capacities set forth above, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification may be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine that despite the adjudication of liability but in view of all the circumstances of the case such person is fairly and reasonably entitled to indemnify for such expenses which the court shall deem proper.

Section 145 further provides that to the extent a director, officer, employee or agent of a corporation has been successful in the defense of any action, suit or proceeding referred to in subsections (a) or (b) or in the defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith; that indemnification or advancement of expenses provided for by Section 145 shall not be deemed exclusive of any other rights to which the indemnified party may be entitled; and empowers the corporation to purchase and maintain insurance on behalf of a director, officer, employee or agent of the corporation against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such whether or not the corporation would have the power to indemnify him against such liabilities under Section 145.

Article VIII, Section 1 of Comcast Cable Communications Holdings' Certificate of Incorporation provides that a director of Comcast Cable Communications Holdings will not be personally liable to Comcast Cable Communications Holdings or its shareholder for monetary damages for breach of fiduciary duty as director, except if this exemption is not permitted by the General Corporation Law of the State of Delaware. Any repeal or modification of this provision will not affect the rights of a director of Comcast Cable Communications Holdings prior to such repeal or modification.

Article VIII, Section 2 of Comcast Cable Communications Holdings' Certificate of Incorporation provides that each person who was or is made a party or is otherwise in any way involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he, or the person from whom he is legal representative, is or was a director or officer of Comcast Cable Communications Holdings or is or was serving at its request as a director, officer or employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), whether the basis of the proceeding is alleged action in an official capacity or in any other capacity while serving as a director, officer or employee, will be indemnified and held harmless by Comcast Cable Communications Holdings to the fullest extent authorized by the General Corporation Law of the State of Delaware against all expense, liability and loss (including attorneys' fees, judgments, fines, Employee Retirement Income Security Act of 1974 excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by the indemnitee in connection

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with the proceeding. In the event that the General Corporation Law of the State of Delaware is amended, the indemnification provided will change only to the extent that the amendment permits Comcast Cable Communications Holdings to provide broader indemnification rights than previously permitted. However, except in the case of proceedings to enforce rights to indemnification, Comcast Cable Communications Holdings will indemnify an indemnitee in connection with a proceeding (or part thereof) initiated by the indemnitee only if the proceeding was authorized by the Board of Directors of Comcast Cable Communications Holdings. The right to indemnification includes the right to be paid by Comcast Cable Communications Holdings the advancement of expenses incurred in defending any proceeding in advance of its final disposition; provided, however, that, if the General Corporation Law of the State of Delaware requires, an advancement of expenses incurred by an indemnitee in his capacity as a director or officer only will be made only upon delivery to Comcast Cable Communications Holdings of an undertaking, by or on behalf of the indemnitee, to repay all amounts so advanced if it is ultimately determined that the indemnitee is not entitled to be indemnified for the expenses. Also, the Board of Directors of Comcast Cable Communications Holdings may grant rights to indemnification as described above to any of Comcast Cable Communications Holdings' employees and agents.

If a claim for indemnification is not paid in full within 30 days after a written claim is received by Comcast Cable Communications Holdings, the indemnitee may bring suit to recover the unpaid amount of the claim, and if successful in whole or in part, the indemnitee will be entitled to be paid also the expense of prosecuting the suit. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for Comcast Cable Communications Holdings to indemnify the claimant for the amount claimed, but Comcast Cable Communications Holdings would bear the burden of proving this defense.

Comcast Cable Communications Holdings may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of Comcast Cable Communications Holdings or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not Comcast Cable Communications Holdings would have the power to indemnify such person under the General Corporation Law of the State of Delaware.

COMCAST CABLE COMMUNICATIONS, INC.

Comcast Cable Communications, Inc. is a corporation organized under the laws of the State of Delaware. The applicable provisions relating to the indemnification of officers and directors under the General Corporation Law of the State of Delaware are described above under "-- Comcast Cable Communications Holdings, Inc."

In addition, Section 7-1 of Comcast Cable's By-laws provides that Comcast Cable will indemnify any of its directors or officers or any director or officer who is or was serving as a director, officer, employee or agent of another company, partnership, joint venture, trust or other enterprise (any such person is hereinafter referred to as a "director or officer") against expenses (including, but not limited to, attorneys' fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by such director or officer, to the fullest extent now or hereafter permitted by law in connection

with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), brought or threatened to be brought against such director or officer by reason of the fact that he or she is or was serving in any such capacity or in any other capacity on behalf of the company, its parent or any of its subsidiaries.

Section 7-2 of Comcast Cable's By-laws provides that expenses incurred by any director or officer in defending a Proceeding will be paid by Comcast Cable in advance of the final disposition of such Proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking, by or on behalf of such director or officer, to repay such amount without interest if it is ultimately determined that he or she is not entitled to be indemnified by Comcast Cable as authorized by law.

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Section 7-4 of Comcast Cable's By-laws provides that Comcast Cable may purchase and maintain insurance on behalf of any person who is or was a director or officer of Comcast Cable against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not Comcast Cable would have the power to indemnify him or her against such liability under law.

#### COMCAST CABLE HOLDINGS, LLC

Comcast Cable Holdings, LLC is a limited liability company organized under the laws of the State of Delaware. Section 18-108 of the Delaware Limited Liability Company Act permits a limited liability company, subject to any restrictions that may be set forth in its limited liability company agreement, to indemnify its members and managers from and against any and all claims and demands.

Section 12(a) of Comcast Cable Holdings' LLC Agreement provides that Comcast Cable Holdings will indemnify the manager and the member, which in each case is Comcast Cable Communications Holdings, and any current or former director or officer of Comcast Cable Communications Holdings (each, an "indemnitee") from and against all loss, damage, expense (including reasonable attorney's and other advisor's fees, court costs and other liabilities incurred in any proceeding to which Comcast Cable Communications Holdings is made a party) incurred because of Comcast Cable Communications Holdings' role as manager or member. Also, each indemnitee will be indemnified for losses resulting from the indemnitee's acts or failures to act with respect to the business or affairs of Comcast Cable Holdings, if the indemnitee (a) acts in good faith, (b) if acting in an official capacity, reasonably believed the action was in the best interests of Comcast Cable Holdings, and if not acting in an official capacity, believed that the conduct was not opposed to Comcast Cable Holdings' best interests, and (c) if in a criminal proceeding, had no reasonable cause to believe its conduct was unlawful. Section 12(c) of Comcast Cable Holdings' LLC Agreement provides that Comcast Cable Holdings may advance funds to Comcast Cable Communications Holdings in respect of expenses incurred by Comcast Cable Communications Holdings in a proceeding prior to the final disposition of the proceeding if Comcast Cable Communications Holdings gives written affirmation of its good-faith belief that it has complied with the standards of conduct described in the preceding sentence, agrees to repay the advancement with interest if it is determined that the standards of conduct were not met, and Comcast Cable Holdings determines that indemnification is permissible under these standards. Also, Section 12(e) provides that Comcast Cable Holdings will indemnify specified officers, and it may in its discretion indemnify employees, on the same basis as it indemnifies Comcast Cable Communications Holdings as described above.

Section 12(b) of Comcast Cable Holdings' LLC Agreement provides that, notwithstanding the above paragraph, Comcast Cable Holdings will not indemnify an indemnitee in connection with any proceeding in which Comcast Cable Communications Holdings is adjudged liable to Comcast Cable Holdings or any proceeding charging improper personal benefit to Comcast Cable Communications Holdings wherein the indemnitee was adjudged liable on the basis of improperly receiving a personal benefit.

Section 12(f) of Comcast Cable Holdings' LLC Agreement provides that neither Comcast Cable Communications Holdings nor specified officers will be liable to Comcast Cable Holdings for any loss, damage or expense if Comcast Cable Communications Holdings or such officers, as the case may be (a) acts in good faith, (b) if acting in an official capacity, reasonably believed the action was in the best interests of Comcast Cable Holdings, and if not in an official capacity, believed that the conduct was not opposed to Comcast Cable Holdings' best interests, and (c) if in a criminal proceeding, had no reasonable cause to believe its conduct was unlawful. However, Comcast Cable Communications

Holdings or the specified officers will be liable for any loss, expense or damage incurred in connection with a proceeding in which Comcast Cable Communications Holdings or such officers is adjudged liable to Comcast Cable Holdings as a result of not meeting the standards of conduct described in the preceding sentence or a proceeding charging improper personal benefit to Comcast Cable Communications Holdings wherein the indemnitee was adjudged liable on the basis of improperly receiving a personal benefit.

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COMCAST MO GROUP, INC.

Comcast MO Group, Inc. is a corporation organized under the laws of the State of Delaware. The indemnification of officers and directors provided for by Comcast MO Group's organizational documents and the General Corporation Law of the State of Delaware is identical to the indemnification provisions described above under "-- Comcast Cable Communications Holdings, Inc."

ITEM 21. EXHIBITS.

The following exhibits are filed as part of the Registration Statement:

<Table>	
<Caption>	
EXHIBIT	
NUMBER	DESCRIPTION
-----	-----
<C>	<S>
2.1	Composite copy of Agreement and Plan of Merger dated as of December 19, 2001, as amended, among Comcast Holdings Corporation (formerly known as Comcast Corporation), AT&T Corp., Comcast Cable Communications Holdings, Inc. (formerly known as AT&T Broadband Corp.), Comcast Corporation (formerly known as AT&T Comcast Corporation) and the other parties signatory thereto.(2)
2.2	Composite copy of Separation and Distribution Agreement dated as of December 19, 2001, as amended, between AT&T Corp. and Comcast Cable Communications Holdings, Inc. (formerly known as AT&T Broadband Corp.).(2)
2.3	Support Agreement dated as of December 19, 2001, as amended, among AT&T Corp., Comcast Holdings Corporation (formerly known as Comcast Corporation), Comcast Corporation (formerly known as AT&T Comcast Corporation), Sural LLC and Brian L. Roberts.(3)
2.4	Tax Sharing Agreement dated as of December 19, 2001 between AT&T Corp. and Comcast Cable Communications Holdings, Inc. (formerly known as AT&T Broadband Corp.).(3)
2.5	Employee Benefits Agreement dated as of December 19, 2001 between AT&T Corp. and Comcast Cable Communications Holdings, Inc. (formerly known as AT&T Broadband Corp.).(4)
2.6	Exchange Agreement dated as of December 7, 2001, as amended, between Microsoft Corporation and Comcast Holdings Corporation (formerly known as Comcast Corporation).(3)
2.7	Instrument of Admission dated as of December 19, 2001, as amended, between Comcast Corporation (formerly known as AT&T Comcast Corporation) and AT&T Corp.(3)
3.1	Articles of Incorporation of Comcast Corporation.(2)
4.1	Rights Agreement dated as of November 18, 2002 between Comcast Corporation (formerly known as AT&T Comcast Corporation) and EquiServe Trust Company, N.A., as Rights Agent, which includes the Form of Certificate of Designation of Series A Participant's Cumulative Preferred Stock as Exhibit A and the Form of Right Certificate as Exhibit B.(5)
4.2	Credit Agreement dated as of April 26, 2002 among Comcast Corporation (formerly known as AT&T Comcast Corporation), Comcast Cable Communications Holdings, Inc. (formerly known as AT&T Broadband Corp.), the Financial Institutions party thereto, JP Morgan Chase Bank, as Administrative Agent, Swing Line Lender and Issuing Lender, Citibank, N.A., as Syndication Agent, and Bank of America, N.A., Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley Senior Funding, Inc., as Co-Documentation Agents.(6)
4.3	Bridge Credit Agreement dated as of April 26, 2002 among Comcast Corporation (formerly known as AT&T Comcast Corporation), Comcast Cable Communications Holdings, Inc. (formerly known as AT&T Broadband Corp.), the Financial Institutions party thereto, JP Morgan Chase Bank, as

Administrative Agent, Swing Line Lender and Issuing Lender, Citibank, N.A., as Syndication Agent, and Bank of America, N.A., Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley Senior Funding, Inc., as Co-Documentation Agents.(6)

- 4.4 Credit Agreement dated as of May 3, 2002 among Comcast Cable Communications Holdings, Inc. (formerly known as AT&T Broadband Corp.), Comcast Corporation (formerly known as AT&T Comcast Corporation), the Financial Institutions party thereto, JP Morgan Chase Bank, as Administrative Agent, Citibank, N.A., Bank of America, N.A., Merrill Lynch Capital Corporation and Morgan Stanley Senior Funding, Inc.(6)
- 4.5 Indenture dated as of June 1, 1993 among Comcast MO of Delaware, Inc. and Bank One, N.A., as successor trustee to The First National Bank of Chicago, for the 9% Senior Debentures Due September 1, 2008.(1)

</Table>

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<Table>  
<Caption>

EXHIBIT NUMBER -----	DESCRIPTION -----
----------------------------	----------------------

- | <C>  | <S>  |
|------|--|
| 4.6  | Indenture dated as of August 1, 1993, and First Supplemental Indenture, dated as of November 15, 1996, among Comcast MO of Delaware, Inc. and The Bank of New York, as trustee, for the 8 7/8% Senior Notes Due September 15, 2005.(1)                         |
| 4.7  | Indenture dated as of December 13, 1995 among Comcast MO of Delaware, Inc. and The Bank of New York, as successor trustee to Bank of Montreal Trust Company, for the 8.30% Senior Notes Due May 15, 2006.(1)   |
| 4.8  | Indenture dated as of August 1, 1993, and First Supplemental Indenture, dated as of November 15, 1996, among Comcast MO of Delaware, Inc. and The Bank of New York, as trustee, for the 9.5% Senior Notes Due August 1, 2013.(1)                               |
| 4.9  | Forms of the Continental Notes (included in the applicable indenture).(1)  |
| 4.10 | Form of Supplemental Indenture.(7)   |
| 5.1  | Opinion of Arthur R. Block, Esquire.(7)  |
| 5.2  | Opinion of Davis Polk & Wardwell.(7)   |
| 12.1 | Statement Regarding Computation of Ratio of Earnings to Fixed Charges of Comcast Corporation.(1)   |
| 12.2 | Statement Regarding Computation of Ratio of Earnings to Fixed Charges of Comcast Cable Communications, Inc.(1)   |
| 12.3 | Statement Regarding Computation of Ratio of Earnings to Fixed Charges of Comcast Cable Communications Holdings, Inc.(1)  |
| 12.4 | Statement Regarding Computation of Ratio of Earnings to Fixed Charges of Comcast Cable Holdings, LLC.(1)   |
| 12.5 | Statement Regarding Computation of Ratio of Earnings to Fixed Charges of Comcast MO Group, Inc.(1)   |
| 12.6 | Statement Regarding Computation of Ratio of Earnings to Fixed Charges of Comcast MO of Delaware, Inc.(1)   |
| 23.1 | Consent of Deloitte & Touche LLP with respect to Comcast Corporation (formerly known as AT&T Comcast Corporation).(1)  |
| 23.2 | Consent of Deloitte & Touche LLP with respect to Comcast Holdings Corporation (formerly known as Comcast Corporation).(1)  |
| 23.3 | Consent of Deloitte & Touche LLP with respect to Comcast Cable Communications, Inc.(1)   |
| 23.4 | Consent of PricewaterhouseCoopers LLP with respect to AT&T Broadband Group.(1)   |
| 23.5 | Consents of PricewaterhouseCoopers LLP with respect to Comcast MO of Delaware, Inc.(1)   |
| 23.6 | Consent of Arthur R. Block, Esquire (to be included in Exhibit 5.1).   |
| 23.7 | Consent of Davis Polk & Wardwell (to be included in Exhibit 5.2).  |
| 24.1 | Powers of Attorney (included on the signature pages hereof).   |
| 25.1 | Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of Bank One, N.A., as successor trustee to The First National Bank of Chicago, under the Indenture dated as of June 1, 1993 for the 9% Senior Debentures Due September 1, 2008.(1) |
| 25.2 | Statement of Eligibility under the Trust Indenture Act of  |



1939, as amended, of The Bank of New York, as trustee, under the Indenture dated August 1, 1993 for the 8 7/8 Senior Notes Due September 15, 2005.(1)

- 25.3 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York, as successor trustee to Bank of Montreal Trust Company, under the Indenture dated as of June 1, 1993 for the 8.30% Senior Notes Due May 15, 2006.(1)
- 25.4 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York, as trustee, under the Indenture dated August 1, 1993 for the 9.5% Senior Notes Due August 1, 2013.(1)
- 99.1 Form of Letter of Consent.(7)
- 99.2 Form of Letter of Registered Holders and the Depositary Trust Company Participants.(7)
- 99.3 Form of Letter to Clients.(7)
- 99.4 Form of Instructions to Registered Holder and/or Book-Entry Transfer Participant from Owner.(7)

</Table>

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- 
- (1) Filed herewith.
- (2) Incorporated by reference to our Current Report on Form 8-K12g3, filed on November 18, 2002.
- (3) Incorporated by reference to our registration statement on Form S-4, filed on February 11, 2002.
- (4) Incorporated by reference to AT&T Corp.'s Annual Report on Form 10-K for the year ended December 31, 2001, filed on April 1, 2002.
- (5) Incorporated by reference to our registration statement on Form 8-A12g, filed on November 18, 2002.
- (6) Incorporated by reference to our Amended Registration Statement on Form S-4/A, filed on May 14, 2002.
- (7) To be filed by amendment.

ITEM 22. UNDERTAKINGS.

(a) The undersigned registrants hereby undertake that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(b) The undersigned registrants hereby undertake to deliver or cause to be delivered with the prospectus, to each person to whom the prospectus is sent or given, the latest annual report to security holders that is incorporated by reference in the prospectus and furnished pursuant to and meeting the requirements of Rule 14a-3 or Rule 14c-3 under the Securities Exchange Act of 1934; and, where interim financial information required to be presented by Article 3 of Regulation S-X is not set forth in the prospectus, to deliver, or cause to be delivered to each person to whom the prospectus is sent or given, the latest quarterly report that is specifically incorporated by reference in the prospectus to provide such interim financial information.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. If a claim for indemnification against such liabilities (other than the payment by us of expenses incurred or paid by one of our directors, officers or controlling persons in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the notes being registered, we will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is

against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(d) The undersigned hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11 or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(e) The undersigned hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

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SIGNATURES AND POWER OF ATTORNEY FOR COMCAST CORPORATION

Pursuant to the requirements of the Securities Act of 1933, Comcast Corporation has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in Philadelphia, Pennsylvania, on the 31st day of January, 2003.

COMCAST CORPORATION

By: /s/ ARTHUR R. BLOCK

Name: Arthur R. Block  
Title: Senior Vice President

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Brian L. Roberts, Lawrence S. Smith, John R. Alchin, David L. Cohen, Lawrence J. Salva and Arthur R. Block and each of them, his (her) true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead, in any and all capacities, to sign any and all amendments to this Registration Statement (including post-effective amendments, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he (she) might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

<Table> <Caption>	SIGNATURE	TITLE	DATE
	-----	-----	----
<C>	/s/ RALPH J. ROBERTS	<C>	<S>
	-----	Chairman of the Executive and Finance Committee of the Board of Directors; Director	January 31, 2003
	Ralph J. Roberts		
	/s/ C. MICHAEL ARMSTRONG	Chairman of the Board of Directors; Director	January 31, 2003
	-----		
	C. Michael Armstrong		
	/s/ JULIAN A. BRODSKY	Vice Chairman of the Board of Directors; Director	January 31, 2003
	-----		
	Julian A. Brodsky		

/s/ BRIAN L. ROBERTS ----- Brian L. Roberts	President and Chief Executive Officer (Principal Executive Officer); Director	January 31, 2003
/s/ LAWRENCE S. SMITH ----- Lawrence S. Smith	Executive Vice President (Co-Principal Financial Officer)	January 31, 2003
/s/ JOHN R. ALCHIN ----- John R. Alchin	Executive Vice President and Treasurer (Co-Principal Financial Officer)	January 31, 2003

</Table>

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<Table>  
<Caption>

SIGNATURE -----	TITLE -----	DATE ----
<C>	<C>	<S>
/s/ LAWRENCE J. SALVA ----- Lawrence J. Salva	Senior Vice President and Controller (Principal Accounting Officer)	January 31, 2003
/s/ S. DECKER ANSTROM ----- S. Decker Anstrom	Director	January 26, 2003
/s/ KENNETH J. BACON ----- Kenneth J. Bacon	Director	January 31, 2003
/s/ SHELDON M. BONOVIKZ ----- Sheldon M. Bonovitz	Director	January 31, 2003
/s/ J. MICHAEL COOK ----- J. Michael Cook	Director	January 27, 2003
/s/ GEORGE M. C. FISHER ----- George M. C. Fisher	Director	January 31, 2003
/s/ DR. JUDITH RODIN ----- Dr. Judith Rodin	Director	January 31, 2003
/s/ LOUIS A. SIMPSON	Director	January 31, 2003

-----  
Louis A. Simpson

/s/ MICHAEL I. SOVERN

Director

January 31, 2003

-----  
Michael I. Sovern

</Table>

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SIGNATURES AND POWER OF ATTORNEY FOR  
COMCAST CABLE COMMUNICATIONS, INC.

Pursuant to the requirements of the Securities Act of 1933, Comcast Cable Communications, Inc. has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in Philadelphia, Pennsylvania, on the 31st day of January, 2003.

COMCAST CABLE COMMUNICATIONS, INC.

By: /s/ ARTHUR R. BLOCK

-----  
Name: Arthur R. Block  
Title: Senior Vice President;  
Director

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Brian L. Roberts, Lawrence S. Smith, John R. Alchin, David L. Cohen, Lawrence J. Salva and Arthur R. Block and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Registration Statement (including post-effective amendments), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

<Table>

<Caption>

SIGNATURE	TITLE	DATE
-----	-----	----
<S>	<C>	<C>
/s/ BRIAN L. ROBERTS	Chairman (Principal Executive Officer); Director	January 31, 2003
----- Brian L. Roberts		
/s/ LAWRENCE S. SMITH	Executive Vice President (Co-Principal Financial Officer); Director	January 31, 2003
----- Lawrence S. Smith		
/s/ JOHN R. ALCHIN	Executive Vice President and Treasurer (Co-Principal Financial Officer)	January 31, 2003
----- John R. Alchin		
/s/ DAVID L. COHEN	Executive Vice President; Director	January 31, 2003
----- David L. Cohen		

/s/ ARTHUR R. BLOCK

Senior Vice President; Director

January 31, 2003

-----  
Arthur R. Block

/s/ LAWRENCE J. SALVA

Senior Vice President  
(Principal Accounting Officer)

January 31, 2003

-----  
Lawrence J. Salva

</Table>

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SIGNATURES AND POWER OF ATTORNEY FOR  
COMCAST CABLE COMMUNICATIONS HOLDINGS, INC.

Pursuant to the requirements of the Securities Act of 1933, Comcast Cable Communications Holdings, Inc. has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in Philadelphia, Pennsylvania, on the 31st of January, 2003.

COMCAST CABLE COMMUNICATIONS  
HOLDINGS, INC.

By: /s/ ARTHUR R. BLOCK

-----  
Name: Arthur R. Block  
Title: Senior Vice President;  
Director

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Brian L. Roberts, Lawrence S. Smith, John R. Alchin, David L. Cohen, Lawrence J. Salva and Arthur R. Block and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Registration Statement (including post-effective amendments), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

<Table>

<Caption>

SIGNATURE -----	TITLE -----	DATE ----
<S> /s/ BRIAN L. ROBERTS ----- Brian L. Roberts	<C> Chairman (Principal Executive Officer)	<C> January 31, 2003
/s/ LAWRENCE S. SMITH ----- Lawrence S. Smith	Executive Vice President (Co-Principal Financial Officer); Director	January 31, 2003
/s/ JOHN R. ALCHIN ----- John R. Alchin	Executive Vice President and Treasurer (Co-Principal Financial Officer)	January 31, 2003

/s/ DAVID L. COHEN

Executive Vice President; Director

January 31, 2003

-----  
David L. Cohen

/s/ ARTHUR R. BLOCK

Senior Vice President; Director

January 31, 2003

-----  
Arthur R. Block

/s/ LAWRENCE J. SALVA

Senior Vice President (Principal  
Accounting Officer)

January 31, 2003

-----  
Lawrence J. Salva

</Table>

II-12

SIGNATURES AND POWER OF ATTORNEY FOR COMCAST CABLE HOLDINGS, LLC

Pursuant to the requirements of the Securities Act of 1933, Comcast Cable Holdings, LLC has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in Philadelphia, Pennsylvania, on the 31st of January, 2003.

COMCAST CABLE HOLDINGS, LLC

By: /s/ ARTHUR R. BLOCK

-----  
Name: Arthur R. Block

Title: Senior Vice President

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Brian L. Roberts, Lawrence S. Smith, John R. Alchin, David L. Cohen, Lawrence J. Salva and Arthur R. Block and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Registration Statement (including post-effective amendments), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

<Table>  
<Caption>

	SIGNATURE -----	TITLE -----	DATE ----
<S>	<C>	<C>	<C>
	/s/ BRIAN L. ROBERTS ----- Brian L. Roberts	Chairman (Principal Executive Officer)	January 31, 2003
	/s/ LAWRENCE S. SMITH ----- Lawrence S. Smith	Executive Vice President (Co-Principal Financial Officer)	January 31, 2003
	/s/ JOHN R. ALCHIN ----- John R. Alchin	Executive Vice President and Treasurer (Co-Principal Financial Officer)	January 31, 2003
	/s/ LAWRENCE J. SALVA	Senior Vice President (Principal	January 31, 2003

Lawrence J. Salva

COMCAST CABLE COMMUNICATIONS HOLDINGS, INC.

By: /s/ ARTHUR R. BLOCK

Sole Member

January 31, 2003

-----  
 Arthur R. Block  
 Senior Vice President

&lt;/Table&gt;

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## SIGNATURES AND POWER OF ATTORNEY FOR COMCAST MO GROUP, INC.

Pursuant to the requirements of the Securities Act of 1933, Comcast MO Group, Inc. has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in Philadelphia, Pennsylvania, on the 31st of January, 2003.

COMCAST MO GROUP, INC.

By: /s/ ARTHUR R. BLOCK

-----  
 Name: Arthur R. Block  
 Title: Senior Vice President

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Brian L. Roberts, Lawrence S. Smith, John R. Alchin, David L. Cohen, Lawrence J. Salva and Arthur R. Block and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Registration Statement (including post-effective amendments), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

&lt;Table&gt;

&lt;Caption&gt;

SIGNATURE -----	TITLE -----	DATE ----
<S>	<C>	<C>
/s/ BRIAN L. ROBERTS ----- Brian L. Roberts	Chairman (Principal Executive Officer)	January 31, 2003
/s/ LAWRENCE S. SMITH ----- Lawrence S. Smith	Executive Vice President (Co-Principal Financial Officer); Director	January 31, 2003
/s/ JOHN R. ALCHIN ----- John R. Alchin	Executive Vice President and Treasurer (Co-Principal Financial Officer)	January 31, 2003
/s/ DAVID L. COHEN -----	Executive Vice President; Director	January 31, 2003

/s/ ARTHUR R. BLOCK

Senior Vice President; Director

January 31, 2003

-----  
Arthur R. Block

/s/ LAWRENCE J. SALVA

Senior Vice President  
(Principal Accounting Officer)

January 31, 2003

-----  
Lawrence J. Salva

</Table>

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EXHIBIT LIST

<Table>  
<Caption>

EXHIBIT NUMBER	DESCRIPTION
-----	-----

- | EXHIBIT NUMBER | DESCRIPTION   |
|----------------|---|
| -----          | -----   |
| <C>            | <S>   |
| 2.1            | Composite copy of Agreement and Plan of Merger dated as of December 19, 2001, as amended, among Comcast Holdings Corporation (formerly known as Comcast Corporation), AT&T Corp., Comcast Cable Communications Holdings, Inc. (formerly known as AT&T Broadband Corp.), Comcast Corporation (formerly known as AT&T Comcast Corporation) and the other parties signatory thereto.(2)  |
| 2.2            | Composite copy of Separation and Distribution Agreement dated as of December 19, 2001, as amended, between AT&T Corp. and Comcast Cable Communications Holdings, Inc. (formerly known as AT&T Broadband Corp.).(2)  |
| 2.3            | Support Agreement dated as of December 19, 2001, as amended, among AT&T Corp., Comcast Holdings Corporation (formerly known as Comcast Corporation), Comcast Corporation (formerly known as AT&T Comcast Corporation), Sural LLC and Brian L. Roberts.(3)   |
| 2.4            | Tax Sharing Agreement dated as of December 19, 2001 between AT&T Corp. and Comcast Cable Communications Holdings, Inc. (formerly known as AT&T Broadband Corp.).(3)   |
| 2.5            | Employee Benefits Agreement dated as of December 19, 2001 between AT&T Corp. and Comcast Cable Communications Holdings, Inc. (formerly known as AT&T Broadband Corp.).(4)   |
| 2.6            | Exchange Agreement dated as of December 7, 2001, as amended, between Microsoft Corporation and Comcast Holdings Corporation (formerly known as Comcast Corporation).(3)   |
| 2.7            | Instrument of Admission dated as of December 19, 2001, as amended, between Comcast Corporation (formerly known as AT&T Comcast Corporation) and AT&T Corp.(3)   |
| 3.1            | Articles of Incorporation of Comcast Corporation.(2)  |
| 4.1            | Rights Agreement dated as of November 18, 2002 between Comcast Corporation (formerly known as AT&T Comcast Corporation) and EquiServe Trust Company, N.A., as Rights Agent, which includes the Form of Certificate of Designation of Series A Participant's Cumulative Preferred Stock as Exhibit A and the Form of Right Certificate as Exhibit B.(5)  |
| 4.2            | Credit Agreement dated as of April 26, 2002 among Comcast Corporation (formerly known as AT&T Comcast Corporation), Comcast Cable Communications Holdings, Inc. (formerly known as AT&T Broadband Corp.), the Financial Institutions party thereto, JP Morgan Chase Bank, as Administrative Agent, Swing Line Lender and Issuing Lender, Citibank, N.A., as Syndication Agent, and Bank of America, N.A., Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley Senior Funding, Inc., as Co-Documentation Agents.(6) |
| 4.3            | Bridge Credit Agreement dated as of April 26, 2002 among Comcast Corporation (formerly known as AT&T Comcast Corporation), Comcast Cable Communications Holdings, Inc. (formerly known as AT&T Broadband Corp.), the Financial Institutions party thereto, JP Morgan Chase Bank, as Administrative Agent, Swing Line Lender and Issuing Lender,   |



Citibank, N.A., as Syndication Agent, and Bank of America, N.A., Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley Senior Funding, Inc., as Co-Documentation Agents.(6)

- 4.4 Credit Agreement dated as of May 3, 2002 among Comcast Cable Communications Holdings, Inc. (formerly known as AT&T Broadband Corp.), Comcast Corporation (formerly known as AT&T Comcast Corporation), the Financial Institutions party thereto, JP Morgan Chase Bank, as Administrative Agent, Citibank, N.A., Bank of America, N.A., Merrill Lynch Capital Corporation and Morgan Stanley Senior Funding, Inc.(6)
- 4.5 Indenture dated as of June 1, 1993 among Comcast MO of Delaware, Inc. and Bank One, N.A., as successor trustee to The First National Bank of Chicago, for the 9% Senior Debentures Due September 1, 2008.(1)
- 4.6 Indenture dated as of August 1, 1993, and First Supplemental Indenture, dated as of November 15, 1996, among Comcast MO of Delaware, Inc. and The Bank of New York, as trustee, for the 8 7/8% Senior Notes Due September 15, 2005.(1)

</Table>

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<Caption>

EXHIBIT  
NUMBER  
-----

DESCRIPTION  
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- <C>      <S>
- 4.7 Indenture dated as of December 13, 1995 among Comcast MO of Delaware, Inc. and The Bank of New York, as successor trustee to Bank of Montreal Trust Company, for the 8.30% Senior Notes Due May 15, 2006.(1)
  - 4.8 Indenture dated as of August 1, 1993, and First Supplemental Indenture, dated as of November 15, 1996 among Comcast MO of Delaware, Inc. and The Bank of New York, as trustee, for the 9 1/2% Senior Notes Due August 1, 2013.(1)
  - 4.9 Forms of the Continental Notes (included in the applicable indenture).(1)
  - 4.10 Form of Supplemental Indenture.(7)
  - 5.1 Opinion of Arthur R. Block, Esquire.(7)
  - 5.2 Opinion of Davis Polk & Wardwell.(7)
  - 12.1 Statement Regarding Computation of Ratio of Earnings to Fixed Charges of Comcast Corporation.(1)
  - 12.2 Statement Regarding Computation of Ratio of Earnings to Fixed Charges of Comcast Cable Communications, Inc.(1)
  - 12.3 Statement Regarding Computation of Ratio of Earnings to Fixed Charges of Comcast Cable Communications Holdings, Inc.(1)
  - 12.4 Statement Regarding Computation of Ratio of Earnings to Fixed Charges of Comcast Cable Holdings, LLC.(1)
  - 12.5 Statement Regarding Computation of Ratio of Earnings to Fixed Charges of Comcast MO Group, Inc.(1)
  - 12.6 Statement Regarding Computation of Ratio of Earnings to Fixed Charges of Comcast MO of Delaware, Inc.(1)
  - 23.1 Consent of Deloitte & Touche LLP with respect to Comcast Corporation (formerly known as AT&T Comcast Corporation).(1)
  - 23.2 Consent of Deloitte & Touche LLP with respect to Comcast Holdings Corporation (formerly known as Comcast Corporation).(1)
  - 23.3 Consent of Deloitte & Touche LLP with respect to Comcast Cable Communications, Inc.(1)
  - 23.4 Consent of PricewaterhouseCoopers LLP with respect to AT&T Broadband Group.(1)
  - 23.5 Consents of PricewaterhouseCoopers LLP with respect to Comcast MO of Delaware, Inc.(1)
  - 23.6 Consent of Arthur R. Block, Esquire (to be included in Exhibit 5.1).
  - 23.7 Consent of Davis Polk & Wardwell (to be included in Exhibit 5.2).
  - 24.1 Powers of Attorney (included on the signature pages hereof).
  - 25.1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of Bank One, N.A., as successor trustee to The First National Bank of Chicago, under the Indenture dated as of June 1, 1993 for the Senior Debentures Due September 1, 2008.(1)
  - 25.2 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York, as trustee, under the Indenture dated August 1, 1993 for the 8 7/8 Senior Notes Due September 15, 2005.(1)

25.3	Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York, as successor trustee to Bank of Montreal Trust Company, under the Indenture dated as of June 1, 1993 for the 8.30% Senior Notes Due May 15, 2006.(1)
25.4	Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York, as trustee, under the Indenture dated August 1, 1993 for the 9.5% Senior Notes Due August 1, 2013.(1)
99.1	Form of Letter of Consent.(7)
99.2	Form of Letter of Registered Holders and the Depository Trust Company Participants.(7)
99.3	Form of Letter to Clients.(7)
99.4	Form of Instructions to Registered Holder and/or Book-Entry Transfer Participant from Owner.(7)

</Table>

-----

- (1) Filed herewith.
- (2) Incorporated by reference to our Current Report on Form 8-K12g3, filed on November 18, 2002.
- (3) Incorporated by reference to our registration statement on Form S-4, filed on February 11, 2002.
- (4) Incorporated by reference to AT&T Corp.'s Annual Report on Form 10-K for the year ended December 31, 2001, filed on April 1, 2002.
- (5) Incorporated by reference to our registration statement on Form 8-A12g, filed on November 18, 2002.
- (6) Incorporated by reference to our Amended Registration Statement on Form S-4/A, filed on May 14, 2002.
- (7) To be filed by amendment.

=====

CONTINENTAL CABLEVISION, INC.

and

THE FIRST NATIONAL BANK OF CHICAGO,

as Trustee

-----

INDENTURE

Dated as of June 1, 1993

-----

\$300,000,000

9% Senior Debentures Due September 1, 2008

=====

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\* This table of contents shall not, for any purpose, be deemed to be a part of the Indenture.

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THIS INDENTURE dated as of June 1, 1993 between CONTINENTAL CABLEVISION, INC., a Delaware corporation (hereinafter sometimes called the "Company"), and THE FIRST NATIONAL BANK OF CHICAGO, as trustee hereunder (hereinafter sometimes called the "Trustee"),

W I T N E S S E T H:

WHEREAS, for its lawful corporate purposes, the Company has duly authorized the issue of its 9% Senior Debentures Due September 1, 2008 (hereinafter sometimes called the "Debentures"), in an aggregate principal amount not to exceed \$300,000,000 (except as otherwise provided below) and, to provide the terms and conditions upon which the Debentures are to be authenticated, issued and delivered, the Company has duly authorized the execution and delivery of this Indenture; and

WHEREAS, the Debentures and the certificate of authentication to be borne by the Debentures are to be substantially in the following forms, respectively:

[FORM OF FACE OF DEBENTURE]

No. R-

§

CONTINENTAL CABLEVISION, INC.

9% Senior Debenture Due September 1, 2008

CONTINENTAL CABLEVISION, INC., a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company"), for value received, hereby promises to pay to , or registered assigns, the principal sum of Dollars on September 1, 2008 at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest, semi-annually on September 1 and March 1 of each year, commencing September 1, 1993 on said principal sum at said office or agency, in like coin or currency, at the rate per annum specified in the title of this Debenture, from the September 1 or the March 1, as the case may be, next preceding the date of this Debenture to which interest has been paid or duly provided for, unless the date hereof is a date to which interest has been paid or duly provided for, in which case from the date of this Debenture, or unless no interest has been paid or duly provided for on the Debentures, in which case from June 3, 1993 until payment of said principal sum has been made or

duly provided for. Notwithstanding the foregoing, if the date hereof is after any August 15 or February 15, as the case may be, and before the following September 1 or March 1, this Debenture shall bear interest from such September 1 or March 1; provided, however, that if the Company shall default in the payment of interest due on such September 1 or March 1, then this Debenture shall bear interest from the next preceding September 1 or March 1 to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for on the Debentures, from June 3, 1993. The interest so payable on any September 1 or March 1 will be paid to the person in whose name this Debenture (or one or more predecessor Debentures) is registered at the close of business on the record date which shall be the August 15 or February 15 (whether or not a business day) next preceding such September 1 or March 1; provided that any such interest not punctually paid or duly provided for shall be payable as provided in the Indenture. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Interest may, at the option of the Company, be paid by check mailed to the registered address of such person.

Reference is made to the further provisions of this Debenture set forth on the reverse side hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Debenture shall be deemed to be a contract made under the laws of

the State of New York, and for all purposes shall be construed in accordance with and governed by the laws of said State.

This Debenture shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been manually signed by the Trustee under the Indenture.

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IN WITNESS WHEREOF, CONTINENTAL CABLEVISION, INC. has caused this instrument to be duly executed.

Dated:

CONTINENTAL CABLEVISION, INC.

By \_\_\_\_\_  
[Title]

Attest:

-----  
[Title]

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Debentures described in the within-mentioned Indenture.

THE FIRST NATIONAL BANK OF CHICAGO,  
as Trustee

By \_\_\_\_\_  
Authorized Officer

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[FORM OF REVERSE OF DEBENTURE]

CONTINENTAL CABLEVISION, INC.

1. This Debenture is one of a duly authorized issue of Debentures of the Company, designated as its 9% Senior Debentures Due September 1, 2008 (herein called the "Debentures"), limited (except as otherwise provided in the Indenture mentioned below) to the aggregate principal amount of \$300,000,000, all issued or to be issued under and pursuant to an Indenture dated as of June 1, 1993 (herein called the "Indenture"), duly executed and delivered in the Borough of Manhattan, The City of New York, the State of New York, by the Company to The First National Bank of Chicago, Trustee (herein called the "Trustee"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Debentures.

2. In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal hereof may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

3. The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of a majority in aggregate principal amount of the Debentures at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or modifying in any manner the rights of the holders of the Debentures; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Debenture, or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount thereof or any premium thereon, or make the principal thereof or any premium or interest thereon payable in any coin or currency other than that hereinbefore provided without the consent of the holder of each Debenture so affected or (ii) reduce the aforesaid percentage of Debentures, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of all Debentures then outstanding. It is also provided in the Indenture that, prior to any declaration accelerating the maturity of the Debentures, the holders of a majority in aggregate principal amount of the Debentures at the time outstanding may on behalf of the holders

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of all of the Debentures waive any past default or Event of Default under the Indenture and its consequences except a default in the payment of interest or any premium on or the principal of any of the Debentures. Any such consent or waiver by the holder of this Debenture (unless revoked as provided in the Indenture) shall be conclusive and binding upon such holder and upon all future holders and owners of this Debenture and any Debentures which may be issued in exchange or substitution therefor, irrespective of whether or not any notation thereof is made upon this Debenture or such other Debentures.

4. No reference herein to the Indenture and no provision of this Debenture or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Debenture at the place, at the respective times, at the rate and in the coin or currency herein prescribed.

5. The Debentures are issuable in registered form without coupons in denominations of \$100,000 and any multiple of \$100,000. At the office or agency of the Company in the Borough of Manhattan, The City of New York and in the manner and subject to the limitations provided in the Indenture, but without payment of any service charge, Debentures may be exchanged for a like aggregate principal amount of Debentures of other authorized denominations.

6. The Debentures may not be called for redemption prior to maturity, except pursuant to paragraphs 7 and 8 hereof.

7. If the Company proposes to make certain cash redemptions (a "Preferred Stock Redemption Payment", as defined in the Indenture) with respect to its 1992 Preferred Stock (as defined in the Indenture), the Company shall mail notice thereof (the "Preferred Event Put Notice", as defined in the Indenture) to each holder of Debentures at his last registered address at least 31 and no more than 60 days before the proposed date of such Preferred Stock Redemption Payment. For 30 days from the date of the Preferred Event Put Notice, or such longer period as the Company may elect by written notice to the holders of the Debentures (the "Tender Period", as defined in the Indenture), each holder of the Debentures shall have the right to tender his Debentures to the Company and thereby require the Company to redeem, on the date (if any) of the Preferred Stock Redemption Payment (which shall be (i) at least 31 and no more than 60 days after the date of the Preferred Event Put Notice and (ii) no more than 5 days after the last day of the Tender Period), all, but not less than all, of such holder's Debentures at the principal amount thereof together with accrued interest to the date fixed for redemption. Such date will be the same date as the date on which the Company repurchases any 2003 Notes (as defined in the

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Indenture) as a result of a Preferred Stock Redemption Payment. If the proposed Preferred Stock Redemption Payment is not made on or prior to the earlier to occur of (i) the 60th day after the date of the Preferred Event Put Notice with respect thereto or (ii) the 5th day after the last day of the Tender Period, the Company will no longer have the right or obligation to redeem Debentures tendered in connection with, and as a result of, such proposed Preferred Stock Redemption Payment and the Company shall cause the Debentures tendered by each holder to be returned to such holder. The Company shall not thereafter make a Preferred Stock Redemption Payment unless a subsequent Preferred Event Put Notice has been sent to the holders of the Debentures in connection therewith. If the Company has previously satisfied and discharged the Indenture or has previously effected a defeasance with respect to the Debentures, the right of a holder to require such a redemption shall expire.

8. If the Company or one of its Restricted Subsidiaries (as defined in the Indenture) proposes to make certain repurchases with respect to the Common Stock (as so defined) or certain borrowings, and immediately after any such repurchase or borrowing (and related transactions) the aggregate Indebtedness (as so defined) of the Company and its Restricted Subsidiaries would exceed certain specified levels (each a "Put Option Transaction", as defined in the Indenture), the Company shall mail notice thereof to each holder of the Debentures at his last registered address not less than 15 days nor more than 45 days before the proposed date of such Put Option Transaction. On the date the Put Option Transaction takes place (which shall be no more than 30 days after the date proposed in the initial notice provided by the Company), the Company will mail notice thereof to each holder of the Debentures at his last registered address. For 30 days from the date of such notice, each holder of the Debentures shall have the right to tender his Debentures to the Company and thereby require the Company to redeem all, but not less than all, of such holder's Debentures at a price equal to the principal amount of such Debentures plus accrued interest thereon to the date fixed for redemption (which shall be thirty-five days from the date on which the Put Option Transaction takes place), plus a premium (expressed as a percentage of the principal amount redeemed) determined as follows:

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If redeemed during the 12-month period ending August 31, of the years indicated,

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Year	Premium	Year	Premium
----	-----	----	-----
<S>	<C>	<C>	<C>
1994	9.0000%	2001	4.1538%
1995	8.3077%	2002	3.4615%
1996	7.6154%	2003	2.7692%
1997	6.9231%	2004	2.0769%
1998	6.2308%	2005	1.3846%
1999	5.5385%	2006	0.6923%
2000	4.8462%	2007 and thereafter	-0-

</TABLE>

If the Company shall redeem any of the Debentures on the date fixed for redemption, the option of the holders of Debentures to require the Company to redeem the Debentures pursuant to this paragraph 8 shall have no further effect and certain covenants of the Company shall cease to have any further force and effect as set forth in the Indenture. If the Company has previously satisfied and discharged the Indenture or has previously effected a defeasance with respect to the Debentures, the right of a holder to request such a redemption shall expire.

9. Upon due presentment for registration of transfer of this Debenture at the office or agency of the Company in the Borough of Manhattan, The City of New York, a new Debenture or Debentures of authorized denominations for an equal aggregate principal amount will be issued to the transferee in exchange therefor, subject to the limitations provided in the Indenture, without charge except for any tax or other governmental charge imposed in connection therewith.

10. The Company, the Trustee, any paying agent and any Debenture registrar may deem and treat the registered holder hereof as the absolute owner of this Debenture (whether or not this Debenture shall be overdue and notwithstanding any notation of ownership or other writing hereon) for the purpose of receiving payment hereof, or on account hereof and for all other purposes, and neither the Company nor the Trustee nor any paying agent nor any Debenture registrar shall be affected by any notice to the contrary. All payments made to or upon the order of such registered holder shall, to the extent of the sum or sums paid, satisfy and discharge liability for monies payable on this Debenture.

11. No recourse for the payment of the principal of or any premium or interest on this Debenture, or for any claim based hereon or otherwise in respect hereof, and no recourse under or upon any obligation, covenant or agreement of the Company in the

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Indenture or any indenture supplemental thereto or in any Debenture, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

-----

OPTION OF HOLDER TO ELECT REDEMPTION

If you want to elect to have this Debenture redeemed in its entirety by the Company pursuant to Section 3.02 or 3.03 of the Indenture, check the box:

Dated:

Your Signature:

-----  
(Sign exactly as name appears on  
the other side of this Debenture)



Signature Guarantee:

-----  
(Signature must be guaranteed by a member  
firm of the New York Stock Exchange or a  
commercial bank or trust company)

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AND WHEREAS, all acts and things necessary to make the Debentures, when executed by the Company and authenticated and delivered by the Trustee, as in this Indenture provided, and issued, valid, binding and legal obligations of the Company, and to constitute these presents a valid agreement according to its terms, have been done and performed, and the execution of this Indenture and the issue hereunder of the Debentures have in all respects been duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Debentures are, and are to be, authenticated, issued and delivered, and in consideration of the premises, of the purchase and acceptance of the Debentures by the holders thereof and of the sum of one dollar duly paid to it by the Trustee at the execution of these presents, the receipt whereof is hereby acknowledged, the Company covenants and agrees with the Trustee for the equal and proportionate benefit of the respective holders from time to time of the Debentures (except as otherwise provided below), as follows:

#### ARTICLE ONE

#### DEFINITIONS

SECTION 1.01. Definitions. The terms defined in this Section 1.01 (except as herein otherwise expressly provided or unless the context otherwise clearly requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section 1.01. All other terms used in this Indenture which are defined in the Trust Indenture Act of 1939 or which are by reference therein defined in the Securities Act of 1933 (except as herein otherwise expressly provided or unless the context otherwise clearly requires) shall have the meanings assigned to such terms in said Trust Indenture Act and in said Securities Act as in force at the date of the execution of this Indenture.

Acceleration Notice: The term "Acceleration Notice" shall have the meaning specified in Section 6.01.

Accreted Value: The term "Accreted Value", for each share of 1992 Preferred Stock, as of any date, shall mean the sum of \$350 and an amount calculated to provide the holder of a share of 1992 Preferred Stock, as of such date, with a yield of 8% thereon, compounded semi-annually in arrears, from the

issued to and including such date, provided that such Accreted Value shall be reduced by the fair market value at such date of any dividends or distributions which have been previously paid on such share of 1992 Preferred Stock, assuming the same 8% per annum yield from the date of payment of such dividend or distribution and compounded on the same basis. The fair market value of any non-cash dividend or distribution shall be (a) in the case of any securities, the current market price of such securities (determined in accordance with the terms of the Company's Certificate of Incorporation); and (b) in the case of any other property, the fair market value of such property on a fully-distributed basis as determined at the time of such distribution by investment bankers mutually agreeable to the Company and the holders of a majority of the voting power represented by the outstanding shares of 1992 Preferred Stock.

**Affiliate:** The term "Affiliate" shall mean, as to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with") as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract or otherwise.

**Annualized Cash Flow:** The term "Annualized Cash Flow" shall mean Operating Cash Flow for the latest fiscal quarter for which financial statements are available multiplied by four.

**Banking Day:** The term "Banking Day" shall mean any day other than a day on which commercial banks are required to close in the Borough of Manhattan, the City of New York.

**Board of Directors:** The term "Board of Directors" shall mean the Board of Directors of the Company, or the Executive Committee thereof, as from time to time constituted, or any other committee of such Board duly authorized to act for it in respect of matters pertaining to this Indenture.

**Capital Stock:** The term "Capital Stock" shall mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated) of such Person's capital stock whether now outstanding or issued after the date of this Indenture, including, without limitation, all Common Stock and 1992 Preferred Stock.

**Common Stock:** The term "Common Stock" shall mean the Common Stock of the Company.

Company: The term "Company" shall mean Continental Cablevision, Inc., a Delaware corporation, and subject to the provisions of Article Eleven, shall include its successors and assigns.

Credit Agreement: The term "Credit Agreement" shall mean that certain Credit Agreement dated as of May 1, 1989, as amended and restated as of July 30, 1990, among the Company, the Restricted Subsidiaries and certain financial institutions, as amended from time to time.

Debenture or Debentures; Outstanding. The terms "Debenture" or "Debentures" shall mean any Debenture or Debentures, as the case may be, authenticated and delivered under this Indenture.

The term "outstanding", when used with reference to Debentures, shall, subject to the provisions of Section 8.04, mean, as of any particular time, all Debentures authenticated and delivered by the Trustee under this Indenture, except

(a) Debentures theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Debentures for the payment or redemption of which monies in the necessary amount shall have been deposited in trust with the Trustee or with any paying agent (other than the Company) or shall have been set aside and segregated in trust by the Company (if the Company shall act as its own paying agent), provided that if such Debentures are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article Three provided, or provision satisfactory to the Trustee shall have been made for giving such notice; and

(c) Debentures in lieu of or in substitution for which other Debentures shall have been authenticated and delivered pursuant to the terms of Section 2.06 unless proof satisfactory to the Trustee is presented that any such Debentures are held by bona fide holders in whose hands the Debentures are valid obligations of the Company.

Debentureholder: The terms "Debentureholder" or "holder of Debentures", or other similar terms, shall mean any person in whose name at the time a particular Debenture is registered on the books of the Company kept for that purpose in accordance with the terms hereof.

Defaulted Interest: The term "Defaulted Interest" shall have the meaning specified in Section 2.03.

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Event of Default: The term "Event of Default" shall mean any event specified in Section 6.01, continued for the period of time, if any, and after the giving of the notice, if any, therein designated.

**Exempt Indebtedness:** The term "Exempt Indebtedness" shall mean Indebtedness or any portion thereof specifically incurred or to be incurred (in either instance, within 75 days of the Exempt Repurchase to which it relates) for the purpose of making an Exempt Repurchase, or a refinancing thereof.

**Exempt Repurchase:** The term "Exempt Repurchase" shall mean the repurchase by the Company at any time and from time to time of up to 751,305 shares of its Common Stock which are subject to the 1998-1999 Share Repurchase Program, provided, that the Company shall have received prior to any such repurchase of Common Stock an opinion of an investment banker knowledgeable in the communications industry (who may be the Company's investment banker) that the price per share of Common Stock paid pursuant to any such repurchase does not exceed the greater of (A) the dollar amount, less a discount of 22.5%, that a holder of Common Stock would then receive per share of Common Stock (x) upon a sale of the Company as a whole pursuant to a merger or sale of stock, or if greater, (y) from the sale of the Company's assets and subsequent distribution of the proceeds thereof (net of taxes including corporate, sales and capital gain taxes in connection with such sale of assets) or (B) the net proceeds which would be expected to be received per share from the sale of a share of Common Stock of the Company in an underwritten public offering held at the time any such repurchase of Common Stock is to occur reduced by pro forma expenses and underwriting discounts unless the Common Stock is publicly traded and, in the opinion of the investment banker, such expenses and underwriting discounts would not be incurred in connection with an underwritten public sale of a shareholder's non-registered shares; provided, further, that no such opinion of an investment banker shall be necessary for any such repurchase if the aggregate of all such repurchases during the relevant calendar year does not exceed \$10,000,000 and the Board of Directors approves any such repurchase after concluding in its reasonable judgment that the price per share does not exceed the price that would have been established by an investment banker pursuant to the formula immediately above.

**GAAP:** The term "GAAP" shall mean generally accepted accounting principles in the United States as in effect as of the date of this Indenture, including, without limitation, those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such

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other entity as approved by a significant segment of the accounting profession.

**Indebtedness:** The term "Indebtedness" shall mean, without duplication, with respect to any Person, any indebtedness, contingent or otherwise, in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof), or evidenced by bonds, notes, debentures or similar instruments or representing the balance deferred and unpaid of the purchase price of any property (excluding any

balances that constitute subscriber advance payments and deposits, accounts payable or trade payables, and other accrued liabilities arising in the ordinary course) if and to the extent any of the foregoing indebtedness would appear as a liability upon a balance sheet of such Person prepared in accordance with generally accepted accounting principles, and shall also include, to the extent not otherwise included, the maximum fixed repurchase price of any equity securities or other similar interests of such Person which by their terms or otherwise are required to be redeemed prior to the maturity of the Debentures or at the option of the holder thereof, obligations secured by a Lien to which the property or assets owned or held by such Person is subject, whether or not the obligation or obligations secured thereby shall have been assumed, all obligations to reimburse any bank or other Person in respect of amounts paid under letters of credit, acceptances, or other similar instruments, and guaranties of any of the above items (whether or not such items would appear upon such balance sheet and whether or not such items were incurred by another Person). The term "Indebtedness" shall not include (i) any Interest Rate Agreement, however denominated, of the Company or any Subsidiary, (ii) as to the Restricted Group, any indebtedness of any Subsidiary which is non-recourse to all members of the Restricted Group or any pledge of the stock of any such Subsidiary to secure such indebtedness, (iii) as to the Restricted Group, any indebtedness of a Restricted Subsidiary to another Restricted Subsidiary or the Company, or any indebtedness of the Company to a Restricted Subsidiary, (iv) any obligation of the Company to redeem, or to pay dividends on, its outstanding 1992 Preferred Stock, (v) any obligation of the Company to repurchase shares of its outstanding Common Stock pursuant to the 1998-1999 Share Repurchase Program, or (vi) any equity securities or other similar interests which, at the option of the Company or otherwise, are redeemable into shares of Capital Stock of the Company.

Indenture: The term "Indenture" shall mean this instrument as originally executed or, if amended or supplemented as herein provided, as so amended or supplemented.

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Initial Tender Period: The term "Initial Tender Period" shall have the meaning specified in Section 3.02(a).

Interest Rate Agreement: The term "Interest Rate Agreement" shall mean any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement designed to protect the party indicated therein against fluctuations in interest rates.

Lien: The term "Lien" shall mean, as to the Restricted Group and as used in the definition of "Indebtedness", any mortgage, pledge, lien or security interest except for (i) pledges of the stock of Unrestricted Subsidiaries to secure Indebtedness (including the pledge of the stock of American Cablesystems of California, Inc. and American Cablesystems of South Central Los Angeles, Inc. after the repayment of their Indebtedness, whether or not such Subsidiaries are Unrestricted Subsidiaries at the time of such pledge); (ii) Liens for taxes,

assessments or governmental charges or claims the payment of which is being contested in good faith by appropriate proceedings and with respect to which the Company or a Restricted Subsidiary shall have created adequate reserves on its books; (iii) Liens of mechanics, carriers, warehousemen or materialmen arising in the ordinary course of business in respect of obligations which are not overdue or which are being contested in good faith; (iv) Liens resulting from deposits or pledges made in the ordinary course of business to secure payment of workers' compensation, unemployment insurance, old age pension or other social security, or in connection with or to secure the performance of bids, tenders or contracts made in the ordinary course of business, or to secure statutory obligations or surety, performance or appeal bonds; (v) Liens in respect of judgments or awards the payment of which is being contested in good faith by appropriate proceedings and with respect to which the Restricted Group shall have created adequate reserves on its books; (vi) purchase money security interests (including mortgages, any conditional sale or other title retention agreement and any capitalized lease); provided, however, that the principal amount of Indebtedness secured by each such security interest in each such item (or group of items) of property shall not exceed the cost of the item (or group of items) subject thereto and each such security interest shall attach only to the particular item (or group of items) so acquired and any additions or accessions thereto; (vii) landlord's or lessor's liens under leases to which any member of the Restricted Group is a party; and (viii) Liens of utilities and other persons pursuant to pole attachment agreements, and restrictions on the transfer of rights under franchises or pole attachment agreements, and any encumbrances created in favor of franchising authorities and subscribers by provisions of franchises on cable television plant and equipment located in the areas covered thereby.

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1998-1999 Share Repurchase Program: The term "1998-1999 Share Repurchase Program" shall mean the Common Stock repurchase program of the Company under the Stock Liquidation Agreement under which the Company will offer to purchase, and certain shareholders of the Company will sell to the Company, on December 15, 1998 (or January 15, 1999, at the election of each such shareholder), at a price established pursuant to a specified formula, up to 751,305 shares of Common Stock.

1992 Preferred Stock: The term "1992 Preferred Stock" shall mean the Series A Participating Convertible Preferred Stock, \$.01 par value per share, of the Company.

Officers' Certificate: The term "Officers' Certificate", when used with respect to the Company, shall mean a certificate signed by the Chairman of the Board, the Vice Chairman of the Board, the Chief Executive Officer, the President or any Vice President and by the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Company. Each such certificate shall include the statements provided for in Section 15.05 if and to the extent required by the provisions of such Section.



Operating Cash Flow: The term "Operating Cash Flow" shall mean, for any period, an amount equal to (i) aggregate operating revenues plus interest and ordinary dividend income minus (ii) aggregate operating expenses, excluding non-operating expenses such as interest expense, depreciation and amortization, non-cash amounts and taxes on income, of the Restricted Group for such period, determined on a consolidated basis after eliminating all inter-company items with respect to the Restricted Group, in accordance with generally accepted accounting principles consistently applied. For purposes of calculating Operating Cash Flow, there shall be included in the Operating Cash Flow of the Restricted Group for any fiscal quarter for which Operating Cash Flow is being calculated the Operating Cash Flow for such fiscal period of any Subsidiary which has been designated a Restricted Subsidiary or of any operating assets acquired by a member of the Restricted Group (including assets constituting a cable television system acquired by the Company or a Restricted Subsidiary) after the commencement of such fiscal period. If the actual financial statements of any such new Restricted Subsidiary or operating assets for any fiscal period or portion thereof prior to the inclusion of such subsidiary as a Restricted Subsidiary or the acquisition of such operating assets by the Company or a Restricted Subsidiary are unavailable or inaccurate in the reasonable opinion of the Company, then the Operating Cash Flow of such new Restricted Subsidiary or operating assets may be determined from pro forma financial statements of such new Restricted Subsidiary or operating assets for such period as prepared in good faith by the Company, provided, however, that

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not more than \$10,000,000 of Operating Cash Flow determined on an annualized basis from such pro forma financial statements shall be included in the Operating Cash Flow of the Restricted Group. For purposes of calculating Operating Cash Flow, there will not be included in the Operating Cash Flow of the Restricted Group for any fiscal quarter for which Operating Cash Flow is being calculated the Operating Cash Flow for such fiscal period of any Restricted Subsidiary which has been designated an Unrestricted Subsidiary after the commencement of such fiscal period or of operating assets (including assets constituting a cable television system) owned by the Company or a Restricted Subsidiary which have been transferred to an Unrestricted Subsidiary or any third party after the commencement of such fiscal period.

Opinion of Counsel: The term "Opinion of Counsel" shall mean an opinion in writing signed by legal counsel, who may be an employee of or counsel to the Company or other counsel reasonably acceptable to the Trustee. Each such opinion shall include the statements provided for in Section 15.05 if and to the extent required by the provisions of such Section.

Person: The term "Person" shall mean a corporation, an association, a partnership, an organization, an individual, a government or a political subdivision thereof or a governmental agency.

Pre-Acceleration Notice: The term "Pre-Acceleration Notice" shall have the meaning specified in Section 6.01.

**Predecessor Debenture:** The term "Predecessor Debenture" of any particular Debenture shall mean every previous Debenture evidencing all or a portion of the same debt as that evidenced by such particular Debenture; and, for the purposes of this definition, any Debenture authenticated and delivered under Section 2.06 in lieu of a lost, destroyed or stolen Debenture shall be deemed to evidence the same debt as the lost, destroyed or stolen Debenture.

**Preferred Event Put Notice:** The term "Preferred Event Put Notice" shall have the meaning set forth in Section 3.02(c).

**Preferred Event Redemption Date:** The term "Preferred Event Redemption Date" shall have the meaning specified in Section 3.02(b).

**Preferred Event Redemption Price:** The term "Preferred Event Redemption Price" shall have the meaning specified in Section 3.02(a).

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**Preferred Stock Change of Control Event:** The term "Preferred Stock Change of Control Event" shall mean the right of holders of 1992 Preferred Stock, pursuant to the terms of the Company's Certificate of Incorporation, to cause the Company to redeem any of their shares of 1992 Preferred Stock at the then Accreted Value, payable, at the Company's sole option, in cash or in shares of Common Stock (based on a value of 90% of the Common Stock's then-current market value (as determined in accordance with the terms of the Company's Certificate of Incorporation)) if (i) there is (subject to certain exceptions) an acquisition by any person or group of 50% or more of the combined voting or economic power of the then outstanding voting securities of the Company, including pursuant to a reorganization, consolidation or merger, or a sale of all or substantially all of the Company's assets and (ii) at the time of any such event, the value of the Common Stock issuable upon conversion of a share of 1992 Preferred Stock is less than the then Accreted Value of such share of 1992 Preferred Stock.

**Preferred Stock Redemption Payment:** The term "Preferred Stock Redemption Payment" shall mean the redemption by the Company of shares of the 1992 Preferred Stock, for an aggregate cash redemption price exceeding 25% of the Accreted Value as of the date of redemption of all outstanding shares of the 1992 Preferred Stock, in response to the exercise by holders of the 1992 Preferred Stock of their right to cause the Company to redeem any of their shares upon the occurrence of a Preferred Stock Change of Control Event.

**Principal Office of the Trustee:** The term "Principal Office of the Trustee", or other similar term, shall mean the principal office of the Trustee at which at any particular time its corporate trust business shall be administered.

**Principal Property:** The term "Principal Property" shall mean, as of any date of determination, any property or assets owned by any Restricted Subsidiary



other than (1) any such property which, in the good faith opinion of the Board of Directors, is not of material importance to the business conducted by the Company and its Restricted Subsidiaries taken as a whole and (2) any shares of any class of stock or any other security of any Unrestricted Subsidiary.

Proposed Date: The term "Proposed Date" shall have the meaning set forth in Section 3.03(c).

Put Option Borrowing: The term "Put Option Borrowing" shall have the meaning specified in Section 3.03(b)(ii).

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Put Option Redemption Date: The term "Put Option Redemption Date" shall have the meaning specified in Section 3.03(a).

Put Option Redemption Price: The term "Put Option Redemption Price" shall have the meaning specified in Section 3.03(a).

Put Option Stock Repurchase: The term "Put Option Stock Repurchase" shall have the meaning specified in Section 3.03(b)(i).

Put Option Transaction: The term "Put Option Transaction" shall have the meaning set forth in Section 3.03(c).

Put Option Transaction Date: The term "Put Option Transaction Date" shall have the meaning specified in Section 3.03(d).

Responsible Officer: The term "Responsible Officer", when used with respect to the Trustee, shall mean any officer of the Trustee assigned by the Trustee to administer its corporate trust matters and shall include any officer in its Corporate Trust Services Division.

Restricted Group: The term "Restricted Group" shall mean the Company and the Restricted Subsidiaries. The term "Restricted Group" shall not directly or indirectly include any Unrestricted Subsidiary.

Restricted Payments: The term "Restricted Payments" shall have the meaning specified in Section 4.06. Restricted Payments shall not include any Exempt Repurchases.

Restricted Stock Purchase Agreement: The term "Restricted Stock Purchase Agreement" shall mean an agreement between the Company and an employee selected by the Board of Directors pursuant to which that employee may purchase shares of Common Stock.

Restricted Subsidiary: The term "Restricted Subsidiary" shall mean (i) any Subsidiary of the Company, whether existing on or after the date of the Indenture, which has been designated a Restricted Subsidiary for purposes of the Company's Credit Agreement or the Revolving Credit Agreement unless any such

Subsidiary is subsequently classified as an Unrestricted Subsidiary for purposes of the Indenture by the Company, as evidenced by an Officers' Certificate delivered to the Trustee, and (ii) any Unrestricted Subsidiary which is classified for purposes of the Indenture as a Restricted Subsidiary by the Company, as evidenced by an Officers' Certificate delivered to

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the Trustee. The Company may not classify as an Unrestricted Subsidiary for purposes of this Indenture any Subsidiary that is classified as a Restricted Subsidiary for purposes of the Credit Agreement or the Revolving Credit Agreement or any similar, successor agreements.

**Revolving Credit Agreement:** The term "Revolving Credit Agreement" shall mean that certain Credit Agreement dated as of May 15, 1992 among the Company, certain Restricted Subsidiaries and certain financial institutions, as amended from time to time.

**Stock Liquidation Agreement:** The term "Stock Liquidation Agreement" shall mean that certain Stock Liquidation Agreement dated March 6, 1989, as amended, among the Company and certain holders of the Common Stock of the Company.

**Subsidiary:** The term "Subsidiary" shall mean (i) any corporation of which the outstanding stock having at least a majority in voting power in the election of directors under ordinary circumstances shall at the time be owned, directly or indirectly, by the Company, by the Company and one or more Subsidiaries or by one or more Subsidiaries or (ii) any other Person of which at least a majority of voting interest, under ordinary circumstances, is at the time, directly or indirectly, owned or controlled by the Company or by the Company and one or more Subsidiaries or by one or more Subsidiaries. A partnership of which the Company or any Subsidiary is the managing general partner shall be deemed to be a Subsidiary.

**Tender Discharge Date:** The term "Tender Discharge Date" shall have the meaning specified in Section 3.02(b).

**Tender Period:** The term "Tender Period" shall have the meaning specified in Section 3.02(a).

**Total Interest Expense:** The term "Total Interest Expense" shall mean, for any period, the aggregate amount of interest in respect of Indebtedness (including amortization of original issue discount on any Indebtedness and the interest portion of any deferred payment obligation and after taking into account the effect of any Interest Rate Agreements, however denominated, with respect to such Indebtedness) and all but the principal component of rentals in respect of capital lease obligations, paid, accrued or scheduled to be paid or accrued by the Restricted Group during such period, determined on a consolidated basis after eliminating all intercompany items in accordance with generally accepted accounting principles; provided that such amounts paid, accrued and

scheduled to be paid or accrued by any Person which is not a Subsidiary but the accounts of which are consolidated with those of the Company shall be deducted therefrom. For purposes of this definition

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interest on a capital lease obligation shall be deemed to accrue at an interest rate reasonably determined by the Company to be the rate of interest implicit in such capital lease obligation in accordance with generally accepted accounting principles.

Trust Indenture Act of 1939: The term "Trust Indenture Act of 1939" shall mean the Trust Indenture Act of 1939 as it was in force at the date of execution of this Indenture, except as provided in Section 10.03.

Trustee: The term "Trustee" shall mean The First National Bank of Chicago and, subject to the provisions of Article Seven hereof, shall also include its successors and assigns as Trustee hereunder.

2003 Notes: The term "2003 Notes" shall mean the 8-5/8% Senior Notes of the Company Due August 15, 2003.

Unrestricted Subsidiary: The term "Unrestricted Subsidiary" shall mean any Subsidiary of the Company, whether existing on or after the date of this Indenture, which is not a Restricted Subsidiary.

U.S. Government Obligations: The term "U.S. Government Obligations" shall mean direct obligations of, or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America.

Vice President: The term "Vice President" shall mean any vice president of the Company, whether or not designated by a number or a word or words added before or after the title "vice president".

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## ARTICLE TWO

### ISSUE, DESCRIPTION, EXECUTION, REGISTRATION AND EXCHANGE OF DEBENTURES

SECTION 2.01. Designation, Amount and Issue of Debentures. The Debentures shall be designated as "9% Senior Debentures Due September 1, 2008". Debentures not to exceed the aggregate principal amount of \$300,000,000 (except as provided in Section 2.06) upon the execution of this Indenture, or from time to time thereafter, may be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Debentures to or upon the written order of the Company, signed by its Chairman or Vice Chairman of the Board of Directors or its Chief Executive

Officer or its President or any Vice President and by its Treasurer or Assistant Treasurer or its Secretary or any Assistant Secretary, without any further action by the Company hereunder.

SECTION 2.02. Form of Debentures. The Debentures and the Trustee's certificate of authentication to be borne by the Debentures shall be substantially in the form as in this Indenture above recited. Any of the Debentures may have imprinted thereon such legends or endorsements as the officers executing the same may approve (execution thereof to be conclusive evidence of such approval) and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Debentures may be listed, or to conform to usage.

SECTION 2.03. Date and Denomination of Debentures. The Debentures shall be issuable in registered form without coupons in denominations of \$100,000 and any multiple of \$100,000. Every Debenture shall be dated the date of its authentication and, except as provided in this Section, shall bear interest, payable semi-annually on September 1 and March 1 of each year, commencing September 1, 1993, from the September 1 or March 1, as the case may be, next preceding the date of such Debenture to which interest has been paid or duly provided for, unless the date of such Debenture is the date to which interest has been paid or duly provided for, in which case from the date of such Debenture, or unless no interest has been paid or duly provided for on the Debentures, in which case from June 3, 1993 until payment of the principal sum has been made or duly provided for. Notwithstanding the foregoing, when there is no existing default in the payment of interest on the Debentures, all Debentures authenticated by the Trustee after the close of business on the record date (as hereinafter defined) for any interest payment date (September 1 or March 1, as the case may be) and prior to

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such interest payment date shall be dated the date of authentication but shall bear interest from such interest payment date; provided, however, that if and to the extent that the Company shall default in the payment of interest due on such interest payment date then any such Debenture shall bear interest from the September 1 or March 1, as the case may be, next preceding the date of such Debenture to which interest has been paid or duly provided for, unless no interest has been paid or duly provided for on the Debentures, in which case from June 3, 1993. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The person in whose name any Debenture (or its Predecessor Debenture) is registered at the close of business on any record date with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date (subject to the provisions of Article Three in the case of any Debenture or Debentures, or portion thereof, called for redemption on a date subsequent to the record date and prior to such interest payment date) notwithstanding the cancellation of such Debenture upon any transfer or exchange

subsequent to the record date and prior to such interest payment date. Interest may, at the option of the Company, be paid by check mailed to the address of such person on the registry kept for such purposes. The term "record date" with respect to any interest payment date shall mean the August 15 or February 15 preceding said September 1 or March 1.

Any interest on any Debenture which is payable, but is not paid or duly provided for within 30 days after the date on which it becomes due and payable on any said September 1 or March 1 (herein called "Defaulted Interest") shall forthwith cease to be payable to the Debentureholder on the relevant record date by virtue of having been such Debentureholder; and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Debentures (or their respective Predecessor Debentures) are registered at the close of business on a special record date for the payment of such Defaulted Interest, which shall be fixed in the following manner. At least 45 days before the proposed payment date, the Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Debenture and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money

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when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon, not more than 15 days and not less than 10 days after receipt by the Trustee of notice of the proposed payment, the Trustee shall fix a special record date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment. The Trustee shall promptly notify the Company of such special record date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the special record date therefor to be mailed, first-class postage prepaid to each Debentureholder at his address as it appears in the Debenture register, not less than 15 days prior to such special record date. Notice of the proposed payment of such Defaulted Interest and the special record date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Debentures (or their respective Predecessor Debentures) are registered at the close of business on such special record date and shall no longer be payable pursuant to the following clause (2).

(2) The Company may make payment of any Defaulted Interest in

any other lawful manner not inconsistent with the requirements of any securities exchange on which the Debentures may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

SECTION 2.04. Execution of Debentures. The Debentures shall be signed in the name and on behalf of the Company by the facsimile signature of its Chairman or Vice Chairman of the Board of Directors, its Chief Executive Officer, its President or any of its Vice Presidents and attested by the facsimile signature of its Secretary or any of its Assistant Secretaries (which may be printed, engraved or otherwise reproduced thereon, by facsimile or otherwise). Only such Debentures as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, manually executed by the Trustee, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such authentication by the Trustee upon any Debenture executed by the Company shall be conclusive evidence that the Debenture so authenticated has been duly authenticated and delivered hereunder and that the holder is entitled to the benefits of this Indenture.

In case any officer of the Company who shall have signed any of the Debentures shall cease to be such officer before the Debentures so signed shall have been authenticated and delivered

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by the Trustee, or disposed of by the Company, such Debentures nevertheless may be authenticated and delivered or disposed of as though the person who signed such Debentures had not ceased to be such officer of the Company; and any Debenture may be signed on behalf of the Company by such persons as, at the actual date of the execution of such Debenture, shall be the proper officers of the Company, although at the date of the execution of this Indenture any such person was not such an officer.

SECTION 2.05. Exchange and Registration of Debentures; Transfer of Debentures. Debentures may be exchanged for a like aggregate principal amount of Debentures of other authorized denominations. Debentures to be exchanged shall be surrendered at the office or agency to be maintained by the Company in the Borough of Manhattan, The City of New York (which office for purposes of this Section 2.05 shall be the office of the registrar hereunder), and the Company shall execute and register and the Trustee shall authenticate and deliver in exchange therefor the Debenture or Debentures which the Debentureholder making the exchange shall be entitled to receive. The Company hereby appoints the Trustee to be, and the Trustee agrees to serve as, the initial registrar of the Debentures.

The registrar (or the Company if there is no registrar) shall keep at said office in the Borough of Manhattan, The City of New York, a register in which, subject to such reasonable regulations as it may prescribe, Debentures

shall be registered and the transfer of Debentures shall be registered as in this Article Two provided. Such register shall be in written form or in any other form capable of being converted into written form within a reasonable time. At all reasonable times such register shall be open for inspection by the Trustee. Upon due presentment for registration of transfer of any Debenture at such office or agency maintained by the Company in the Borough of Manhattan, The City of New York, the Company shall execute and register and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Debenture or Debentures for an equal aggregate principal amount.

All Debentures presented for registration of transfer or for exchange, redemption or payment shall (if so required by the Company or the Trustee) be duly endorsed by, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Company and the registrar duly executed by, the holder or his attorney duly authorized in writing.

No service charge shall be made for any exchange or registration of transfer of Debentures, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

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SECTION 2.06. Mutilated, Destroyed, Lost or Stolen Debentures. In case any temporary or definitive Debenture shall become mutilated or be destroyed, lost or stolen, the Company in its discretion may execute, and upon its request the Trustee shall authenticate and deliver, a new Debenture, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated Debenture, or in lieu of and in substitution for the Debenture so destroyed, lost or stolen. In every case the applicant for a substituted Debenture shall furnish to the Company and to the Trustee such security or indemnity as may be required by them to save each of them harmless, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Company and to the Trustee evidence to their satisfaction of the destruction, loss or theft of such Debenture and of the ownership thereof.

The Trustee may authenticate any such substituted Debenture and deliver the same upon the written request or authorization of any officer of the Company. Upon the issuance of any substituted Debenture, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. In case any Debenture which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Company may, instead of issuing a substitute Debenture, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Debenture) if the applicant for such payment shall furnish to the Company and to the Trustee such security or indemnity as may be required by them to save each of them harmless and, in case of destruction, loss or theft, evidence satisfactory to the Company and the Trustee of the destruction, loss or theft of such Debenture and of the ownership thereof.



Every substituted Debenture issued pursuant to the provisions of this Section 2.06 by virtue of the fact that any Debenture is destroyed, lost or stolen shall constitute an additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Debenture shall be found at any time, and shall be entitled to all the benefits, and subject to all the provisions, of this Indenture equally and proportionately with any and all other Debentures duly issued hereunder. To the extent permitted by law, all Debentures shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Debentures and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

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SECTION 2.07. Temporary Debentures. Pending the preparation of definitive Debentures, the Company may execute and the Trustee shall authenticate and deliver temporary Debentures (typed, printed or lithographed). Temporary Debentures shall be issuable in any authorized denomination, and substantially in the form of the definitive Debentures but with such omissions, insertions and variations as may be appropriate for temporary Debentures, all as may be determined by the Company. Every such temporary Debenture shall be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with the same effect, as the definitive Debentures. Without unreasonable delay the Company will execute and deliver to the Trustee definitive Debentures and thereupon any or all temporary Debentures may be surrendered in exchange therefor, at the office or agency of the Company in the Borough of Manhattan, The City of New York (which office for purposes of this Section 2.07 shall be the office in the said Borough of the registrar hereunder), and the Trustee shall authenticate and deliver in exchange for such temporary Debentures an equal aggregate principal amount of definitive Debentures. Such exchange shall be made by the Company at its own expense and without any charge therefor. Until so exchanged, the temporary Debentures shall in all respects be entitled to the same benefits under this Indenture as definitive Debentures authenticated and delivered hereunder.

SECTION 2.08. Cancellation of Debentures Paid, etc. All Debentures surrendered for the purpose of payment, redemption, exchange or registration of transfer, or in discharge, shall, if surrendered to the Company or any paying agent or any Debenture registrar, be surrendered to the Trustee and promptly cancelled by it, or, if surrendered to the Trustee, shall be promptly cancelled by it, and no Debentures shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Company may at any time deliver to the Trustee for cancellation any Debentures previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever and the Trustee shall cancel any Debentures so delivered. The Trustee shall destroy cancelled Debentures, and upon request furnish to the Company certificates evidencing such destruction, unless the Company directs



their return to the Company by written request.

### ARTICLE THREE

#### REDEMPTION OF DEBENTURES; REDEMPTION AT THE OPTION OF THE HOLDERS

SECTION 3.01. Redemption Prices. (a) Except as provided in Sections 3.02 and 3.03, the Debentures are not redeemable by the Company prior to maturity.

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(b) The Debentures shall not be entitled to the benefits of a sinking fund.

SECTION 3.02. Redemption at the Option of the Holder - Preferred Stock Redemption Payment.

(a) The holder of any Debenture shall have the right, at his option, upon the giving of a Preferred Event Put Notice, and subject to the terms and conditions hereof, to tender all, but not less than all, Debentures held by that holder, without regard to the fact that the Debentures may not then be otherwise redeemable, for cash, in an amount equal to the principal amount of the Debentures (the "Preferred Event Redemption Price") together with accrued interest to the date fixed for redemption of such holder's Debentures. The right of each holder to tender his Debenture or Debentures shall continue for 30 days after the date of the Preferred Event Put Notice (the "Initial Tender Period"), unless such period shall be extended by the Company by written notice delivered to the holders of the Debentures in accordance with Section 3.02(c) hereof (the Initial Tender Period, together with all such extensions, is hereinafter referred to as the "Tender Period"), and shall be exercised by any surrender of such Debenture or Debentures to the office or agency to be maintained by the Company pursuant to Section 4.02 of the Indenture, accompanied by written notice that the holder elects to tender such Debenture or Debentures and (if so required by the Company or the Trustee) by a written instrument or instruments of transfer in form satisfactory to the Company and the Trustee duly executed by the holder or his duly authorized legal representative and transfer tax stamps or funds therefor, if required. Such tender by a holder shall be irrevocable. The holders of Debentures shall not have the right to tender Debentures if on the date of the Preferred Event Put Notice the Company shall have satisfied and discharged the Indenture pursuant to Article Twelve or effected a defeasance with respect to the Debentures pursuant to Article Thirteen (except that the Company may not satisfy the Indenture or effect defeasance in anticipation of a Preferred Stock Redemption Payment).

(b) Any such redemption of Debentures shall occur on the date on which the Company shall make the Preferred Stock Redemption Payment (the "Preferred Event Redemption Date"), which date, if any, shall be (i) at least 31 and no more than 60 days after the date of the Preferred Event Put Notice and (ii) no

more than five days after the last day of the Tender Period (the "Tender Discharge Date"). Such date will be the same date as the date on which the Company redeems any 2003 Notes as a result of a Preferred Stock Redemption Payment. In no case may the Company make a Preferred Stock Redemption Payment prior to redeeming Debentures which have been properly tendered in accordance with this Section 3.02. If the Company elects not to make a

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particular Preferred Stock Redemption Payment, then the Company shall have no obligation to redeem the Debentures tendered in connection with that Preferred Stock Redemption Payment. If the proposed Preferred Stock Redemption Payment is not made on or prior to the earlier to occur of (i) the 60th day after the date of the Preferred Event Put Notice with respect thereto or (ii) the Tender Discharge Date with respect thereto, (A) the Company shall, on or prior to the earlier to occur of the 61st day after the date of such Preferred Event Put Notice or such Tender Discharge Date, mail, or cause the Trustee to mail, notice in accordance with Section 3.04 to each Debentureholder stating that the proposed Preferred Stock Redemption Payment was not made, (B) the Company shall, on or prior to the earlier to occur of the 66th day after the date of such Preferred Event Put Notice or such Tender Discharge Date, return, or cause to be returned, any Debentures tendered to the Company in accordance with this Section 3.02 to the holders thereof (together with any written instrument or instruments of transfer and any transfer tax stamps or funds therefor which accompanied such Debentures when they were delivered by the Debentureholder), and (C) the Company shall no longer have the right or obligation to redeem Debentures tendered in connection with, and as a result of, such proposed Preferred Stock Redemption Payment. The Company shall not thereafter make a Preferred Stock Redemption Payment unless a subsequent Preferred Event Put Notice shall have been sent to holders of Debentures in connection therewith and the holders of Debentures shall have been afforded an opportunity to tender their Debentures in accordance with, and subject to, the terms of this Section 3.02.

(c) The Company shall file with the Trustee and shall mail, or cause the Trustee to mail, to each Debentureholder notice in accordance with Section 3.04 (the "Preferred Event Put Notice") stating that the Company is proposing to make a Preferred Stock Redemption Payment and that each holder has the right for no more than 30 days from the date of such notice to tender all, but not less than all, of his Debentures for cash in accordance with and subject to the terms hereof. If the Company elects to extend the Initial Tender Period or any extension thereof, the Company shall file with the Trustee and shall mail, or cause the Trustee to mail, at least five days prior to the termination of such period, notice in accordance with Section 3.04 stating that the Company is extending such period and that each holder's ability to tender his Debentures in accordance with this Section 3.02 will be extended until the end of such extended period. The Trustee shall not be deemed to have knowledge of any Preferred Stock Change of Control Event or any corresponding obligation with respect thereto until so notified by the Company.

(d) On or before, but not more than three Banking Days prior to, the

deposit with the Trustee or with a paying agent an amount of money sufficient to pay the Preferred Event Redemption Price, and (except if the Preferred Event Redemption Date shall be an interest payment date) accrued interest on all the Debentures to be redeemed on the Preferred Event Redemption Date.

(e) After a holder has tendered Debentures for redemption as provided in clause (a) above, the Debentures of such holder shall, on the Preferred Event Redemption Date, become due and payable at the Preferred Event Redemption Price, together with accrued interest to the Preferred Event Redemption Date, and from and after such date (unless the Company shall default in the payment of such Debentures at the Preferred Event Redemption Price) such Debentures shall cease to bear interest. Upon surrender of any such Debenture for redemption in accordance herewith, such Debenture shall be paid on the Preferred Event Redemption Date by the Trustee or paying agent at a price equal to the applicable Preferred Event Redemption Price, (together with accrued interest to the Preferred Event Redemption Date); provided, however, that if the Preferred Event Redemption Date is an interest payment date, interest accrued to such Preferred Event Redemption Date shall be payable to the holders of record of such Debenture or Debentures at the close of business on the relevant record date according to the provisions of the Indenture.

If any Debenture to be redeemed shall not be so paid on the Preferred Event Redemption Date, the Preferred Event Redemption Price and accrued interest shall, until paid, bear interest from the Preferred Event Redemption Date at the rate borne by the Debentures.

SECTION 3.03. Redemption at the Option of the Holder - Exempt Repurchases and Borrowing.

(a) The holder of any Debenture shall have the right, at his option, upon the giving of notice described in clause (d) below, and subject to the terms and provisions hereof, to tender all, but not less than all, Debentures held by such holder without regard to the fact that the Debentures may not then be otherwise redeemable, for cash in an amount equal to the principal of such Debentures plus a premium, if any, as set forth in paragraph 8 of the Debentures (together, the "Put Option Redemption Price"), plus accrued interest to the date fixed for redemption. Such redemption shall occur on a date (the "Put Option Redemption Date") 35 days after the Put Option Transaction Date (as defined below). The holder's right to tender shall continue for 30 days after the Put Option Transaction Date, and shall be exercised by any surrender of such Debentures to the office or agency to be maintained by the Company pursuant to Section 4.02 of the Indenture, accompanied by written notice that

the holder elects to tender such Debentures and (if so required by the Company or the Trustee) by a written instrument or instruments of transfer in form satisfactory to the Company and the Trustee duly executed by the holder or his duly authorized legal representative and transfer tax stamps or funds therefor, if required. Such tender by a holder shall be irrevocable.

(b) The holder shall have the right to tender under clause (a) upon the occurrence of an event or series of events set forth below, provided that at the time of the occurrence of such event, the Company shall not have satisfied and discharged the Indenture pursuant to Article Twelve or effected a defeasance with respect to the Debentures pursuant to Article Thirteen (except that the Company may not satisfy the Indenture or effect defeasance in anticipation of (i) or (ii) below):

(i) The Company makes an Exempt Repurchase and immediately thereafter and after giving effect to any Exempt Indebtedness incurred or to be incurred for the purpose of making such Exempt Repurchase, the Company is unable to incur an additional \$1 of Indebtedness under Section 4.07, without giving effect to Section 4.07(b) (hereinafter referred to as a "Put Option Stock Repurchase").

(ii) The Company incurs Indebtedness and immediately thereafter, and after giving effect to such Indebtedness, the Company is able to incur an additional \$1 of Indebtedness under Section 4.07, but only because of the effect of Section 4.07(b) (hereinafter referred to as a "Put Option Borrowing").

(c) The Company shall file with the Trustee and shall mail, or cause the Trustee to mail, to each Debentureholder not more than 45 days and not less than 15 days prior to the proposed date on which a Put Option Stock Repurchase or Put Option Borrowing (either, a "Put Option Transaction") is to occur (the "Proposed Date") a notice as provided in Section 3.04 stating that the Company is proposing to make a Put Option Stock Repurchase or a Put Option Borrowing, whichever the case may be, on the Proposed Date, and that if the Put Option Transaction is consummated, each holder shall have the right to tender all, but not less than all, of his Debentures for cash pursuant to the terms hereof.

(d) The date on which the proposed Put Option Transaction shall occur (the "Put Option Transaction Date") shall be no more than 30 days after the Proposed Date. On the Put Option Transaction Date, the Company shall mail, or cause the Trustee to mail, notice in accordance with Section 3.04 to each Debentureholder stating that the Put Option Transaction has been consummated and that each holder of Debentures has the right to

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tender his Debentures for a period of 30 days after the Put Option Transaction Date.

(e) On or before, but not more than three Banking Days prior to, the

Put Option Redemption Date, the Company shall deposit with the Trustee or with a paying agent an amount of money sufficient to pay the Put Option Redemption Price, and (except if the Put Option Redemption Date shall be an interest payment date) accrued interest on, all the Debentures to be redeemed on the Put Option Redemption Date. Prior to the consummation of any Put Option Transaction, the Company shall deliver to the Trustee an Officers' Certificate to the effect that it has arranged for committed financing sufficient to redeem all of the Debentures in accordance with this Section 3.03.

(f) All Debentures properly tendered for redemption pursuant to clause (a) above shall, on the Put Option Redemption Date, become due and payable at the applicable Put Option Redemption Price plus accrued interest, if any, and from and after such date (unless the Company shall default in the payment thereof) such Debentures shall cease to bear interest. Upon surrender of any such Debenture for redemption in accordance herewith, such Debenture shall be paid on the Put Option Redemption Date by the Trustee or paying agent at a price equal to the applicable Put Option Redemption Price, together with accrued interest to the Put Option Redemption Date; provided, however, that if the Put Option Redemption Date is an interest payment date, interest accrued to such Put Option Redemption Date shall be payable to the holders of record of such Debentures at the close of business on the relevant record date according to the provisions of the Indenture.

If any Debenture to be redeemed shall not be so paid on the Put Option Redemption Date, the Put Option Redemption Price and accrued interest shall, until paid, bear interest from the Put Option Redemption Date at the rate borne by the Debenture.

(g) Upon (A) the consummation of the proposed Put Option Transaction no later than 30 days after the Proposed Date, and (B) the redemption of all Debentures properly tendered for redemption pursuant to clause (a) above, the Company shall no longer be bound by the provisions of this Section 3.03 and Sections 4.07, 4.08 and 4.11.

(h) If the proposed Put Option Transaction that was the subject of the notice provided pursuant to clause (c) above is not consummated within 30 days of the Proposed Date, the Company shall, on the 31st day after the Proposed Date, mail, or cause the Trustee to mail, notice in accordance with Section 3.04 to each Debentureholder stating that the proposed Put Option Transaction was not consummated.

SECTION 3.04 Mailing of Notices. If pursuant to this Article Three, the Company or the Trustee is required to mail to one or more Debentureholders notice of the right of the Debentureholders to require redemption, such notice shall be given in the manner hereinafter provided and shall state the terms and conditions to which each Debentureholder's right to require redemption is subject. Notice shall be mailed to the subject Debentureholders at their last

addresses as the same shall appear on the register for the Debentures described in Section 2.05. Such mailing shall be by first-class mail. The notice if mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to any subject Debentureholder shall not affect the validity of the proceedings for the redemption of any other Debenture.

SECTION 3.05. Cancellation of Debentures after Redemption. All Debentures surrendered for redemption shall, if surrendered to the Company or any redemption agent, be delivered to the Trustee for cancellation and, if surrendered to the Trustee, shall be cancelled by it upon the occurrence of the redemption.

#### ARTICLE FOUR

##### PARTICULAR COVENANTS OF THE COMPANY

SECTION 4.01. Payment of Principal, Premium and Interest. The Company covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and premium, if any, and interest on each of the Debentures at the places, at the respective times and in the manner provided herein and in the Debentures.

SECTION 4.02. Offices for Notices and Payments, etc. So long as any of the Debentures remain outstanding, the Company will maintain in the Borough of Manhattan, The City of New York, an office or agency where the Debentures may be presented for payment, and an office or agency where the Debentures may be presented for registration of transfer and for exchange as in this Indenture provided and an office or agency where notices and demands to or upon the Company in respect of the Debentures or of this Indenture may be served. The Company will give to the Trustee written notice of the location of each such office or agency and of any change of location thereof. If the Company shall fail to maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof, presentations and demands may be made and notices may be

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served at the office of the Trustee and the Company hereby appoints the Trustee to be, and the Trustee agrees to serve as, the Company's initial agent to receive all such presentations, demands and notices.

SECTION 4.03. Appointments to Fill Vacancies in Trustee's Office. The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 7.09, a Trustee, so that there shall at all times be a Trustee hereunder.

SECTION 4.04. Provision as to Paying Agent. (a) If the Company shall

appoint a paying agent other than the Trustee, it will cause such paying agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 4.04:

(1) that it will hold all sums held by it as such agent for the payment of the principal of and premium, if any, or interest on the Debentures (whether such sums have been paid to it by the Company or by any other obligor on the Debentures) in trust for the benefit of the holders of the Debentures;

(2) that it will give the Trustee notice of any failure by the Company (or by any other obligor on the Debentures) to make any payment of the principal of and premium, if any, or interest on the Debentures when the same shall become due and payable; and

(3) that at any time during the continuance of an Event of Default, upon request of the Trustee, it will forthwith pay to the Trustee all sums so held in trust.

(b) If the Company shall act as its own paying agent, it will, on or before each due date of the principal of and premium, if any, or interest on the Debentures, set aside, segregate and hold in trust for the benefit of the holders of the Debentures a sum sufficient to pay such principal and premium, if any, or interest so becoming due and will notify the Trustee of any failure to take such action and of any failure by the Company (or by any other obligor on the Debentures) to make any payment of the principal of and premium, if any, or interest on the Debentures when the same shall become due and payable.

(c) Anything in this Section 4.04 to the contrary notwithstanding, the Company may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust by any paying agent hereunder as required by this Section 4.04, such sums to be held by the Trustee upon the trusts

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herein contained and upon such payment by any paying agent to the Trustee, such paying agent shall be released from all further liability with respect to such money.

(d) Anything in this Section 4.04 to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section 4.04 is subject to Sections 12.03 and 12.04.

SECTION 4.05. Corporate Existence and Maintenance of Properties. Except as provided in Section 11.01 hereof, the Company will at all times maintain its corporate existence, will maintain its properties in adequate condition for the conduct of its business and will do or cause to be done all things necessary to preserve and keep in full force and effect its rights (charter and statutory) and franchises; provided, however, that the Company will



not be required to preserve any right or franchise if the Board of Directors of the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Debentureholders.

SECTION 4.06. Restricted Payments. The Company covenants and agrees, so long as any of the Debentures remain outstanding, that it will not declare or pay any dividend on, or authorize or make any distribution in respect of, any shares of any class of its Capital Stock (except dividends or distributions payable in shares of its Capital Stock), or authorize or make any purchase, redemption or acquisition for value of, or permit any Subsidiary to purchase or otherwise acquire for value, any shares of any class of the Company's Capital Stock, (or any rights, warrants or options to purchase any class of Capital Stock of the Company, except if such rights, warrants or options are held by an employee of the Company and such purchase, redemption or acquisition occurs in connection with the termination of such employee's employment by the Company) otherwise than pursuant to Exempt Repurchases (any payment so restricted being herein called a "Restricted Payment"): (i) if a default shall have occurred and be continuing at the time of such proposed Restricted Payment or shall occur as a consequence thereof; or (ii) if the aggregate of all Restricted Payments made from March 31, 1992 through and including the date on which such Restricted Payment is made, would exceed the sum of (a) the amount by which Operating Cash Flow of the Restricted Group on a consolidated basis for the period, treated as a single accounting period, from March 31, 1992 through the fiscal quarter immediately preceding such proposed Restricted Payment for which financial statements are available exceeds 1.20 times the Total Interest Expense for the period, treated as a single accounting period from March 31, 1992 through said fiscal quarter immediately preceding such proposed Restricted Payment, plus (b) \$150,000,000, plus (c) the aggregate net proceeds, including the fair market value of property other

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than cash, received by the Company from the issuance or sale (other than to a Subsidiary) subsequent to June 23, 1992 of any class of Capital Stock of the Company, or from the exercise subsequent to June 23, 1992 of any options, warrants or other rights to acquire Capital Stock of the Company. For all purposes of this Section 4.06, any recapitalization of the Company (whether or not effected through a merger or consolidation with, or sale of substantially all of the assets of the Company to, any Person) that has the effect of transferring money, property, or securities other than Capital Stock of the Company to any holder of any shares of the Capital Stock of the Company (otherwise than in connection with an Exempt Repurchase) shall be deemed a Restricted Payment.

For purposes of this Section 4.06, "default" shall mean the occurrence of any event specified in clauses (a), (b), (c), (d), (e) or (f) of Section 6.01, not including periods of grace, if any, provided for therein.

SECTION 4.07. Limitation on Indebtedness. (a) Except as provided in



Section 3.03(g), the Company covenants and agrees, so long as any of the Debentures remain outstanding, that it shall not, and shall not permit any of its Restricted Subsidiaries to, incur, create, assume, directly or indirectly guarantee or in any other manner become liable with respect to, or become responsible for the payment of, any additional Indebtedness unless, after giving effect to the incurrence of such Indebtedness and the receipt and application of the proceeds thereof, the ratio of (1) the aggregate Indebtedness of the Restricted Group to (2) four times the Operating Cash Flow of the Restricted Group on a consolidated basis for the fiscal quarter immediately preceding such incurrence for which financial statements are available, is no more than 9:1.

(b) For purposes of calculating the ratio described above, the aggregate Indebtedness of the Restricted Group shall be reduced by the aggregate Exempt Indebtedness of the Restricted Group.

SECTION 4.08. Limitation on Investment in Unrestricted Subsidiaries. Except as provided in Section 3.03(g), the Company covenants and agrees, so long as any of the Debentures remain outstanding, that it shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly make loans or advances or transfer property or assets to, invest in or pay any indebtedness owed by any Unrestricted Subsidiary (other than (i) the provision of goods and services to an Unrestricted Subsidiary if such goods and services are billed to an Unrestricted Subsidiary on the basis of the provider's cost therefor and (ii) advances to an Unrestricted Subsidiary in the ordinary course of business by the Restricted Group if the interest payable on such

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advances is generally consistent with the Company's cost of borrowings under its credit facilities), unless, after giving effect to such transaction, the Restricted Group would be allowed to incur an additional \$1 of Indebtedness under Section 4.07.

SECTION 4.09. Transactions with Stockholders and Affiliates. The Company covenants and agrees, so long as any of the Debentures remain outstanding, that it will not, and will not permit any Restricted Subsidiary to, enter into any transaction (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with any holder of 5% or more of any class of Capital Stock of the Company or with any Affiliate of the Company or of any such holder, on terms that are less favorable to the Company or such Restricted Subsidiary, as the case may be, than those which might be obtained at the time of such transaction from a Person who is not such a holder or Affiliate; provided, however, that this Section 4.09 shall not limit, or be applicable to, (i) transactions pursuant to Restricted Stock Purchase Agreements, (ii) the payment of reasonable and customary regular fees to directors of the Company who are not employees of the Company, (iii) any transaction between the Company and any of the Restricted Subsidiaries or between any of the Restricted Subsidiaries, (iv) any transaction between an Unrestricted Subsidiary and either the Company or a Restricted Subsidiary, or (v) Exempt Repurchases.

SECTION 4.10. Certificate to Trustee. The Company will furnish to the Trustee not more than 90 days after the end of the Company's fiscal year in each year (beginning with fiscal 1993) a brief certificate from the principal executive, financial or accounting officer of the Company as to his or her knowledge of the Company's compliance with all conditions and covenants under the Indenture (such compliance to be determined without regard to any period of grace or requirement of notice provided under the Indenture), stating that in the course of the performance by the signer of his or her duties as an officer of the Company, he or she would normally have knowledge of any default by the Company and, if he or she has knowledge of any default, specifying each such default of which the signer has knowledge and the nature thereof.

SECTION 4.11. Limitation on Liens. Except as provided in Section 3.03(g), the Company will not, and will not permit any Restricted Subsidiary to, create, incur or assume any Lien on any Principal Property or any shares of Capital Stock or Indebtedness of any Restricted Subsidiary without making effective provision for all of the Debentures and all other amounts due under this Indenture to be directly secured equally and ratably with (or prior to) the obligation or liability secured by such Lien unless, at the time of such creation, incurrence or assumption

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and, after giving effect thereto, the aggregate amount of all Indebtedness so secured does not exceed five times Annualized Cash Flow; provided, however, that if all Liens (other than Liens created pursuant to this Section 4.11 or Section 4.11 of the Indenture for the 2003 Notes) on Principal Property or on shares of Capital Stock or Indebtedness of a Restricted Subsidiary which secure Indebtedness of the Company or any Restricted Subsidiary are released, then (i) all then existing Liens created pursuant to this Section (together with all then existing Liens created pursuant to Section 4.11 of the Indenture for the 2003 Notes) shall be automatically released and (ii) the Trustee shall be authorized to execute and deliver to the Company any documents requested by the Company which are required to evidence the release of such Liens.

The foregoing limitation does not apply to:

(i) Liens securing obligations of the Company to reimburse any bank or other Person in respect of amounts paid under letters of credit, acceptances or other similar instruments; or

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(ii) Liens securing Indebtedness on the assets of any entity existing at the time such assets are acquired by the Company or any of its Restricted Subsidiaries, whether by merger, consolidation, purchase of assets or otherwise; provided that such Liens (x) are not created, incurred or assumed in connection with, or in contemplation of, such assets being acquired by the Company or any of its Restricted Subsidiaries

and (y) do not extend to any other Principal Property or assets of the Company or any of its Restricted Subsidiaries.

## ARTICLE FIVE

### DEBENTUREHOLDERS LISTS AND REPORTS BY THE COMPANY AND THE TRUSTEE

SECTION 5.01. Debentureholders Lists. If and so long as the Trustee shall not be the Debenture registrar, the Company will furnish or cause to be furnished to the Trustee a list in such form as the Trustee may reasonably require of the names and addresses of the holders of the Debentures pursuant to Section

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312 of the Trust Indenture Act of 1939 (a) not more than 15 days after each record date for the payment of semi-annual interest on the Debentures (as specified in Section 2.03 hereof), as of such record date, and (b) at such other times as the Trustee may request in writing, within thirty days after receipt by the Company of any such request, such information to be as of a date not more than fifteen days prior to the time such information is furnished.

SECTION 5.02. Reports by the Company. (a) The Company covenants to file with the Trustee, within fifteen days after the Company is required to file the same with the Securities and Exchange Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as said Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with said Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934.

(b) The Company covenants and agrees that it will deliver to the Trustee and mail, or cause the Trustee to mail, to each holder of Debentures:

(1) as soon as available and in any event within 90 days after the end of each fiscal year of the Company (i) a consolidated balance sheet of the Company and its Subsidiaries as of the end of such fiscal year and the related consolidated statements of operations, shareholders' equity and cash flows for such fiscal year, all reported on by Deloitte & Touche or other independent public accountants of nationally recognized standing, (ii) a report containing a management's discussion and analysis of financial condition and results of operations and a description of the business and properties of the Company and (iii) a report as to the maximum amount of Restricted Payments that the Company could have made as of the end of the fiscal year without violating Section 4.06, such report shall explain how such maximum amount was calculated and shall briefly describe any transaction that occurred

during the last quarter that affected such maximum amount;

(2) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Company (i) an unaudited consolidated financial report for such quarter, (ii) a report containing a management's discussion and analysis of financial condition and results of operations and (iii) a report as to the maximum amount of Restricted Payments that the Company could have made as of the end of the quarter without violating Section 4.06, such

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report shall explain how such maximum amount was calculated and shall briefly describe any transaction that occurred during the quarter that affected such maximum amount;

(3) promptly upon the mailing thereof to the shareholders of the Company generally, copies of annual letters; and

(4) promptly upon the filing thereof, copies of all annual, quarterly, monthly or periodic reports which the Company shall have filed with the Securities and Exchange Commission.

SECTION 5.03. Reports by the Trustee. Any Trustee's report required under Section 313(a) of the Trust Indenture Act of 1939 shall be transmitted on or before June 1, 1994, and on or before every June 1 thereafter, and shall be dated as of a date 60 days prior to such June 1.

## ARTICLE SIX

### REMEDIES OF THE TRUSTEE AND DEBENTUREHOLDERS ON THE OCCURRENCE OF AN EVENT OF DEFAULT

SECTION 6.01. Events of Default. In case one or more of the following Events of Default shall have occurred and be continuing:

(a) default in the payment of any installment of interest upon any of the Debentures as and when the same shall become due and payable, and continuance of such default for a period of thirty days; or

(b) default in the payment of the principal of or premium, if any, on any of the Debentures as and when the same shall become due and payable either at maturity or in connection with any redemption, by declaration or otherwise; or

(c) failure on the part of the Company duly to observe or perform any other of the covenants or agreements on the part of the Company in the Debentures or in this Indenture continued for a period of sixty days after

the date on which written notice of such failure, requiring the Company to remedy the same, shall have been given to the Company by the Trustee, or to the Company and the Trustee by the holders of at least twenty-five percent in aggregate principal amount of the Debentures at the time outstanding; or

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(d) (i) default by the Company in the payment when due at maturity of any indebtedness for borrowed money (other than indebtedness which is non-recourse to the Company) in excess of \$10,000,000 issued under an indenture or instrument evidencing such indebtedness, whether such indebtedness is outstanding at the date of this Indenture or is hereafter outstanding, and continuation of such default for the greater of any period of grace applicable thereto or ten days from the date of such default or (ii) an event of default, as defined in any indenture or instrument evidencing or under which the Company has at the date of this Indenture or shall hereafter have outstanding at least \$10,000,000 aggregate principal amount of indebtedness for borrowed money, shall happen and be continuing and such indebtedness shall have been accelerated so that the same shall be or become due and payable prior to the date on which the same would otherwise have become due and payable, and such acceleration shall not be rescinded or annulled, or such indebtedness shall not be discharged, within ten days after notice thereof shall have been given to the Company by the Trustee (if such event be known to it), or to the Company and the Trustee by the holders of at least 25% in aggregate principal amount of the Debentures at the time outstanding; provided that if such event of default or event of default under such indenture or instrument shall be remedied or cured by the Company or waived by the holders of such indebtedness, then the Event of Default hereunder by reason thereof shall be deemed likewise to have been thereupon remedied, cured or waived without further action upon the part of either the Trustee or any of the Debentureholders, and provided further, however, that, subject to the provisions of Section 7.01 the Trustee shall not be charged with knowledge of any such default or event of default unless written notice thereof shall have been given to the Trustee by the Company, by the holder or an agent of the holder of any such indebtedness, by the trustee then acting under any indenture or other instrument under which such default or event of default shall have occurred, or by the holders of not less than 25% in the aggregate principal amount of the Debentures at the time outstanding.

(e) the Company shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall

of creditors, or shall fail generally to pay its debts as they become due;  
or

(f) an involuntary case or other proceeding shall be commenced against the Company seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 consecutive days;

then and in each and every such case, unless the principal of all of the Debentures shall have already become due and payable, either the Trustee or the holders of not less than twenty-five percent in aggregate principal amount of the Debentures then outstanding hereunder, by notice (an "Acceleration Notice") in writing to the Company (and to the Trustee if given by Debentureholders), may declare the principal of all the Debentures and the interest accrued thereon and premium, if any, to be due and payable immediately, and (unless prior to the date of such Acceleration Notice all Events of Default in respect of the Debentures shall have been cured or waived) upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Debentures contained to the contrary notwithstanding, provided, that except in the case (A) of an Event of Default under clause (e) or (f) above or (B) that no more than 10 days and no less than 5 days prior to the giving of an Acceleration Notice the Trustee shall have given to the Company (or, in the case of an acceleration by the Debentureholders, the Debentureholders shall have given to the Trustee and the Company) a notice (a "Pre-Acceleration Notice") in writing that in no more than 10 days the Trustee (or the Debentureholders) intends to give an Acceleration Notice, an Acceleration Notice shall not become effective until 5 days after receipt of such notice by the Company (and the Trustee if given by Debentureholders). The provision above regarding acceleration, however, is subject to the condition that if, at any time after the principal of the Debentures shall have been so declared due and payable, and before any judgment or decree for the payment of the monies due shall have been obtained or entered as hereinafter provided, the Company shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all the Debentures and the principal of and premium, if any, on any and all Debentures which shall have become due otherwise than by acceleration (with interest on overdue installments of interest (to the extent that payment of such interest is enforceable under applicable law) and on such principal and premium, if any, at the rate borne by the Debentures, to the date of such payment or deposit) and the



expenses of the Trustee, and any and all defaults under this Indenture, other than the nonpayment of principal of and accrued interest on Debentures which shall have become due by acceleration, shall have been remedied--then and in every such case the holders of a majority in aggregate principal amount of the Debentures then outstanding, by written notice to the Company and to the Trustee, may waive all defaults and rescind and annul such declaration and its consequences; but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon.

In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Company, the holders of Debentures, and the Trustee shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Company, the holders of Debentures, and the Trustee shall continue as though no such proceeding had been taken.

The Trustee shall give the Debentureholders notice of any default hereunder as and to the extent provided by the Trust Indenture Act of 1939. For the purpose of this paragraph, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

SECTION 6.02. Payment of Debentures on Default; Suit Therefor. The Company covenants that (a) in case default shall be made in the payment of any installment of interest upon any of the Debentures as and when the same shall become due and payable, and such default shall have continued for a period of thirty days, or (b) in case default shall be made in the payment of the principal of and premium, if any, on any of the Debentures as and when the same shall have become due and payable, whether at maturity of the Debentures or in connection with any redemption, by declaration or otherwise--then, upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the holders of the Debentures, the whole amount that then shall have become due and payable on all such Debentures for principal and premium, if any, or interest, or both, as the case may be, with interest upon the overdue principal and premium, if any, and (to the extent that payment of such interest is enforceable under applicable law) upon the overdue installments of interest at the rate borne by the Debentures; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including a reasonable compensation to the Trustee, its agents, attorneys and counsel, and any expenses or liabilities incurred by the Trustee hereunder other than through its negligence or bad faith.

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In case the Company shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute

any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Company or any other obligor on the Debentures and collect in the manner provided by law out of the property of the Company or any other obligor on the Debentures wherever situated the monies adjudged or decreed to be payable.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Company or any other obligor on the Debentures under Title 11 of the United States Code, or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Company or such other obligor, or in the case of any other similar judicial proceedings relative to the Company or other obligor upon the Debentures, or to the creditors or property of the Company or such other obligor, the Trustee, irrespective of whether the principal of the Debentures shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section 6.02, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of principal, premium, if any, and interest owing and unpaid in respect of the Debentures, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and of the Debentureholders allowed in such judicial proceedings relative to the Company or any other obligor on the Debentures, its or their creditors, or its or their property, and to collect and receive any monies or other property payable or deliverable on any such claims, and to distribute the same after the deduction of its charges and expenses; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the Debentureholders to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to the Debentureholders, to pay to the Trustee any amount due it for compensation and expenses, including counsel fees incurred by it up to the date of such distribution. To the extent that such payment of reasonable compensation, expenses and counsel fees out of the estate in any such proceedings shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, monies, securities and other property which the holders of the Debentures may be entitled to receive in such proceedings,

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whether in liquidation or under any plan of reorganization or arrangement or otherwise.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or adopt on behalf of any Debentureholder any plan of reorganization or arrangement, affecting the Debentures or the rights of any Debentureholder, or to authorize the Trustee to vote in respect of the claim of any Debentureholder in any such proceeding.

All rights of action and of asserting claims under this Indenture,



or under any of the Debentures, may be enforced by the Trustee without the possession of any of the Debentures, or the production thereof on any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the holders of the Debentures.

SECTION 6.03. Application of Monies Collected by Trustee. Any monies collected by the Trustee shall be applied in the order following, at the date or dates fixed by the Trustee for the distribution of such monies, upon presentation of the several Debentures, and stamping thereon the payment, if only partially paid, and upon surrender thereof if fully paid:

First: To the payment of costs and expenses of collection and reasonable compensation to the Trustee, its agents, attorneys and counsel, and of all other expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith;

Second: In case the principal of the outstanding Debentures shall not have become due and be unpaid, to the payment of interest on the Debentures in the order of the maturity of the installments of such interest, with interest (to the extent that such interest has been collected by the Trustee) upon the overdue installments of interest at the rate borne by the Debentures, such payments to be made ratably to the persons entitled thereto;

Third: In case the principal of the outstanding Debentures shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Debentures for principal and premium, if any, and interest, with interest on the overdue principal and premium, if any, and (to the extent that such interest has been collected by the Trustee) upon overdue installments of interest at the rate borne by the Debentures; and in case such monies shall be insufficient to pay in full the whole amounts so due and unpaid upon the Debentures, then to the payment of

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such principal and premium, if any, and interest without preference or priority of principal and premium, if any, over interest, or of interest over principal and premium, if any, or of any installment of interest over any other installment of interest, or of any Debenture over any other Debenture, ratably to the aggregate of such principal and premium, if any, and accrued and unpaid interest;

Fourth: To the payment of the remainder, if any, to the Company.

SECTION 6.04. Proceedings by Debentureholder. No holder of any Debenture shall have any right by virtue of or by availing of any provision of this Indenture to institute any suit, action or proceeding in equity or at law

upon or under or with respect to this Indenture or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of default and of the continuance thereof, as hereinbefore provided, and unless also the holders of not less than twenty-five percent in aggregate principal amount of the Debentures then outstanding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for sixty days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding, it being understood and intended, and being expressly covenanted by the taker and holder of every Debenture with every other taker and holder and the Trustee, that no one or more holders of Debentures shall have any right in any manner whatever by virtue of or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of any other holder of such Debentures, or to obtain or seek to obtain priority over or preference to any other such holder, or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all holders of Debentures (except as otherwise provided herein). For the protection and enforcement of this Section 6.04, each and every Debentureholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provisions of this Indenture (including the first paragraph of this Section 6.04), however, the right of any holder of any Debenture to receive payment of the principal of and premium, if any, and interest on such Debenture, on or after the respective due dates expressed in such Debenture, or to institute suit for the enforcement of any such payment on or after such respective dates against the Company

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shall not be impaired or affected without the consent of such holder.

SECTION 6.05. Proceedings by Trustee. In case of an Event of Default hereunder the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either by suit in equity or by action at law or by proceeding in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

SECTION 6.06. Remedies Cumulative and Continuing. All powers and remedies given by this Article Six to the Trustee or to the Debentureholders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the holders of the Debentures, by judicial proceedings or otherwise, to enforce the

performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or of any holder of any of the Debentures to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein; and, subject to the provisions of Section 6.04, every power and remedy given by this Article Six or by law to the Trustee or to the Debentureholders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Debentureholders.

SECTION 6.07. Direction of Proceedings and Waiver of Defaults by Majority Debentureholders. The holders of a majority in aggregate principal amount of the Debentures at the time outstanding determined in accordance with Section 8.04 shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee; provided, however, that (subject to the provisions of Section 7.01) the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith by its board of directors or trustees, executive committee, or a trust committee of directors or trustees and/or Responsible Officers shall determine that the action or proceedings so directed could involve the Trustee in personal liability. Prior to any declaration accelerating the maturity of the Debentures, the holders of a majority in aggregate principal amount of the Debentures at the time

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outstanding may on behalf of the holders of all of the Debentures waive any past default or Event of Default hereunder and its consequences except a default in the payment of interest, or premium, if any, on, or the principal of, the Debentures. Upon any such waiver the Company, the Trustee and the holders of the Debentures shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon. Whenever any default or Event of Default hereunder shall have been waived as permitted by this Section 6.07, said default or Event of Default shall for all purposes of the Debentures and this Indenture be deemed to have been cured and to be not continuing.

## ARTICLE SEVEN

### CONCERNING THE TRUSTEE

SECTION 7.01. Duties and Responsibilities of Trustee; During Default; Prior to Default. The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has

occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that

(a) prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred:

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

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(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any statements, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but, in the case of any such statements, certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;

(b) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the Debentures at the time outstanding determined as provided in Section 8.04 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Trustee shall not be deemed to have notice of any Event of Default described in Section 6.01(c), 6.01(d), 6.01(e) or 6.01(f) or any event which, with the passage of time, might become an Event of Default described in Section 6.01(c), 6.01(d), 6.01(e) or 6.01(f) unless the Trustee has received written notice thereof, addressed to a Responsible Officer of the Trustee.

This Section 7.01 is in furtherance of and subject to Sections 315 and 316 of the Trust Indenture Act of 1939.

SECTION 7.02. Certain Rights of the Trustee. In furtherance of and subject to the Trust Indenture Act of 1939, and subject to Section 7.01:

(a) the Trustee may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order,

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bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Board of Directors may be evidenced to the Trustee by a copy thereof certified by the Secretary or an Assistant Secretary of the Company;

(c) the Trustee may consult with counsel and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Debentureholders, pursuant to the provisions of this Indenture, unless such Debentureholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby;

(e) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(f) prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all Events of Default, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond, debenture, note or other

paper or document unless requested in writing to do so by the holders of not less than a majority in principal amount of the Debentures then outstanding; provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such expense or liability as a condition to so proceeding; and

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or

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by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due care hereunder.

SECTION 7.03. No Responsibility for Recitals, etc. The recitals contained herein and in the Debentures (except in the Trustee's certificate of authentication) shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Debentures. The Trustee shall not be responsible for the statements relating to the Debentures in the registration statement for the Debentures filed with the Securities and Exchange Commission. The Trustee shall not be accountable for the use or application by the Company of any Debentures or the proceeds of any Debentures authenticated and delivered by the Trustee in conformity with the provisions of this Indenture.

SECTION 7.04. Trustee, Paying Agents or Registrar May Own Debentures. The Trustee or any paying agent or Debenture registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Debentures with the same rights it would have if it were not Trustee, paying agent, Debenture registrar or such other agent.

SECTION 7.05. Monies to Be Held in Trust. Subject to the provisions of Section 12.04, all monies received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

SECTION 7.06. Compensation and Expenses of Trustee. The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), and the Company will pay or reimburse the Trustee upon its request for

all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except to the extent any such expense, disbursement or advance may arise from its negligence or bad faith. The Company also covenants to indemnify and defend the Trustee for, and to hold it harmless against, any loss, liability or expense arising out of or in

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connection with the acceptance or administration of this trust and the performance of its duties hereunder, including the costs and expenses of defending itself against any claim of liability in the premises, except to the extent any such loss, liability or expense may arise from the Trustee's negligence or bad faith. The obligations of the Company under this Section 7.06 to compensate or indemnify the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall be secured by a lien prior to that of the Debentures upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the holders of particular Debentures. The obligation of the Company under this Section shall survive the satisfaction and discharge of this Indenture. Any compensation or expense incurred by the Trustee after a default specified in Section 6.01(e) or 6.01(f) is intended to constitute an expense of administration under any then applicable bankruptcy or insolvency law. "Trustee" for purposes of this Section 7.06 shall include any predecessor Trustee but the negligence or bad faith of any Trustee shall not affect the rights of any other Trustee under this Section 7.06.

SECTION 7.07. Officers' Certificate as Evidence. Except as otherwise provided in Section 7.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such Certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken or omitted by it under the provisions of this Indenture upon the faith thereof.

SECTION 7.08. Eligibility of Trustee. The Trustee hereunder shall at all times be a corporation having a combined capital and surplus of at least twenty-five million dollars, and which is eligible in accordance with the provisions of Section 310(a) of the Trust Indenture Act of 1939. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of a Federal, State, or District of Columbia supervising or examining authority, then for the purposes of this Section 7.08, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.



SECTION 7.09. Resignation or Removal of Trustee. (a) The Trustee may at any time resign by giving written notice of resignation to the Company and by mailing notice thereof to

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the holders of Debentures at their addresses as they shall appear on the registry books of the Company. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within sixty days after the mailing of such notice of resignation to the Debentureholders, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Debentureholder who has been a bona fide holder of a Debenture or Debentures for at least six months may, subject to the provisions of Section 315(e) of the Trust Indenture Act of 1939, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(1) the Trustee shall fail to comply with the provisions of Section 310(b) of the Trust Indenture Act of 1939, after written request therefor by the Company or by any Debentureholder who has been a bona fide holder of a Debenture or Debentures for at least six months, or

(2) the Trustee shall cease to be eligible in accordance with the provisions of Section 7.08 and shall fail to resign after written request therefor by the Company or by any such Debentureholder, or

(3) the Trustee shall become incapable of acting as the Trustee under this Indenture, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case the Company may remove the Trustee and appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to Section 315(e) of the Trust Indenture Act of 1939, any Debentureholder who has been a bona fide holder of a Debenture or Debentures for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as



it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The holders of a majority in aggregate principal amount of the Debentures at the time outstanding may at any time remove the Trustee and nominate a successor trustee which shall be deemed appointed as successor trustee unless within ten days after such nomination the Company objects thereto, in which case the Trustee so removed or any Debentureholder, upon the terms and conditions and otherwise as in subdivision (a) of this Section 7.09 provided, may petition any court of competent jurisdiction for an appointment of a successor trustee.

(d) Any resignation or removal of the Trustee and appointment of a successor trustee to any of the provisions of this Section 7.09 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 7.10.

SECTION 7.10. Acceptance by Successor Trustee. Any successor trustee appointed as provided in Section 7.09 shall execute, acknowledge and deliver to the Company and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as trustee herein; but, nevertheless, on the written request of the Company or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due it pursuant to the provisions of Section 7.06, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon request of any such successor trustee, the Company shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 7.06.

Upon acceptance of appointment by a successor trustee as provided in this Section 7.10, the Company shall mail notice of the succession of such trustee hereunder to the holders of Debentures at their addresses as they shall appear on the registry books of the Company. If the Company fails to mail such notice within ten days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of the Company.

SECTION 7.11. Succession by Merger, etc. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or

any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor to the Trustee hereunder, provided such corporation shall be eligible under the provisions of Section 7.08 without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything to the contrary notwithstanding.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Debentures shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Debentures so authenticated; and in case at that time any of the Debentures shall not have been authenticated, any successor to the Trustee may authenticate such Debentures either in the name of any predecessor hereunder or in the name of the successor trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Debentures or in this Indenture provided that the certificate of the Trustee shall have; provided, however, that the right to adopt the certificate of authentication of any predecessor trustee or authenticate Debentures in the name of any predecessor trustee shall apply only to its successor or successors by merger, conversion or consolidation.

SECTION 7.12. Disqualification; Conflicting Interests. If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act of 1939, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act of 1939 and this Indenture. The Indenture dated as of June 1, 1993 between the Company and the Trustee relating to the 2003 Notes is excluded from the operation of Section 310(b)(1) of the Trust Indenture Act of 1939.

## ARTICLE EIGHT

### CONCERNING THE DEBENTUREHOLDERS

SECTION 8.01. Action by Debentureholders. Whenever in this Indenture it is provided that the holders of a specified percentage in aggregate principal amount of the Debentures may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any

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other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by Debentureholders in person or by agent or proxy appointed in writing, or (b) by the record of the holders of Debentures voting in favor thereof at any meeting of Debentureholders duly called and held in accordance with the provisions of Article Nine, or (c) by a combination of such instrument or instruments and any

such record of such a meeting of Debentureholders.

SECTION 8.02. Proof of Execution by Debentureholders; Record Date. Subject to the provisions of Sections 7.01, 7.02 and 9.05, proof of the execution of any instrument by a Debentureholder or his agent or proxy shall be sufficient if made in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in such manner as shall be satisfactory to the Trustee. The ownership of Debentures shall be proved by the registry of such Debentures or by a certificate of the Debenture registrar. The Company may set a record date for purposes of determining the identity of holders of Debentures entitled to vote or consent to any action referred to in Section 8.01 or Section 9.01, which record date may be set at any time or from time to time by notice to the Trustee, for any date or dates (in the case of any adjournment or resolicitation) not more than 60 days nor less than five days prior to the proposed date of such vote or consent, and thereafter, notwithstanding any other provisions hereof, only holders of Debentures of record on such record date shall be entitled to so vote or give such consent or to withdraw such vote or consent.

The record of any Debentureholders' meeting shall be proved in the manner provided in Section 9.06.

SECTION 8.03. Who Are Deemed Absolute Owners. The Company, the Trustee, any paying agent, and any Debenture registrar may deem the person in whose name such Debenture shall be registered upon the books of the Company to be, and may treat him as, the absolute owner of such Debenture (whether or not such Debenture shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or on account of the principal of and premium, if any, and interest on such Debenture; and neither the Company nor the Trustee nor any paying agent nor any Debenture registrar shall be affected by any notice to the contrary. All such payments so made to any holder for the time being, or upon his order shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for monies payable upon any such Debenture.

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SECTION 8.04. Company-Owned Debentures Disregarded. In determining whether the holders of the requisite aggregate principal amount of Debentures have concurred in any direction, consent, waiver or other action under this Indenture, Debentures which are owned by the Company or any other obligor on the Debentures or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any other obligor on the Debentures shall be disregarded and deemed not to be outstanding for the purpose of any such determination; provided that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, consent, waiver or other action only Debentures which the Trustee knows are so owned shall be so disregarded. Debentures so owned which have been pledged in good faith may be regarded as outstanding for the purposes of this Section 8.04 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's

right to vote such Debentures and that the pledgee is not the Company or any other obligor or a person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any such other obligor. In the case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

SECTION 8.05. Revocation of Consents; Future Holders Bound. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01, of the taking of any action by the holders of the percentage in aggregate principal amount of the Debentures specified in this Indenture in connection with such action, any holder of a Debenture which is shown by the evidence to be included in the Debentures the holders of which have consented to such action may, by filing written notice with the Trustee at the Principal Office of the Trustee and upon proof of holding as provided in Section 8.02, revoke such action so far as concerns such Debenture. Except as aforesaid any such action taken by the holder of any Debenture shall be conclusive and binding upon such holder and upon all future holders and owners of such Debenture, irrespective of whether any notation in regard thereto is made upon such Debenture or any Debenture issued in exchange or substitution therefor.

## ARTICLE NINE

### DEBENTUREHOLDERS' MEETINGS

SECTION 9.01. Purposes of Meetings. A meeting of Debentureholders may be called at any time and from time to time pursuant to the provisions of this Article Nine for any of the following purposes:

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(1) to give any notice to the Company or to the Trustee or to give any directions to the Trustee, or to consent to the waiving of any default hereunder and its consequences, or to take any other action authorized to be taken by Debentureholders pursuant to any of the provisions of Article Six;

(2) to remove the Trustee and nominate a successor trustee pursuant to the provisions of Article Seven;

(3) to consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 10.02; or

(4) to take any other action authorized to be taken by or on behalf of the holders of any specified aggregate principal amount of the Debentures under any other provision of this Indenture or under applicable law.

SECTION 9.02. Call of Meetings by Trustee. The Trustee may at any time call a meeting of Debentureholders to take any action specified in Section

9.01, to be held at such time and at such place in the Borough of Manhattan, The City of New York, New York, as the Trustee shall determine. Notice of every meeting of the Debentureholders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be mailed to holders of Debentures at their addresses as they shall appear on the registry books of the Company. Such notice shall be mailed not less than twenty nor more than ninety days prior to the date fixed for the meeting.

Any meeting of Debentureholders shall be valid without notice if the holders of all Debentures then outstanding are present in person or by proxy or if notice is waived before or after the meeting by the holders of all Debentures outstanding, and if the Company and the Trustee are either present by duly authorized representatives or have, before or after the meeting, waived notice.

SECTION 9.03. Call of Meetings by Company or Debentureholders. In case at any time the Company, pursuant to a resolution of its Board of Directors, or the holders of at least ten percent in aggregate principal amount of the Debentures then outstanding, shall have requested the Trustee to call a meeting of Debentureholders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed the notice of such meeting within twenty days after receipt of such request, then the Company or such Debentureholders may determine the time and the place in said Borough of Manhattan for such meeting and may call

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such meeting to take any action authorized in Section 9.01, by mailing notice thereof as provided in Section 9.02.

SECTION 9.04. Qualifications for Voting. To be entitled to vote at any meeting of Debentureholders a person shall (a) be a holder of one or more Debentures as of the record date in respect of such vote set pursuant to Section 8.02 or (b) be a person appointed by an instrument in writing as proxy by a holder of one or more Debentures. The only persons who shall be entitled to be present or to speak at any meeting of Debentureholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 9.05. Regulations. Notwithstanding any other provision of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Debentureholders, in regard to proof of the holding of Debentures and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Debentureholders as provided in Section 9.03, in which case the

Company or the Debentureholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the holders of a majority in principal amount of the Debentures represented at the meeting and entitled to vote at the meeting.

Subject to the provisions of Section 8.04, at any meeting each Debentureholder or proxy shall be entitled to one vote for each \$100,000 principal amount of Debentures held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any Debenture challenged as not outstanding and ruled by the chairman of the meeting not to be outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Debentures held by him or instruments in writing as aforesaid duly designating him as the person to vote on behalf of other Debentureholders. Any meeting of Debentureholders duly called pursuant to the provisions of Section 9.02 or 9.03 may be adjourned from time to time by a majority of the votes present, whether or not constituting a quorum, and the meeting may be held as so adjourned without further notice.

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SECTION 9.06. Voting. The vote upon any resolution submitted to any meeting of Debentureholders shall be by written ballot on which shall be subscribed the signatures of the holders of Debentures or of their representatives by proxy and the principal amount of the Debentures held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Debentureholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in Section 9.02. The record shall show the principal amount of the Debentures voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Company and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

SECTION 9.07. No Delay of Rights by Meeting. Nothing in this Article Nine contained shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Debentureholders or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Debentureholders under any of the provisions of this Indenture or of the

ARTICLE TEN

SUPPLEMENTAL INDENTURES

SECTION 10.01. Supplemental Indentures without Consent of Debentureholders. The Company, when authorized by the resolutions of the Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for one or more of the following purposes:

(a) to evidence the succession of another corporation to the Company, or successive successions, and the assumption by the successor corporation of the covenants, agreements and obligations of the Company pursuant to Article Eleven hereof;

(b) to add to the covenants of the Company such further covenants, restrictions or conditions as the Board of Directors and the Trustee shall consider to be for the benefit of the holders of Debentures, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions or conditions a default or an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; provided, however, that in respect of any such additional covenant, restriction or condition such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may limit the remedies available to the Trustee upon such default;

(c) to provide for the issuance under this Indenture of Debentures in coupon form (including Debentures registrable as to principal only) and to provide for exchangeability of such Debentures with the Debentures issued hereunder in fully registered form and to make all appropriate changes for such purpose; or

(d) to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture which may be inconsistent with any other provision contained herein or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under this Indenture which shall not adversely affect the interests of the holders of the Debentures in any material respect.

The Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture, to make any



further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer and assignment of any property thereunder, but the Trustee shall not be obligated to, but may in its discretion, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section 10.01 may be executed by the Company and the Trustee without the consent of the holders of any of the Debentures at the time outstanding, notwithstanding any of the provisions of Section 10.02.

SECTION 10.02. Supplemental Indentures with Consent of Debentureholders. With the consent (evidenced as provided in Section 8.01) of the holders of a majority in aggregate principal amount of the Debentures at the time outstanding, the Company, when authorized by the resolutions of the Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of the Debentures; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Debenture, or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount thereof or premium, if any, thereon, or make the principal thereof or interest or premium, if any, thereon payable in any coin or currency other than that provided in the Debentures without the consent of the holder of each Debenture so affected, or (ii) reduce the aforesaid percentage of Debentures, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of all Debentures then outstanding.

Upon the request of the Company, accompanied by a copy of the resolutions of the Board of Directors certified by its Secretary or Assistant Secretary authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Debentureholders as aforesaid, the Trustee shall join with the Company in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Debentureholders under this Section 10.02 to approve the particular form of any proposed supplemental indenture, but it



shall be sufficient if such consent shall approve the substance thereof.

SECTION 10.03. Compliance with Trust Indenture Act; Effect of Supplemental Indentures. Any supplemental indenture executed pursuant to the provisions of this Article Ten, and this Indenture as affected by such supplemental indenture, shall comply with the Trust Indenture Act of 1939, as then in effect. Upon the execution of any supplemental indenture pursuant to the provisions of this Article Ten, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitation of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company and the holders of Debentures shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 10.04. Notation on Debentures. Debentures authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article Ten may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company or the Trustee shall so determine, new Debentures so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any modification of this Indenture contained in any such supplemental indenture may be prepared and executed by the Company, authenticated by the Trustee and delivered in exchange for the Debentures then outstanding, upon surrender of such Debentures then outstanding.

SECTION 10.05. Evidence of Compliance of Supplemental Indenture to Be Furnished to the Trustee. The Trustee, subject to the provisions of Sections 7.01 and 7.02, may receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant hereto complies with the requirements of this Article Ten.

## ARTICLE ELEVEN

### CONSOLIDATION, MERGER, SALE, CONVEYANCE AND LEASE

SECTION 11.01. Company May Consolidate, etc., on Certain Terms. Subject to the provisions of Section 11.02, nothing contained in this Indenture or in any of the Debentures shall prevent any consolidation or merger of the Company with or into any other corporation or corporations (whether or not affiliated

with the Company), or successive consolidations or mergers in which the Company or its successor or successors shall be a party or parties, or shall prevent any sale, conveyance or lease (or successive sales, conveyances or leases) of all or substantially all of the property of the Company, to any other corporation

(whether or not affiliated with the Company), if such corporation is authorized to acquire and operate the same and is organized under the laws of a State of the United States or the District of Columbia; provided, however, and the Company hereby covenants and agrees, (i) that upon any such consolidation, merger, sale, conveyance or lease, the due and punctual payment of the principal of and premium, if any, and interest on all of the Debentures, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed by the Company, shall be expressly assumed, by supplemental indenture satisfactory in form to the Trustee, executed and delivered to the Trustee by the corporation (if other than the Company) formed by such consolidation, or into which the Company shall have been merged, or by the corporation which shall have acquired or leased such property and (ii) that immediately after such consolidation, merger, sale, conveyance or lease, the surviving, succeeding, acquiring or leasing corporation shall not be in default under this Indenture.

SECTION 11.02. Successor Corporation to Be Substituted. In case of any such consolidation, merger, sale, conveyance or lease and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the due and punctual payment of the principal of and premium, if any, and interest on all of the Debentures and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Company, such successor corporation shall succeed to and be substituted for the Company, with the same effect as if it had been named herein as the party of the first part. Such successor corporation thereupon may cause to be signed, and may issue in its own name any or all of the Debentures issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such successor corporation instead of the Company and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Debentures which previously shall have been signed and delivered by the officers of the Company to the Trustee for authentication, and any Debentures which such successor corporation thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the Debentures so issued shall in all respects have the same legal rank and benefit under this Indenture as the Debentures theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Debentures had been issued

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at the date of the execution hereof. In the event of any such sale, conveyance or lease, the person named as the "Company" in the first paragraph of this Indenture or any successor which shall thereafter have become such in the manner prescribed in this Article Eleven may be dissolved, wound up and liquidated at any time thereafter and such person shall be released from its liabilities as obligor and maker of the Debentures and from its obligations under this Indenture.

In case of any such consolidation, merger, sale, conveyance or

lease, such changes in phraseology and form (but not in substance) may be made in the Debentures thereafter to be issued as may be appropriate.

SECTION 11.03. Opinion of Counsel to Be Given to Trustee. The Trustee, subject to Sections 7.01 and 7.02, may receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale, conveyance or lease and any such assumption complies with the provisions of this Article Eleven.

## ARTICLE TWELVE

### SATISFACTION AND DISCHARGE OF INDENTURE

SECTION 12.01. Discharge of Indenture. When (a) the Company shall deliver to the Trustee for cancellation all Debentures theretofore authenticated (other than any Debentures which shall have been destroyed, lost or stolen and in lieu of or in substitution for which other Debentures shall have been authenticated and delivered) and not theretofore cancelled, or (b) all the Debentures not theretofore cancelled or delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year, and the Company shall deposit with the Trustee, in trust, funds sufficient to pay at maturity or upon redemption all of the Debentures (other than any Debentures which shall have been mutilated, destroyed, lost or stolen and in lieu of or in substitution for which other Debentures shall have been authenticated and delivered) not theretofore cancelled or delivered to the Trustee for cancellation, including principal and premium, if any, and interest due or to become due to such date of maturity, as the case may be, and if the Company shall also pay or cause to be paid all other sums payable hereunder by the Company, then this Indenture shall cease to be of further effect (except as to (i) remaining rights of registration of transfer, substitution and exchange of Debentures, (ii) rights hereunder of holders to receive payments of principal of, and premium, if any, and interest on, the Debentures and the other

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rights, duties and obligations of Debentureholders, as beneficiaries hereof with respect to the amounts, if any, so deposited with the Trustee and (iii) the rights, obligations and immunities of the Trustee hereunder), and the Trustee, on demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel as required by Section 15.05 and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture, the Company, however, hereby agreeing to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee in connection with this Indenture or the Debentures.

SECTION 12.02. Deposited Monies to Be Held in Trust by Trustee. Subject to Section 12.04, all monies deposited with the Trustee pursuant to Section 12.01 shall be held in trust and applied by it to the payment, either

directly or through any paying agent (including the Company if acting as its own paying agent), to the holders of the particular Debentures for the payment of which such monies have been deposited with the Trustee, of all sums due and to become due thereon for principal and interest and premium, if any.

SECTION 12.03. Paying Agent to Repay Monies Held. Upon the satisfaction and discharge of this Indenture, all monies then held by any paying agent of the Debentures (other than the Trustee) shall, upon demand of the Company, be repaid to it or paid to the Trustee, and thereupon such paying agent shall be released from all further liability with respect to such monies.

SECTION 12.04. Return of Unclaimed Monies. Any monies deposited with or paid to the Trustee for payment of the principal of, premium, if any, or interest on Debentures and not applied but remaining unclaimed by the holders of Debentures for two years after the date upon which the principal of, premium, if any, or interest on such Debentures, as the case may be, shall have become due and payable, shall be repaid to the Company by the Trustee on demand and all liability of the Trustee shall thereupon cease with respect to such monies; and the holder of any of the Debentures shall thereafter look only to the Company for any payment which such holder may be entitled to collect.

## ARTICLE THIRTEEN

### DEFEASANCE

SECTION 13.01. Defeasance in Respect of the Debentures. (a) If the Company shall provide for the payment of the aggregate outstanding principal amount of and premium (if any) on

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the Debentures and each installment of interest due and to become due, as the same shall become due on the Debentures (calculated as provided below), in each case to the date of maturity of the Debentures through a deposit of funds in an amount which satisfies subsection (i) below, or of investments in an amount which satisfies subsection (ii) below, or a combination of funds and investments, each of which component satisfies the appropriate test as to its respective portion of the total principal, premium (if any) and interest to be funded (as provided below):

(i) by depositing with the Trustee in trust for the sole benefit of the Debentureholders, funds in an amount sufficient to pay (A) such principal amount of and premium (if any) on the Debentures in full on the date of maturity of the Debentures and (B) the interest on such aggregate principal amount to the date of maturity of the Debentures, taking into account all intervening interest payment dates, for the period from the date through which interest on the Debentures has been paid to the date of maturity of the Debentures; and provided further that such funds, if invested, shall be invested only in U.S. Government Obligations maturing prior to the date of maturity of the Debentures and such intervening

interest payment dates; or

(ii) by depositing with the Trustee, in trust for the sole benefit of the Debentureholders, U.S. Government Obligations in such aggregate principal amount and maturing on such dates as will, together with the income or increment to accrue thereon, but without consideration of any reinvestment of such income or increment, be sufficient to pay when due (including any intervening interest payment dates) the amounts set forth in clauses (A) and (B) of subsection (i) above; and if the Trustee shall receive (x) an Officers' Certificate, dated the date of such deposit and in form and substance satisfactory to the Trustee, to the effect that the amount of the trust deposit will be sufficient to pay when due on the date of maturity of the Debentures and on such intervening interest payment dates the amounts described in clauses (A) and (B) in subsection (i) above and that such defeasance is not in anticipation of a Preferred Stock Redemption Payment and (y) an Opinion of Counsel, dated the date of such deposit and in form and substance satisfactory to the Trustee, to the effect that the trust deposit of such funds or investments or both to defease the Company's obligations in respect of the Debentures (A) does not contravene applicable law and is in accordance with the provisions of this Indenture, (B) describing either a private ruling concerning the Debentures or a published ruling of the Internal Revenue Service to the effect that Debentureholders, or persons in the position of Debentureholders, will not recognize income, gain or loss for

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federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred and (C) does not require that the Company, the trust or the Trustee register as an investment company under the Investment Company Act of 1940, as amended; and if the Company shall also pay or cause to be paid all other sums then due and payable hereunder, then the Company's obligations in respect of the Debentures shall cease, determine and be terminated and this Indenture shall cease to be of further effect (except as specified in Section 13.01(b)).

(b) Notwithstanding the foregoing, this Indenture shall continue to be effective, regardless of any defeasance specified in this Section 13.01, as to (i) remaining rights of registration of transfer, substitution and exchange of Debentures, (ii) rights hereunder of holders regarding replacement of stolen, lost or mutilated Debentures, (iii) the obligation of the Company to maintain an office or agency as provided in Section 4.02, (iv) rights hereunder of Debentureholders to receive payments of principal of and premium, if any, and interest on the Debentures and the other rights, duties and obligations of Debentureholders, as beneficiaries hereof with respect to the amounts, if any, so deposited with the Trustee and (v) the rights, obligations and immunities of the Trustee hereunder.

(c) The Trustee, on demand of the Company and following the Trustee's receipt of all documents, funds and investments and payments specified in Section 13.01(a), and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture; the Company, however, hereby agreeing to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee in connection with this Indenture or the Debentures.

#### ARTICLE FOURTEEN

##### IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS

SECTION 14.01. Indenture and Debentures Solely Corporate Obligations. No recourse for the payment of the principal of or premium, if any, or interest on any Debenture, or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company in this Indenture or in any supplemental indenture, or in

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any Debenture, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that all such liability is hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of the Debentures.

#### ARTICLE FIFTEEN

##### MISCELLANEOUS PROVISIONS

SECTION 15.01. Provisions Binding on Company's Successors. All the covenants, stipulations, promises and agreements in this Indenture contained by the Company shall bind its successors and assigns whether so expressed or not.

SECTION 15.02. Official Acts by Successor Corporation. Any act or proceeding by any provision of this Indenture authorized or required to be done or performed by any board, committee or officer of the Company shall and may be done and performed with like force and effect by the like board, committee or officer of any corporation that shall at the time be the lawful sole successor of the Company.



SECTION 15.03. Addresses for Notices, etc. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the holders of Debentures on the Company may be given or served by being deposited postage prepaid by registered or certified mail in a post office letter box addressed (until another address is filed by the Company with the Trustee) to Continental Cablevision, Inc., Attention: Corporate Secretary, The Pilot House, Lewis Wharf, Boston, Massachusetts 02110. Any notice, direction, request or demand by any Debentureholder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or made in writing at the Principal Office of the Trustee, The First National Bank of Chicago, One First National Plaza, Suite 0126, Chicago, Illinois 60670-0126, Attention: Corporate Trust Services Division.

SECTION 15.04. Governing Law. This Indenture and each Debenture shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of the State of New York.

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SECTION 15.05. Evidence of Compliance with Conditions Precedent. Upon any application or demand by the Company to the Trustee to take any action under any of the provisions of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture shall include (1) a statement that the person making such certificate or opinion has read such covenant or condition; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statement or opinion contained in such certificate or opinion are based; (3) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

SECTION 15.06. Legal Holidays. In any case where the date of maturity of interest or premium, if any, on or principal of the Debentures or the date fixed for redemption of any Debenture will be in The City of New York, New York or the City of Boston, Massachusetts, a legal holiday or a day on which banking institutions or any national securities exchanges are authorized or required by law, regulation or executive order to close ("Legal Holidays"), then payment of such interest on or principal of the Debentures need not be made on such date but may be made on the next succeeding day not a Legal Holiday with the same force and effect as if made on the date of maturity or the date fixed for redemption and no interest shall accrue for the period from and after such

date.

SECTION 15.07. Trust Indenture Act to Control. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with another provision included in this Indenture by operation of Sections 310 to 317, inclusive, of the Trust Indenture Act of 1939, such incorporated provision shall control.

SECTION 15.08. No Security Interest Created. Nothing in this Indenture or in the Debentures, expressed or implied, shall be construed to constitute a security interest under the Uniform Commercial Code or similar legislation, as now or hereafter

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enacted and in effect, in any jurisdiction where property of the Company or its Subsidiaries is located.

SECTION 15.09. Benefits of Indenture. Nothing in this Indenture or in the Debentures, express or implied, shall give to any person, other than the parties hereto, any paying agent, any Debenture registrar and their successors hereunder and the holders of Debentures, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 15.10. Table of Contents, Headings, etc. The table of contents and the titles and headings of the articles and sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

SECTION 15.11. Execution in Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

The First National Bank of Chicago hereby accepts the trusts in this Indenture declared and provided, upon the terms and conditions hereinabove set forth.

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IN WITNESS WHEREOF, Continental Cablevision, Inc. has caused this Indenture to be signed and acknowledged by its Chief Financial Officer, Senior Vice President and Treasurer, and its corporate seal to be affixed hereunto, and the same to be attested by its Secretary or an Assistant Secretary, and The First National Bank of Chicago has caused this Indenture to be signed and acknowledged by one of its Assistant Vice Presidents, and has caused its corporate seal to be affixed hereunto and the same to be attested by an Assistant Secretary thereof, as of the day and year first written above.

CONTINENTAL CABLEVISION, INC.



By /s/ Nancy Hawthorne

-----  
Name: Nancy Hawthorne  
Title: Chief Financial Officer,  
Senior Vice President and  
Treasurer

[Seal]

Attest:

/s/ Patrick K. Miede

-----  
Name: Patrick K. Miede  
Title: Assistant Secretary

THE FIRST NATIONAL BANK OF CHICAGO

By /s/ Joseph J. Morand

-----  
Name: Joseph J. Morand  
Title: Assistant Vice President

[Seal]

Attest:

/s/ Brenda McCleod

-----  
Name: Brenda McCleod  
Title: Trust Officer

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COMMONWEALTH OF Massachusetts )  
 ) ss.:  
COUNTY OF Suffolk )

On the 2nd day of June, 1993, before me personally came Nancy Hawthorne, to me known, who, being by me duly sworn, did depose and say that she resides at 74 Holland Avenue, Brookline, Massachusetts; that she is the Chief Financial Officer, Senior Vice President and Treasurer of Continental Cablevision, Inc., one of the corporations described in and which executed the above instrument; that she knows the corporate seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by the authority of the Board of Directors of said corporation; and that



CONTINENTAL CABLEVISION, INC.

and

THE BANK OF NEW YORK,

as Trustee

INDENTURE

Dated as of August 1, 1993

\$275,000,000

8-7/8% Senior Debentures Due September 15, 2005

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\* This table of contents shall not, for any purpose, be deemed to be a part of the Indenture.

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THIS INDENTURE dated as of August 1, 1993 between CONTINENTAL CABLEVISION, INC., a Delaware corporation (hereinafter sometimes called the "Company"), and THE BANK OF NEW YORK, a New York banking corporation, as trustee hereunder (hereinafter sometimes called the "Trustee"),

WITNESSETH:

WHEREAS, for its lawful corporate purposes, the Company has duly authorized the issue of its 8-7/8% Senior Debentures Due September 15, 2005 (hereinafter sometimes called the "Debentures"), in an aggregate principal amount not to exceed \$275,000,000 (except as otherwise provided below) and, to provide the terms and conditions upon which the Debentures are to be authenticated, issued and delivered, the Company has duly authorized the execution and delivery of this Indenture; and

WHEREAS, the Debentures and the certificate of authentication to be borne by the Debentures are to be substantially in the following forms, respectively:

No. R-  
CUSIP No. \_\_\_\_\_

§

## CONTINENTAL CABLEVISION, INC.

8-7/8% Senior Debenture Due September 15, 2005

CONTINENTAL CABLEVISION, INC., a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company"), for value received, hereby promises to pay to \_\_\_\_\_, or registered assigns, the principal sum of \_\_\_\_\_ Dollars on September 15, 2005 at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest, semi-annually on March 15 and September 15 of each year, commencing March 15, 1994 on said principal sum at said office or agency, in like coin or currency, at the rate per annum specified in the title of this Debenture, from the March 15 or the September 15, as the case may be, next preceding the date of this Debenture to which interest has been

paid or duly provided for, unless the date hereof is a date to which interest has been paid or duly provided for, in which case from the date of this Debenture, or unless no interest has been paid or duly provided for on the Debentures, in which case from August 16, 1993 until payment of said principal sum has been made or duly provided for. Notwithstanding the foregoing, if the date hereof is after any March 1 or September 1, as the case may be, and before the following March 15 or September 15, this Debenture shall bear interest from such March 15 or September 15; provided, however, that if the Company shall default in the payment of interest due on such March 15 or September 15, then this Debenture shall bear interest from the next preceding March 15 or September 15 to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for on the Debentures, from August 16, 1993. The interest so payable on any March 15 or September 15 will be paid to the person in whose name this Debenture (or one or more predecessor Debentures) is registered at the close of business on the record date which shall be the March 1 or September 1 (whether or not a business day) next preceding such March 15 or September 15; provided that any such interest not punctually paid or duly provided for shall be payable as provided in the Indenture. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Interest may, at the option of the Company, be paid by check mailed to the registered address of such person.

Reference is made to the further provisions of this Debenture set forth on the reverse side hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Debenture shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with

and governed by the laws of said State.

This Debenture shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been manually signed by the Trustee under the Indenture.

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IN WITNESS WHEREOF, CONTINENTAL CABLEVISION, INC. has caused this instrument to be duly executed.

CONTINENTAL CABLEVISION, INC.

By \_\_\_\_\_  
[Title]

Attest:

\_\_\_\_\_  
[Title]

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Debentures described in the within-mentioned Indenture.

Dated:

THE BANK OF NEW YORK,  
as Trustee

By \_\_\_\_\_  
Authorized Signatory

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EXHIBIT 4.6

CONTINENTAL CABLEVISION, INC.

8-7/8% Senior Debenture Due September 15, 2005

1. This Debenture is one of a duly authorized issue of Debentures of the Company, designated as its 8-7/8% Senior Debentures Due September 15, 2005 (herein called the "Debentures"), limited (except as otherwise provided in the Indenture mentioned below) to the aggregate principal amount of \$275,000,000, all issued or to be issued under and pursuant to an Indenture dated as of August 1, 1993 (herein called the "Indenture"), duly executed and delivered in the Borough of Manhattan, The City of New York, the State of New York, by the Company to The Bank of New York, Trustee (herein called the "Trustee"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Debentures.

2. In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal hereof may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

3. The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of a majority in aggregate principal amount of the Debentures at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or modifying in any manner the rights of the holders of the Debentures; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Debenture, or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount thereof or any premium thereon, or make the principal thereof or any premium or interest thereon payable in any coin or currency other than that hereinbefore provided without the consent of the holder of each Debenture so affected or (ii) reduce the aforesaid percentage of Debentures, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of all Debentures then outstanding. It is also provided in the Indenture that, prior to any declaration accelerating the maturity of the Debentures, the holders of a majority in aggregate principal amount of the

Debentures at the time outstanding may on behalf of the holders of all of the Debentures waive any past default or Event of Default under the Indenture and its consequences except a default in the payment of interest or any premium on or the principal of any of the Debentures. Any such consent or waiver by the

holder of this Debenture (unless revoked as provided in the Indenture) shall be conclusive and binding upon such holder and upon all future holders and owners of this Debenture and any Debentures which may be issued in exchange or substitution therefor, irrespective of whether or not any notation thereof is made upon this Debenture or such other Debentures.

4. No reference herein to the Indenture and no provision of this Debenture or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Debenture at the place, at the respective times, at the rate and in the coin or currency herein prescribed.

5. The Debentures are issuable in registered form without coupons in denominations of \$100,000 and any multiple of \$100,000. At the office or agency of the Company in the Borough of Manhattan, The City of New York and in the manner and subject to the limitations provided in the Indenture, but without payment of any service charge, Debentures may be exchanged for a like aggregate principal amount of Debentures of other authorized denominations.

6. The Debentures may not be called for redemption prior to maturity, except pursuant to paragraphs 7 and 8 hereof.

7. If the Company proposes to make certain cash redemptions (a "Preferred Stock Redemption Payment", as defined in the Indenture) with respect to its 1992 Preferred Stock (as defined in the Indenture), the Company shall mail notice thereof (the "Preferred Event Put Notice", as defined in the Indenture) to each holder of Debentures at his last registered address at least 31 and no more than 60 days before the proposed date of such Preferred Stock Redemption Payment. For 30 days from the date of the Preferred Event Put Notice, or such longer period as the Company may elect by written notice to the holders of the Debentures (the "Tender Period", as defined in the Indenture), each holder of the Debentures shall have the right to tender his Debentures to the Company and thereby require the Company to redeem, on the date (if any) of the Preferred Stock Redemption Payment (which shall be (i) at least 31 and no more than 60 days after the date of the Preferred Event Put Notice and (ii) no more than 5 days after the last day of the Tender Period), all, but not less than all, of such holder's Debentures at the principal amount thereof together with accrued interest to the date fixed for redemption. Such date will be the same date as the date on

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which the Company repurchases any 2001 Notes, 2013 Debentures or June Senior Debt Securities (as such terms are defined in the Indenture) as a result of a Preferred Stock Redemption Payment. If the proposed Preferred Stock Redemption Payment is not made on or prior to the earlier to occur of (i) the 60th day after the date of the Preferred Event Put Notice with respect thereto or (ii) the 5th day after the last day of the Tender Period, the Company will no longer have the right or obligation to redeem Debentures tendered in connection with, and as a result of, such proposed Preferred Stock Redemption Payment and the

Company shall cause the Debentures tendered by each holder to be returned to such holder. The Company shall not thereafter make a Preferred Stock Redemption Payment unless a subsequent Preferred Event Put Notice has been sent to the holders of the Debentures in connection therewith. If the Company has previously satisfied and discharged the Indenture or has previously effected a defeasance with respect to the Debentures, the right of a holder to require such a redemption shall expire.

8. If the Company or one of its Restricted Subsidiaries (as defined in the Indenture) proposes to make certain repurchases with respect to the Common Stock (as so defined) or certain borrowings, and immediately after any such repurchase or borrowing (and related transactions) the aggregate Indebtedness (as so defined) of the Company and its Restricted Subsidiaries would exceed certain specified levels (each a "Put Option Transaction", as defined in the Indenture), the Company shall mail notice thereof to each holder of the Debentures at his last registered address not less than 15 days nor more than 45 days before the proposed date of such Put Option Transaction. On the date the Put Option Transaction takes place (which shall be no more than 30 days after the date proposed in the initial notice provided by the Company), the Company will mail notice thereof to each holder of the Debentures at his last registered address. For 30 days from the date of such notice, each holder of the Debentures shall have the right to tender his Debentures to the Company and thereby require the Company to redeem all, but not less than all, of such holder's Debentures at a price equal to the principal amount of such Debentures plus accrued interest thereon to the date fixed for redemption (which shall be thirty- five days from the date on which the Put Option Transaction takes place), plus a premium (expressed as a percentage of the principal amount redeemed) determined as follows:

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If redeemed during the 12-month period ending September 14, of the years indicated,

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Year	Premium
----	-----
<S>	<C>
1994	8.8750%
1995	7.9875%
1996	7.1000%
1997	6.2125%
1998	5.3250%
1999	4.4375%
2000	3.5500%
2001	2.6625%
2002	1.7750%
2003	0.8875%

&lt;/TABLE&gt;

If the Company shall redeem any of the Debentures on the date fixed for redemption, the option of the holders of Debentures to require the Company to redeem the Debentures pursuant to this paragraph 8 shall have no further effect and certain covenants of the Company shall cease to have any further force and effect as set forth in the Indenture. If the Company has previously satisfied and discharged the Indenture or has previously effected a defeasance with respect to the Debentures, the right of a holder to request such a redemption shall expire.

9. Upon due presentment for registration of transfer of this Debenture at the office or agency of the Company in the Borough of Manhattan, The City of New York, a new Debenture or Debentures of authorized denominations for an equal aggregate principal amount will be issued to the transferee in exchange therefor, subject to the limitations provided in the Indenture, without charge except for any tax or other governmental charge imposed in connection therewith.

10. The Company, the Trustee, any paying agent and any Debenture registrar may deem and treat the registered holder hereof as the absolute owner of this Debenture (whether or not this Debenture shall be overdue and notwithstanding any notation of ownership or other writing hereon) for the purpose of receiving payment hereof, or on account hereof and for all other purposes, and neither the Company nor the Trustee nor any paying agent nor any Debenture registrar shall be affected by any notice to the contrary. All payments made to or upon the order of such registered holder shall, to the extent of the sum or sums paid, satisfy and discharge liability for monies payable on this Debenture.

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11. No recourse for the payment of the principal of or any premium or interest on this Debenture, or for any claim based hereon or otherwise in respect hereof, and no recourse under or upon any obligation, covenant or agreement of the Company in the Indenture or any indenture supplemental thereto or in any Debenture, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

-----

OPTION OF HOLDER TO ELECT REDEMPTION



If you want to elect to have this Debenture redeemed in its entirety by the Company pursuant to Section 3.02 or 3.03 of the Indenture, check the box:

-----

Dated:

Your Signature: \_\_\_\_\_  
(Sign exactly as name appears on the other side of this Debenture)

Signature Guarantee: \_\_\_\_\_

(Signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

-----

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AND WHEREAS, all acts and things necessary to make the Debentures, when executed by the Company and authenticated and delivered by the Trustee, as in this Indenture provided, and issued, valid, binding and legal obligations of the Company, and to constitute these presents a valid agreement according to its terms, have been done and performed, and the execution of this Indenture and the issue hereunder of the Debentures have in all respects been duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Debentures are, and are to be, authenticated, issued and delivered, and in consideration of the premises, of the purchase and acceptance of the Debentures by the holders thereof and of the sum of one dollar duly paid to it by the Trustee at the execution of these presents, the receipt whereof is hereby acknowledged, the Company covenants and agrees with the Trustee for the equal and proportionate benefit of the respective holders from time to time of the Debentures (except as otherwise provided below), as follows:

ARTICLE ONE

DEFINITIONS

SECTION 1.01. Definitions. The terms defined in this Section 1.01 (except as herein otherwise expressly provided or unless the context otherwise clearly requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section 1.01. All other terms used in this Indenture which are defined in the Trust Indenture Act of 1939 or which are by reference therein defined in the Securities Act of 1933 (except as herein otherwise expressly provided or unless the context otherwise clearly requires) shall have the meanings assigned to such terms in said Trust Indenture Act and in said Securities Act as in force at the date of the execution of this Indenture.

Acceleration Notice: The term "Acceleration Notice" shall have the meaning specified in Section 6.01.

Accreted Value: The term "Accreted Value", for each share of 1992 Preferred Stock, as of any date, shall mean the sum of \$350 and an amount calculated to provide the holder of a share of 1992 Preferred Stock, as of such date, with a yield of 8% thereon, compounded semi-annually in arrears, from the date issued to and including such date, provided that such Accreted

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Value shall be reduced by the fair market value at such date of any dividends or distributions which have been previously paid on such share of 1992 Preferred Stock, assuming the same 8% per annum yield from the date of payment of such dividend or distribution and compounded on the same basis. The fair market value of any non-cash dividend or distribution shall be (a) in the case of any securities, the current market price of such securities (determined in accordance with the terms of the Company's Certificate of Incorporation); and (b) in the case of any other property, the fair market value of such property on a fully-distributed basis as determined at the time of such distribution by investment bankers mutually agreeable to the Company and the holders of a majority of the voting power represented by the outstanding shares of 1992 Preferred Stock.

Affiliate: The term "Affiliate" shall mean, as to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with") as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract or otherwise.

Annualized Cash Flow: The term "Annualized Cash Flow" shall mean Operating Cash Flow for the latest fiscal quarter for which financial statements are available multiplied by four.

Banking Day: The term "Banking Day" shall mean any day other than a day on which commercial banks are required to close in the Borough of Manhattan,

The City of New York.

**Board of Directors:** The term "Board of Directors" shall mean the Board of Directors of the Company, or the Executive Committee thereof, as from time to time constituted, or any other committee of such Board duly authorized to act for it in respect of matters pertaining to this Indenture.

**Capital Stock:** The term "Capital Stock" shall mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated) of such Person's capital stock whether now outstanding or issued after the date of this Indenture, including, without limitation, all Common Stock and 1992 Preferred Stock.

**Common Stock:** The term "Common Stock" shall mean the Common Stock of the Company.

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**Company:** The term "Company" shall mean Continental Cablevision, Inc., a Delaware corporation, and subject to the provisions of Article Eleven, shall include its successors and assigns.

**Credit Agreement:** The term "Credit Agreement" shall mean that certain Credit Agreement dated as of May 1, 1989, as amended and restated as of July 30, 1990, among the Company, the Restricted Subsidiaries and certain financial institutions, as amended from time to time.

**Debenture or Debentures; Outstanding.** The terms "Debenture" or "Debentures" shall mean any Debenture or Debentures, as the case may be, authenticated and delivered under this Indenture.

The term "outstanding", when used with reference to Debentures, shall, subject to the provisions of Section 8.04, mean, as of any particular time, all Debentures authenticated and delivered by the Trustee under this Indenture, except

(a) Debentures theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Debentures for the payment or redemption of which monies in the necessary amount shall have been deposited in trust with the Trustee or with any paying agent (other than the Company) or shall have been set aside and segregated in trust by the Company (if the Company shall act as its own paying agent), provided that if such Debentures are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article Three provided, or provision satisfactory to the Trustee shall have been made for giving such notice; and

(c) Debentures paid pursuant to Section 2.06 or in lieu of or in substitution for which other Debentures shall have been authenticated and

delivered pursuant to the terms of Section 2.06 unless proof satisfactory to the Trustee is presented that any such Debentures are held by bona fide holders in whose hands the Debentures are valid obligations of the Company.

**Debentureholder:** The terms "Debentureholder" or "holder of Debentures", or other similar terms, shall mean any person in whose name at the time a particular Debenture is registered on the books of the Company kept for that purpose in accordance with the terms hereof.

**Defaulted Interest:** The term "Defaulted Interest" shall have the meaning specified in Section 2.03.

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**Event of Default:** The term "Event of Default" shall mean any event specified in Section 6.01, continued for the period of time, if any, and after the giving of the notice, if any, therein designated.

**Exempt Indebtedness:** The term "Exempt Indebtedness" shall mean Indebtedness or any portion thereof specifically incurred or to be incurred (in either instance, within 75 days of the Exempt Repurchase to which it relates) for the purpose of making an Exempt Repurchase, or a refinancing thereof.

**Exempt Repurchase:** The term "Exempt Repurchase" shall mean the repurchase by the Company at any time and from time to time of up to 751,305 shares of its Common Stock which are subject to the 1998-1999 Share Repurchase Program, provided, that the Company shall have received prior to any such repurchase of Common Stock an opinion of an investment banker knowledgeable in the communications industry (who may be the Company's investment banker) that the price per share of Common Stock paid pursuant to any such repurchase does not exceed the greater of (A) the dollar amount, less a discount of 22.5%, that a holder of Common Stock would then receive per share of Common Stock (x) upon a sale of the Company as a whole pursuant to a merger or sale of stock, or if greater, (y) from the sale of the Company's assets and subsequent distribution of the proceeds thereof (net of taxes including corporate, sales and capital gain taxes in connection with such sale of assets) or (B) the net proceeds which would be expected to be received per share from the sale of a share of Common Stock of the Company in an underwritten public offering held at the time any such repurchase of Common Stock is to occur reduced by pro forma expenses and underwriting discounts unless the Common Stock is publicly traded and, in the opinion of the investment banker, such expenses and underwriting discounts would not be incurred in connection with an underwritten public sale of a shareholder's non-registered shares; provided, further, that no such opinion of an investment banker shall be necessary for any such repurchase if the aggregate of all such repurchases during the relevant calendar year does not exceed \$10,000,000 and the Board of Directors approves any such repurchase after concluding in its reasonable judgment that the price per share does not exceed the price that would have been established by an investment banker pursuant to the formula immediately above.

GAAP: The term "GAAP" shall mean generally accepted accounting principles in the United States as in effect as of the date of this Indenture, including, without limitation, those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such

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other entity as approved by a significant segment of the accounting profession.

Indebtedness: The term "Indebtedness" shall mean, without duplication, with respect to any Person, any indebtedness, contingent or otherwise, in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof), or evidenced by bonds, notes, debentures or similar instruments or representing the balance deferred and unpaid of the purchase price of any property (excluding any balances that constitute subscriber advance payments and deposits, accounts payable or trade payables, and other accrued liabilities arising in the ordinary course) if and to the extent any of the foregoing indebtedness would appear as a liability upon a balance sheet of such Person prepared in accordance with generally accepted accounting principles, and shall also include, to the extent not otherwise included, the maximum fixed repurchase price of any equity securities or other similar interests of such Person which by their terms or otherwise are required to be redeemed prior to the maturity of the Debentures or at the option of the holder thereof, obligations secured by a Lien to which the property or assets owned or held by such Person is subject, whether or not the obligation or obligations secured thereby shall have been assumed, all obligations to reimburse any bank or other Person in respect of amounts paid under letters of credit, acceptances, or other similar instruments, and guaranties of any of the above items (whether or not such items would appear upon such balance sheet and whether or not such items were incurred by another Person). The term "Indebtedness" shall not include (i) any Interest Rate Agreement, however denominated, of the Company or any Subsidiary, (ii) as to the Restricted Group, any indebtedness of any Subsidiary which is non-recourse to all members of the Restricted Group or any pledge of the stock of any such Subsidiary to secure such indebtedness, (iii) as to the Restricted Group, any indebtedness of a Restricted Subsidiary to another Restricted Subsidiary or the Company, or any indebtedness of the Company to a Restricted Subsidiary, (iv) any obligation of the Company to redeem, or to pay dividends on, its outstanding 1992 Preferred Stock, (v) any obligation of the Company to repurchase shares of its outstanding Common Stock pursuant to the 1998-1999 Share Repurchase Program, or (vi) any equity securities or other similar interests which, at the option of the Company or otherwise, are redeemable into shares of Capital Stock of the Company.

Indenture: The term "Indenture" shall mean this instrument as originally executed or, if amended or supplemented as herein provided, as so amended or supplemented.

Initial Tender Period: The term "Initial Tender Period" shall have the meaning specified in Section 3.02(a).

Interest Rate Agreement: The term "Interest Rate Agreement" shall mean any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement designed to protect the party indicated therein against fluctuations in interest rates.

June Senior Debt Securities: The term "June Senior Debt Securities" means the 8-5/8% Senior Notes due August 15, 2003 of the Company issued pursuant to an Indenture dated as of June 1, 1993 between the Company and The First National Bank of Chicago, as Trustee, and the 9% Senior Debentures due September 1, 2008 of the Company issued pursuant to an Indenture dated as of June 1, 1993 between the Company and The First National Bank of Chicago, as Trustee.

Lien: The term "Lien" shall mean, as to the Restricted Group and as used in the definition of "Indebtedness", any mortgage, pledge, lien or security interest except for (i) pledges of the stock of Unrestricted Subsidiaries to secure Indebtedness; (ii) Liens for taxes, assessments or governmental charges or claims the payment of which is being contested in good faith by appropriate proceedings and with respect to which the Company or a Restricted Subsidiary shall have created adequate reserves on its books; (iii) Liens of mechanics, carriers, warehousemen or materialmen arising in the ordinary course of business in respect of obligations which are not overdue or which are being contested in good faith; (iv) Liens resulting from deposits or pledges made in the ordinary course of business to secure payment of workers' compensation, unemployment insurance, old age pension or other social security, or in connection with or to secure the performance of bids, tenders or contracts made in the ordinary course of business, or to secure statutory obligations or surety, performance or appeal bonds; (v) Liens in respect of judgments or awards the payment of which is being contested in good faith by appropriate proceedings and with respect to which the Restricted Group shall have created adequate reserves on its books; (vi) purchase money security interests (including mortgages, any conditional sale or other title retention agreement and any capitalized lease); provided, however, that the principal amount of Indebtedness secured by each such security interest in each such item (or group of items) of property shall not exceed the cost of the item (or group of items) subject thereto and each such security interest shall attach only to the particular item (or group of items) so acquired and any additions or accessions thereto; (vii) landlord's or lessor's liens under leases to which any member of the Restricted Group is a party; and (viii) Liens of utilities and other persons pursuant to pole attachment agreements, and

restrictions on the transfer of rights under franchises or pole attachment agreements, and any encumbrances created in favor of franchising authorities and subscribers by provisions of franchises on cable television plant and equipment

located in the areas covered thereby.

1998-1999 Share Repurchase Program: The term "1998-1999 Share Repurchase Program" shall mean the Common Stock repurchase program of the Company under the Stock Liquidation Agreement under which the Company will offer to purchase, and certain shareholders of the Company will sell to the Company, on December 15, 1998 (or January 15, 1999, at the election of each such shareholder), at a price established pursuant to a specified formula, up to 751,305 shares of Common Stock.

1992 Preferred Stock: The term "1992 Preferred Stock" shall mean the Series A Participating Convertible Preferred Stock, \$.01 par value per share, of the Company.

Officers' Certificate: The term "Officers' Certificate", when used with respect to the Company, shall mean a certificate signed by the Chairman of the Board, the Vice Chairman of the Board, the Chief Executive Officer, the President or any Vice President and by the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Company. Each such certificate shall include the statements provided for in Section 15.05 if and to the extent required by the provisions of such Section.

Operating Cash Flow: The term "Operating Cash Flow" shall mean, for any period, an amount equal to (i) aggregate operating revenues plus interest and ordinary dividend income minus (ii) aggregate operating expenses, excluding non-operating expenses such as interest expense, depreciation and amortization, non-cash amounts and taxes on income, of the Restricted Group for such period, determined on a consolidated basis after eliminating all inter-company items with respect to the Restricted Group, in accordance with generally accepted accounting principles consistently applied. For purposes of calculating Operating Cash Flow, there shall be included in the Operating Cash Flow of the Restricted Group for any fiscal quarter for which Operating Cash Flow is being calculated the Operating Cash Flow for such fiscal period of any Subsidiary which has been designated a Restricted Subsidiary or of any operating assets acquired by a member of the Restricted Group (including assets constituting a cable television system acquired by the Company or a Restricted Subsidiary) after the commencement of such fiscal period. If the actual financial statements of any such new Restricted Subsidiary or operating assets for any fiscal period or portion thereof prior to the inclusion of such subsidiary as a Restricted Subsidiary or the acquisition of such operating assets by the

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Company or a Restricted Subsidiary are unavailable or inaccurate in the reasonable opinion of the Company, then the Operating Cash Flow of such new Restricted Subsidiary or operating assets may be determined from pro forma financial statements of such new Restricted Subsidiary or operating assets for such period as prepared in good faith by the Company, provided, however, that not more than \$10,000,000 of Operating Cash Flow determined on an annualized basis from such pro forma financial statements shall be included in the



Operating Cash Flow of the Restricted Group. For purposes of calculating Operating Cash Flow, there will not be included in the Operating Cash Flow of the Restricted Group for any fiscal quarter for which Operating Cash Flow is being calculated the Operating Cash Flow for such fiscal period of any Restricted Subsidiary which has been designated an Unrestricted Subsidiary after the commencement of such fiscal period or of operating assets (including assets constituting a cable television system) owned by the Company or a Restricted Subsidiary which have been transferred to an Unrestricted Subsidiary or any third party after the commencement of such fiscal period.

**Opinion of Counsel:** The term "Opinion of Counsel" shall mean an opinion in writing signed by legal counsel, who may be an employee of or counsel to the Company or other counsel reasonably acceptable to the Trustee. Each such opinion shall include the statements provided for in Section 15.05 if and to the extent required by the provisions of such Section.

**Person:** The term "Person" shall mean a corporation, an association, a partnership, an organization, an individual, a government or a political subdivision thereof or a governmental agency.

**Pre-Acceleration Notice:** The term "Pre-Acceleration Notice" shall have the meaning specified in Section 6.01.

**Predecessor Debenture:** The term "Predecessor Debenture" of any particular Debenture shall mean every previous Debenture evidencing all or a portion of the same debt as that evidenced by such particular Debenture; and, for the purposes of this definition, any Debenture authenticated and delivered under Section 2.06 in lieu of a lost, destroyed or stolen Debenture shall be deemed to evidence the same debt as the lost, destroyed or stolen Debenture.

**Preferred Event Put Notice:** The term "Preferred Event Put Notice" shall have the meaning set forth in Section 3.02(c).

**Preferred Event Redemption Date:** The term "Preferred Event Redemption Date" shall have the meaning specified in Section 3.02(b).

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**Preferred Event Redemption Price:** The term "Preferred Event Redemption Price" shall have the meaning specified in Section 3.02(a).

**Preferred Stock Change of Control Event:** The term "Preferred Stock Change of Control Event" shall mean the right of holders of 1992 Preferred Stock, pursuant to the terms of the Company's Certificate of Incorporation, to cause the Company to redeem any of their shares of 1992 Preferred Stock at the then Accreted Value, payable, at the Company's sole option, in cash or in shares of Common Stock (based on a value of 90% of the Common Stock's then-current market value (as determined in accordance with the terms of the Company's



Certificate of Incorporation)) if (i) there is (subject to certain exceptions) an acquisition by any person or group of 50% or more of the combined voting or economic power of the then outstanding voting securities of the Company, including pursuant to a reorganization, consolidation or merger, or a sale of all or substantially all of the Company's assets and (ii) at the time of any such event, the value of the Common Stock issuable upon conversion of a share of 1992 Preferred Stock is less than the then Accreted Value of such share of 1992 Preferred Stock.

**Preferred Stock Redemption Payment:** The term "Preferred Stock Redemption Payment" shall mean the redemption by the Company of shares of the 1992 Preferred Stock, for an aggregate cash redemption price exceeding 25% of the Accreted Value as of the date of redemption of all outstanding shares of the 1992 Preferred Stock, in response to the exercise by holders of the 1992 Preferred Stock of their right to cause the Company to redeem any of their shares upon the occurrence of a Preferred Stock Change of Control Event.

**Principal Office of the Trustee:** The term "Principal Office of the Trustee", or other similar term, shall mean the principal office of the Trustee at which at any particular time its corporate trust business shall be administered.

**Principal Property:** The term "Principal Property" shall mean, as of any date of determination, any property or assets owned by any Restricted Subsidiary other than (1) any such property which, in the good faith opinion of the Board of Directors, is not of material importance to the business conducted by the Company and its Restricted Subsidiaries taken as a whole and (2) any shares of any class of stock or any other security of any Unrestricted Subsidiary.

**Proposed Date:** The term "Proposed Date" shall have the meaning set forth in Section 3.03(c).

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**Put Option Borrowing:** The term "Put Option Borrowing" shall have the meaning specified in Section 3.03(b)(ii).

**Put Option Redemption Date:** The term "Put Option Redemption Date" shall have the meaning specified in Section 3.03(a).

**Put Option Redemption Price:** The term "Put Option Redemption Price" shall have the meaning specified in Section 3.03(a).

**Put Option Stock Repurchase:** The term "Put Option Stock Repurchase" shall have the meaning specified in Section 3.03(b)(i).

**Put Option Transaction:** The term "Put Option Transaction" shall have the meaning set forth in Section 3.03(c).

Put Option Transaction Date: The term "Put Option Transaction Date" shall have the meaning specified in Section 3.03(d).

Responsible Officer: The term "Responsible Officer", when used with respect to the Trustee, shall mean any officer of the Trustee assigned by the Trustee to administer its corporate trust matters and shall include any officer in its corporate trust department.

Restricted Group: The term "Restricted Group" shall mean the Company and the Restricted Subsidiaries. The term "Restricted Group" shall not directly or indirectly include any Unrestricted Subsidiary.

Restricted Payments: The term "Restricted Payments" shall have the meaning specified in Section 4.06. Restricted Payments shall not include any Exempt Repurchases.

Restricted Stock Purchase Agreement: The term "Restricted Stock Purchase Agreement" shall mean an agreement between the Company and an employee selected by the Board of Directors pursuant to which that employee may purchase shares of Common Stock.

Restricted Subsidiary: The term "Restricted Subsidiary" shall mean (i) any Subsidiary of the Company, whether existing on or after the date of the Indenture, which has been designated a Restricted Subsidiary for purposes of the Company's Credit Agreement or the Revolving Credit Agreement unless any such Subsidiary is subsequently classified as an Unrestricted Subsidiary for purposes of the Indenture by the Company, as evidenced by an Officers' Certificate delivered to the Trustee,

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and (ii) any Unrestricted Subsidiary which is classified for purposes of the Indenture as a Restricted Subsidiary by the Company, as evidenced by an Officers' Certificate delivered to the Trustee. The Company may not classify as an Unrestricted Subsidiary for purposes of this Indenture any Subsidiary that is classified as a Restricted Subsidiary for purposes of the Credit Agreement or the Revolving Credit Agreement or any similar, successor agreements.

Revolving Credit Agreement: The term "Revolving Credit Agreement" shall mean that certain Credit Agreement dated as of May 15, 1992 among the Company, certain Restricted Subsidiaries and certain financial institutions, as amended from time to time.

Stock Liquidation Agreement: The term "Stock Liquidation Agreement" shall mean that certain Stock Liquidation Agreement dated March 6, 1989, as amended, among the Company and certain holders of the Common Stock of the Company.

Subsidiary: The term "Subsidiary" shall mean (i) any corporation of which the outstanding stock having at least a majority in voting power in the

election of directors under ordinary circumstances shall at the time be owned, directly or indirectly, by the Company, by the Company and one or more Subsidiaries or by one or more Subsidiaries or (ii) any other Person of which at least a majority of voting interest, under ordinary circumstances, is at the time, directly or indirectly, owned or controlled by the Company or by the Company and one or more Subsidiaries or by one or more Subsidiaries. A partnership of which the Company or any Subsidiary is the managing general partner shall be deemed to be a Subsidiary.

**Tender Discharge Date:** The term "Tender Discharge Date" shall have the meaning specified in Section 3.02(b).

**Tender Period:** The term "Tender Period" shall have the meaning specified in Section 3.02(a).

**Total Interest Expense:** The term "Total Interest Expense" shall mean, for any period, the aggregate amount of interest in respect of Indebtedness (including amortization of original issue discount on any Indebtedness and the interest portion of any deferred payment obligation and after taking into account the effect of any Interest Rate Agreements, however denominated, with respect to such Indebtedness) and all but the principal component of rentals in respect of capital lease obligations, paid, accrued or scheduled to be paid or accrued by the Restricted Group during such period, determined on a consolidated basis after eliminating all intercompany items in accordance with generally accepted accounting principles; provided that such amounts paid, accrued and scheduled to be paid

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or accrued by any Person which is not a Subsidiary but the accounts of which are consolidated with those of the Company shall be deducted therefrom. For purposes of this definition interest on a capital lease obligation shall be deemed to accrue at an interest rate reasonably determined by the Company to be the rate of interest implicit in such capital lease obligation in accordance with generally accepted accounting principles.

**Trust Indenture Act of 1939:** The term "Trust Indenture Act of 1939" shall mean the Trust Indenture Act of 1939 as it was in force at the date of execution of this Indenture, except as provided in Section 10.03.

**Trustee:** The term "Trustee" shall mean The Bank of New York and, subject to the provisions of Article Seven hereof, shall also include its successors and assigns as Trustee hereunder.

**2001 Notes:** The term "2001 Notes" shall mean the 8-1/2% Senior Notes of the Company Due September 15, 2001.

**2013 Debentures:** The term "2013 Debentures" shall mean the 9-1/2% Senior Debentures of the Company Due August 1, 2013.

Unrestricted Subsidiary: The term "Unrestricted Subsidiary" shall mean any Subsidiary of the Company, whether existing on or after the date of this Indenture, which is not a Restricted Subsidiary.

U.S. Government Obligations: The term "U.S. Government Obligations" shall mean direct obligations of, or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America.

Vice President: The term "Vice President" shall mean any vice president of the Company, whether or not designated by a number or a word or words added before or after the title "vice president".

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## ARTICLE TWO

### ISSUE, DESCRIPTION, EXECUTION, REGISTRATION AND EXCHANGE OF DEBENTURES

SECTION 2.01. Designation, Amount and Issue of Debentures. The Debentures shall be designated as "8-7/8% Senior Debentures Due September 15, 2005". Debentures not to exceed the aggregate principal amount of \$275,000,000 (except as provided in Section 2.06) upon the execution of this Indenture, or from time to time thereafter, may be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Debentures to or upon the written order of the Company, signed by its Chairman or Vice Chairman of the Board of Directors or its Chief Executive Officer or its President or any Vice President and by its Treasurer or Assistant Treasurer or its Secretary or any Assistant Secretary, without any further action by the Company hereunder.

SECTION 2.02. Form of Debentures. The Debentures and the Trustee's certificate of authentication to be borne by the Debentures shall be substantially in the form as in this Indenture above recited. Any of the Debentures may have imprinted thereon such legends or endorsements as the officers executing the same may approve (execution thereof to be conclusive evidence of such approval) and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Debentures may be listed, or to conform to usage.

SECTION 2.03. Date and Denomination of Debentures. The Debentures shall be issuable in registered form without coupons in denominations of \$100,000 and any multiple of \$100,000. Every Debenture shall be dated the date of its authentication and, except as provided in this Section, shall bear interest, payable semi-annually on March 15 and September 15 of each year, commencing March 15, 1994, from the March 15 or September 15, as the case may be, next preceding the date of such Debenture to which interest has been paid or

duly provided for, unless the date of such Debenture is the date to which interest has been paid or duly provided for, in which case from the date of such Debenture, or unless no interest has been paid or duly provided for on the Debentures, in which case from August 16, 1993 until payment of the principal sum has been made or duly provided for. Notwithstanding the foregoing, when there is no existing default in the payment of interest on the Debentures, all Debentures authenticated by the Trustee after the close of business on the record date (as hereinafter defined) for any interest payment

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date (March 15 or September 15, as the case may be) and prior to such interest payment date shall be dated the date of authentication but shall bear interest from such interest payment date; provided, however, that if and to the extent that the Company shall default in the payment of interest due on such interest payment date then any such Debenture shall bear interest from the March 15 or September 15, as the case may be, next preceding the date of such Debenture to which interest has been paid or duly provided for, unless no interest has been paid or duly provided for on the Debentures, in which case from August 16, 1993. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The person in whose name any Debenture (or its Predecessor Debenture) is registered at the close of business on any record date with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date (subject to the provisions of Article Three in the case of any Debenture or Debentures, or portion thereof, called for redemption on a date subsequent to the record date and prior to such interest payment date) notwithstanding the cancellation of such Debenture upon any transfer or exchange subsequent to the record date and prior to such interest payment date. Interest may, at the option of the Company, be paid by check mailed to the address of such person on the registry kept for such purposes. The term "record date" with respect to any interest payment date shall mean the March 1 or September 1 preceding said March 15 or September 15.

Any interest on any Debenture which is payable, but is not paid or duly provided for within 30 days after the date on which it becomes due and payable on any said March 15 or September 15 (herein called "Defaulted Interest") shall forthwith cease to be payable to the Debentureholder on the relevant record date by virtue of having been such Debentureholder; and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Debentures (or their respective Predecessor Debentures) are registered at the close of business on a special record date for the payment of such Defaulted Interest, which shall be fixed in the following manner. At least 45 days before the proposed payment date, the Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Debenture and

the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such

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deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon, not more than 15 days and not less than 10 days after receipt by the Trustee of notice of the proposed payment, the Trustee shall fix a special record date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment. The Trustee shall promptly notify the Company of such special record date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the special record date therefor to be mailed, first-class postage prepaid to each Debentureholder at his address as it appears in the Debenture register, not less than 15 days prior to such special record date. Notice of the proposed payment of such Defaulted Interest and the special record date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Debentures (or their respective Predecessor Debentures) are registered at the close of business on such special record date and shall no longer be payable pursuant to the following clause (2).

(2) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Debentures may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

SECTION 2.04. Execution of Debentures. The Debentures shall be signed in the name and on behalf of the Company by the facsimile signature of its Chairman or Vice Chairman of the Board of Directors, its Chief Executive Officer, its President or any of its Vice Presidents and attested by the facsimile signature of its Secretary or any of its Assistant Secretaries (which may be printed, engraved or otherwise reproduced thereon, by facsimile or otherwise). Only such Debentures as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, manually executed by the Trustee, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such authentication by the Trustee upon any Debenture executed by the Company shall be conclusive evidence that the Debenture so authenticated has been duly authenticated and delivered hereunder and that the holder is entitled to the benefits of this Indenture.

In case any officer of the Company who shall have signed any of the Debentures shall cease to be such officer before the

Debentures so signed shall have been authenticated and delivered by the Trustee, or disposed of by the Company, such Debentures nevertheless may be authenticated and delivered or disposed of as though the person who signed such Debentures had not ceased to be such officer of the Company; and any Debenture may be signed on behalf of the Company by such persons as, at the actual date of the execution of such Debenture, shall be the proper officers of the Company, although at the date of the execution of this Indenture any such person was not such an officer.

SECTION 2.05. Exchange and Registration of Debentures; Transfer of Debentures. Debentures may be exchanged for a like aggregate principal amount of Debentures of other authorized denominations. Debentures to be exchanged shall be surrendered at the office or agency to be maintained by the Company in the Borough of Manhattan, The City of New York (which office for purposes of this Section 2.05 shall be the office of the registrar hereunder), and the Company shall execute and register and the Trustee shall authenticate and deliver in exchange therefor the Debenture or Debentures which the Debentureholder making the exchange shall be entitled to receive. The Company hereby appoints the Trustee to be, and the Trustee agrees to serve as, the initial registrar of the Debentures.

The registrar (or the Company if there is no registrar) shall keep at said office in the Borough of Manhattan, The City of New York, a register in which, subject to such reasonable regulations as it may prescribe, Debentures shall be registered and the transfer of Debentures shall be registered as in this Article Two provided. Such register shall be in written form or in any other form capable of being converted into written form within a reasonable time. At all reasonable times such register shall be open for inspection by the Trustee. Upon due presentment for registration of transfer of any Debenture at such office or agency maintained by the Company in the Borough of Manhattan, The City of New York, the Company shall execute and register and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Debenture or Debentures for an equal aggregate principal amount.

All Debentures presented for registration of transfer or for exchange, redemption or payment shall (if so required by the Company or the Trustee) be duly endorsed by, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Company and the registrar duly executed by, the holder or his attorney duly authorized in writing.

No service charge shall be made for any exchange or registration of transfer of Debentures, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.



SECTION 2.06. Mutilated, Destroyed, Lost or Stolen Debentures. In case any temporary or definitive Debenture shall become mutilated or be destroyed, lost or stolen, the Company in its discretion may execute, and upon its request the Trustee shall authenticate and deliver, a new Debenture, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated Debenture, or in lieu of and in substitution for the Debenture so destroyed, lost or stolen. In every case the applicant for a substituted Debenture shall furnish to the Company and to the Trustee such security or indemnity as may be required by them to save each of them harmless, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Company and to the Trustee evidence to their satisfaction of the destruction, loss or theft of such Debenture and of the ownership thereof.

The Trustee may authenticate any such substituted Debenture and deliver the same upon the written request or authorization of any officer of the Company. Upon the issuance of any substituted Debenture, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. In case any Debenture which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Company may, instead of issuing a substitute Debenture, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Debenture) if the applicant for such payment shall furnish to the Company and to the Trustee such security or indemnity as may be required by them to save each of them harmless and, in case of destruction, loss or theft, evidence satisfactory to the Company and the Trustee of the destruction, loss or theft of such Debenture and of the ownership thereof.

Every substituted Debenture issued pursuant to the provisions of this Section 2.06 by virtue of the fact that any Debenture is destroyed, lost or stolen shall constitute an additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Debenture shall be found at any time, and shall be entitled to all the benefits, and subject to all the provisions, of this Indenture equally and proportionately with any and all other Debentures duly issued hereunder. To the extent permitted by law, all Debentures shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Debentures and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

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SECTION 2.07. Temporary Debentures. Pending the preparation of definitive Debentures, the Company may execute and the Trustee shall authenticate and deliver temporary Debentures (typed, printed or lithographed). Temporary Debentures shall be issuable in any authorized denomination, and substantially in the form of the definitive Debentures but with such omissions, insertions and variations as may be appropriate for temporary Debentures, all as



may be determined by the Company. Every such temporary Debenture shall be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with the same effect, as the definitive Debentures. Without unreasonable delay the Company will execute and deliver to the Trustee definitive Debentures and thereupon any or all temporary Debentures may be surrendered in exchange therefor, at the office or agency of the Company in the Borough of Manhattan, The City of New York (which office for purposes of this Section 2.07 shall be the office in the said Borough of the registrar hereunder), and the Trustee shall authenticate and deliver in exchange for such temporary Debentures an equal aggregate principal amount of definitive Debentures. Such exchange shall be made by the Company at its own expense and without any charge therefor. Until so exchanged, the temporary Debentures shall in all respects be entitled to the same benefits under this Indenture as definitive Debentures authenticated and delivered hereunder.

SECTION 2.08. Cancellation of Debentures Paid, etc. All Debentures surrendered for the purpose of payment, redemption, exchange or registration of transfer, or in discharge, shall, if surrendered to the Company or any paying agent or any Debenture registrar, be surrendered to the Trustee and promptly cancelled by it, or, if surrendered to the Trustee, shall be promptly cancelled by it, and no Debentures shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Company may at any time deliver to the Trustee for cancellation any Debentures previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever and the Trustee shall cancel any Debentures so delivered. The Trustee shall return all cancelled Debentures to the Company.

SECTION 2.09. CUSIP Numbers. The Company in issuing the Debentures may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Debentureholders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Debentures or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Debentures, and any such redemption shall not be affected by any defect in or omission of such numbers.

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### ARTICLE THREE

#### REDEMPTION OF DEBENTURES; REDEMPTION AT THE OPTION OF THE HOLDERS

SECTION 3.01. Redemption Prices. (a) Except as provided in Sections 3.02 and 3.03, the Debentures are not redeemable by the Company prior to maturity.

(b) The Debentures shall not be entitled to the benefits of a

sinking fund.

SECTION 3.02. Redemption at the Option of the Holder - Preferred Stock Redemption Payment.

(a) The holder of any Debenture shall have the right, at his option, upon the giving of a Preferred Event Put Notice, and subject to the terms and conditions hereof, to tender all, but not less than all, Debentures held by that holder, without regard to the fact that the Debentures may not then be otherwise redeemable, for cash, in an amount equal to the principal amount of the Debentures (the "Preferred Event Redemption Price") together with accrued interest to the date fixed for redemption of such holder's Debentures. The right of each holder to tender his Debenture or Debentures shall continue for 30 days after the date of the Preferred Event Put Notice (the "Initial Tender Period"), unless such period shall be extended by the Company by written notice delivered to the holders of the Debentures in accordance with Section 3.02(c) hereof (the Initial Tender Period, together with all such extensions, is hereinafter referred to as the "Tender Period"), and shall be exercised by any surrender of such Debenture or Debentures to the office or agency to be maintained by the Company pursuant to Section 4.02 of the Indenture, accompanied by written notice that the holder elects to tender such Debenture or Debentures and (if so required by the Company or the Trustee) by a written instrument or instruments of transfer in form satisfactory to the Company and the Trustee duly executed by the holder or his duly authorized legal representative and transfer tax stamps or funds therefor, if required. Such tender by a holder shall be irrevocable. The holders of Debentures shall not have the right to tender Debentures if on the date of the Preferred Event Put Notice the Company shall have satisfied and discharged the Indenture pursuant to Article Twelve or effected a defeasance with respect to the Debentures pursuant to Article Thirteen (except that the Company may not satisfy the Indenture or effect defeasance in anticipation of a Preferred Stock Redemption Payment).

(b) Any such redemption of Debentures shall occur on the date on which the Company shall make the Preferred Stock

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Redemption Payment (the "Preferred Event Redemption Date"), which date, if any, shall be (i) at least 31 and no more than 60 days after the date of the Preferred Event Put Notice and (ii) no more than five days after the last day of the Tender Period (the "Tender Discharge Date"). Such date will be the same date as the date on which the Company redeems any 2001 Notes, 2013 Debentures or June Senior Debt Securities as a result of a Preferred Stock Redemption Payment. In no case may the Company make a Preferred Stock Redemption Payment prior to redeeming Debentures which have been properly tendered in accordance with this Section 3.02. If the Company elects not to make a particular Preferred Stock Redemption Payment, then the Company shall have no obligation to redeem the Debentures tendered in connection with that Preferred Stock Redemption Payment. If the proposed Preferred Stock Redemption Payment is not made on or prior to the earlier to occur of (i) the 60th day after the date of the Preferred Event

Put Notice with respect thereto or (ii) the Tender Discharge Date with respect thereto, (A) the Company shall, on or prior to the earlier to occur of the 61st day after the date of such Preferred Event Put Notice or such Tender Discharge Date, mail, or cause the Trustee to mail, notice in accordance with Section 3.04 to each Debentureholder stating that the proposed Preferred Stock Redemption Payment was not made, (B) the Company shall, on or prior to the earlier to occur of the 66th day after the date of such Preferred Event Put Notice or such Tender Discharge Date, return, or cause to be returned, any Debentures tendered to the Company in accordance with this Section 3.02 to the holders thereof (together with any written instrument or instruments of transfer and any transfer tax stamps or funds therefor which accompanied such Debentures when they were delivered by the Debentureholder), and (C) the Company shall no longer have the right or obligation to redeem Debentures tendered in connection with, and as a result of, such proposed Preferred Stock Redemption Payment. The Company shall not thereafter make a Preferred Stock Redemption Payment unless a subsequent Preferred Event Put Notice shall have been sent to holders of Debentures in connection therewith and the holders of Debentures shall have been afforded an opportunity to tender their Debentures in accordance with, and subject to, the terms of this Section 3.02.

(c) The Company shall file with the Trustee and shall mail, or cause the Trustee to mail, to each Debentureholder notice in accordance with Section 3.04 (the "Preferred Event Put Notice") stating that the Company is proposing to make a Preferred Stock Redemption Payment and that each holder has the right for no more than 30 days from the date of such notice to tender all, but not less than all, of his Debentures for cash in accordance with and subject to the terms hereof. If the Company elects to extend the Initial Tender Period or any extension thereof, the Company shall file with the Trustee and shall mail, or cause the Trustee to mail, at least five days prior to the

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termination of such period, notice in accordance with Section 3.04 stating that the Company is extending such period and that each holder's ability to tender his Debentures in accordance with this Section 3.02 will be extended until the end of such extended period. The Trustee shall not be deemed to have knowledge of any Preferred Stock Change of Control Event or any corresponding obligation with respect thereto until so notified by the Company.

(d) On or before, but not more than three Banking Days prior to, the Preferred Event Redemption Date, the Company shall deposit with the Trustee or with a paying agent an amount of money sufficient to pay the Preferred Event Redemption Price, and (except if the Preferred Event Redemption Date shall be an interest payment date) accrued interest on all the Debentures to be redeemed on the Preferred Event Redemption Date.

(e) After a holder has tendered Debentures for redemption as provided in clause (a) above, the Debentures of such holder shall, on the Preferred Event Redemption Date, become due and payable at the Preferred Event Redemption Price, together with accrued interest to the Preferred Event

Redemption Date, and from and after such date (unless the Company shall default in the payment of such Debentures at the Preferred Event Redemption Price) such Debentures shall cease to bear interest. Upon surrender of any such Debenture for redemption in accordance herewith, such Debenture shall be paid on the Preferred Event Redemption Date by the Trustee or paying agent at a price equal to the applicable Preferred Event Redemption Price (together with accrued interest to the Preferred Event Redemption Date); provided, however, that if the Preferred Event Redemption Date is an interest payment date, interest accrued to such Preferred Event Redemption Date shall be payable to the holders of record of such Debenture or Debentures at the close of business on the relevant record date according to the provisions of the Indenture.

If any Debenture to be redeemed shall not be so paid on the Preferred Event Redemption Date, the Preferred Event Redemption Price and accrued interest shall, until paid, bear interest from the Preferred Event Redemption Date at the rate borne by the Debentures.

SECTION 3.03. Redemption at the Option of the Holder - Exempt Repurchases and Borrowing.

(a) The holder of any Debenture shall have the right, at his option, upon the giving of notice described in clause (d) below, and subject to the terms and provisions hereof, to tender all, but not less than all, Debentures held by such holder without regard to the fact that the Debentures may not then be otherwise redeemable, for cash in an amount equal to the

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principal of such Debentures plus a premium, if any, as set forth in paragraph 8 of the Debentures (together, the "Put Option Redemption Price"), plus accrued interest to the date fixed for redemption. Such redemption shall occur on a date (the "Put Option Redemption Date") 35 days after the Put Option Transaction Date (as defined below). The holder's right to tender shall continue for 30 days after the Put Option Transaction Date, and shall be exercised by any surrender of such Debentures to the office or agency to be maintained by the Company pursuant to Section 4.02 of the Indenture, accompanied by written notice that the holder elects to tender such Debentures and (if so required by the Company or the Trustee) by a written instrument or instruments of transfer in form satisfactory to the Company and the Trustee duly executed by the holder or his duly authorized legal representative and transfer tax stamps or funds therefor, if required. Such tender by a holder shall be irrevocable.

(b) The holder shall have the right to tender under clause (a) upon the occurrence of an event or series of events set forth below, provided that at the time of the occurrence of such event, the Company shall not have satisfied and discharged the Indenture pursuant to Article Twelve or effected a defeasance with respect to the Debentures pursuant to Article Thirteen (except that the Company may not satisfy the Indenture or effect defeasance in anticipation of (i) or (ii) below):

(i) The Company makes an Exempt Repurchase and immediately thereafter and after giving effect to any Exempt Indebtedness incurred or to be incurred for the purpose of making such Exempt Repurchase, the Company is unable to incur an additional \$1 of Indebtedness under Section 4.07, without giving effect to Section 4.07(b) (hereinafter referred to as a "Put Option Stock Repurchase").

(ii) The Company incurs Indebtedness and immediately thereafter, and after giving effect to such Indebtedness, the Company is able to incur an additional \$1 of Indebtedness under Section 4.07, but only because of the effect of Section 4.07(b) (hereinafter referred to as a "Put Option Borrowing").

(c) The Company shall file with the Trustee and shall mail, or cause the Trustee to mail, to each Debentureholder not more than 45 days and not less than 15 days prior to the proposed date on which a Put Option Stock Repurchase or Put Option Borrowing (either, a "Put Option Transaction") is to occur (the "Proposed Date") a notice as provided in Section 3.04 stating that the Company is proposing to make a Put Option Stock Repurchase or a Put Option Borrowing, whichever the case may be, on the Proposed Date, and that if the Put Option Transaction is consummated, each holder shall have the right to tender all, but

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not less than all, of his Debentures for cash pursuant to the terms hereof.

(d) The date on which the proposed Put Option Transaction shall occur (the "Put Option Transaction Date") shall be no more than 30 days after the Proposed Date. On the Put Option Transaction Date, the Company shall mail, or cause the Trustee to mail, notice in accordance with Section 3.04 to each Debentureholder stating that the Put Option Transaction has been consummated and that each holder of Debentures has the right to tender his Debentures for a period of 30 days after the Put Option Transaction Date.

(e) On or before, but not more than three Banking Days prior to, the Put Option Redemption Date, the Company shall deposit with the Trustee or with a paying agent an amount of money sufficient to pay the Put Option Redemption Price, and (except if the Put Option Redemption Date shall be an interest payment date) accrued interest on, all the Debentures to be redeemed on the Put Option Redemption Date. Prior to the consummation of any Put Option Transaction, the Company shall deliver to the Trustee an Officers' Certificate to the effect that it has arranged for committed financing sufficient to redeem all of the Debentures in accordance with this Section 3.03.

(f) All Debentures properly tendered for redemption pursuant to clause (a) above shall, on the Put Option Redemption Date, become due and payable at the applicable Put Option Redemption Price plus accrued interest, if any, and from and after such date (unless the Company shall default in the payment thereof) such Debentures shall cease to bear interest. Upon surrender of any such Debenture for redemption in accordance herewith, such Debenture shall

be paid on the Put Option Redemption Date by the Trustee or paying agent at a price equal to the applicable Put Option Redemption Price, together with accrued interest to the Put Option Redemption Date; provided, however, that if the Put Option Redemption Date is an interest payment date, interest accrued to such Put Option Redemption Date shall be payable to the holders of record of such Debentures at the close of business on the relevant record date according to the provisions of the Indenture.

If any Debenture to be redeemed shall not be so paid on the Put Option Redemption Date, the Put Option Redemption Price and accrued interest shall, until paid, bear interest from the Put Option Redemption Date at the rate borne by the Debentures.

(g) Upon (A) the consummation of the proposed Put Option Transaction no later than 30 days after the Proposed Date, and (B) the redemption of all Debentures properly tendered for redemption pursuant to clause (a) above, the Company shall no

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longer be bound by the provisions of this Section 3.03 and Sections 4.07, 4.08 and 4.11.

(h) If the proposed Put Option Transaction that was the subject of the notice provided pursuant to clause (c) above is not consummated within 30 days of the Proposed Date, the Company shall, on the 31st day after the Proposed Date, mail, or cause the Trustee to mail, notice in accordance with Section 3.04 to each Debentureholder stating that the proposed Put Option Transaction was not consummated.

SECTION 3.04. Mailing of Notices. If pursuant to this Article Three, the Company or the Trustee is required to mail to one or more Debentureholders notice of the right of the Debentureholders to require redemption, such notice shall identify the Debentures to be redeemed (including CUSIP number) and shall be given in the manner hereinafter provided and shall state the terms and conditions to which each Debentureholder's right to require redemption is subject. Notice shall be mailed to the subject Debentureholders at their last addresses as the same shall appear on the register for the Debentures described in Section 2.05. Such mailing shall be by first-class mail. The notice if mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to any subject Debentureholder shall not affect the validity of the proceedings for the redemption of any other Debenture.

SECTION 3.05. Cancellation of Debentures after Redemption. All Debentures surrendered for redemption shall, if surrendered to the Company or any redemption agent, be delivered to the Trustee for cancellation and, if surrendered to the Trustee, shall be cancelled by it upon the occurrence of the redemption.



## ARTICLE FOUR

### PARTICULAR COVENANTS OF THE COMPANY

SECTION 4.01. Payment of Principal, Premium and Interest. The Company covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and premium, if any, and interest on each of the Debentures at the places, at the respective times and in the manner provided herein and in the Debentures.

SECTION 4.02. Offices for Notices and Payments, etc. So long as any of the Debentures remain outstanding, the Company

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will maintain in the Borough of Manhattan, The City of New York, an office or agency where the Debentures may be presented for payment, and an office or agency where the Debentures may be presented for registration of transfer and for exchange as in this Indenture provided and an office or agency where notices and demands to or upon the Company in respect of the Debentures or of this Indenture may be served. The Company will give to the Trustee written notice of the location of each such office or agency and of any change of location thereof. If the Company shall fail to maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof, presentations and demands may be made and notices may be served at the office of the Trustee and the Company hereby appoints the Trustee to be, and the Trustee agrees to serve as, the Company's initial agent to receive all such presentations, demands and notices.

SECTION 4.03. Appointments to Fill Vacancies in Trustee's Office. The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 7.09, a Trustee, so that there shall at all times be a Trustee hereunder.

SECTION 4.04. Provision as to Paying Agent. (a) If the Company shall appoint a paying agent other than the Trustee, it will cause such paying agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 4.04:

(1) that it will hold all sums held by it as such agent for the payment of the principal of and premium, if any, or interest on the Debentures (whether such sums have been paid to it by the Company or by any other obligor on the Debentures) in trust for the benefit of the holders of the Debentures;

(2) that it will give the Trustee notice of any failure by the Company (or by any other obligor on the Debentures) to make any payment of the principal of and premium, if any, or interest on the Debentures when

the same shall become due and payable; and

(3) that at any time during the continuance of an Event of Default, upon request of the Trustee, it will forthwith pay to the Trustee all sums so held in trust.

(b) If the Company shall act as its own paying agent, it will, on or before each due date of the principal of and premium, if any, or interest on the Debentures, set aside, segregate and hold in trust for the benefit of the holders of the Debentures a sum sufficient to pay such principal and premium, if any, or

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interest so becoming due and will notify the Trustee of any failure to take such action and of any failure by the Company (or by any other obligor on the Debentures) to make any payment of the principal of and premium, if any, or interest on the Debentures when the same shall become due and payable.

(c) Anything in this Section 4.04 to the contrary notwithstanding, the Company may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust by any paying agent hereunder as required by this Section 4.04, such sums to be held by the Trustee upon the trusts herein contained and upon such payment by any paying agent to the Trustee, such paying agent shall be released from all further liability with respect to such money.

(d) Anything in this Section 4.04 to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section 4.04 is subject to Sections 12.03 and 12.04.

SECTION 4.05. Corporate Existence and Maintenance of Properties. Except as provided in Section 11.01 hereof, the Company will at all times maintain its corporate existence, will maintain its properties in adequate condition for the conduct of its business and will do or cause to be done all things necessary to preserve and keep in full force and effect its rights (charter and statutory) and franchises; provided, however, that the Company will not be required to preserve any right or franchise if the Board of Directors of the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Debentureholders.

SECTION 4.06. Restricted Payments. The Company covenants and agrees, so long as any of the Debentures remain outstanding, that it will not declare or pay any dividend on, or authorize or make any distribution in respect of, any shares of any class of its Capital Stock (except dividends or distributions payable in shares of its Capital Stock), or authorize or make any purchase, redemption or acquisition for value of, or permit any Subsidiary to purchase or otherwise acquire for value, any shares of any class of the Company's Capital Stock, (or any rights, warrants or options to purchase any class of Capital



Stock of the Company, except if such rights, warrants or options are held by an employee of the Company and such purchase, redemption or acquisition occurs in connection with the termination of such employee's employment by the Company) otherwise than pursuant to Exempt Repurchases (any payment so restricted being herein called a "Restricted Payment"): (i) if a default shall have occurred and be continuing at the time of such proposed Restricted Payment or shall occur as a consequence thereof; or (ii) if the aggregate

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of all Restricted Payments made from March 31, 1992 through and including the date on which such Restricted Payment is made, would exceed the sum of (a) the amount by which Operating Cash Flow of the Restricted Group on a consolidated basis for the period, treated as a single accounting period, from March 31, 1992 through the fiscal quarter immediately preceding such proposed Restricted Payment for which financial statements are available exceeds 1.20 times the Total Interest Expense for the period, treated as a single accounting period from March 31, 1992 through said fiscal quarter immediately preceding such proposed Restricted Payment, plus (b) \$150,000,000, plus (c) the aggregate net proceeds, including the fair market value of property other than cash, received by the Company from the issuance or sale (other than to a Subsidiary) subsequent to June 23, 1992 of any class of Capital Stock of the Company, or from the exercise subsequent to June 23, 1992 of any options, warrants or other rights to acquire Capital Stock of the Company. For all purposes of this Section 4.06, any recapitalization of the Company (whether or not effected through a merger or consolidation with, or sale of substantially all of the assets of the Company to, any Person) that has the effect of transferring money, property, or securities other than Capital Stock of the Company to any holder of any shares of the Capital Stock of the Company (otherwise than in connection with an Exempt Repurchase) shall be deemed a Restricted Payment.

For purposes of this Section 4.06, "default" shall mean the occurrence of any event specified in clauses (a), (b), (c), (d), (e) or (f) of Section 6.01, not including periods of grace, if any, provided for therein.

SECTION 4.07. Limitation on Indebtedness. (a) Except as provided in Section 3.03(g), the Company covenants and agrees, so long as any of the Debentures remain outstanding, that it shall not, and shall not permit any of its Restricted Subsidiaries to, incur, create, assume, directly or indirectly guarantee or in any other manner become liable with respect to, or become responsible for the payment of, any additional Indebtedness unless, after giving effect to the incurrence of such Indebtedness and the receipt and application of the proceeds thereof, the ratio of (1) the aggregate Indebtedness of the Restricted Group to (2) four times the Operating Cash Flow of the Restricted Group on a consolidated basis for the fiscal quarter immediately preceding such incurrence for which financial statements are available, is no more than 9:1.

(b) For purposes of calculating the ratio described above, the aggregate Indebtedness of the Restricted Group shall be reduced by the aggregate Exempt Indebtedness of the Restricted Group.

SECTION 4.08. Limitation on Investment in Unrestricted Subsidiaries. Except as provided in Section 3.03(g), the Company covenants and agrees, so long as any of the Debentures remain outstanding, that it shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly make loans or advances or transfer property or assets to, invest in or pay any indebtedness owed by any Unrestricted Subsidiary (other than (i) the provision of goods and services to an Unrestricted Subsidiary if such goods and services are billed to an Unrestricted Subsidiary on the basis of the provider's cost therefor and (ii) advances to an Unrestricted Subsidiary in the ordinary course of business by the Restricted Group if the interest payable on such advances is generally consistent with the Company's cost of borrowings under its credit facilities), unless, after giving effect to such transaction, the Restricted Group would be allowed to incur an additional \$1 of Indebtedness under Section 4.07.

SECTION 4.09. Transactions with Stockholders and Affiliates. The Company covenants and agrees, so long as any of the Debentures remain outstanding, that it will not, and will not permit any Restricted Subsidiary to, enter into any transaction (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with any holder of 5% or more of any class of Capital Stock of the Company or with any Affiliate of the Company or of any such holder, on terms that are less favorable to the Company or such Restricted Subsidiary, as the case may be, than those which might be obtained at the time of such transaction from a Person who is not such a holder or Affiliate; provided, however, that this Section 4.09 shall not limit, or be applicable to, (i) transactions pursuant to Restricted Stock Purchase Agreements, (ii) the payment of reasonable and customary regular fees to directors of the Company who are not employees of the Company, (iii) any transaction between the Company and any of the Restricted Subsidiaries or between any of the Restricted Subsidiaries, (iv) any transaction between an Unrestricted Subsidiary and either the Company or a Restricted Subsidiary, or (v) Exempt Repurchases.

SECTION 4.10. Certificate to Trustee. The Company will furnish to the Trustee not more than 90 days after the end of the Company's fiscal year (beginning with fiscal 1993) in each year a brief certificate from the principal executive, financial or accounting officer of the Company as to his or her knowledge of the Company's compliance with all conditions and covenants under the Indenture (such compliance to be determined without regard to any period of grace or requirement of notice provided under the Indenture), stating that in the course of the performance by the signer of his or her duties as an officer of the Company, he or she would normally have knowledge of any default by the Company and, if he or she has knowledge of any default, specifying each

such default of which the signer has knowledge and the nature thereof.

SECTION 4.11. Limitation on Liens. Except as provided in Section 3.03(g), the Company will not, and will not permit any Restricted Subsidiary to, create, incur or assume any Lien on any Principal Property or any shares of Capital Stock or Indebtedness of any Restricted Subsidiary without making effective provision for all of the Debentures and all other amounts due under this Indenture to be directly secured equally and ratably with (or prior to) the obligation or liability secured by such Lien unless, at the time of such creation, incurrence or assumption and, after giving effect thereto, the aggregate amount of all Indebtedness so secured does not exceed five times Annualized Cash Flow; provided, however, that if all Liens (other than Liens created pursuant to this Section 4.11 or Section 4.11 of the Indentures for the 2001 Notes, 2013 Debentures or June Senior Debt Securities) on Principal Property or on shares of Capital Stock or Indebtedness of a Restricted Subsidiary which secure Indebtedness of the Company or any Restricted Subsidiary are released, then (i) all then existing Liens created pursuant to this Section (together with all then existing Liens created pursuant to Section 4.11 of the Indentures for the 2001 Notes, 2013 Debentures and June Senior Debt Securities) shall be automatically released and (ii) the Trustee shall be authorized to execute and deliver to the Company any documents requested by the Company which are required to evidence the release of such Liens.

The foregoing limitation does not apply to:

- (i) Liens securing obligations of the Company to reimburse any bank or other Person in respect of amounts paid under letters of credit, acceptances or other similar instruments; or

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- (ii) Liens securing Indebtedness on the assets of any entity existing at the time such assets are acquired by the Company or any of its Restricted Subsidiaries, whether by merger, consolidation, purchase of assets or otherwise; provided that such Liens (x) are not created, incurred or assumed in connection with, or in contemplation of, such assets being acquired by the Company or any of its Restricted Subsidiaries and (y) do not extend to any other Principal Property or assets of the Company or any of its Restricted Subsidiaries.

## ARTICLE FIVE

### DEBENTUREHOLDERS LISTS AND REPORTS BY THE COMPANY AND THE TRUSTEE

SECTION 5.01. Debentureholders Lists. If and so long as the Trustee shall not be the Debenture registrar, the Company will furnish or cause to be furnished to the Trustee a list in such form as the Trustee may reasonably require of the names and addresses of the holders of the Debentures pursuant to Section 312 of the Trust Indenture Act of 1939 (a) not more than 15 days after each record date for the payment of semi-annual interest on the Debentures (as

specified in Section 2.03 hereof), as of such record date, and (b) at such other times as the Trustee may request in writing, within thirty days after receipt by the Company of any such request, such information to be as of a date not more than fifteen days prior to the time such information is furnished.

SECTION 5.02. Reports by the Company. (a) The Company covenants to file with the Trustee, within fifteen days after the Company is required to file the same with the Securities and Exchange Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as said Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with said Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934.

(b) The Company covenants and agrees that it will deliver to the Trustee and mail, or cause the Trustee to mail, to each holder of Debentures:

(1) as soon as available and in any event within 90 days after the end of each fiscal year of the Company (i)

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a consolidated balance sheet of the Company and its Subsidiaries as of the end of such fiscal year and the related consolidated statements of operations, shareholders' equity and cash flows for such fiscal year, all reported on by Deloitte & Touche or other independent public accountants of nationally recognized standing, (ii) a report containing a management's discussion and analysis of financial condition and results of operations and a description of the business and properties of the Company and (iii) a report as to the maximum amount of Restricted Payments that the Company could have made as of the end of the fiscal year without violating Section 4.06, such report shall explain how such maximum amount was calculated and shall briefly describe any transaction that occurred during the last quarter that affected such maximum amount;

(2) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Company (i) an unaudited consolidated financial report for such quarter, (ii) a report containing a management's discussion and analysis of financial condition and results of operations and (iii) a report as to the maximum amount of Restricted Payments that the Company could have made as of the end of the quarter without violating Section 4.06, such report shall explain how such maximum amount was calculated and shall briefly describe any transaction that occurred during the quarter that affected such maximum amount;

(3) promptly upon the mailing thereof to the shareholders of the Company generally, copies of annual letters; and

(4) promptly upon the filing thereof, copies of all annual, quarterly, monthly or periodic reports which the Company shall have filed with the Securities and Exchange Commission.

SECTION 5.03. Reports by the Trustee. Any Trustee's report required under Section 313(a) of the Trust Indenture Act of 1939 shall be transmitted on or before June 1, 1994, and on or before every June 1 thereafter, and shall be dated as of a date 60 days prior to such June 1.

## ARTICLE SIX

### REMEDIES OF THE TRUSTEE AND DEBENTUREHOLDERS ON THE OCCURRENCE OF AN EVENT OF DEFAULT

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SECTION 6.01. Events of Default. In case one or more of the following Events of Default shall have occurred and be continuing:

(a) default in the payment of any installment of interest upon any of the Debentures as and when the same shall become due and payable, and continuance of such default for a period of thirty days; or

(b) default in the payment of the principal of or premium, if any, on any of the Debentures as and when the same shall become due and payable either at maturity or in connection with any redemption, by declaration or otherwise; or

(c) failure on the part of the Company duly to observe or perform any other of the covenants or agreements on the part of the Company in the Debentures or in this Indenture continued for a period of sixty days after the date on which written notice of such failure, requiring the Company to remedy the same, shall have been given to the Company by the Trustee, or to the Company and the Trustee by the holders of at least twenty-five percent in aggregate principal amount of the Debentures at the time outstanding; or

(d) (i) default by the Company in the payment when due at maturity of any indebtedness for borrowed money (other than indebtedness which is non-recourse to the Company) in excess of \$10,000,000 issued under an indenture or instrument evidencing such indebtedness, whether such indebtedness is outstanding at the date of this Indenture or is hereafter outstanding, and continuation of such default for the greater of any period of grace applicable thereto or ten days from the date of such default or (ii) an event of default, as defined in any indenture or instrument evidencing or under which the Company has at the date of this Indenture or shall hereafter have outstanding at least \$10,000,000 aggregate principal amount of indebtedness for borrowed money, shall happen and be continuing and such indebtedness shall have been accelerated so that the same shall be or become due and payable prior to the date on

which the same would otherwise have become due and payable, and such acceleration shall not be rescinded or annulled, or such indebtedness shall not be discharged, within ten days after notice thereof shall have been given to the Company by the Trustee (if such event be known to it), or to the Company and the Trustee by the holders of at least 25% in aggregate principal amount of the Debentures at the time outstanding; provided that if such event of default or event of default under such indenture or instrument shall be remedied or cured by the Company or waived by the holders of

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such indebtedness, then the Event of Default hereunder by reason thereof shall be deemed likewise to have been thereupon remedied, cured or waived without further action upon the part of either the Trustee or any of the Debentureholders, and provided further, however, that, subject to the provisions of Section 7.01 the Trustee shall not be charged with knowledge of any such default or event of default unless written notice thereof shall have been given to the Trustee by the Company, by the holder or an agent of the holder of any such indebtedness, by the trustee then acting under any indenture or other instrument under which such default or event of default shall have occurred, or by the holders of not less than 25% in the aggregate principal amount of the Debentures at the time outstanding.

(e) the Company shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due; or

(f) an involuntary case or other proceeding shall be commenced against the Company seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 consecutive days;

then and in each and every such case, unless the principal of all of the Debentures shall have already become due and payable, either the Trustee or the holders of not less than twenty-five percent in aggregate principal amount of the Debentures then outstanding hereunder, by notice (an "Acceleration Notice") in writing to the Company (and to the Trustee if given by Debentureholders), may declare the principal of all the Debentures and the interest accrued thereon and



premium, if any, to be due and payable immediately, and (unless prior to the date of such Acceleration Notice all Events of Default in respect of the Debentures shall have been cured or waived) upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Debentures

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contained to the contrary notwithstanding, provided, that except in the case (A) of an Event of Default under clause (e) or (f) above or (B) that no more than 10 days and no less than 5 days prior to the giving of an Acceleration Notice the Trustee shall have given to the Company (or, in the case of an acceleration by the Debentureholders, the Debentureholders shall have given to the Trustee and the Company) a notice (a "Pre-Acceleration Notice") in writing that in no more than 10 days the Trustee (or the Debentureholders) intends to give an Acceleration Notice, an Acceleration Notice shall not become effective until 5 days after receipt of such notice by the Company (and the Trustee if given by Debentureholders). The provision above regarding acceleration, however, is subject to the condition that if, at any time after the principal of the Debentures shall have been so declared due and payable, and before any judgment or decree for the payment of the monies due shall have been obtained or entered as hereinafter provided, the Company shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all the Debentures and the principal of and premium, if any, on any and all Debentures which shall have become due otherwise than by acceleration (with interest on overdue installments of interest (to the extent that payment of such interest is enforceable under applicable law) and on such principal and premium, if any, at the rate borne by the Debentures, to the date of such payment or deposit) and the expenses of the Trustee, and any and all defaults under this Indenture, other than the nonpayment of principal of and accrued interest on Debentures which shall have become due by acceleration, shall have been remedied--then and in every such case the holders of a majority in aggregate principal amount of the Debentures then outstanding, by written notice to the Company and to the Trustee, may waive all defaults and rescind and annul such declaration and its consequences; but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon.

In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Company, the holders of Debentures, and the Trustee shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Company, the holders of Debentures, and the Trustee shall continue as though no such proceeding had been taken.

The Trustee shall give the Debentureholders notice of any default hereunder as and to the extent provided by the Trust Indenture Act of 1939. For the purpose of this paragraph, the term "default" means any event which is, or

after notice or lapse of time or both would become, an Event of Default.

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SECTION 6.02. Payment of Debentures on Default; Suit Therefor. The Company covenants that (a) in case default shall be made in the payment of any installment of interest upon any of the Debentures as and when the same shall become due and payable, and such default shall have continued for a period of thirty days, or (b) in case default shall be made in the payment of the principal of and premium, if any, on any of the Debentures as and when the same shall have become due and payable, whether at maturity of the Debentures or in connection with any redemption, by declaration or otherwise--then, upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the holders of the Debentures, the whole amount that then shall have become due and payable on all such Debentures for principal and premium, if any, or interest, or both, as the case may be, with interest upon the overdue principal and premium, if any, and (to the extent that payment of such interest is enforceable under applicable law) upon the overdue installments of interest at the rate borne by the Debentures; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including a reasonable compensation to the Trustee, its agents, attorneys and counsel, and any expenses or liabilities incurred by the Trustee hereunder other than through its negligence or bad faith.

In case the Company shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Company or any other obligor on the Debentures and collect in the manner provided by law out of the property of the Company or any other obligor on the Debentures wherever situated the monies adjudged or decreed to be payable.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Company or any other obligor on the Debentures under Title 11 of the United States Code, or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Company or such other obligor, or in the case of any other similar judicial proceedings relative to the Company or other obligor upon the Debentures, or to the creditors or property of the Company or such other obligor, the Trustee, irrespective of whether the principal of the Debentures shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section 6.02, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole

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amount of principal, premium, if any, and interest owing and unpaid in respect of the Debentures, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and of the Debentureholders allowed in such judicial proceedings relative to the Company or any other obligor on the Debentures, its or their creditors, or its or their property, and to collect and receive any monies or other property payable or deliverable on any such claims, and to distribute the same after the deduction of its charges and expenses; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the Debentureholders to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to the Debentureholders, to pay to the Trustee any amount due it for compensation and expenses, including counsel fees and expenses incurred by it up to the date of such distribution. To the extent that such payment of reasonable compensation, expenses and counsel fees and expenses out of the estate in any such proceedings shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, monies, securities and other property which the holders of the Debentures may be entitled to receive in such proceedings, whether in liquidation or under any plan of reorganization or arrangement or otherwise.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or adopt on behalf of any Debentureholder any plan of reorganization or arrangement, affecting the Debentures or the rights of any Debentureholder, or to authorize the Trustee to vote in respect of the claim of any Debentureholder in any such proceeding.

All rights of action and of asserting claims under this Indenture, or under any of the Debentures, may be enforced by the Trustee without the possession of any of the Debentures, or the production thereof at any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the holders of the Debentures.

SECTION 6.03. Application of Monies Collected by Trustee. Any monies collected by the Trustee shall be applied in the order following, at the date or dates fixed by the Trustee for the distribution of such monies, upon presentation of the several Debentures, and stamping thereon the payment, if only partially paid, and upon surrender thereof if fully paid:

First: To the payment of costs and expenses of collection and reasonable compensation to the Trustee, its

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agents, attorneys and counsel, and of all other expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith;

Second: In case the principal of the outstanding Debentures shall not have become due and be unpaid, to the payment of interest on the Debentures in the order of the maturity of the installments of such interest, with interest (to the extent that such interest has been collected by the Trustee) upon the overdue installments of interest at the rate borne by the Debentures, such payments to be made ratably to the persons entitled thereto;

Third: In case the principal of the outstanding Debentures shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Debentures for principal and premium, if any, and interest, with interest on the overdue principal and premium, if any, and (to the extent that such interest has been collected by the Trustee) upon overdue installments of interest at the rate borne by the Debentures; and in case such monies shall be insufficient to pay in full the whole amounts so due and unpaid upon the Debentures, then to the payment of such principal and premium, if any, and interest without preference or priority of principal and premium, if any, over interest, or of interest over principal and premium, if any, or of any installment of interest over any other installment of interest, or of any Debenture over any other Debenture, ratably to the aggregate of such principal and premium, if any, and accrued and unpaid interest;

Fourth: To the payment of the remainder, if any, to the Company.

SECTION 6.04. Proceedings by Debentureholder. No holder of any Debenture shall have any right by virtue of or by availing of any provision of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of default and of the continuance thereof, as hereinbefore provided, and unless also the holders of not less than twenty-five percent in aggregate principal amount of the Debentures then outstanding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for sixty days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute

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any such action, suit or proceeding, it being understood and intended, and being expressly covenanted by the taker and holder of every Debenture with every other taker and holder and the Trustee, that no one or more holders of Debentures shall have any right in any manner whatever by virtue of or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of any other holder of such Debentures, or to obtain or seek to obtain priority over or preference to any other such holder, or to enforce any right under this

Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all holders of Debentures (except as otherwise provided herein). For the protection and enforcement of this Section 6.04, each and every Debentureholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provisions of this Indenture (including the first paragraph of this Section 6.04), however, the right of any holder of any Debenture to receive payment of the principal of and premium, if any, and interest on such Debenture, on or after the respective due dates expressed in such Debenture, or to institute suit for the enforcement of any such payment on or after such respective dates against the Company shall not be impaired or affected without the consent of such holder.

SECTION 6.05. Proceedings by Trustee. In case of an Event of Default hereunder the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either by suit in equity or by action at law or by proceeding in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

SECTION 6.06. Remedies Cumulative and Continuing. All powers and remedies given by this Article Six to the Trustee or to the Debentureholders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the holders of the Debentures, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or of any holder of any of the Debentures to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein; and, subject to the provisions of Section

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6.04, every power and remedy given by this Article Six or by law to the Trustee or to the Debentureholders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Debentureholders.

SECTION 6.07. Direction of Proceedings and Waiver of Defaults by Majority Debentureholders. The holders of a majority in aggregate principal amount of the Debentures at the time outstanding determined in accordance with Section 8.04 shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee; provided, however, that (subject to the provisions of Section 7.01) the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the

action or proceeding so directed may not lawfully be taken or if the Trustee in good faith by its board of directors or trustees, executive committee, or a trust committee of directors or trustees and/or Responsible Officers shall determine that the action or proceedings so directed could involve the Trustee in personal liability. Prior to any declaration accelerating the maturity of the Debentures, the holders of a majority in aggregate principal amount of the Debentures at the time outstanding may on behalf of the holders of all of the Debentures waive any past default or Event of Default hereunder and its consequences except a default in the payment of interest, or premium, if any, on, or the principal of, the Debentures. Upon any such waiver the Company, the Trustee and the holders of the Debentures shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon. Whenever any default or Event of Default hereunder shall have been waived as permitted by this Section 6.07, said default or Event of Default shall for all purposes of the Debentures and this Indenture be deemed to have been cured and to be not continuing.

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## ARTICLE SEVEN

### CONCERNING THE TRUSTEE

SECTION 7.01. Duties and Responsibilities of Trustee; During Default; Prior to Default. The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that

(a) prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred:

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on the part of the Trustee,

the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any statements, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but, in the case of any such statements, certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;

(b) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or

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Officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the Debentures at the time outstanding determined as provided in Section 8.04 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Trustee shall not be deemed to have notice of any Event of Default described in Section 6.01(c), 6.01(d), 6.01(e) or 6.01(f) or any event which, with the passage of time, might become an Event of Default described in Section 6.01(c), 6.01(d), 6.01(e) or 6.01(f) unless the Trustee has received written notice thereof, addressed to a Responsible Officer of the Trustee.

This Section 7.01 is in furtherance of and subject to Sections 315 and 316 of the Trust Indenture Act of 1939.

SECTION 7.02. Certain Rights of the Trustee. In furtherance of and subject to the Trust Indenture Act of 1939, and subject to Section 7.01:

(a) the Trustee may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Board of Directors may be evidenced to the Trustee by a copy thereof certified by the Secretary or an Assistant Secretary of the Company;

(c) the Trustee may consult with counsel of its selection and any advice or Opinion of Counsel shall be full

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and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Debentureholders, pursuant to the provisions of this Indenture, unless such Debentureholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby;

(e) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(f) subject to the second sentence of Section 7.01, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond, debenture, note or other paper or document unless requested in writing to do so by the holders of not less than a majority in principal amount of the Debentures then outstanding, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney, during reasonable business hours; provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such expense or liability as a condition to so proceeding; and

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due



care hereunder.

SECTION 7.03. No Responsibility for Recitals, etc. The recitals contained herein and in the Debentures (except in the Trustee's certificate of authentication) shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee

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makes no representations as to the validity or sufficiency of this Indenture or of the Debentures. The Trustee shall not be responsible for the statements relating to the Debentures in the registration statement for the Debentures filed with the Securities and Exchange Commission. The Trustee shall not be accountable for the use or application by the Company of any Debentures or the proceeds of any Debentures authenticated and delivered by the Trustee in conformity with the provisions of this Indenture.

SECTION 7.04. Trustee, Paying Agents or Registrar May Own Debentures. The Trustee or any paying agent or Debenture registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Debentures with the same rights it would have if it were not Trustee, paying agent, Debenture registrar or such other agent.

SECTION 7.05. Monies to Be Held in Trust. Subject to the provisions of Section 12.04, all monies received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

SECTION 7.06. Compensation and Expenses of Trustee. The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, such compensation as the Company and the Trustee shall from time to time agree upon in writing (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), and the Company will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except to the extent any such expense, disbursement or advance may arise from its negligence or bad faith. The Company also covenants to indemnify and defend each of the Trustee and any predecessor Trustee for, and to hold it harmless against, any and all loss, damage, claims, liability or expense, including taxes (other than taxes based on the income, profits, capital or net worth of the Trustee or any franchise or general doing business tax of the Trustee), arising out of or in connection with the acceptance or administration of this trust and the performance of its duties hereunder, including the costs and expenses of defending itself against any claim of liability in the premises, except to the extent any such loss,

liability or expense may arise from the Trustee's negligence or bad faith.

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The obligations of the Company under this Section 7.06 to compensate or indemnify the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall be secured by a lien prior to that of the Debentures upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the holders of particular Debentures. The obligation of the Company under this Section shall survive the satisfaction and discharge of this Indenture. Any compensation or expense incurred by the Trustee after a default specified in Section 6.01(e) or 6.01(f) is intended to constitute an expense of administration under any then applicable bankruptcy or insolvency law. "Trustee" for purposes of this Section 7.06 shall include any predecessor Trustee but the negligence or bad faith of any Trustee shall not affect the rights of any other Trustee under this Section 7.06.

SECTION 7.07. Officers' Certificate as Evidence. Except as otherwise provided in Section 7.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such Certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken or omitted by it under the provisions of this Indenture upon the faith thereof.

SECTION 7.08. Eligibility of Trustee. The Trustee hereunder shall at all times be a corporation having a combined capital and surplus of at least twenty-five million dollars, and which is eligible in accordance with the provisions of Section 310(a) of the Trust Indenture Act of 1939. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of a Federal, State, or District of Columbia supervising or examining authority, then for the purposes of this Section 7.08, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

SECTION 7.09. Resignation or Removal of Trustee. (a) The Trustee may at any time resign by giving written notice of resignation to the Company and by mailing, at the request and expense of the Company, notice thereof to the holders of Debentures at their addresses as they shall appear on the registry books of the Company. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee by written instrument, in duplicate, executed by order of

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the Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within sixty days after the mailing of such notice of resignation to the Debentureholders, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Debentureholder who has been a bona fide holder of a Debenture or Debentures for at least six months may, subject to the provisions of Section 315(e) of the Trust Indenture Act of 1939, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(1) the Trustee shall fail to comply with the provisions of Section 310(b) of the Trust Indenture Act of 1939, after written request therefor by the Company or by any Debentureholder who has been a bona fide holder of a Debenture or Debentures for at least six months, or

(2) the Trustee shall cease to be eligible in accordance with the provisions of Section 7.08 and shall fail to resign after written request therefor by the Company or by any such Debentureholder, or

(3) the Trustee shall become incapable of acting as the Trustee under this Indenture, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case the Company may remove the Trustee and appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to Section 315(e) of the Trust Indenture Act of 1939, any Debentureholder who has been a bona fide holder of a Debenture or Debentures for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

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(c) The holders of a majority in aggregate principal amount of the Debentures at the time outstanding may at any time remove the Trustee and nominate a successor trustee which shall be deemed appointed as successor trustee unless within ten days after such nomination the Company objects

thereto, in which case the Trustee so removed or any Debentureholder, upon the terms and conditions and otherwise as in subdivision (a) of this Section 7.09 provided, may petition any court of competent jurisdiction for an appointment of a successor trustee.

(d) Any resignation or removal of the Trustee and appointment of a successor trustee to any of the provisions of this Section 7.09 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 7.10.

SECTION 7.10. Acceptance by Successor Trustee. Any successor trustee appointed as provided in Section 7.09 shall execute, acknowledge and deliver to the Company and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as trustee herein; but, nevertheless, on the written request of the Company or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due it pursuant to the provisions of Section 7.06, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon request of any such successor trustee, the Company shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 7.06.

Upon acceptance of appointment by a successor trustee as provided in this Section 7.10, the Company shall mail notice of the succession of such trustee hereunder to the holders of Debentures at their addresses as they shall appear on the registry books of the Company. If the Company fails to mail such notice within ten days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of the Company.

No successor trustee shall accept appointment as provided in this Section 7.10 unless at the time of such acceptance such successor trustee shall be qualified under the provisions of Section 7.12 and eligible under the provisions of Section 7.08.

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SECTION 7.11. Succession by Merger, etc. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor to the Trustee hereunder, provided such corporation shall be eligible

under the provisions of Section 7.08 without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything to the contrary notwithstanding.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Debentures shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Debentures so authenticated; and in case at that time any of the Debentures shall not have been authenticated, any successor to the Trustee may authenticate such Debentures either in the name of any predecessor hereunder or in the name of the successor trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Debentures or in this Indenture provided that the certificate of the Trustee shall have; provided, however, that the right to adopt the certificate of authentication of any predecessor trustee or authenticate Debentures in the name of any predecessor trustee shall apply only to its successor or successors by merger, conversion or consolidation.

SECTION 7.12. Disqualification; Conflicting Interests. If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act of 1939, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act of 1939 and this Indenture. The Indentures dated as of August 1, 1993 between the Company and the Trustee relating to the 2001 Notes and 2013 Debentures are excluded from the operation of Section 310(b)(1) of the Trust Indenture Act of 1939.

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## ARTICLE EIGHT

### CONCERNING THE DEBENTUREHOLDERS

SECTION 8.01. Action by Debentureholders. Whenever in this Indenture it is provided that the holders of a specified percentage in aggregate principal amount of the Debentures may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by Debentureholders in person or by agent or proxy appointed in writing, or (b) by the record of the holders of Debentures voting in favor thereof at any meeting of Debentureholders duly called and held in accordance with the provisions of Article Nine, or (c) by a combination of such instrument or instruments and any such record of such a meeting of Debentureholders.

SECTION 8.02. Proof of Execution by Debentureholders; Record Date. Subject to the provisions of Sections 7.01, 7.02 and 9.05, proof of the execution of any instrument by a Debentureholder or his agent or proxy shall be

sufficient if made in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in such manner as shall be satisfactory to the Trustee. The ownership of Debentures shall be proved by the registry of such Debentures or by a certificate of the Debenture registrar. The Company may set a record date for purposes of determining the identity of holders of Debentures entitled to vote or consent to any action referred to in Section 8.01 or Section 9.01, which record date may be set at any time or from time to time by notice to the Trustee, for any date or dates (in the case of any adjournment or resolicitation) not more than 60 days nor less than five days prior to the proposed date of such vote or consent, and thereafter, notwithstanding any other provisions hereof, only holders of Debentures of record on such record date shall be entitled to so vote or give such consent or to withdraw such vote or consent.

The record of any Debentureholders' meeting shall be proved in the manner provided in Section 9.06.

SECTION 8.03. Who Are Deemed Absolute Owners. The Company, the Trustee, any paying agent, and any Debenture registrar may deem the person in whose name such Debenture shall be registered upon the books of the Company to be, and may treat him as, the absolute owner of such Debenture (whether or not such Debenture shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving

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payment of or on account of the principal of and premium, if any, and interest on such Debenture; and neither the Company nor the Trustee nor any paying agent nor any Debenture registrar shall be affected by any notice to the contrary. All such payments so made to any holder for the time being, or upon his order shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for monies payable upon any such Debenture.

SECTION 8.04. Company-Owned Debentures Disregarded. In determining whether the holders of the requisite aggregate principal amount of Debentures have concurred in any direction, consent, waiver or other action under this Indenture, Debentures which are owned by the Company or any other obligor on the Debentures or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any other obligor on the Debentures shall be disregarded and deemed not to be outstanding for the purpose of any such determination; provided that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, consent, waiver or other action only Debentures which the Trustee knows are so owned shall be so disregarded. Debentures so owned which have been pledged in good faith may be regarded as outstanding for the purposes of this Section 8.04 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Debentures and that the pledgee is not the Company or any other obligor or a person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any such other obligor. In the case of a dispute as to such right, any decision by the Trustee

taken upon the advice of counsel shall be full protection to the Trustee.

SECTION 8.05. Revocation of Consents; Future Holders Bound. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01, of the taking of any action by the holders of the percentage in aggregate principal amount of the Debentures specified in this Indenture in connection with such action, any holder of a Debenture which is shown by the evidence to be included in the Debentures the holders of which have consented to such action may, by filing written notice with the Trustee at the Principal Office of the Trustee and upon proof of holding as provided in Section 8.02, revoke such action so far as concerns such Debenture. Except as aforesaid any such action taken by the holder of any Debenture shall be conclusive and binding upon such holder and upon all future holders and owners of such Debenture, irrespective of whether any notation in regard thereto is made upon such Debenture or any Debenture issued in exchange or substitution therefor.

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## ARTICLE NINE

### DEBENTUREHOLDERS' MEETINGS

SECTION 9.01. Purposes of Meetings. A meeting of Debentureholders may be called at any time and from time to time pursuant to the provisions of this Article Nine for any of the following purposes:

(1) to give any notice to the Company or to the Trustee or to give any directions to the Trustee, or to consent to the waiving of any default hereunder and its consequences, or to take any other action authorized to be taken by Debentureholders pursuant to any of the provisions of Article Six;

(2) to remove the Trustee and nominate a successor trustee pursuant to the provisions of Article Seven;

(3) to consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 10.02; or

(4) to take any other action authorized to be taken by or on behalf of the holders of any specified aggregate principal amount of the Debentures under any other provision of this Indenture or under applicable law.

SECTION 9.02. Call of Meetings by Trustee. The Trustee may at any time call a meeting of Debentureholders to take any action specified in Section 9.01, to be held at such time and at such place in the Borough of Manhattan, The City of New York, New York, as the Trustee shall determine. Notice of every meeting of the Debentureholders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting,

shall be mailed to holders of Debentures at their addresses as they shall appear on the registry books of the Company. Such notice shall be mailed not less than twenty nor more than ninety days prior to the date fixed for the meeting.

Any meeting of Debentureholders shall be valid without notice if the holders of all Debentures then outstanding are present in person or by proxy or if notice is waived before or after the meeting by the holders of all Debentures outstanding, and if the Company and the Trustee are either present by duly authorized representatives or have, before or after the meeting, waived notice.

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SECTION 9.03. Call of Meetings by Company or Debentureholders. In case at any time the Company, pursuant to a resolution of its Board of Directors, or the holders of at least ten percent in aggregate principal amount of the Debentures then outstanding, shall have requested the Trustee to call a meeting of Debentureholders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed the notice of such meeting within twenty days after receipt of such request, then the Company or such Debentureholders may determine the time and the place in said Borough of Manhattan for such meeting and may call such meeting to take any action authorized in Section 9.01, by mailing notice thereof as provided in Section 9.02.

SECTION 9.04. Qualifications for Voting. To be entitled to vote at any meeting of Debentureholders a person shall (a) be a holder of one or more Debentures as of the record date in respect of such vote set pursuant to Section 8.02 or (b) be a person appointed by an instrument in writing as proxy by a holder of one or more Debentures. The only persons who shall be entitled to be present or to speak at any meeting of Debentureholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 9.05. Regulations. Notwithstanding any other provision of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Debentureholders, in regard to proof of the holding of Debentures and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Debentureholders as provided in Section 9.03, in which case the Company or the Debentureholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the holders of a majority in principal amount of the Debentures represented at the meeting and entitled to vote at the meeting.

Subject to the provisions of Section 8.04, at any meeting each Debentureholder or proxy shall be entitled to one vote for each \$100,000 principal amount of Debentures held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any Debenture challenged as not

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outstanding and ruled by the chairman of the meeting not to be outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Debentures held by him or instruments in writing as aforesaid duly designating him as the person to vote on behalf of other Debentureholders. Any meeting of Debentureholders duly called pursuant to the provisions of Section 9.02 or 9.03 may be adjourned from time to time by a majority of the votes present, whether or not constituting a quorum, and the meeting may be held as so adjourned without further notice.

SECTION 9.06. Voting. The vote upon any resolution submitted to any meeting of Debentureholders shall be by written ballot on which shall be subscribed the signatures of the holders of Debentures or of their representatives by proxy and the principal amount of the Debentures held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Debentureholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in Section 9.02. The record shall show the principal amount of the Debentures voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Company and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

SECTION 9.07. No Delay of Rights by Meeting. Nothing in this Article Nine contained shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Debentureholders or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Debentureholders under any of the provisions of this Indenture or of the Debentures.



ARTICLE TEN

SUPPLEMENTAL INDENTURES

SECTION 10.01. Supplemental Indentures without Consent of Debentureholders. The Company, when authorized by the resolutions of the Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for one or more of the following purposes:

(a) to evidence the succession of another corporation to the Company, or successive successions, and the assumption by the successor corporation of the covenants, agreements and obligations of the Company pursuant to Article Eleven hereof;

(b) to add to the covenants of the Company such further covenants, restrictions or conditions as the Board of Directors and the Trustee shall consider to be for the benefit of the holders of Debentures, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions or conditions a default or an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; provided, however, that in respect of any such additional covenant, restriction or condition such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may limit the remedies available to the Trustee upon such default;

(c) to provide for the issuance under this Indenture of Debentures in coupon form (including Debentures registrable as to principal only) and to provide for exchangeability of such Debentures with the Debentures issued hereunder in fully registered form and to make all appropriate changes for such purpose; or

(d) to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture which may be inconsistent with any other provision contained herein or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under this Indenture which shall not adversely affect the interests of the holders of the Debentures in any material respect.

The Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture, to make any



further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer and assignment of any property thereunder, but the Trustee shall not be obligated to, but may in its discretion, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section 10.01 may be executed by the Company and the Trustee without the consent of the holders of any of the Debentures at the time outstanding, notwithstanding any of the provisions of Section 10.02.

SECTION 10.02. Supplemental Indentures with Consent of Debentureholders. With the consent (evidenced as provided in Section 8.01) of the holders of a majority in aggregate principal amount of the Debentures at the time outstanding, the Company, when authorized by the resolutions of the Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of the Debentures; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Debenture, or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount thereof or premium, if any, thereon, or make the principal thereof or interest or premium, if any, thereon payable in any coin or currency other than that provided in the Debentures without the consent of the holder of each Debenture so affected, or (ii) reduce the aforesaid percentage of Debentures, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of all Debentures then outstanding.

Upon the request of the Company, accompanied by a copy of the resolutions of the Board of Directors certified by its Secretary or Assistant Secretary authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Debentureholders as aforesaid, the Trustee shall join with the Company in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Debentureholders under this Section 10.02 to approve the particular form of any proposed supplemental indenture, but it

shall be sufficient if such consent shall approve the substance thereof.

After an amendment under this Section 10.02 becomes effective, the Company, or at its request, the Trustee in the name and at the expense of the Company, shall mail to each Debentureholder a notice briefly describing the amendment.

SECTION 10.03. Compliance with Trust Indenture Act; Effect of Supplemental Indentures. Any supplemental indenture executed pursuant to the provisions of this Article Ten, and this Indenture as affected by such supplemental indenture, shall comply with the Trust Indenture Act of 1939, as then in effect. Upon the execution of any supplemental indenture pursuant to the provisions of this Article Ten, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitation of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company and the holders of Debentures shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 10.04. Notation on Debentures. Debentures authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article Ten may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company or the Trustee shall so determine, new Debentures so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any modification of this Indenture contained in any such supplemental indenture may be prepared and executed by the Company, authenticated by the Trustee and delivered in exchange for the Debentures then outstanding, upon surrender of such Debentures then outstanding.

SECTION 10.05. Evidence of Compliance of Supplemental Indenture to Be Furnished to the Trustee. The Trustee, subject to the provisions of Sections 7.01 and 7.02, may receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant hereto complies with the requirements of this Article Ten.

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## ARTICLE ELEVEN

### CONSOLIDATION, MERGER, SALE, CONVEYANCE AND LEASE

SECTION 11.01. Company May Consolidate, etc., on Certain Terms. Subject to the provisions of Section 11.02, nothing contained in this Indenture or in any of the Debentures shall prevent any consolidation or merger of the Company with or into any other corporation or corporations (whether or not affiliated with the Company), or successive consolidations or mergers in which the Company or its successor or successors shall be a party or parties, or shall prevent any sale, conveyance or lease (or successive sales, conveyances or

leases) of all or substantially all of the property of the Company, to any other corporation (whether or not affiliated with the Company), if such corporation is authorized to acquire and operate the same and is organized under the laws of a State of the United States or the District of Columbia; provided, however, and the Company hereby covenants and agrees, (i) that upon any such consolidation, merger, sale, conveyance or lease, the due and punctual payment of the principal of and premium, if any, and interest on all of the Debentures, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed by the Company, shall be expressly assumed, by supplemental indenture satisfactory in form to the Trustee, executed and delivered to the Trustee by the corporation (if other than the Company) formed by such consolidation, or into which the Company shall have been merged, or by the corporation which shall have acquired or leased such property and (ii) that immediately after such consolidation, merger, sale, conveyance or lease, the surviving, succeeding, acquiring or leasing corporation shall not be in default under this Indenture.

SECTION 11.02. Successor Corporation to Be Substituted. In case of any such consolidation, merger, sale, conveyance or lease and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the due and punctual payment of the principal of and premium, if any, and interest on all of the Debentures and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Company, such successor corporation shall succeed to and be substituted for the Company, with the same effect as if it had been named herein as the party of the first part. Such successor corporation thereupon may cause to be signed, and may issue in its own name any or all of the Debentures issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such successor corporation instead of the Company and subject to all the terms,

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conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and deliver any Debentures which previously shall have been signed and delivered by the officers of the Company to the Trustee for authentication, and any Debentures which such successor corporation thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the Debentures so issued shall in all respects have the same legal rank and benefit under this Indenture as the Debentures theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Debentures had been issued at the date of the execution hereof. In the event of any such sale, conveyance or lease, the person named as the "Company" in the first paragraph of this Indenture or any successor which shall thereafter have become such in the manner prescribed in this Article Eleven may be dissolved, wound up and liquidated at any time thereafter and such person shall be released from its liabilities as obligor and maker of the Debentures and from its obligations under this Indenture.

In case of any such consolidation, merger, sale, conveyance or lease, such changes in phraseology and form (but not in substance) may be made in the Debentures thereafter to be issued as may be appropriate.

SECTION 11.03. Opinion of Counsel to Be Given to Trustee. The Trustee, subject to Sections 7.01 and 7.02, may receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale, conveyance or lease and any such assumption complies with the provisions of this Article Eleven.

## ARTICLE TWELVE

### SATISFACTION AND DISCHARGE OF INDENTURE

SECTION 12.01. Discharge of Indenture. When (a) the Company shall deliver to the Trustee for cancellation all Debentures theretofore authenticated (other than any Debentures which shall have been destroyed, lost or stolen and in lieu of or in substitution for which other Debentures shall have been authenticated and delivered) and not theretofore cancelled, or (b) all the Debentures not theretofore cancelled or delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year, and the Company shall deposit with the Trustee, in trust, funds sufficient to pay at maturity or upon redemption all of the Debentures (other than any Debentures which shall have been mutilated, destroyed, lost or stolen and in lieu of or in substitution for which other Debentures shall have been

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authenticated and delivered) not theretofore cancelled or delivered to the Trustee for cancellation, including principal and premium, if any, and interest due or to become due to such date of maturity, as the case may be, and if the Company shall also pay or cause to be paid all other sums payable hereunder by the Company, then this Indenture shall cease to be of further effect (except as to (i) remaining rights of registration of transfer, substitution and exchange of Debentures, (ii) rights hereunder of holders to receive payments of principal of, and premium, if any, and interest on, the Debentures and the other rights, duties and obligations of Debentureholders, as beneficiaries hereof with respect to the amounts, if any, so deposited with the Trustee and (iii) the rights, obligations and immunities of the Trustee hereunder), and the Trustee, on demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel as required by Section 15.05 and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture, the Company, however, hereby agreeing to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee in connection with this Indenture or the Debentures.

SECTION 12.02. Deposited Monies to Be Held in Trust by Trustee. Subject to Section 12.04, all monies deposited with the Trustee pursuant to

Section 12.01 shall be held in trust and applied by it to the payment, either directly or through any paying agent (including the Company if acting as its own paying agent), to the holders of the particular Debentures for the payment of which such monies have been deposited with the Trustee, of all sums due and to become due thereon for principal and interest and premium, if any.

SECTION 12.03. Paying Agent to Repay Monies Held. Upon the satisfaction and discharge of this Indenture, all monies then held by any paying agent of the Debentures (other than the Trustee) shall, upon demand of the Company, be repaid to it or paid to the Trustee, and thereupon such paying agent shall be released from all further liability with respect to such monies.

SECTION 12.04. Return of Unclaimed Monies. Any monies deposited with or paid to the Trustee for payment of the principal of, premium, if any, or interest on Debentures and not applied but remaining unclaimed by the holders of Debentures for two years after the date upon which the principal of, premium, if any, or interest on such Debentures, as the case may be, shall have become due and payable, shall be repaid to the Company by the Trustee on written demand and all liability of the Trustee shall thereupon cease with respect to such monies; and the holder of any of the Debentures shall thereafter look only to the

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Company for any payment which such holder may be entitled to collect.

## ARTICLE THIRTEEN

### DEFEASANCE

SECTION 13.01. Defeasance in Respect of the Debentures. (a) If the Company shall provide for the payment of the aggregate outstanding principal amount of and premium (if any) on the Debentures and each installment of interest due and to become due, as the same shall become due on the Debentures (calculated as provided below), in each case to the date of maturity of the Debentures through a deposit of funds in an amount which satisfies subsection (i) below, or of investments in an amount which satisfies subsection (ii) below, or a combination of funds and investments, each of which component satisfies the appropriate test as to its respective portion of the total principal, premium (if any) and interest to be funded (as provided below):

(i) by depositing with the Trustee in trust for the sole benefit of the Debentureholders, funds in an amount sufficient to pay (A) such principal amount of and premium (if any) on the Debentures in full on the date of maturity of the Debentures and (B) the interest on such aggregate principal amount to the date of maturity of the Debentures, taking into account all intervening interest payment dates, for the period from the date through which interest on the Debentures has been paid to the date of maturity of the Debentures; and provided further that such funds, if invested, shall be invested only in U.S. Government Obligations maturing prior to the date of maturity of the Debentures and such intervening

interest payment dates; or

(ii) by depositing with the Trustee, in trust for the sole benefit of the Debentureholders, U.S. Government Obligations in such aggregate principal amount and maturing on such dates as will, together with the income or increment to accrue thereon, but without consideration of any reinvestment of such income or increment, be sufficient to pay when due (including any intervening interest payment dates) the amounts set forth in clauses (A) and (B) of subsection (i) above;

and if the Trustee shall receive (x) an Officers' Certificate, dated the date of such deposit and in form and substance satisfactory to the Trustee, to the effect that the amount of the trust deposit will be sufficient to pay when due on the date of maturity of the Debentures and on such intervening interest

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payment dates the amounts described in clauses (A) and (B) in subsection (i) above and that such defeasance is not in anticipation of a Preferred Stock Redemption Payment and (y) an Opinion of Counsel, dated the date of such deposit and in form and substance satisfactory to the Trustee, to the effect that the trust deposit of such funds or investments or both to defease the Company's obligations in respect of the Debentures (A) does not contravene applicable law and is in accordance with the provisions of this Indenture, (B) describing either a private ruling concerning the Debentures or a published ruling of the Internal Revenue Service to the effect that Debentureholders, or persons in the position of Debentureholders, will not recognize income, gain or loss for federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred and (C) does not require that the Company, the trust or the Trustee register as an investment company under the Investment Company Act of 1940, as amended; and if the Company shall also pay or cause to be paid all other sums then due and payable hereunder, then the Company's obligations in respect of the Debentures shall cease, determine and be terminated and this Indenture shall cease to be of further effect (except as specified in Section 13.01(b)).

(b) Notwithstanding the foregoing, this Indenture shall continue to be effective, regardless of any defeasance specified in this Section 13.01, as to (i) remaining rights of registration of transfer, substitution and exchange of Debentures, (ii) rights hereunder of holders regarding replacement of stolen, lost or mutilated Debentures, (iii) the obligation of the Company to maintain an office or agency as provided in Section 4.02, (iv) rights hereunder of Debentureholders to receive payments of principal of and premium, if any, and interest on the Debentures and the other rights, duties and obligations of Debentureholders, as beneficiaries hereof with respect to the amounts, if any, so deposited with the Trustee and (v) the rights, obligations and immunities of the Trustee hereunder.

(c) The Trustee, on demand of the Company and following the Trustee's receipt of all documents, funds and investments and payments specified in Section 13.01(a), and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture; the Company, however, hereby agreeing to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee in connection with this Indenture or the Debentures.

#### ARTICLE FOURTEEN

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#### IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS

SECTION 14.01. Indenture and Debentures Solely Corporate Obligations. No recourse for the payment of the principal of or premium, if any, or interest on any Debenture, or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company in this Indenture or in any supplemental indenture, or in any Debenture, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that all such liability is hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of the Debentures.

#### ARTICLE FIFTEEN

#### MISCELLANEOUS PROVISIONS

SECTION 15.01. Provisions Binding on Company's Successors. All the covenants, stipulations, promises and agreements in this Indenture contained by the Company shall bind its successors and assigns whether so expressed or not.

SECTION 15.02. Official Acts by Successor Corporation. Any act or proceeding by any provision of this Indenture authorized or required to be done or performed by any board, committee or officer of the Company shall and may be done and performed with like force and effect by the like board, committee or officer of any corporation that shall at the time be the lawful sole successor of the Company.

SECTION 15.03. Addresses for Notices, etc. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the holders of Debentures on the Company may be



given or served by being deposited postage prepaid by registered or certified mail in a post office letter box addressed (until another address is filed by the Company with the Trustee) to Continental Cablevision, Inc., Attention: Corporate Secretary, The Pilot House, Lewis Wharf, Boston, Massachusetts 02110. Any notice, direction, request or demand by any Debentureholder to or upon the Trustee

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shall be deemed to have been sufficiently given or made, for all purposes, if given or made in writing at the Principal Office of the Trustee, The Bank of New York, 101 Barclay Street, Floor 21W, New York, New York 10286, Attention: Corporate Trust Trustee Administration.

SECTION 15.04. Governing Law. This Indenture and each Debenture shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles thereof.

SECTION 15.05. Evidence of Compliance with Conditions Precedent. Upon any application or demand by the Company to the Trustee to take any action under any of the provisions of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture shall include (1) a statement that the person making such certificate or opinion has read such covenant or condition; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statement or opinion contained in such certificate or opinion are based; (3) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

SECTION 15.06. Legal Holidays. In any case where the date of maturity of interest or premium, if any, on or principal of the Debentures or the date fixed for redemption of any Debenture will be in The City of New York, New York or the City of Boston, Massachusetts, a legal holiday or a day on which banking institutions or any national securities exchanges are authorized or required by law, regulation or executive order to close ("Legal Holidays"), then payment of such interest on or principal of the Debentures need not be made on such date but may be made on the next succeeding day not a Legal Holiday with the same force and effect as if made on the date of maturity or the date fixed for redemption and no interest shall accrue for the period from and after such date.



SECTION 15.07. Trust Indenture Act to Control. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with another provision included in this Indenture by operation of Sections 310 to 317, inclusive, of the Trust Indenture Act of 1939, such incorporated provision shall control.

SECTION 15.08. No Security Interest Created. Nothing in this Indenture or in the Debentures, expressed or implied, shall be construed to constitute a security interest under the Uniform Commercial Code or similar legislation, as now or hereafter enacted and in effect, in any jurisdiction where property of the Company or its Subsidiaries is located.

SECTION 15.09. Benefits of Indenture. Nothing in this Indenture or in the Debentures, express or implied, shall give to any person, other than the parties hereto, any paying agent, any Debenture registrar and their successors hereunder and the holders of Debentures, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 15.10. Table of Contents, Headings, etc. The table of contents and the titles and headings of the articles and sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

SECTION 15.11. Execution in Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

The Bank of New York hereby accepts the trusts in this Indenture declared and provided, upon the terms and conditions hereinabove set forth.

IN WITNESS WHEREOF, Continental Cablevision, Inc. has caused this Indenture to be signed and acknowledged by its Chief Financial Officer, Senior Vice President and Treasurer, and its corporate seal to be affixed hereunto, and the same to be attested by its Secretary or an Assistant Secretary, and The Bank of New York has caused this Indenture to be signed and acknowledged by one of its Assistant Vice Presidents, and has caused its corporate seal to be affixed hereunto and the same to be attested by an Assistant Vice President thereof, as of the day and year first written above.

CONTINENTAL CABLEVISION, INC.

By

-----



My Commission Expires

[NOTARIAL SEAL]

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STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

On the \_\_\_\_ day of August, 1993, before me personally came Mary Jane Morrissey, to me known, who, being by me duly sworn, did depose and say that she resides at 1320 Sunrise Avenue, Pt. Pleasant, New Jersey; that she is an Assistant Vice President of The Bank of New York, the bank described in and which executed the above instrument; that she knows the seal of said bank; that the seal affixed to the said instrument is such seal; that it was so affixed by authority of the Board of Directors of said bank; and that she signed her name thereto by like authority.

\_\_\_\_\_  
Notary Public

My Commission Expires

[NOTARIAL SEAL]

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CONTINENTAL CABLEVISION, INC.

and

THE BANK OF NEW YORK,

as Trustee

-----

INDENTURE

Dated as of August 1, 1993

-----

\$525,000,000

9-1/2% Senior Debentures Due August 1, 2013

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\* This table of contents shall not, for any purpose, be deemed to be a part of the Indenture.

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THIS INDENTURE dated as of August 1, 1993 between CONTINENTAL CABLEVISION, INC., a Delaware corporation (hereinafter sometimes called the "Company"), and THE BANK OF NEW YORK, a New York banking corporation, as trustee hereunder (hereinafter sometimes called the "Trustee"),

W I T N E S S E T H:

WHEREAS, for its lawful corporate purposes, the Company has duly authorized the issue of its 9-1/2% Senior Debentures Due August 1, 2013 (hereinafter sometimes called the "Debentures"), in an aggregate principal amount not to exceed \$525,000,000 (except as otherwise provided below) and, to provide the terms and conditions upon which the Debentures are to be authenticated, issued and delivered, the Company has duly authorized the execution and delivery of this Indenture; and

WHEREAS, the Debentures and the certificate of authentication to be borne by the Debentures are to be substantially in the following forms, respectively:

[FORM OF FACE OF DEBENTURE]

-----

CONTINENTAL CABLEVISION, INC.

9-1/2% Senior Debenture Due August 1, 2013

CONTINENTAL CABLEVISION, INC., a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company"), for value received, hereby promises to pay to \_\_\_\_\_, or registered assigns, the principal sum of \_\_\_\_\_ Dollars on August 1, 2013 at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest, semi-annually on February 1 and August 1 of each year, commencing February 1, 1994 on said principal sum at said office or agency, in like coin or currency, at the rate per annum specified in the title of this Debenture, from the February 1 or the August 1, as the case may be, next preceding the date of this Debenture to which interest has been paid or duly provided for, unless the date hereof is a date to which interest has been paid or duly provided for, in which case from the date of this Debenture, or unless no interest has been paid or duly provided

for on the Debentures, in which case from August 16, 1993 until payment of said principal sum has been made or duly provided for. Notwithstanding the foregoing, if the date hereof is after any January 15 or July 15, as the case may be, and before the following February 1 or August 1, this Debenture shall bear interest from such February 1 or August 1; provided, however, that if the Company shall default in the payment of interest due on such February 1 or August 1, then this Debenture shall bear interest from the next preceding February 1 or August 1 to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for on the Debentures, from August 16, 1993. The interest so payable on any February 1 or August 1 will be paid to the person in whose name this Debenture (or one or more predecessor Debentures) is registered at the close of business on the record date which shall be the January 15 or July 15 (whether or not a business day) next preceding such February 1 or August 1; provided that any such interest not punctually paid or duly provided for shall be payable as provided in the Indenture. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Interest may, at the option of the Company, be paid by check mailed to the registered address of such person.

Reference is made to the further provisions of this Debenture set forth on the reverse side hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Debenture shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with and governed by the laws of said State.

This Debenture shall not be valid or become obligatory for any

purpose until the certificate of authentication hereon shall have been manually signed by the Trustee under the Indenture.

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IN WITNESS WHEREOF, CONTINENTAL CABLEVISION, INC. has caused this instrument to be duly executed.

CONTINENTAL CABLEVISION, INC.

By

-----

[Title]

Attest:

-----

[Title]

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Debentures described in the within-mentioned Indenture.

Dated:

THE BANK OF NEW YORK,  
as Trustee

By

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Authorized Signatory

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CONTINENTAL CABLEVISION, INC.

9-1/2% Senior Debenture Due August 1, 2013

1. This Debenture is one of a duly authorized issue of Debentures of the Company, designated as its 9-1/2% Senior Debentures Due August 1, 2013 (herein called the "Debentures"), limited (except as otherwise provided in the Indenture mentioned below) to the aggregate principal amount of \$525,000,000, all issued or to be issued under and pursuant to an Indenture dated as of August 1, 1993 (herein called the "Indenture"), duly executed and delivered in the Borough of Manhattan, The City of New York, the State of New York, by the Company to The Bank of New York, Trustee (herein called the "Trustee"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Debentures.

2. In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal hereof may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

3. The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of a majority in aggregate principal amount of the Debentures at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or modifying in any manner the rights of the holders of the Debentures; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Debenture, or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount thereof or any premium thereon, or make the principal thereof or any premium or interest thereon payable in any coin or currency other than that hereinbefore provided without the consent of the holder of each Debenture so affected or (ii) reduce the aforesaid percentage of Debentures, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of all Debentures then outstanding. It is also provided in the Indenture that, prior to any declaration accelerating the maturity of the Debentures, the holders of a majority in aggregate principal amount of the Debentures at the time outstanding may on behalf of the holders

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of all of the Debentures waive any past default or Event of Default under the Indenture and its consequences except a default in the payment of interest or any premium on or the principal of any of the Debentures. Any such consent or waiver by the holder of this Debenture (unless revoked as provided in the Indenture) shall be conclusive and binding upon such holder and upon all future

holders and owners of this Debenture and any Debentures which may be issued in exchange or substitution therefor, irrespective of whether or not any notation thereof is made upon this Debenture or such other Debentures.

4. No reference herein to the Indenture and no provision of this Debenture or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Debenture at the place, at the respective times, at the rate and in the coin or currency herein prescribed.

5. The Debentures are issuable in registered form without coupons in denominations of \$100,000 and any multiple of \$100,000. At the office or agency of the Company in the Borough of Manhattan, The City of New York and in the manner and subject to the limitations provided in the Indenture, but without payment of any service charge, Debentures may be exchanged for a like aggregate principal amount of Debentures of other authorized denominations.

6. (a) The Debentures may not be called for redemption prior to August 1, 2005, except pursuant to paragraphs 6(b), 7 and 8 hereof. On and after such date, the Debentures may be called for redemption at the option of the Company as a whole, or from time to time in part, at any time prior to maturity, upon mailing a notice of such redemption not less than thirty nor more than sixty days prior to the date fixed for redemption to the holders of Debentures at their last registered addresses, all as provided in the Indenture, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption, plus a premium (expressed as a percentage of the principal amount redeemed) determined as follows:

If redeemed during the 12-month period ending July 31, of the years indicated,

<TABLE>

<CAPTION>

Year	Premium
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<S>	<C>
2006	4.7500%
2007	3.1667%
2008	1.5833%
2009 and thereafter	-0-

</TABLE>

(b) At any time prior to August 1, 1996, with the proceeds from any offering by the Company of its Capital Stock,

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other than Disqualified Stock (as defined in the Indenture), the Company at its option may redeem Debentures, in part, provided that after such prepayment no less than \$341,250,000 aggregate principal amount of Debentures remains outstanding, upon mailing a notice of such redemption not less than thirty nor more than sixty days prior to the date fixed for redemption to the holders of

Debentures at their last registered addresses, all as provided in the Indenture, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption, plus a premium (expressed as a percentage of the principal amount redeemed) of 9-1/2%.

7. If the Company proposes to make certain cash redemptions (a "Preferred Stock Redemption Payment", as defined in the Indenture) with respect to its 1992 Preferred Stock (as defined in the Indenture), the Company shall mail notice thereof (the "Preferred Event Put Notice", as defined in the Indenture) to each holder of Debentures at his last registered address at least 31 and no more than 60 days before the proposed date of such Preferred Stock Redemption Payment. For 30 days from the date of the Preferred Event Put Notice, or such longer period as the Company may elect by written notice to the holders of the Debentures (the "Tender Period", as defined in the Indenture), each holder of the Debentures shall have the right to tender his Debentures to the Company and thereby require the Company to redeem, on the date (if any) of the Preferred Stock Redemption Payment (which shall be (i) at least 31 and no more than 60 days after the date of the Preferred Event Put Notice and (ii) no more than 5 days after the last day of the Tender Period), all, but not less than all, of such holder's Debentures at the principal amount thereof together with accrued interest to the date fixed for redemption. Such date will be the same date as the date on which the Company repurchases any 2001 Notes, 2005 Debentures or June Senior Debt Securities (as such terms are defined in the Indenture) as a result of a Preferred Stock Redemption Payment. If the proposed Preferred Stock Redemption Payment is not made on or prior to the earlier to occur of (i) the 60th day after the date of the Preferred Event Put Notice with respect thereto or (ii) the 5th day after the last day of the Tender Period, the Company will no longer have the right or obligation to redeem Debentures tendered in connection with, and as a result of, such proposed Preferred Stock Redemption Payment and the Company shall cause the Debentures tendered by each holder to be returned to such holder. The Company shall not thereafter make a Preferred Stock Redemption Payment unless a subsequent Preferred Event Put Notice has been sent to the holders of the Debentures in connection therewith. If the Company has previously satisfied and discharged the Indenture or has previously effected a defeasance with respect to the Debentures, the right of a holder to require such a redemption shall expire.

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8. If the Company or one of its Restricted Subsidiaries (as defined in the Indenture) proposes to make certain repurchases with respect to the Common Stock (as so defined) or certain borrowings, and immediately after any such repurchase or borrowing (and related transactions) the aggregate Indebtedness (as so defined) of the Company and its Restricted Subsidiaries would exceed certain specified levels (each a "Put Option Transaction", as defined in the Indenture), the Company shall mail notice thereof to each holder of the Debentures at his last registered address not less than 15 days nor more than 45 days before the proposed date of such Put Option Transaction. On the date the Put Option Transaction takes place (which shall be no more than 30 days after the date proposed in the initial notice provided by the Company), the Company will mail notice thereof to each holder of the Debentures at his last



registered address. For 30 days from the date of such notice, each holder of the Debentures shall have the right to tender his Debentures to the Company and thereby require the Company to redeem all, but not less than all, of such holder's Debentures at a price equal to the principal amount of such Debentures plus accrued interest thereon to the date fixed for redemption (which shall be thirty- five days from the date on which the Put Option Transaction takes place), plus a premium (expressed as a percentage of the principal amount redeemed) determined as follows:

If redeemed during the 12-month period ending July 31, of the years indicated,

<TABLE>

<CAPTION>

Year	Premium	Year	Premium
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<S>	<C>	<C>	<C>
1994	9.5000%	2004	4.2222%
1995	8.9722%	2005	3.6944%
1996	8.4444%	2006	3.1667%
1997	7.9167%	2007	2.6389%
1998	7.3889%	2008	2.1111%
1999	6.8611%	2009	1.5833%
2000	6.3333%	2010	1.0556%
2001	5.8056%	2011	0.5278%
2002	5.2778%	2012 and	
2003	4.7500%	thereafter	-0-

</TABLE>

If the Company shall redeem any of the Debentures on the date fixed for redemption, the option of the holders of Debentures to require the Company to redeem the Debentures pursuant to this paragraph 8 shall have no further effect and certain covenants of the Company shall cease to have any further force and effect as set forth in the Indenture. If the Company has previously satisfied and discharged the Indenture or has previously effected a defeasance with respect to the Debentures, the right of a holder to request such a redemption shall expire.

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9. Upon due presentment for registration of transfer of this Debenture at the office or agency of the Company in the Borough of Manhattan, The City of New York, a new Debenture or Debentures of authorized denominations for an equal aggregate principal amount will be issued to the transferee in exchange therefor, subject to the limitations provided in the Indenture, without charge except for any tax or other governmental charge imposed in connection therewith.

10. The Company, the Trustee, any paying agent and any Debenture registrar may deem and treat the registered holder hereof as the absolute owner of this Debenture (whether or not this Debenture shall be overdue and

notwithstanding any notation of ownership or other writing hereon) for the purpose of receiving payment hereof, or on account hereof and for all other purposes, and neither the Company nor the Trustee nor any paying agent nor any Debenture registrar shall be affected by any notice to the contrary. All payments made to or upon the order of such registered holder shall, to the extent of the sum or sums paid, satisfy and discharge liability for monies payable on this Debenture.

11. No recourse for the payment of the principal of or any premium or interest on this Debenture, or for any claim based hereon or otherwise in respect hereof, and no recourse under or upon any obligation, covenant or agreement of the Company in the Indenture or any indenture supplemental thereto or in any Debenture, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

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OPTION OF HOLDER TO ELECT REDEMPTION

If you want to elect to have this Debenture redeemed in its entirety by the Company pursuant to Section 3.02 or 3.03 of the Indenture, check the box:

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Dated:

Your Signature:

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(Sign exactly as name appears on the other side of this Debenture)

Signature Guarantee:

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(Signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

AND WHEREAS, all acts and things necessary to make the Debentures, when executed by the Company and authenticated and delivered by the Trustee, as in this Indenture provided, and issued, valid, binding and legal obligations of the Company, and to constitute these presents a valid agreement according to its terms, have been done and performed, and the execution of this Indenture and the issue hereunder of the Debentures have in all respects been duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Debentures are, and are to be, authenticated, issued and delivered, and in consideration of the premises, of the purchase and acceptance of the Debentures by the holders thereof and of the sum of one dollar duly paid to it by the Trustee at the execution of these presents, the receipt whereof is hereby acknowledged, the Company covenants and agrees with the Trustee for the equal and proportionate benefit of the respective holders from time to time of the Debentures (except as otherwise provided below), as follows:

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## ARTICLE ONE

### DEFINITIONS

SECTION 1.01. Definitions. The terms defined in this Section 1.01 (except as herein otherwise expressly provided or unless the context otherwise clearly requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section 1.01. All other terms used in this Indenture which are defined in the Trust Indenture Act of 1939 or which are by reference therein defined in the Securities Act of 1933 (except as herein otherwise expressly provided or unless the context otherwise clearly requires) shall have the meanings assigned to such terms in said Trust Indenture Act and in said Securities Act as in force at the date of the execution of this Indenture.

Acceleration Notice: The term "Acceleration Notice" shall have the meaning specified in Section 6.01.

Accreted Value: The term "Accreted Value", for each share of 1992 Preferred Stock, as of any date, shall mean the sum of \$350 and an amount calculated to provide the holder of a share of 1992 Preferred Stock, as of such date, with a yield of 8% thereon, compounded semi-annually in arrears, from the date issued to and including such date, provided that such Accreted Value shall be reduced by the fair market value at such date of any dividends or distributions which have been previously paid on such share of 1992 Preferred Stock, assuming the same 8% per annum yield from the date of payment of such dividend or distribution and compounded on the same basis. The fair market value of any non-cash dividend or distribution shall be (a) in the case of any securities, the current market price of such securities (determined in

accordance with the terms of the Company's Certificate of Incorporation); and (b) in the case of any other property, the fair market value of such property on a fully-distributed basis as determined at the time of such distribution by investment bankers mutually agreeable to the Company and the holders of a majority of the voting power represented by the outstanding shares of 1992 Preferred Stock.

**Affiliate:** The term "Affiliate" shall mean, as to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with") as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that

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Person, whether through the ownership of voting securities, by contract or otherwise.

**Annualized Cash Flow:** The term "Annualized Cash Flow" shall mean Operating Cash Flow for the latest fiscal quarter for which financial statements are available multiplied by four.

**Banking Day:** The term "Banking Day" shall mean any day other than a day on which commercial banks are required to close in the Borough of Manhattan, The City of New York.

**Board of Directors:** The term "Board of Directors" shall mean the Board of Directors of the Company, or the Executive Committee thereof, as from time to time constituted, or any other committee of such Board duly authorized to act for it in respect of matters pertaining to this Indenture.

**Call Redemption Price:** The term "Call Redemption Price" shall have the meaning specified in Section 3.01.

**Capital Stock:** The term "Capital Stock" shall mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated) of such Person's capital stock whether now outstanding or issued after the date of this Indenture, including, without limitation, all Common Stock and 1992 Preferred Stock.

**Common Stock:** The term "Common Stock" shall mean the Common Stock of the Company.

**Company:** The term "Company" shall mean Continental Cablevision, Inc., a Delaware corporation, and subject to the provisions of Article Eleven, shall include its successors and assigns.

**Credit Agreement:** The term "Credit Agreement" shall mean that certain Credit Agreement dated as of May 1, 1989, as amended and restated as of

July 30, 1990, among the Company, the Restricted Subsidiaries and certain financial institutions, as amended from time to time.

Debenture or Debentures; Outstanding. The terms "Debenture" or "Debentures" shall mean any Debenture or Debentures, as the case may be, authenticated and delivered under this Indenture.

The term "outstanding", when used with reference to Debentures, shall, subject to the provisions of Section 8.04, mean, as of any particular time, all Debentures authenticated and delivered by the Trustee under this Indenture, except

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(a) Debentures theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Debentures, or portions thereof, for the payment or redemption of which monies in the necessary amount shall have been deposited in trust with the Trustee or with any paying agent (other than the Company) or shall have been set aside and segregated in trust by the Company (if the Company shall act as its own paying agent), provided that if such Debentures are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article Three provided, or provision satisfactory to the Trustee shall have been made for giving such notice; and

(c) Debentures paid pursuant to Section 2.06 or in lieu of or in substitution for which other Debentures shall have been authenticated and delivered pursuant to the terms of Section 2.06 unless proof satisfactory to the Trustee is presented that any such Debentures are held by bona fide holders in whose hands the Debentures are valid obligations of the Company.

Debentureholder: The terms "Debentureholder" or "holder of Debentures", or other similar terms, shall mean any person in whose name at the time a particular Debenture is registered on the books of the Company kept for that purpose in accordance with the terms hereof.

Defaulted Interest: The term "Defaulted Interest" shall have the meaning specified in Section 2.03.

Disqualified Stock: The term "Disqualified Stock" shall mean any class or series of Capital Stock of the Company that by its terms or otherwise is (i) required to be redeemed prior to the stated maturity of the Debentures, (ii) redeemable at the option of the holder thereof at any time prior to the stated maturity of the Debentures or (iii) convertible into or exchangeable for Capital Stock referred to in clause (i) or (ii); provided that any Capital Stock which would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require the Company to repurchase or redeem such Capital Stock upon the occurrence of a change in control shall not constitute

Disqualified Stock, and provided further, that any Capital Stock which is redeemable by its terms or at the Company's option solely for shares of the Company's Common Stock shall not constitute Disqualified Stock.

Event of Default: The term "Event of Default" shall mean any event specified in Section 6.01, continued for the period of time, if any, and after the giving of the notice, if any, therein designated.

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Exempt Indebtedness: The term "Exempt Indebtedness" shall mean Indebtedness or any portion thereof specifically incurred or to be incurred (in either instance, within 75 days of the Exempt Repurchase to which it relates) for the purpose of making an Exempt Repurchase, or a refinancing thereof.

Exempt Repurchase: The term "Exempt Repurchase" shall mean the repurchase by the Company at any time and from time to time of up to 751,305 shares of its Common Stock which are subject to the 1998-1999 Share Repurchase Program, provided, that the Company shall have received prior to any such repurchase of Common Stock an opinion of an investment banker knowledgeable in the communications industry (who may be the Company's investment banker) that the price per share of Common Stock paid pursuant to any such repurchase does not exceed the greater of (A) the dollar amount, less a discount of 22.5%, that a holder of Common Stock would then receive per share of Common Stock (x) upon a sale of the Company as a whole pursuant to a merger or sale of stock, or if greater, (y) from the sale of the Company's assets and subsequent distribution of the proceeds thereof (net of taxes including corporate, sales and capital gain taxes in connection with such sale of assets) or (B) the net proceeds which would be expected to be received per share from the sale of a share of Common Stock of the Company in an underwritten public offering held at the time any such repurchase of Common Stock is to occur reduced by pro forma expenses and underwriting discounts unless the Common Stock is publicly traded and, in the opinion of the investment banker, such expenses and underwriting discounts would not be incurred in connection with an underwritten public sale of a shareholder's non-registered shares; provided, further, that no such opinion of an investment banker shall be necessary for any such repurchase if the aggregate of all such repurchases during the relevant calendar year does not exceed \$10,000,000 and the Board of Directors approves any such repurchase after concluding in its reasonable judgment that the price per share does not exceed the price that would have been established by an investment banker pursuant to the formula immediately above.

GAAP: The term "GAAP" shall mean generally accepted accounting principles in the United States as in effect as of the date of this Indenture, including, without limitation, those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession.

Indebtedness: The term "Indebtedness" shall mean, without duplication, with respect to any Person, any

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indebtedness, contingent or otherwise, in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof), or evidenced by bonds, notes, debentures or similar instruments or representing the balance deferred and unpaid of the purchase price of any property (excluding any balances that constitute subscriber advance payments and deposits, accounts payable or trade payables, and other accrued liabilities arising in the ordinary course) if and to the extent any of the foregoing indebtedness would appear as a liability upon a balance sheet of such Person prepared in accordance with generally accepted accounting principles, and shall also include, to the extent not otherwise included, the maximum fixed repurchase price of any equity securities or other similar interests of such Person which by their terms or otherwise are required to be redeemed prior to the maturity of the Debentures or at the option of the holder thereof, obligations secured by a Lien to which the property or assets owned or held by such Person is subject, whether or not the obligation or obligations secured thereby shall have been assumed, all obligations to reimburse any bank or other Person in respect of amounts paid under letters of credit, acceptances, or other similar instruments, and guaranties of any of the above items (whether or not such items would appear upon such balance sheet and whether or not such items were incurred by another Person). The term "Indebtedness" shall not include (i) any Interest Rate Agreement, however denominated, of the Company or any Subsidiary, (ii) as to the Restricted Group, any indebtedness of any Subsidiary which is non-recourse to all members of the Restricted Group or any pledge of the stock of any such Subsidiary to secure such indebtedness, (iii) as to the Restricted Group, any indebtedness of a Restricted Subsidiary to another Restricted Subsidiary or the Company, or any indebtedness of the Company to a Restricted Subsidiary, (iv) any obligation of the Company to redeem, or to pay dividends on, its outstanding 1992 Preferred Stock, (v) any obligation of the Company to repurchase shares of its outstanding Common Stock pursuant to the 1998-1999 Share Repurchase Program, or (vi) any equity securities or other similar interests which, at the option of the Company or otherwise, are redeemable into shares of Capital Stock of the Company.

Indenture: The term "Indenture" shall mean this instrument as originally executed or, if amended or supplemented as herein provided, as so amended or supplemented.

Initial Tender Period: The term "Initial Tender Period" shall have the meaning specified in Section 3.02(a).

Interest Rate Agreement: The term "Interest Rate Agreement" shall mean any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other



similar agreement designed to protect the party indicated therein against fluctuations in interest rates.

June Senior Debt Securities: The term "June Senior Debt Securities" means the 8-5/8% Senior Notes due August 15, 2003 of the Company issued pursuant to an Indenture dated as of June 1, 1993 between the Company and The First National Bank of Chicago, as Trustee, and the 9% Senior Debentures due September 1, 2008 of the Company issued pursuant to an Indenture dated as of June 1, 1993 between the Company and The First National Bank of Chicago, as Trustee.

Lien: The term "Lien" shall mean, as to the Restricted Group and as used in the definition of "Indebtedness", any mortgage, pledge, lien or security interest except for (i) pledges of the stock of Unrestricted Subsidiaries to secure Indebtedness; (ii) Liens for taxes, assessments or governmental charges or claims the payment of which is being contested in good faith by appropriate proceedings and with respect to which the Company or a Restricted Subsidiary shall have created adequate reserves on its books; (iii) Liens of mechanics, carriers, warehousemen or materialmen arising in the ordinary course of business in respect of obligations which are not overdue or which are being contested in good faith; (iv) Liens resulting from deposits or pledges made in the ordinary course of business to secure payment of workers' compensation, unemployment insurance, old age pension or other social security, or in connection with or to secure the performance of bids, tenders or contracts made in the ordinary course of business, or to secure statutory obligations or surety, performance or appeal bonds; (v) Liens in respect of judgments or awards the payment of which is being contested in good faith by appropriate proceedings and with respect to which the Restricted Group shall have created adequate reserves on its books; (vi) purchase money security interests (including mortgages, any conditional sale or other title retention agreement and any capitalized lease); provided, however, that the principal amount of Indebtedness secured by each such security interest in each such item (or group of items) of property shall not exceed the cost of the item (or group of items) subject thereto and each such security interest shall attach only to the particular item (or group of items) so acquired and any additions or accessions thereto; (vii) landlord's or lessor's liens under leases to which any member of the Restricted Group is a party; and (viii) Liens of utilities and other persons pursuant to pole attachment agreements, and restrictions on the transfer of rights under franchises or pole attachment agreements, and any encumbrances created in favor of franchising authorities and subscribers by provisions of franchises on cable television plant and equipment located in the areas covered thereby.

1998-1999 Share Repurchase Program: The term "1998-1999 Share Repurchase Program" shall mean the Common Stock repurchase program of the Company under the Stock Liquidation Agreement under which the Company will offer to purchase, and certain shareholders of the Company will sell to the Company,



on December 15, 1998 (or January 15, 1999, at the election of each such shareholder), at a price established pursuant to a specified formula, up to 751,305 shares of Common Stock.

1992 Preferred Stock: The term "1992 Preferred Stock" shall mean the Series A Participating Convertible Preferred Stock, \$.01 par value per share, of the Company.

Officers' Certificate: The term "Officers' Certificate", when used with respect to the Company, shall mean a certificate signed by the Chairman of the Board, the Vice Chairman of the Board, the Chief Executive Officer, the President or any Vice President and by the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Company. Each such certificate shall include the statements provided for in Section 15.05 if and to the extent required by the provisions of such Section.

Operating Cash Flow: The term "Operating Cash Flow" shall mean, for any period, an amount equal to (i) aggregate operating revenues plus interest and ordinary dividend income minus (ii) aggregate operating expenses, excluding non-operating expenses such as interest expense, depreciation and amortization, non-cash amounts and taxes on income, of the Restricted Group for such period, determined on a consolidated basis after eliminating all inter-company items with respect to the Restricted Group, in accordance with generally accepted accounting principles consistently applied. For purposes of calculating Operating Cash Flow, there shall be included in the Operating Cash Flow of the Restricted Group for any fiscal quarter for which Operating Cash Flow is being calculated the Operating Cash Flow for such fiscal period of any Subsidiary which has been designated a Restricted Subsidiary or of any operating assets acquired by a member of the Restricted Group (including assets constituting a cable television system acquired by the Company or a Restricted Subsidiary) after the commencement of such fiscal period. If the actual financial statements of any such new Restricted Subsidiary or operating assets for any fiscal period or portion thereof prior to the inclusion of such subsidiary as a Restricted Subsidiary or the acquisition of such operating assets by the Company or a Restricted Subsidiary are unavailable or inaccurate in the reasonable opinion of the Company, then the Operating Cash Flow of such new Restricted Subsidiary or operating assets may be determined from pro forma financial statements of such new Restricted Subsidiary or operating assets for such period as prepared in good faith by the Company, provided, however, that

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not more than \$10,000,000 of Operating Cash Flow determined on an annualized basis from such pro forma financial statements shall be included in the Operating Cash Flow of the Restricted Group. For purposes of calculating Operating Cash Flow, there will not be included in the Operating Cash Flow of the Restricted Group for any fiscal quarter for which Operating Cash Flow is being calculated the Operating Cash Flow for such fiscal period of any Restricted Subsidiary which has been designated an Unrestricted Subsidiary after the commencement of such fiscal period or of operating assets (including assets constituting a cable television system) owned by the Company or a Restricted

Subsidiary which have been transferred to an Unrestricted Subsidiary or any third party after the commencement of such fiscal period.

Opinion of Counsel: The term "Opinion of Counsel" shall mean an opinion in writing signed by legal counsel, who may be an employee of or counsel to the Company or other counsel reasonably acceptable to the Trustee. Each such opinion shall include the statements provided for in Section 15.05 if and to the extent required by the provisions of such Section.

Person: The term "Person" shall mean a corporation, an association, a partnership, an organization, an individual, a government or a political subdivision thereof or a governmental agency.

Pre-Acceleration Notice: The term "Pre-Acceleration Notice" shall have the meaning specified in Section 6.01.

Predecessor Debenture: The term "Predecessor Debenture" of any particular Debenture shall mean every previous Debenture evidencing all or a portion of the same debt as that evidenced by such particular Debenture; and, for the purposes of this definition, any Debenture authenticated and delivered under Section 2.06 in lieu of a lost, destroyed or stolen Debenture shall be deemed to evidence the same debt as the lost, destroyed or stolen Debenture.

Preferred Event Put Notice: The term "Preferred Event Put Notice" shall have the meaning set forth in Section 3.02(c).

Preferred Event Redemption Date: The term "Preferred Event Redemption Date" shall have the meaning specified in Section 3.02(b).

Preferred Event Redemption Price: The term "Preferred Event Redemption Price" shall have the meaning specified in Section 3.02(a).

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Preferred Stock Change of Control Event: The term "Preferred Stock Change of Control Event" shall mean the right of holders of 1992 Preferred Stock, pursuant to the terms of the Company's Certificate of Incorporation, to cause the Company to redeem any of their shares of 1992 Preferred Stock at the then Accreted Value, payable, at the Company's sole option, in cash or in shares of Common Stock (based on a value of 90% of the Common Stock's then-current market value (as determined in accordance with the terms of the Company's Certificate of Incorporation)) if (i) there is (subject to certain exceptions) an acquisition by any person or group of 50% or more of the combined voting or economic power of the then outstanding voting securities of the Company, including pursuant to a reorganization, consolidation or merger, or a sale of all or substantially all of the Company's assets and (ii) at the time of any such event, the value of the Common Stock issuable upon conversion of a share of 1992 Preferred Stock is less than the then Accreted Value of such share of 1992 Preferred Stock.

Preferred Stock Redemption Payment: The term "Preferred Stock Redemption Payment" shall mean the redemption by the Company of shares of the 1992 Preferred Stock, for an aggregate cash redemption price exceeding 25% of the Accreted Value as of the date of redemption of all outstanding shares of the 1992 Preferred Stock, in response to the exercise by holders of the 1992 Preferred Stock of their right to cause the Company to redeem any of their shares upon the occurrence of a Preferred Stock Change of Control Event.

Principal Office of the Trustee: The term "Principal Office of the Trustee", or other similar term, shall mean the principal office of the Trustee at which at any particular time its corporate trust business shall be administered.

Principal Property: The term "Principal Property" shall mean, as of any date of determination, any property or assets owned by any Restricted Subsidiary other than (1) any such property which, in the good faith opinion of the Board of Directors, is not of material importance to the business conducted by the Company and its Restricted Subsidiaries taken as a whole and (2) any shares of any class of stock or any other security of any Unrestricted Subsidiary.

Proposed Date: The term "Proposed Date" shall have the meaning set forth in Section 3.03(c).

Put Option Borrowing: The term "Put Option Borrowing" shall have the meaning specified in Section 3.03(b)(ii).

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Put Option Redemption Date: The term "Put Option Redemption Date" shall have the meaning specified in Section 3.03(a).

Put Option Redemption Price: The term "Put Option Redemption Price" shall have the meaning specified in Section 3.03(a).

Put Option Stock Repurchase: The term "Put Option Stock Repurchase" shall have the meaning specified in Section 3.03(b)(i).

Put Option Transaction: The term "Put Option Transaction" shall have the meaning set forth in Section 3.03(c).

Put Option Transaction Date: The term "Put Option Transaction Date" shall have the meaning specified in Section 3.03(d).

Responsible Officer: The term "Responsible Officer", when used with respect to the Trustee, shall mean any officer of the Trustee assigned by the Trustee to administer its corporate trust matters and shall include any officer in its corporate trust department.

Restricted Group: The term "Restricted Group" shall mean the Company

and the Restricted Subsidiaries. The term "Restricted Group" shall not directly or indirectly include any Unrestricted Subsidiary.

**Restricted Payments:** The term "Restricted Payments" shall have the meaning specified in Section 4.06. Restricted Payments shall not include any Exempt Repurchases.

**Restricted Stock Purchase Agreement:** The term "Restricted Stock Purchase Agreement" shall mean an agreement between the Company and an employee selected by the Board of Directors pursuant to which that employee may purchase shares of Common Stock.

**Restricted Subsidiary:** The term "Restricted Subsidiary" shall mean (i) any Subsidiary of the Company, whether existing on or after the date of the Indenture, which has been designated a Restricted Subsidiary for purposes of the Company's Credit Agreement or the Revolving Credit Agreement unless any such Subsidiary is subsequently classified as an Unrestricted Subsidiary for purposes of the Indenture by the Company, as evidenced by an Officers' Certificate delivered to the Trustee, and (ii) any Unrestricted Subsidiary which is classified for purposes of the Indenture as a Restricted Subsidiary by the Company, as evidenced by an Officers' Certificate delivered to

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the Trustee. The Company may not classify as an Unrestricted Subsidiary for purposes of this Indenture any Subsidiary that is classified as a Restricted Subsidiary for purposes of the Credit Agreement or the Revolving Credit Agreement or any similar, successor agreements.

**Revolving Credit Agreement:** The term "Revolving Credit Agreement" shall mean that certain Credit Agreement dated as of May 15, 1992 among the Company, certain Restricted Subsidiaries and certain financial institutions, as amended from time to time.

**Stock Liquidation Agreement:** The term "Stock Liquidation Agreement" shall mean that certain Stock Liquidation Agreement dated March 6, 1989, as amended, among the Company and certain holders of the Common Stock of the Company.

**Subsidiary:** The term "Subsidiary" shall mean (i) any corporation of which the outstanding stock having at least a majority in voting power in the election of directors under ordinary circumstances shall at the time be owned, directly or indirectly, by the Company, by the Company and one or more Subsidiaries or by one or more Subsidiaries or (ii) any other Person of which at least a majority of voting interest, under ordinary circumstances, is at the time, directly or indirectly, owned or controlled by the Company or by the Company and one or more Subsidiaries or by one or more Subsidiaries. A partnership of which the Company or any Subsidiary is the managing general partner shall be deemed to be a Subsidiary.

**Tender Discharge Date:** The term "Tender Discharge Date" shall have

the meaning specified in Section 3.02(b).

**Tender Period:** The term "Tender Period" shall have the meaning specified in Section 3.02(a).

**Total Interest Expense:** The term "Total Interest Expense" shall mean, for any period, the aggregate amount of interest in respect of Indebtedness (including amortization of original issue discount on any Indebtedness and the interest portion of any deferred payment obligation and after taking into account the effect of any Interest Rate Agreements, however denominated, with respect to such Indebtedness) and all but the principal component of rentals in respect of capital lease obligations, paid, accrued or scheduled to be paid or accrued by the Restricted Group during such period, determined on a consolidated basis after eliminating all intercompany items in accordance with generally accepted accounting principles; provided that such amounts paid, accrued and scheduled to be paid or accrued by any Person which is not a Subsidiary but the accounts of which are consolidated with those of the Company shall be deducted therefrom. For purposes of this definition

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interest on a capital lease obligation shall be deemed to accrue at an interest rate reasonably determined by the Company to be the rate of interest implicit in such capital lease obligation in accordance with generally accepted accounting principles.

**Trust Indenture Act of 1939:** The term "Trust Indenture Act of 1939" shall mean the Trust Indenture Act of 1939 as it was in force at the date of execution of this Indenture, except as provided in Section 10.03.

**Trustee:** The term "Trustee" shall mean The Bank of New York and, subject to the provisions of Article Seven hereof, shall also include its successors and assigns as Trustee hereunder.

**2001 Notes:** The term "2001 Notes" shall mean the 8-1/2% Senior Notes of the Company Due September 15, 2001.

**2005 Debentures:** The term "2005 Debentures" shall mean the 8-7/8% Senior Debentures of the Company Due September 15, 2005.

**Unrestricted Subsidiary:** The term "Unrestricted Subsidiary" shall mean any Subsidiary of the Company, whether existing on or after the date of this Indenture, which is not a Restricted Subsidiary.

**U.S. Government Obligations:** The term "U.S. Government Obligations" shall mean direct obligations of, or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America.

**Vice President:** The term "Vice President" shall mean any vice president of the Company, whether or not designated by a number or a word or

words added before or after the title "vice president".

## ARTICLE TWO

### ISSUE, DESCRIPTION, EXECUTION, REGISTRATION AND EXCHANGE OF DEBENTURES

SECTION 2.01. Designation, Amount and Issue of Debentures. The Debentures shall be designated as "9-1/2% Senior Debentures Due August 1, 2013". Debentures not to exceed the aggregate principal amount of \$525,000,000 (except as provided in Section 2.06) upon the execution of this Indenture, or from time to time thereafter, may be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall

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thereupon authenticate and deliver said Debentures to or upon the written order of the Company, signed by its Chairman or Vice Chairman of the Board of Directors or its Chief Executive Officer or its President or any Vice President and by its Treasurer or Assistant Treasurer or its Secretary or any Assistant Secretary, without any further action by the Company hereunder.

SECTION 2.02. Form of Debentures. The Debentures and the Trustee's certificate of authentication to be borne by the Debentures shall be substantially in the form as in this Indenture above recited. Any of the Debentures may have imprinted thereon such legends or endorsements as the officers executing the same may approve (execution thereof to be conclusive evidence of such approval) and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Debentures may be listed, or to conform to usage.

SECTION 2.03. Date and Denomination of Debentures. The Debentures shall be issuable in registered form without coupons in denominations of \$100,000 and any multiple of \$100,000. Every Debenture shall be dated the date of its authentication and, except as provided in this Section, shall bear interest, payable semi-annually on February 1 and August 1 of each year, commencing February 1, 1994, from the February 1 or August 1, as the case may be, next preceding the date of such Debenture to which interest has been paid or duly provided for, unless the date of such Debenture is the date to which interest has been paid or duly provided for, in which case from the date of such Debenture, or unless no interest has been paid or duly provided for on the Debentures, in which case from August 16, 1993 until payment of the principal sum has been made or duly provided for. Notwithstanding the foregoing, when there is no existing default in the payment of interest on the Debentures, all Debentures authenticated by the Trustee after the close of business on the record date (as hereinafter defined) for any interest payment date (February 1 or August 1, as the case may be) and prior to such interest payment date shall be dated the date of authentication but shall bear interest from such interest



payment date; provided, however, that if and to the extent that the Company shall default in the payment of interest due on such interest payment date then any such Debenture shall bear interest from the February 1 or August 1, as the case may be, next preceding the date of such Debenture to which interest has been paid or duly provided for, unless no interest has been paid or duly provided for on the Debentures, in which case from August 16, 1993. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

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The person in whose name any Debenture (or its Predecessor Debenture) is registered at the close of business on any record date with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date (subject to the provisions of Article Three in the case of any Debenture or Debentures, or portion thereof, called for redemption on a date subsequent to the record date and prior to such interest payment date) notwithstanding the cancellation of such Debenture upon any transfer or exchange subsequent to the record date and prior to such interest payment date. Interest may, at the option of the Company, be paid by check mailed to the address of such person on the registry kept for such purposes. The term "record date" with respect to any interest payment date shall mean the January 15 or July 15 preceding said February 1 or August 1.

Any interest on any Debenture which is payable, but is not paid or duly provided for within 30 days after the date on which it becomes due and payable on any said February 1 or August 1 (herein called "Defaulted Interest") shall forthwith cease to be payable to the Debentureholder on the relevant record date by virtue of having been such Debentureholder; and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Debentures (or their respective Predecessor Debentures) are registered at the close of business on a special record date for the payment of such Defaulted Interest, which shall be fixed in the following manner. At least 45 days before the proposed payment date, the Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Debenture and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon, not more than 15 days and not less than 10 days after receipt by the Trustee of notice of the proposed payment, the Trustee shall fix a special record date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment. The Trustee shall promptly notify the Company of such special record date and, in the name

and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the special record date therefor to be mailed, first-class postage prepaid to each

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Debentureholder at his address as it appears in the Debenture register, not less than 15 days prior to such special record date. Notice of the proposed payment of such Defaulted Interest and the special record date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Debentures (or their respective Predecessor Debentures) are registered at the close of business on such special record date and shall no longer be payable pursuant to the following clause (2).

(2) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Debentures may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

SECTION 2.04. Execution of Debentures. The Debentures shall be signed in the name and on behalf of the Company by the facsimile signature of its Chairman or Vice Chairman of the Board of Directors, its Chief Executive Officer, its President or any of its Vice Presidents and attested by the facsimile signature of its Secretary or any of its Assistant Secretaries (which may be printed, engraved or otherwise reproduced thereon, by facsimile or otherwise). Only such Debentures as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, manually executed by the Trustee, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such authentication by the Trustee upon any Debenture executed by the Company shall be conclusive evidence that the Debenture so authenticated has been duly authenticated and delivered hereunder and that the holder is entitled to the benefits of this Indenture.

In case any officer of the Company who shall have signed any of the Debentures shall cease to be such officer before the Debentures so signed shall have been authenticated and delivered by the Trustee, or disposed of by the Company, such Debentures nevertheless may be authenticated and delivered or disposed of as though the person who signed such Debentures had not ceased to be such officer of the Company; and any Debenture may be signed on behalf of the Company by such persons as, at the actual date of the execution of such Debenture, shall be the proper officers of the Company, although at the date of the execution of this Indenture any such person was not such an officer.

SECTION 2.05. Exchange and Registration of Debentures; Transfer of Debentures. Debentures may be exchanged for a like aggregate principal amount of Debentures of other authorized



denominations. Debentures to be exchanged shall be surrendered at the office or agency to be maintained by the Company in the Borough of Manhattan, The City of New York (which office for purposes of this Section 2.05 shall be the office of the registrar hereunder), and the Company shall execute and register and the Trustee shall authenticate and deliver in exchange therefor the Debenture or Debentures which the Debentureholder making the exchange shall be entitled to receive. The Company hereby appoints the Trustee to be, and the Trustee agrees to serve as, the initial registrar of the Debentures.

The registrar (or the Company if there is no registrar) shall keep at said office in the Borough of Manhattan, The City of New York, a register in which, subject to such reasonable regulations as it may prescribe, Debentures shall be registered and the transfer of Debentures shall be registered as in this Article Two provided. Such register shall be in written form or in any other form capable of being converted into written form within a reasonable time. At all reasonable times such register shall be open for inspection by the Trustee. Upon due presentment for registration of transfer of any Debenture at such office or agency maintained by the Company in the Borough of Manhattan, The City of New York, the Company shall execute and register and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Debenture or Debentures for an equal aggregate principal amount.

All Debentures presented for registration of transfer or for exchange, redemption or payment shall (if so required by the Company or the Trustee) be duly endorsed by, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Company and the registrar duly executed by, the holder or his attorney duly authorized in writing.

No service charge shall be made for any exchange or registration of transfer of Debentures, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

The Company shall not be required to exchange or register a transfer of (a) any Debentures for a period of 15 days next preceding any selection of Debentures to be redeemed or (b) any Debentures or portions thereof selected or called for redemption.

SECTION 2.06. Mutilated, Destroyed, Lost or Stolen Debentures. In case any temporary or definitive Debenture shall become mutilated or be destroyed, lost or stolen, the Company in its discretion may execute, and upon its request the Trustee shall authenticate and deliver, a new Debenture, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated Debenture, or in lieu of and in substitution

for the Debenture so destroyed, lost or stolen. In every case the applicant for a substituted Debenture shall furnish to the Company and to the Trustee such security or indemnity as may be required by them to save each of them harmless, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Company and to the Trustee evidence to their satisfaction of the destruction, loss or theft of such Debenture and of the ownership thereof.

The Trustee may authenticate any such substituted Debenture and deliver the same upon the written request or authorization of any officer of the Company. Upon the issuance of any substituted Debenture, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. In case any Debenture which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Company may, instead of issuing a substitute Debenture, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Debenture) if the applicant for such payment shall furnish to the Company and to the Trustee such security or indemnity as may be required by them to save each of them harmless and, in case of destruction, loss or theft, evidence satisfactory to the Company and the Trustee of the destruction, loss or theft of such Debenture and of the ownership thereof.

Every substituted Debenture issued pursuant to the provisions of this Section 2.06 by virtue of the fact that any Debenture is destroyed, lost or stolen shall constitute an additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Debenture shall be found at any time, and shall be entitled to all the benefits, and subject to all the provisions, of this Indenture equally and proportionately with any and all other Debentures duly issued hereunder. To the extent permitted by law, all Debentures shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Debentures and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 2.07. Temporary Debentures. Pending the preparation of definitive Debentures, the Company may execute and the Trustee shall authenticate and deliver temporary Debentures (typed, printed or lithographed). Temporary Debentures shall be issuable in any authorized denomination, and substantially in the form of the definitive Debentures but with such omissions, insertions and variations as may be appropriate for temporary

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Debentures, all as may be determined by the Company. Every such temporary Debenture shall be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with the same effect, as the definitive Debentures. Without unreasonable delay the Company will execute and deliver to the Trustee definitive Debentures and thereupon any or all temporary Debentures may be surrendered in exchange therefor, at the office or agency of the Company

in the Borough of Manhattan, The City of New York (which office for purposes of this Section 2.07 shall be the office in the said Borough of the registrar hereunder), and the Trustee shall authenticate and deliver in exchange for such temporary Debentures an equal aggregate principal amount of definitive Debentures. Such exchange shall be made by the Company at its own expense and without any charge therefor. Until so exchanged, the temporary Debentures shall in all respects be entitled to the same benefits under this Indenture as definitive Debentures authenticated and delivered hereunder.

SECTION 2.08. Cancellation of Debentures Paid, etc. All Debentures surrendered for the purpose of payment, redemption, exchange or registration of transfer, or in discharge, shall, if surrendered to the Company or any paying agent or any Debenture registrar, be surrendered to the Trustee and promptly cancelled by it, or, if surrendered to the Trustee, shall be promptly cancelled by it, and no Debentures shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Company may at any time deliver to the Trustee for cancellation any Debentures previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever and the Trustee shall cancel any Debentures so delivered. The Trustee shall return all cancelled Debentures to the Company.

SECTION 2.09. CUSIP Numbers. The Company in issuing the Debentures may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Debentureholders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Debentures or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Debentures, and any such redemption shall not be affected by any defect in or omission of such numbers.

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### ARTICLE THREE

#### REDEMPTION OF DEBENTURES; REDEMPTION AT THE OPTION OF THE HOLDERS

SECTION 3.01. Redemption Prices. (a) Except as provided in Sections 3.01(c), 3.02 and 3.03, the Debentures are not redeemable prior to August 1, 2005. Thereafter, the Company may, at its option, redeem all, or from time to time any part, of the Debentures at any time prior to maturity, upon notice as set forth in Section 3.06, for cash in an amount equal to the principal amount of the Debentures plus a premium, if any, as set forth in paragraph 6 of the Debentures (in aggregate, the "Call Redemption Price") together with accrued interest to the date fixed for redemption.

(b) The Debentures shall not be entitled to the benefits of a sinking fund.

(c) At any time prior to August 1, 1996, with the proceeds from any offering by the Company of its Capital Stock, other than Disqualified Stock, the Company at its option may redeem Debentures, in part, provided that after such prepayment no less than \$341,250,000 aggregate principal amount of Debentures remains outstanding, upon notice as set forth in Section 3.06, for cash in an amount equal to the principal amount of the Debentures plus a premium (expressed as a percentage of the principal amount redeemed) of 9-1/2% (in aggregate, the "Call Redemption Price") together with accrued interest to the date fixed for redemption.

SECTION 3.02. Redemption at the Option of the Holder - Preferred Stock Redemption Payment.

(a) The holder of any Debenture shall have the right, at his option, upon the giving of a Preferred Event Put Notice, and subject to the terms and conditions hereof, to tender all, but not less than all, Debentures held by that holder, without regard to the fact that the Debentures may not then be otherwise redeemable, for cash, in an amount equal to the principal amount of the Debentures (the "Preferred Event Redemption Price") together with accrued interest to the date fixed for redemption of such holder's Debentures. The right of each holder to tender his Debenture or Debentures shall continue for 30 days after the date of the Preferred Event Put Notice (the "Initial Tender Period"), unless such period shall be extended by the Company by written notice delivered to the holders of the Debentures in accordance with Section 3.02(c) hereof (the Initial Tender Period, together with all such extensions, is hereinafter referred to as the "Tender Period"), and shall be exercised by

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any surrender of such Debenture or Debentures to the office or agency to be maintained by the Company pursuant to Section 4.02 of the Indenture, accompanied by written notice that the holder elects to tender such Debenture or Debentures and (if so required by the Company or the Trustee) by a written instrument or instruments of transfer in form satisfactory to the Company and the Trustee duly executed by the holder or his duly authorized legal representative and transfer tax stamps or funds therefor, if required. Such tender by a holder shall be irrevocable. The holders of Debentures shall not have the right to tender Debentures if on the date of the Preferred Event Put Notice the Company shall have satisfied and discharged the Indenture pursuant to Article Twelve or effected a defeasance with respect to the Debentures pursuant to Article Thirteen (except that the Company may not satisfy the Indenture or effect defeasance in anticipation of a Preferred Stock Redemption Payment).

(b) Any such redemption of Debentures shall occur on the date on which the Company shall make the Preferred Stock Redemption Payment (the "Preferred Event Redemption Date"), which date, if any, shall be (i) at least 31 and no more than 60 days after the date of the Preferred Event Put Notice and (ii) no more than five days after the last day of the Tender Period (the "Tender Discharge Date"). Such date will be the same date as the date on which the Company redeems any 2001 Notes, 2005 Debentures or June Senior Debt Securities as a result of a Preferred Stock Redemption Payment. In no case may the Company

make a Preferred Stock Redemption Payment prior to redeeming Debentures which have been properly tendered in accordance with this Section 3.02. If the Company elects not to make a particular Preferred Stock Redemption Payment, then the Company shall have no obligation to redeem the Debentures tendered in connection with that Preferred Stock Redemption Payment. If the proposed Preferred Stock Redemption Payment is not made on or prior to the earlier to occur of (i) the 60th day after the date of the Preferred Event Put Notice with respect thereto or (ii) the Tender Discharge Date with respect thereto, (A) the Company shall, on or prior to the earlier to occur of the 61st day after the date of such Preferred Event Put Notice or such Tender Discharge Date, mail, or cause the Trustee to mail, notice in accordance with Section 3.04 to each Debentureholder stating that the proposed Preferred Stock Redemption Payment was not made, (B) the Company shall, on or prior to the earlier to occur of the 66th day after the date of such Preferred Event Put Notice or such Tender Discharge Date, return, or cause to be returned, any Debentures tendered to the Company in accordance with this Section 3.02 to the holders thereof (together with any written instrument or instruments of transfer and any transfer tax stamps or funds therefor which accompanied such Debentures when they were delivered by the Debentureholder), and (C) the Company shall no longer have the right or obligation to redeem Debentures tendered in connection

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with, and as a result of, such proposed Preferred Stock Redemption Payment. The Company shall not thereafter make a Preferred Stock Redemption Payment unless a subsequent Preferred Event Put Notice shall have been sent to holders of Debentures in connection therewith and the holders of Debentures shall have been afforded an opportunity to tender their Debentures in accordance with, and subject to, the terms of this Section 3.02.

(c) The Company shall file with the Trustee and shall mail, or cause the Trustee to mail, to each Debentureholder notice in accordance with Section 3.04 (the "Preferred Event Put Notice") stating that the Company is proposing to make a Preferred Stock Redemption Payment and that each holder has the right for no more than 30 days from the date of such notice to tender all, but not less than all, of his Debentures for cash in accordance with and subject to the terms hereof. If the Company elects to extend the Initial Tender Period or any extension thereof, the Company shall file with the Trustee and shall mail, or cause the Trustee to mail, at least five days prior to the termination of such period, notice in accordance with Section 3.04 stating that the Company is extending such period and that each holder's ability to tender his Debentures in accordance with this Section 3.02 will be extended until the end of such extended period. The Trustee shall not be deemed to have knowledge of any Preferred Stock Change of Control Event or any corresponding obligation with respect thereto until so notified by the Company.

(d) On or before, but not more than three Banking Days prior to, the Preferred Event Redemption Date, the Company shall deposit with the Trustee or with a paying agent an amount of money sufficient to pay the Preferred Event Redemption Price, and (except if the Preferred Event Redemption Date shall be an interest payment date) accrued interest on all the Debentures to be redeemed on

the Preferred Event Redemption Date.

(e) After a holder has tendered Debentures for redemption as provided in clause (a) above, the Debentures of such holder shall, on the Preferred Event Redemption Date, become due and payable at the Preferred Event Redemption Price, together with accrued interest to the Preferred Event Redemption Date, and from and after such date (unless the Company shall default in the payment of such Debentures at the Preferred Event Redemption Price) such Debentures shall cease to bear interest. Upon surrender of any such Debenture for redemption in accordance herewith, such Debenture shall be paid on the Preferred Event Redemption Date by the Trustee or paying agent at a price equal to the applicable Preferred Event Redemption Price (together with accrued interest to the Preferred Event Redemption Date); provided, however, that if the Preferred Event Redemption Date is an interest payment date, interest accrued to such Preferred Event Redemption Date shall be payable to the holders of record

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of such Debenture or Debentures at the close of business on the relevant record date according to the provisions of the Indenture.

If any Debenture to be redeemed shall not be so paid on the Preferred Event Redemption Date, the Preferred Event Redemption Price and accrued interest shall, until paid, bear interest from the Preferred Event Redemption Date at the rate borne by the Debentures.

SECTION 3.03. Redemption at the Option of the Holder - Exempt Repurchases and Borrowing.

(a) The holder of any Debenture shall have the right, at his option, upon the giving of notice described in clause (d) below, and subject to the terms and provisions hereof, to tender all, but not less than all, Debentures held by such holder without regard to the fact that the Debentures may not then be otherwise redeemable, for cash in an amount equal to the principal of such Debentures plus a premium, if any, as set forth in paragraph 8 of the Debentures (together, the "Put Option Redemption Price"), plus accrued interest to the date fixed for redemption. Such redemption shall occur on a date (the "Put Option Redemption Date") 35 days after the Put Option Transaction Date (as defined below). The holder's right to tender shall continue for 30 days after the Put Option Transaction Date, and shall be exercised by any surrender of such Debentures to the office or agency to be maintained by the Company pursuant to Section 4.02 of the Indenture, accompanied by written notice that the holder elects to tender such Debentures and (if so required by the Company or the Trustee) by a written instrument or instruments of transfer in form satisfactory to the Company and the Trustee duly executed by the holder or his duly authorized legal representative and transfer tax stamps or funds therefor, if required. Such tender by a holder shall be irrevocable.

(b) The holder shall have the right to tender under clause (a) upon the occurrence of an event or series of events set forth below, provided that at the time of the occurrence of such event, the Company shall not have satisfied



and discharged the Indenture pursuant to Article Twelve or effected a defeasance with respect to the Debentures pursuant to Article Thirteen (except that the Company may not satisfy the Indenture or effect defeasance in anticipation of (i) or (ii) below):

(i) The Company makes an Exempt Repurchase and immediately thereafter and after giving effect to any Exempt Indebtedness incurred or to be incurred for the purpose of making such Exempt Repurchase, the Company is unable to incur an additional \$1 of Indebtedness under Section 4.07, without

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giving effect to Section 4.07(b) (hereinafter referred to as a "Put Option Stock Repurchase").

(ii) The Company incurs Indebtedness and immediately thereafter, and after giving effect to such Indebtedness, the Company is able to incur an additional \$1 of Indebtedness under Section 4.07, but only because of the effect of Section 4.07(b) (hereinafter referred to as a "Put Option Borrowing").

(c) The Company shall file with the Trustee and shall mail, or cause the Trustee to mail, to each Debentureholder not more than 45 days and not less than 15 days prior to the proposed date on which a Put Option Stock Repurchase or Put Option Borrowing (either, a "Put Option Transaction") is to occur (the "Proposed Date") a notice as provided in Section 3.04 stating that the Company is proposing to make a Put Option Stock Repurchase or a Put Option Borrowing, whichever the case may be, on the Proposed Date, and that if the Put Option Transaction is consummated, each holder shall have the right to tender all, but not less than all, of his Debentures for cash pursuant to the terms hereof.

(d) The date on which the proposed Put Option Transaction shall occur (the "Put Option Transaction Date") shall be no more than 30 days after the Proposed Date. On the Put Option Transaction Date, the Company shall mail, or cause the Trustee to mail, notice in accordance with Section 3.04 to each Debentureholder stating that the Put Option Transaction has been consummated and that each holder of Debentures has the right to tender his Debentures for a period of 30 days after the Put Option Transaction Date.

(e) On or before, but not more than three Banking Days prior to, the Put Option Redemption Date, the Company shall deposit with the Trustee or with a paying agent an amount of money sufficient to pay the Put Option Redemption Price, and (except if the Put Option Redemption Date shall be an interest payment date) accrued interest on, all the Debentures to be redeemed on the Put Option Redemption Date. Prior to the consummation of any Put Option Transaction, the Company shall deliver to the Trustee an Officers' Certificate to the effect that it has arranged for committed financing sufficient to redeem all of the Debentures in accordance with this Section 3.03.

(f) All Debentures properly tendered for redemption pursuant to

clause (a) above shall, on the Put Option Redemption Date, become due and payable at the applicable Put Option Redemption Price plus accrued interest, if any, and from and after such date (unless the Company shall default in the payment thereof) such Debentures shall cease to bear interest. Upon surrender of any such Debenture for redemption in accordance

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herewith, such Debenture shall be paid on the Put Option Redemption Date by the Trustee or paying agent at a price equal to the applicable Put Option Redemption Price, together with accrued interest to the Put Option Redemption Date; provided, however, that if the Put Option Redemption Date is an interest payment date, interest accrued to such Put Option Redemption Date shall be payable to the holders of record of such Debentures at the close of business on the relevant record date according to the provisions of the Indenture.

If any Debenture to be redeemed shall not be so paid on the Put Option Redemption Date, the Put Option Redemption Price and accrued interest shall, until paid, bear interest from the Put Option Redemption Date at the rate borne by the Debentures.

(g) Upon (A) the consummation of the proposed Put Option Transaction no later than 30 days after the Proposed Date, and (B) the redemption of all Debentures properly tendered for redemption pursuant to clause (a) above, the Company shall no longer be bound by the provisions of this Section 3.03 and Sections 4.07, 4.08 and 4.11.

(h) If the proposed Put Option Transaction that was the subject of the notice provided pursuant to clause (c) above is not consummated within 30 days of the Proposed Date, the Company shall, on the 31st day after the Proposed Date, mail, or cause the Trustee to mail, notice in accordance with Section 3.04 to each Debentureholder stating that the proposed Put Option Transaction was not consummated.

SECTION 3.04. Mailing of Notices. If pursuant to this Article Three, the Company or the Trustee is required to mail to one or more Debentureholders notice either of redemption or of the right of the Debentureholders to require redemption, such notice shall be given in the manner hereinafter provided. Notice shall be mailed to the subject Debentureholders at their last addresses as the same shall appear on the register for the Debentures described in Section 2.05. Such mailing shall be by first-class mail. The notice if mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to any subject Debentureholder shall not affect the validity of the proceedings for the redemption of any other Debenture.

Each such notice either of redemption or of the right of the holders to require redemption shall specify (except as otherwise provided in Sections 3.02 and 3.03) the date fixed for redemption, the redemption price at which Debentures are to be redeemed, the place or places of payment, the CUSIP Number



of the Debentures, that payment will be made upon presentation and

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surrender of such Debentures to be redeemed (and other conditions of payments, if any), that interest accrued to the date fixed for redemption on Debentures or portions thereof to be redeemed will be paid as specified in the notice, that on or after said date interest on Debentures or portions thereof to be redeemed will cease to accrue and such other information as is provided for in the Section of this Article Three calling for such notice. Either the Company shall give the notice or shall provide the Trustee with copies of the notice and shall request the Trustee to mail the notice on the Company's behalf.

For any notice pursuant to Section 3.06, (i) if fewer than all the Debentures are to be redeemed, the notice of redemption shall identify the Debentures to be redeemed and (ii) if any Debenture is to be redeemed in part only, the notice shall state the portion of the principal amount thereof to be redeemed and shall state that on and after the date fixed for redemption, upon surrender of such Debenture, a new Debenture or Debentures in principal amount equal to the unredeemed portion thereof will be issued.

If such notice is pursuant to Section 3.02(c) or 3.03(c), the notice shall state the terms and conditions to which each Debentureholder's right to require redemption is subject.

SECTION 3.05. Cancellation of Debentures after Redemption. All Debentures surrendered for redemption shall, if surrendered to the Company or any redemption agent, be delivered to the Trustee for cancellation and, if surrendered to the Trustee, shall be cancelled by it upon the occurrence of the redemption.

SECTION 3.06. Notice of Redemption; Selection of Debentures. If the Company shall desire to exercise the right to redeem all or, as the case may be, any part of the Debentures pursuant to Sections 3.01(a) or (c), it shall fix a date for redemption and it or, at its request, the Trustee in the name and at the expense of the Company, shall mail or cause to be mailed a notice of such redemption, as provided in Section 3.04, at least 30 and not more than 60 days prior to the date fixed for redemption to the holders of Debentures so to be redeemed as a whole or in part. Such notice shall state that the Debentures are being redeemed at the option of the Company.

On or prior to the redemption date specified in the notice of redemption given as provided in this Section, the Company will deposit with the Trustee or with one or more paying agents an amount of money sufficient to redeem on the redemption date all the Debentures or portions thereof so called for redemption at the Call Redemption Price, together with accrued interest to the date fixed for redemption. If all the Debentures

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are to be redeemed, it will give the Trustee written notice not less than 45 days prior to the redemption date (or such shorter period as may be acceptable to the Trustee) of such redemption. If fewer than all the Debentures are to be redeemed, it will give the Trustee written notice not less than 60 days prior to the redemption date (or such shorter period as may be acceptable to the Trustee) as to the aggregate principal amount of Debentures to be redeemed.

If fewer than all the Debentures are to be redeemed, the Trustee shall select, in such manner as in its sole discretion it shall deem appropriate and fair, the Debentures or portions thereof (in multiples of \$100,000) to be redeemed.

The Company may redeem the Debentures pursuant to Section 3.01(a) or (c) in anticipation of a Put Option Transaction or a Preferred Stock Redemption Payment.

SECTION 3.07. Payment of Debentures Called for Redemption. If notice of redemption has been given as provided in Section 3.06 hereof, the Debentures or portions of Debentures with respect to which such notice has been given shall become due and payable on the date and at the place or places stated in such notice at the applicable Call Redemption Price, together with interest accrued to the date fixed for redemption, and on and after said date (unless the Company shall default in the payment of such Debentures at the Call Redemption Price, together with interest accrued to said date) interest on the Debentures or portions of Debentures so called for redemption shall cease to accrue. On presentation and surrender of such Debentures at a place of payment in said notice specified, the said Debentures or the specified portions thereof shall be paid and redeemed by the Company at the applicable Call Redemption Price, together with interest accrued thereon to the date fixed for redemption.

Upon presentation of any Debenture redeemed in part only, the Company shall execute and the Trustee shall authenticate and deliver to the holder thereof, at the expense of the Company, a new Debenture or Debentures, of authorized denominations, in principal amount equal to the unredeemed portion of the Debentures so presented.

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#### ARTICLE FOUR

##### PARTICULAR COVENANTS OF THE COMPANY

SECTION 4.01. Payment of Principal, Premium and Interest. The Company covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and premium, if any, and interest on each of the Debentures at the places, at the respective times and in the manner provided herein and in the Debentures.

SECTION 4.02. Offices for Notices and Payments, etc. So long as any

of the Debentures remain outstanding, the Company will maintain in the Borough of Manhattan, The City of New York, an office or agency where the Debentures may be presented for payment, and an office or agency where the Debentures may be presented for registration of transfer and for exchange as in this Indenture provided and an office or agency where notices and demands to or upon the Company in respect of the Debentures or of this Indenture may be served. The Company will give to the Trustee written notice of the location of each such office or agency and of any change of location thereof. If the Company shall fail to maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof, presentations and demands may be made and notices may be served at the office of the Trustee and the Company hereby appoints the Trustee to be, and the Trustee agrees to serve as, the Company's initial agent to receive all such presentations, demands and notices.

SECTION 4.03. Appointments to Fill Vacancies in Trustee's Office. The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 7.09, a Trustee, so that there shall at all times be a Trustee hereunder.

SECTION 4.04. Provision as to Paying Agent. (a) If the Company shall appoint a paying agent other than the Trustee, it will cause such paying agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 4.04:

(1) that it will hold all sums held by it as such agent for the payment of the principal of and premium, if any, or interest on the Debentures (whether such sums have been paid to it by the Company or by any other obligor on the Debentures) in trust for the benefit of the holders of the Debentures;

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(2) that it will give the Trustee notice of any failure by the Company (or by any other obligor on the Debentures) to make any payment of the principal of and premium, if any, or interest on the Debentures when the same shall become due and payable; and

(3) that at any time during the continuance of an Event of Default, upon request of the Trustee, it will forthwith pay to the Trustee all sums so held in trust.

(b) If the Company shall act as its own paying agent, it will, on or before each due date of the principal of and premium, if any, or interest on the Debentures, set aside, segregate and hold in trust for the benefit of the holders of the Debentures a sum sufficient to pay such principal and premium, if any, or interest so becoming due and will notify the Trustee of any failure to take such action and of any failure by the Company (or by any other obligor on the Debentures) to make any payment of the principal of and premium, if any, or interest on the Debentures when the same shall become due and payable.

(c) Anything in this Section 4.04 to the contrary notwithstanding, the Company may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust by any paying agent hereunder as required by this Section 4.04, such sums to be held by the Trustee upon the trusts herein contained and upon such payment by any paying agent to the Trustee, such paying agent shall be released from all further liability with respect to such money.

(d) Anything in this Section 4.04 to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section 4.04 is subject to Sections 12.03 and 12.04.

SECTION 4.05. Corporate Existence and Maintenance of Properties. Except as provided in Section 11.01 hereof, the Company will at all times maintain its corporate existence, will maintain its properties in adequate condition for the conduct of its business and will do or cause to be done all things necessary to preserve and keep in full force and effect its rights (charter and statutory) and franchises; provided, however, that the Company will not be required to preserve any right or franchise if the Board of Directors of the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Debentureholders.

SECTION 4.06. Restricted Payments. The Company covenants and agrees, so long as any of the Debentures remain outstanding, that it will not declare or pay any dividend on, or

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authorize or make any distribution in respect of, any shares of any class of its Capital Stock (except dividends or distributions payable in shares of its Capital Stock), or authorize or make any purchase, redemption or acquisition for value of, or permit any Subsidiary to purchase or otherwise acquire for value, any shares of any class of the Company's Capital Stock, (or any rights, warrants or options to purchase any class of Capital Stock of the Company, except if such rights, warrants or options are held by an employee of the Company and such purchase, redemption or acquisition occurs in connection with the termination of such employee's employment by the Company) otherwise than pursuant to Exempt Repurchases (any payment so restricted being herein called a "Restricted Payment"): (i) if a default shall have occurred and be continuing at the time of such proposed Restricted Payment or shall occur as a consequence thereof; or (ii) if the aggregate of all Restricted Payments made from March 31, 1992 through and including the date on which such Restricted Payment is made, would exceed the sum of (a) the amount by which Operating Cash Flow of the Restricted Group on a consolidated basis for the period, treated as a single accounting period, from March 31, 1992 through the fiscal quarter immediately preceding such proposed Restricted Payment for which financial statements are available exceeds 1.20 times the Total Interest Expense for the period, treated as a single accounting period from March 31, 1992 through said fiscal quarter

immediately preceding such proposed Restricted Payment, plus (b) \$150,000,000, plus (c) the aggregate net proceeds, including the fair market value of property other than cash, received by the Company from the issuance or sale (other than to a Subsidiary) subsequent to June 23, 1992 of any class of Capital Stock of the Company, or from the exercise subsequent to June 23, 1992 of any options, warrants or other rights to acquire Capital Stock of the Company. For all purposes of this Section 4.06, any recapitalization of the Company (whether or not effected through a merger or consolidation with, or sale of substantially all of the assets of the Company to, any Person) that has the effect of transferring money, property, or securities other than Capital Stock of the Company to any holder of any shares of the Capital Stock of the Company (otherwise than in connection with an Exempt Repurchase) shall be deemed a Restricted Payment.

For purposes of this Section 4.06, "default" shall mean the occurrence of any event specified in clauses (a), (b), (c), (d), (e) or (f) of Section 6.01, not including periods of grace, if any, provided for therein.

SECTION 4.07. Limitation on Indebtedness. (a) Except as provided in Section 3.03(g), the Company covenants and agrees, so long as any of the Debentures remain outstanding, that it shall not, and shall not permit any of its Restricted Subsidiaries to, incur, create, assume, directly or indirectly

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guarantee or in any other manner become liable with respect to, or become responsible for the payment of, any additional Indebtedness unless, after giving effect to the incurrence of such Indebtedness and the receipt and application of the proceeds thereof, the ratio of (1) the aggregate Indebtedness of the Restricted Group to (2) four times the Operating Cash Flow of the Restricted Group on a consolidated basis for the fiscal quarter immediately preceding such incurrence for which financial statements are available, is no more than 9:1.

(b) For purposes of calculating the ratio described above, the aggregate Indebtedness of the Restricted Group shall be reduced by the aggregate Exempt Indebtedness of the Restricted Group.

SECTION 4.08. Limitation on Investment in Unrestricted Subsidiaries. Except as provided in Section 3.03(g), the Company covenants and agrees, so long as any of the Debentures remain outstanding, that it shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly make loans or advances or transfer property or assets to, invest in or pay any indebtedness owed by any Unrestricted Subsidiary (other than (i) the provision of goods and services to an Unrestricted Subsidiary if such goods and services are billed to an Unrestricted Subsidiary on the basis of the provider's cost therefor and (ii) advances to an Unrestricted Subsidiary in the ordinary course of business by the Restricted Group if the interest payable on such advances is generally consistent with the Company's cost of borrowings under its credit facilities), unless, after giving effect to such transaction, the Restricted Group would be allowed to incur an additional \$1 of Indebtedness under Section 4.07.

SECTION 4.09. Transactions with Stockholders and Affiliates. The Company covenants and agrees, so long as any of the Debentures remain outstanding, that it will not, and will not permit any Restricted Subsidiary to, enter into any transaction (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with any holder of 5% or more of any class of Capital Stock of the Company or with any Affiliate of the Company or of any such holder, on terms that are less favorable to the Company or such Restricted Subsidiary, as the case may be, than those which might be obtained at the time of such transaction from a Person who is not such a holder or Affiliate; provided, however, that this Section 4.09 shall not limit, or be applicable to, (i) transactions pursuant to Restricted Stock Purchase Agreements, (ii) the payment of reasonable and customary regular fees to directors of the Company who are not employees of the Company, (iii) any transaction between the Company and any of the Restricted Subsidiaries or between any of the Restricted Subsidiaries, (iv) any transaction between an Unrestricted

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Subsidiary and either the Company or a Restricted Subsidiary, or (v) Exempt Repurchases.

SECTION 4.10. Certificate to Trustee. The Company will furnish to the Trustee not more than 90 days after the end of the Company's fiscal year (beginning with fiscal 1993) in each year a brief certificate from the principal executive, financial or accounting officer of the Company as to his or her knowledge of the Company's compliance with all conditions and covenants under the Indenture (such compliance to be determined without regard to any period of grace or requirement of notice provided under the Indenture), stating that in the course of the performance by the signer of his or her duties as an officer of the Company, he or she would normally have knowledge of any default by the Company and, if he or she has knowledge of any default, specifying each such default of which the signer has knowledge and the nature thereof.

SECTION 4.11. Limitation on Liens. Except as provided in Section 3.03(g), the Company will not, and will not permit any Restricted Subsidiary to, create, incur or assume any Lien on any Principal Property or any shares of Capital Stock or Indebtedness of any Restricted Subsidiary without making effective provision for all of the Debentures and all other amounts due under this Indenture to be directly secured equally and ratably with (or prior to) the obligation or liability secured by such Lien unless, at the time of such creation, incurrence or assumption and, after giving effect thereto, the aggregate amount of all Indebtedness so secured does not exceed five times Annualized Cash Flow; provided, however, that if all Liens (other than Liens created pursuant to this Section 4.11 or Section 4.11 of the Indentures for the 2001 Notes, 2005 Debentures or June Senior Debt Securities) on Principal Property or on shares of Capital Stock or Indebtedness of a Restricted Subsidiary which secure Indebtedness of the Company or any Restricted Subsidiary are released, then (i) all then existing Liens created pursuant to this Section (together with all then existing Liens created pursuant to Section 4.11 of the Indentures for the 2001 Notes, 2005 Debentures and June Senior Debt Securities)



shall be automatically released and (ii) the Trustee shall be authorized to execute and deliver to the Company any documents requested by the Company which are required to evidence the release of such Liens.

The foregoing limitation does not apply to:

(i) Liens securing obligations of the Company to reimburse any bank or other Person in respect of amounts paid under letters of credit, acceptances or other similar instruments; or

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(ii) Liens securing Indebtedness on the assets of any entity existing at the time such assets are acquired by the Company or any of its Restricted Subsidiaries, whether by merger, consolidation, purchase of assets or otherwise; provided that such Liens (x) are not created, incurred or assumed in connection with, or in contemplation of, such assets being acquired by the Company or any of its Restricted Subsidiaries and (y) do not extend to any other Principal Property or assets of the Company or any of its Restricted Subsidiaries.

#### ARTICLE FIVE

##### DEBENTUREHOLDERS LISTS AND REPORTS BY THE COMPANY AND THE TRUSTEE

SECTION 5.01. Debentureholders Lists. If and so long as the Trustee shall not be the Debenture registrar, the Company will furnish or cause to be furnished to the Trustee a list in such form as the Trustee may reasonably require of the names and addresses of the holders of the Debentures pursuant to Section 312 of the Trust Indenture Act of 1939 (a) not more than 15 days after each record date for the payment of semi-annual interest on the Debentures (as specified in Section 2.03 hereof), as of such record date, and (b) at such other times as the Trustee may request in writing, within thirty days after receipt by the Company of any such request, such information to be as of a date not more than fifteen days prior to the time such information is furnished.

SECTION 5.02. Reports by the Company. (a) The Company covenants to file with the Trustee, within fifteen days after the Company is required to file the same with the Securities and Exchange Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as said Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with said Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934.

(b) The Company covenants and agrees that it will deliver to the Trustee and mail, or cause the Trustee to mail, to each holder of Debentures:

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(1) as soon as available and in any event within 90 days after the end of each fiscal year of the Company (i) a consolidated balance sheet of the Company and its Subsidiaries as of the end of such fiscal year and the related consolidated statements of operations, shareholders' equity and cash flows for such fiscal year, all reported on by Deloitte & Touche or other independent public accountants of nationally recognized standing, (ii) a report containing a management's discussion and analysis of financial condition and results of operations and a description of the business and properties of the Company and (iii) a report as to the maximum amount of Restricted Payments that the Company could have made as of the end of the fiscal year without violating Section 4.06, such report shall explain how such maximum amount was calculated and shall briefly describe any transaction that occurred during the last quarter that affected such maximum amount;

(2) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Company (i) an unaudited consolidated financial report for such quarter, (ii) a report containing a management's discussion and analysis of financial condition and results of operations and (iii) a report as to the maximum amount of Restricted Payments that the Company could have made as of the end of the quarter without violating Section 4.06, such report shall explain how such maximum amount was calculated and shall briefly describe any transaction that occurred during the quarter that affected such maximum amount;

(3) promptly upon the mailing thereof to the shareholders of the Company generally, copies of annual letters; and

(4) promptly upon the filing thereof, copies of all annual, quarterly, monthly or periodic reports which the Company shall have filed with the Securities and Exchange Commission.

SECTION 5.03. Reports by the Trustee. Any Trustee's report required under Section 313(a) of the Trust Indenture Act of 1939 shall be transmitted on or before June 1, 1994, and on or before every June 1 thereafter, and shall be dated as of a date 60 days prior to such June 1.

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## ARTICLE SIX

### REMEDIES OF THE TRUSTEE AND DEBENTUREHOLDERS ON THE OCCURRENCE OF AN EVENT OF DEFAULT

SECTION 6.01. Events of Default. In case one or more of the following Events of Default shall have occurred and be continuing:

(a) default in the payment of any installment of interest upon any of the Debentures as and when the same shall become due and payable, and



continuance of such default for a period of thirty days; or

(b) default in the payment of the principal of or premium, if any, on any of the Debentures as and when the same shall become due and payable either at maturity or in connection with any redemption, by declaration or otherwise; or

(c) failure on the part of the Company duly to observe or perform any other of the covenants or agreements on the part of the Company in the Debentures or in this Indenture continued for a period of sixty days after the date on which written notice of such failure, requiring the Company to remedy the same, shall have been given to the Company by the Trustee, or to the Company and the Trustee by the holders of at least twenty-five percent in aggregate principal amount of the Debentures at the time outstanding; or

(d) (i) default by the Company in the payment when due at maturity of any indebtedness for borrowed money (other than indebtedness which is non-recourse to the Company) in excess of \$10,000,000 issued under an indenture or instrument evidencing such indebtedness, whether such indebtedness is outstanding at the date of this Indenture or is hereafter outstanding, and continuation of such default for the greater of any period of grace applicable thereto or ten days from the date of such default or (ii) an event of default, as defined in any indenture or instrument evidencing or under which the Company has at the date of this Indenture or shall hereafter have outstanding at least \$10,000,000 aggregate principal amount of indebtedness for borrowed money, shall happen and be continuing and such indebtedness shall have been accelerated so that the same shall be or become due and payable prior to the date on which the same would otherwise have become due and payable, and such acceleration shall not be rescinded or annulled, or such indebtedness shall not be discharged, within ten days after notice thereof shall have been given to the Company by the Trustee (if such event be known to it), or to

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the Company and the Trustee by the holders of at least 25% in aggregate principal amount of the Debentures at the time outstanding; provided that if such event of default or event of default under such indenture or instrument shall be remedied or cured by the Company or waived by the holders of such indebtedness, then the Event of Default hereunder by reason thereof shall be deemed likewise to have been thereupon remedied, cured or waived without further action upon the part of either the Trustee or any of the Debentureholders, and provided further, however, that, subject to the provisions of Section 7.01 the Trustee shall not be charged with knowledge of any such default or event of default unless written notice thereof shall have been given to the Trustee by the Company, by the holder or an agent of the holder of any such indebtedness, by the trustee then acting under any indenture or other instrument under which such default or event of default shall have occurred, or by the holders of not less than 25% in the aggregate principal amount of the Debentures at the

time outstanding.

(e) the Company shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due; or

(f) an involuntary case or other proceeding shall be commenced against the Company seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 consecutive days;

then and in each and every such case, unless the principal of all of the Debentures shall have already become due and payable, either the Trustee or the holders of not less than twenty-five percent in aggregate principal amount of the Debentures then outstanding hereunder, by notice (an "Acceleration Notice") in writing to the Company (and to the Trustee if given by Debentureholders), may declare the principal of all the Debentures and the interest accrued thereon and premium, if any,

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to be due and payable immediately, and (unless prior to the date of such Acceleration Notice all Events of Default in respect of the Debentures shall have been cured or waived) upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Debentures contained to the contrary notwithstanding, provided, that except in the case (A) of an Event of Default under clause (e) or (f) above or (B) that no more than 10 days and no less than 5 days prior to the giving of an Acceleration Notice the Trustee shall have given to the Company (or, in the case of an acceleration by the Debentureholders, the Debentureholders shall have given to the Trustee and the Company) a notice (a "Pre-Acceleration Notice") in writing that in no more than 10 days the Trustee (or the Debentureholders) intends to give an Acceleration Notice, an Acceleration Notice shall not become effective until 5 days after receipt of such notice by the Company (and the Trustee if given by Debentureholders). The provision above regarding acceleration, however, is subject to the condition that if, at any time after the principal of the Debentures shall have been so declared due and payable, and before any judgment or decree for the payment of the monies due shall have been obtained or entered as hereinafter provided, the Company shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all the

Debentures and the principal of and premium, if any, on any and all Debentures which shall have become due otherwise than by acceleration (with interest on overdue installments of interest (to the extent that payment of such interest is enforceable under applicable law) and on such principal and premium, if any, at the rate borne by the Debentures, to the date of such payment or deposit) and the expenses of the Trustee, and any and all defaults under this Indenture, other than the nonpayment of principal of and accrued interest on Debentures which shall have become due by acceleration, shall have been remedied--then and in every such case the holders of a majority in aggregate principal amount of the Debentures then outstanding, by written notice to the Company and to the Trustee, may waive all defaults and rescind and annul such declaration and its consequences; but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon.

In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Company, the holders of Debentures, and the Trustee shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Company, the holders of Debentures, and the Trustee shall continue as though no such proceeding had been taken.

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The Trustee shall give the Debentureholders notice of any default hereunder as and to the extent provided by the Trust Indenture Act of 1939. For the purpose of this paragraph, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

SECTION 6.02. Payment of Debentures on Default; Suit Therefor. The Company covenants that (a) in case default shall be made in the payment of any installment of interest upon any of the Debentures as and when the same shall become due and payable, and such default shall have continued for a period of thirty days, or (b) in case default shall be made in the payment of the principal of and premium, if any, on any of the Debentures as and when the same shall have become due and payable, whether at maturity of the Debentures or in connection with any redemption, by declaration or otherwise--then, upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the holders of the Debentures, the whole amount that then shall have become due and payable on all such Debentures for principal and premium, if any, or interest, or both, as the case may be, with interest upon the overdue principal and premium, if any, and (to the extent that payment of such interest is enforceable under applicable law) upon the overdue installments of interest at the rate borne by the Debentures; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including a reasonable compensation to the Trustee, its agents, attorneys and counsel, and any expenses or liabilities incurred by the Trustee hereunder other than through its negligence or bad faith.

In case the Company shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Company or any other obligor on the Debentures and collect in the manner provided by law out of the property of the Company or any other obligor on the Debentures wherever situated the monies adjudged or decreed to be payable.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Company or any other obligor on the Debentures under Title 11 of the United States Code, or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Company or such other obligor, or in the case of any other similar judicial proceedings relative to the Company or other obligor upon the Debentures, or to the creditors or property of the Company or such other obligor, the Trustee, irrespective of

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whether the principal of the Debentures shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section 6.02, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of principal, premium, if any, and interest owing and unpaid in respect of the Debentures, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and of the Debentureholders allowed in such judicial proceedings relative to the Company or any other obligor on the Debentures, its or their creditors, or its or their property, and to collect and receive any monies or other property payable or deliverable on any such claims, and to distribute the same after the deduction of its charges and expenses; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the Debentureholders to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to the Debentureholders, to pay to the Trustee any amount due it for compensation and expenses, including counsel fees and expenses incurred by it up to the date of such distribution. To the extent that such payment of reasonable compensation, expenses and counsel fees and expenses out of the estate in any such proceedings shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, monies, securities and other property which the holders of the Debentures may be entitled to receive in such proceedings, whether in liquidation or under any plan of reorganization or arrangement or otherwise.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or adopt on behalf of any Debentureholder any plan of reorganization or arrangement, affecting the Debentures or the rights of any Debentureholder, or to authorize the Trustee to vote in respect of the claim of any Debentureholder in any such proceeding.

All rights of action and of asserting claims under this Indenture, or under any of the Debentures, may be enforced by the Trustee without the possession of any of the Debentures, or the production thereof at any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the holders of the Debentures.

SECTION 6.03. Application of Monies Collected by Trustee. Any monies collected by the Trustee shall be applied in the order following, at the date or dates fixed by the Trustee

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for the distribution of such monies, upon presentation of the several Debentures, and stamping thereon the payment, if only partially paid, and upon surrender thereof if fully paid:

First: To the payment of costs and expenses of collection and reasonable compensation to the Trustee, its agents, attorneys and counsel, and of all other expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith;

Second: In case the principal of the outstanding Debentures shall not have become due and be unpaid, to the payment of interest on the Debentures in the order of the maturity of the installments of such interest, with interest (to the extent that such interest has been collected by the Trustee) upon the overdue installments of interest at the rate borne by the Debentures, such payments to be made ratably to the persons entitled thereto;

Third: In case the principal of the outstanding Debentures shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Debentures for principal and premium, if any, and interest, with interest on the overdue principal and premium, if any, and (to the extent that such interest has been collected by the Trustee) upon overdue installments of interest at the rate borne by the Debentures; and in case such monies shall be insufficient to pay in full the whole amounts so due and unpaid upon the Debentures, then to the payment of such principal and premium, if any, and interest without preference or priority of principal and premium, if any, over interest, or of interest over principal and premium, if any, or of any installment of interest over any other installment of interest, or of any Debenture over any other Debenture, ratably to the aggregate of such principal and premium, if any, and accrued and unpaid interest;

Fourth: To the payment of the remainder, if any, to the Company.

SECTION 6.04. Proceedings by Debentureholder. No holder of any Debenture shall have any right by virtue of or by availing of any provision of

this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of default and of the continuance thereof, as hereinbefore provided, and unless also the holders of not less than twenty-five percent in aggregate principal amount of the Debentures then outstanding shall have made written request upon the Trustee to institute

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such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for sixty days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding, it being understood and intended, and being expressly covenanted by the taker and holder of every Debenture with every other taker and holder and the Trustee, that no one or more holders of Debentures shall have any right in any manner whatever by virtue of or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of any other holder of such Debentures, or to obtain or seek to obtain priority over or preference to any other such holder, or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all holders of Debentures (except as otherwise provided herein). For the protection and enforcement of this Section 6.04, each and every Debentureholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provisions of this Indenture (including the first paragraph of this Section 6.04), however, the right of any holder of any Debenture to receive payment of the principal of and premium, if any, and interest on such Debenture, on or after the respective due dates expressed in such Debenture, or to institute suit for the enforcement of any such payment on or after such respective dates against the Company shall not be impaired or affected without the consent of such holder.

SECTION 6.05. Proceedings by Trustee. In case of an Event of Default hereunder the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either by suit in equity or by action at law or by proceeding in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

SECTION 6.06. Remedies Cumulative and Continuing. All powers and remedies given by this Article Six to the Trustee or to the Debentureholders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the holders of the Debentures, by judicial proceedings or otherwise, to enforce the



agreements contained in this Indenture, and no delay or omission of the Trustee or of any holder of any of the Debentures to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein; and, subject to the provisions of Section 6.04, every power and remedy given by this Article Six or by law to the Trustee or to the Debentureholders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Debentureholders.

SECTION 6.07. Direction of Proceedings and Waiver of Defaults by Majority Debentureholders. The holders of a majority in aggregate principal amount of the Debentures at the time outstanding determined in accordance with Section 8.04 shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee; provided, however, that (subject to the provisions of Section 7.01) the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith by its board of directors or trustees, executive committee, or a trust committee of directors or trustees and/or Responsible Officers shall determine that the action or proceedings so directed could involve the Trustee in personal liability. Prior to any declaration accelerating the maturity of the Debentures, the holders of a majority in aggregate principal amount of the Debentures at the time outstanding may on behalf of the holders of all of the Debentures waive any past default or Event of Default hereunder and its consequences except a default in the payment of interest, or premium, if any, on, or the principal of, the Debentures. Upon any such waiver the Company, the Trustee and the holders of the Debentures shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon. Whenever any default or Event of Default hereunder shall have been waived as permitted by this Section 6.07, said default or Event of Default shall for all purposes of the Debentures and this Indenture be deemed to have been cured and to be not continuing.

## ARTICLE SEVEN

### CONCERNING THE TRUSTEE

SECTION 7.01. Duties and Responsibilities of Trustee; During Default; Prior to Default. The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are

specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that

(a) prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred:

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any statements, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but, in the case of any such statements, certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;

(b) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

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(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the Debentures at the time outstanding determined as provided in Section 8.04 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is



not reasonably assured to it.

The Trustee shall not be deemed to have notice of any Event of Default described in Section 6.01(c), 6.01(d), 6.01(e) or 6.01(f) or any event which, with the passage of time, might become an Event of Default described in Section 6.01(c), 6.01(d), 6.01(e) or 6.01(f) unless the Trustee has received written notice thereof, addressed to a Responsible Officer of the Trustee.

This Section 7.01 is in furtherance of and subject to Sections 315 and 316 of the Trust Indenture Act of 1939.

SECTION 7.02. Certain Rights of the Trustee. In furtherance of and subject to the Trust Indenture Act of 1939, and subject to Section 7.01:

(a) the Trustee may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Board of Directors may be evidenced to the Trustee by a copy thereof certified by the Secretary or an Assistant Secretary of the Company;

(c) the Trustee may consult with counsel of its selection and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

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(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Debentureholders, pursuant to the provisions of this Indenture, unless such Debentureholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby;

(e) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(f) subject to the second sentence of Section 7.01, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond, debenture, note or other paper or document unless requested in writing to do so by the holders of not less than a majority in principal amount of the Debentures

then outstanding, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney, during reasonable business hours; provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such expense or liability as a condition to so proceeding; and

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due care hereunder.

SECTION 7.03. No Responsibility for Recitals, etc. The recitals contained herein and in the Debentures (except in the Trustee's certificate of authentication) shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Debentures. The Trustee shall not be responsible for the statements relating to the Debentures in the registration statement for the Debentures filed with the

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Securities and Exchange Commission. The Trustee shall not be accountable for the use or application by the Company of any Debentures or the proceeds of any Debentures authenticated and delivered by the Trustee in conformity with the provisions of this Indenture.

SECTION 7.04. Trustee, Paying Agents or Registrar May Own Debentures. The Trustee or any paying agent or Debenture registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Debentures with the same rights it would have if it were not Trustee, paying agent, Debenture registrar or such other agent.

SECTION 7.05. Monies to Be Held in Trust. Subject to the provisions of Section 12.04, all monies received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

SECTION 7.06. Compensation and Expenses of Trustee. The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, such compensation as the Company and the Trustee shall

from time to time agree upon in writing (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), and the Company will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except to the extent any such expense, disbursement or advance may arise from its negligence or bad faith. The Company also covenants to indemnify and defend each of the Trustee and any predecessor Trustee for, and to hold it harmless against, any and all loss, damage, claims, liability or expense, including taxes (other than taxes based on the income, profits, capital or net worth of the Trustee or any franchise or general doing business tax of the Trustee), arising out of or in connection with the acceptance or administration of this trust and the performance of its duties hereunder, including the costs and expenses of defending itself against any claim of liability in the premises, except to the extent any such loss, liability or expense may arise from the Trustee's negligence or bad faith. The obligations of the Company under this Section 7.06 to compensate or indemnify the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall be secured by a lien prior to that of the Debentures upon all property and

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funds held or collected by the Trustee as such, except funds held in trust for the benefit of the holders of particular Debentures. The obligation of the Company under this Section shall survive the satisfaction and discharge of this Indenture. Any compensation or expense incurred by the Trustee after a default specified in Section 6.01(e) or 6.01(f) is intended to constitute an expense of administration under any then applicable bankruptcy or insolvency law. "Trustee" for purposes of this Section 7.06 shall include any predecessor Trustee but the negligence or bad faith of any Trustee shall not affect the rights of any other Trustee under this Section 7.06.

SECTION 7.07. Officers' Certificate as Evidence. Except as otherwise provided in Section 7.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such Certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken or omitted by it under the provisions of this Indenture upon the faith thereof.

SECTION 7.08. Eligibility of Trustee. The Trustee hereunder shall at all times be a corporation having a combined capital and surplus of at least twenty-five million dollars, and which is eligible in accordance with the provisions of Section 310(a) of the Trust Indenture Act of 1939. If such corporation publishes reports of condition at least annually, pursuant to law or

to the requirements of a Federal, State, or District of Columbia supervising or examining authority, then for the purposes of this Section 7.08, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

SECTION 7.09. Resignation or Removal of Trustee. (a) The Trustee may at any time resign by giving written notice of resignation to the Company and by mailing, at the request and expense of the Company, notice thereof to the holders of Debentures at their addresses as they shall appear on the registry books of the Company. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within sixty days after the mailing

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of such notice of resignation to the Debentureholders, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Debentureholder who has been a bona fide holder of a Debenture or Debentures for at least six months may, subject to the provisions of Section 315(e) of the Trust Indenture Act of 1939, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(1) the Trustee shall fail to comply with the provisions of Section 310(b) of the Trust Indenture Act of 1939, after written request therefor by the Company or by any Debentureholder who has been a bona fide holder of a Debenture or Debentures for at least six months, or

(2) the Trustee shall cease to be eligible in accordance with the provisions of Section 7.08 and shall fail to resign after written request therefor by the Company or by any such Debentureholder, or

(3) the Trustee shall become incapable of acting as the Trustee under this Indenture, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case the Company may remove the Trustee and appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to Section

315(e) of the Trust Indenture Act of 1939, any Debentureholder who has been a bona fide holder of a Debenture or Debentures for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The holders of a majority in aggregate principal amount of the Debentures at the time outstanding may at any time remove the Trustee and nominate a successor trustee which shall be deemed appointed as successor trustee unless within ten days after such nomination the Company objects thereto, in which case

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the Trustee so removed or any Debentureholder, upon the terms and conditions and otherwise as in subdivision (a) of this Section 7.09 provided, may petition any court of competent jurisdiction for an appointment of a successor trustee.

(d) Any resignation or removal of the Trustee and appointment of a successor trustee to any of the provisions of this Section 7.09 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 7.10.

SECTION 7.10. Acceptance by Successor Trustee. Any successor trustee appointed as provided in Section 7.09 shall execute, acknowledge and deliver to the Company and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as trustee herein; but, nevertheless, on the written request of the Company or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due it pursuant to the provisions of Section 7.06, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon request of any such successor trustee, the Company shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 7.06.

Upon acceptance of appointment by a successor trustee as provided in this Section 7.10, the Company shall mail notice of the succession of such trustee hereunder to the holders of Debentures at their addresses as they shall appear on the registry books of the Company. If the Company fails to mail such notice within ten days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of the Company.

No successor trustee shall accept appointment as provided in this Section 7.10 unless at the time of such acceptance such successor trustee shall be qualified under the provisions of Section 7.12 and eligible under the provisions of Section 7.08.

SECTION 7.11. Succession by Merger, etc. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee

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shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor to the Trustee hereunder, provided such corporation shall be eligible under the provisions of Section 7.08 without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything to the contrary notwithstanding.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Debentures shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Debentures so authenticated; and in case at that time any of the Debentures shall not have been authenticated, any successor to the Trustee may authenticate such Debentures either in the name of any predecessor hereunder or in the name of the successor trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Debentures or in this Indenture provided that the certificate of the Trustee shall have; provided, however, that the right to adopt the certificate of authentication of any predecessor trustee or authenticate Debentures in the name of any predecessor trustee shall apply only to its successor or successors by merger, conversion or consolidation.

SECTION 7.12. Disqualification; Conflicting Interests. If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act of 1939, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act of 1939 and this Indenture. The Indentures dated as of August 1, 1993 between the Company and the Trustee relating to the 2001 Notes and the 2005 Debentures are excluded from the operation of Section 310(b) (1) of the Trust Indenture Act of 1939.

## ARTICLE EIGHT

### CONCERNING THE DEBENTUREHOLDERS

SECTION 8.01. Action by Debentureholders. Whenever in this Indenture it is provided that the holders of a specified percentage in aggregate principal amount of the Debentures may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any



other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of

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instruments of similar tenor executed by Debentureholders in person or by agent or proxy appointed in writing, or (b) by the record of the holders of Debentures voting in favor thereof at any meeting of Debentureholders duly called and held in accordance with the provisions of Article Nine, or (c) by a combination of such instrument or instruments and any such record of such a meeting of Debentureholders.

SECTION 8.02. Proof of Execution by Debentureholders; Record Date. Subject to the provisions of Sections 7.01, 7.02 and 9.05, proof of the execution of any instrument by a Debentureholder or his agent or proxy shall be sufficient if made in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in such manner as shall be satisfactory to the Trustee. The ownership of Debentures shall be proved by the registry of such Debentures or by a certificate of the Debenture registrar. The Company may set a record date for purposes of determining the identity of holders of Debentures entitled to vote or consent to any action referred to in Section 8.01 or Section 9.01, which record date may be set at any time or from time to time by notice to the Trustee, for any date or dates (in the case of any adjournment or resolicitation) not more than 60 days nor less than five days prior to the proposed date of such vote or consent, and thereafter, notwithstanding any other provisions hereof, only holders of Debentures of record on such record date shall be entitled to so vote or give such consent or to withdraw such vote or consent.

The record of any Debentureholders' meeting shall be proved in the manner provided in Section 9.06.

SECTION 8.03. Who Are Deemed Absolute Owners. The Company, the Trustee, any paying agent, and any Debenture registrar may deem the person in whose name such Debenture shall be registered upon the books of the Company to be, and may treat him as, the absolute owner of such Debenture (whether or not such Debenture shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or on account of the principal of and premium, if any, and interest on such Debenture; and neither the Company nor the Trustee nor any paying agent nor any Debenture registrar shall be affected by any notice to the contrary. All such payments so made to any holder for the time being, or upon his order shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for monies payable upon any such Debenture.

SECTION 8.04. Company-Owned Debentures Disregarded. In determining whether the holders of the requisite aggregate principal amount of Debentures have concurred in any direction, consent, waiver or other action under this Indenture, Debentures

which are owned by the Company or any other obligor on the Debentures or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any other obligor on the Debentures shall be disregarded and deemed not to be outstanding for the purpose of any such determination; provided that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, consent, waiver or other action only Debentures which the Trustee knows are so owned shall be so disregarded. Debentures so owned which have been pledged in good faith may be regarded as outstanding for the purposes of this Section 8.04 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Debentures and that the pledgee is not the Company or any other obligor or a person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any such other obligor. In the case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

SECTION 8.05. Revocation of Consents; Future Holders Bound. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01, of the taking of any action by the holders of the percentage in aggregate principal amount of the Debentures specified in this Indenture in connection with such action, any holder of a Debenture which is shown by the evidence to be included in the Debentures the holders of which have consented to such action may, by filing written notice with the Trustee at the Principal Office of the Trustee and upon proof of holding as provided in Section 8.02, revoke such action so far as concerns such Debenture. Except as aforesaid any such action taken by the holder of any Debenture shall be conclusive and binding upon such holder and upon all future holders and owners of such Debenture, irrespective of whether any notation in regard thereto is made upon such Debenture or any Debenture issued in exchange or substitution therefor.

## ARTICLE NINE

### DEBENTUREHOLDERS' MEETINGS

SECTION 9.01. Purposes of Meetings. A meeting of Debentureholders may be called at any time and from time to time pursuant to the provisions of this Article Nine for any of the following purposes:

(1) to give any notice to the Company or to the Trustee or to give any directions to the Trustee, or to consent to the

waiving of any default hereunder and its consequences, or to take any other action authorized to be taken by Debentureholders pursuant to any of the provisions of Article Six;



(2) to remove the Trustee and nominate a successor trustee pursuant to the provisions of Article Seven;

(3) to consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 10.02; or

(4) to take any other action authorized to be taken by or on behalf of the holders of any specified aggregate principal amount of the Debentures under any other provision of this Indenture or under applicable law.

SECTION 9.02. Call of Meetings by Trustee. The Trustee may at any time call a meeting of Debentureholders to take any action specified in Section 9.01, to be held at such time and at such place in the Borough of Manhattan, The City of New York, New York, as the Trustee shall determine. Notice of every meeting of the Debentureholders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be mailed to holders of Debentures at their addresses as they shall appear on the registry books of the Company. Such notice shall be mailed not less than twenty nor more than ninety days prior to the date fixed for the meeting.

Any meeting of Debentureholders shall be valid without notice if the holders of all Debentures then outstanding are present in person or by proxy or if notice is waived before or after the meeting by the holders of all Debentures outstanding, and if the Company and the Trustee are either present by duly authorized representatives or have, before or after the meeting, waived notice.

SECTION 9.03. Call of Meetings by Company or Debentureholders. In case at any time the Company, pursuant to a resolution of its Board of Directors, or the holders of at least ten percent in aggregate principal amount of the Debentures then outstanding, shall have requested the Trustee to call a meeting of Debentureholders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed the notice of such meeting within twenty days after receipt of such request, then the Company or such Debentureholders may determine the time and the place in said Borough of Manhattan for such meeting and may call such meeting to take any action authorized in Section 9.01, by mailing notice thereof as provided in Section 9.02.

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SECTION 9.04. Qualifications for Voting. To be entitled to vote at any meeting of Debentureholders a person shall (a) be a holder of one or more Debentures as of the record date in respect of such vote set pursuant to Section 8.02 or (b) be a person appointed by an instrument in writing as proxy by a holder of one or more Debentures. The only persons who shall be entitled to be present or to speak at any meeting of Debentureholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 9.05. Regulations. Notwithstanding any other provision of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Debentureholders, in regard to proof of the holding of Debentures and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Debentureholders as provided in Section 9.03, in which case the Company or the Debentureholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the holders of a majority in principal amount of the Debentures represented at the meeting and entitled to vote at the meeting.

Subject to the provisions of Section 8.04, at any meeting each Debentureholder or proxy shall be entitled to one vote for each \$100,000 principal amount of Debentures held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any Debenture challenged as not outstanding and ruled by the chairman of the meeting not to be outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Debentures held by him or instruments in writing as aforesaid duly designating him as the person to vote on behalf of other Debentureholders. Any meeting of Debentureholders duly called pursuant to the provisions of Section 9.02 or 9.03 may be adjourned from time to time by a majority of the votes present, whether or not constituting a quorum, and the meeting may be held as so adjourned without further notice.

SECTION 9.06. Voting. The vote upon any resolution submitted to any meeting of Debentureholders shall be by written ballot on which shall be subscribed the signatures of the holders

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of Debentures or of their representatives by proxy and the principal amount of the Debentures held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Debentureholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in Section 9.02. The record shall show the principal amount of the Debentures voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Company and the other to the Trustee to be

preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

SECTION 9.07. No Delay of Rights by Meeting. Nothing in this Article Nine contained shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Debentureholders or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Debentureholders under any of the provisions of this Indenture or of the Debentures.

## ARTICLE TEN

### SUPPLEMENTAL INDENTURES

SECTION 10.01. Supplemental Indentures without Consent of Debentureholders. The Company, when authorized by the resolutions of the Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for one or more of the following purposes:

(a) to evidence the succession of another corporation to the Company, or successive successions, and the assumption by the successor corporation of the covenants, agreements and obligations of the Company pursuant to Article Eleven hereof;

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(b) to add to the covenants of the Company such further covenants, restrictions or conditions as the Board of Directors and the Trustee shall consider to be for the benefit of the holders of Debentures, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions or conditions a default or an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; provided, however, that in respect of any such additional covenant, restriction or condition such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may limit the remedies available to the Trustee upon such default;

(c) to provide for the issuance under this Indenture of Debentures in coupon form (including Debentures registrable as to principal only) and to provide for exchangeability of such Debentures with the Debentures issued hereunder in fully registered form and to make all appropriate changes for such purpose; or

(d) to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture which may be inconsistent with any other provision contained herein or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under this Indenture which shall not adversely affect the interests of the holders of the Debentures in any material respect.

The Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer and assignment of any property thereunder, but the Trustee shall not be obligated to, but may in its discretion, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section 10.01 may be executed by the Company and the Trustee without the consent of the holders of any of the Debentures at the time outstanding, notwithstanding any of the provisions of Section 10.02.

SECTION 10.02. Supplemental Indentures with Consent of Debentureholders. With the consent (evidenced as provided in Section 8.01) of the holders of a majority in aggregate principal

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amount of the Debentures at the time outstanding, the Company, when authorized by the resolutions of the Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of the Debentures; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Debenture, or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount thereof or premium, if any, thereon, or make the principal thereof or interest or premium, if any, thereon payable in any coin or currency other than that provided in the Debentures without the consent of the holder of each Debenture so affected, or (ii) reduce the aforesaid percentage of Debentures, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of all Debentures then outstanding.

Upon the request of the Company, accompanied by a copy of the resolutions of the Board of Directors certified by its Secretary or Assistant Secretary authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Debentureholders as aforesaid, the Trustee shall join with the Company in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which

case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Debentureholders under this Section 10.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

After an amendment under this Section 10.02 becomes effective, the Company, or at its request, the Trustee in the name and at the expense of the Company, shall mail to each Debentureholder a notice briefly describing the amendment.

SECTION 10.03. Compliance with Trust Indenture Act; Effect of Supplemental Indentures. Any supplemental indenture executed pursuant to the provisions of this Article Ten, and this Indenture as affected by such supplemental indenture, shall comply with the Trust Indenture Act of 1939, as then in effect. Upon the execution of any supplemental indenture pursuant to the provisions of this Article Ten, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitation of rights, obligations, duties and

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immunities under this Indenture of the Trustee, the Company and the holders of Debentures shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 10.04. Notation on Debentures. Debentures authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article Ten may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company or the Trustee shall so determine, new Debentures so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any modification of this Indenture contained in any such supplemental indenture may be prepared and executed by the Company, authenticated by the Trustee and delivered in exchange for the Debentures then outstanding, upon surrender of such Debentures then outstanding.

SECTION 10.05. Evidence of Compliance of Supplemental Indenture to Be Furnished to the Trustee. The Trustee, subject to the provisions of Sections 7.01 and 7.02, may receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant hereto complies with the requirements of this Article Ten.

## ARTICLE ELEVEN

### CONSOLIDATION, MERGER, SALE, CONVEYANCE AND LEASE

SECTION 11.01. Company May Consolidate, etc., on Certain Terms. Subject to the provisions of Section 11.02, nothing contained in this Indenture or in any of the Debentures shall prevent any consolidation or merger of the Company with or into any other corporation or corporations (whether or not affiliated with the Company), or successive consolidations or mergers in which the Company or its successor or successors shall be a party or parties, or shall prevent any sale, conveyance or lease (or successive sales, conveyances or leases) of all or substantially all of the property of the Company, to any other corporation (whether or not affiliated with the Company), if such corporation is authorized to acquire and operate the same and is organized under the laws of a State of the United States or the District of Columbia; provided, however, and the Company hereby covenants and agrees, (i) that upon any such consolidation, merger, sale, conveyance or lease, the due and punctual payment of the principal of and premium, if any, and interest on all of the

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Debentures, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed by the Company, shall be expressly assumed, by supplemental indenture satisfactory in form to the Trustee, executed and delivered to the Trustee by the corporation (if other than the Company) formed by such consolidation, or into which the Company shall have been merged, or by the corporation which shall have acquired or leased such property and (ii) that immediately after such consolidation, merger, sale, conveyance or lease, the surviving, succeeding, acquiring or leasing corporation shall not be in default under this Indenture.

SECTION 11.02. Successor Corporation to Be Substituted. In case of any such consolidation, merger, sale, conveyance or lease and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the due and punctual payment of the principal of and premium, if any, and interest on all of the Debentures and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Company, such successor corporation shall succeed to and be substituted for the Company, with the same effect as if it had been named herein as the party of the first part. Such successor corporation thereupon may cause to be signed, and may issue in its own name any or all of the Debentures issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such successor corporation instead of the Company and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and deliver any Debentures which previously shall have been signed and delivered by the officers of the Company to the Trustee for authentication, and any Debentures which such successor corporation thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the Debentures so issued shall in all respects have the same legal rank and benefit under this Indenture as the Debentures theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Debentures had been issued at the date of the execution hereof. In the event of any such sale, conveyance or lease, the person named as the "Company" in the first paragraph of



this Indenture or any successor which shall thereafter have become such in the manner prescribed in this Article Eleven may be dissolved, wound up and liquidated at any time thereafter and such person shall be released from its liabilities as obligor and maker of the Debentures and from its obligations under this Indenture.

In case of any such consolidation, merger, sale, conveyance or lease, such changes in phraseology and form (but

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not in substance) may be made in the Debentures thereafter to be issued as may be appropriate.

SECTION 11.03. Opinion of Counsel to Be Given to Trustee. The Trustee, subject to Sections 7.01 and 7.02, may receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale, conveyance or lease and any such assumption complies with the provisions of this Article Eleven.

## ARTICLE TWELVE

### SATISFACTION AND DISCHARGE OF INDENTURE

SECTION 12.01. Discharge of Indenture. When (a) the Company shall deliver to the Trustee for cancellation all Debentures theretofore authenticated (other than any Debentures which shall have been destroyed, lost or stolen and in lieu of or in substitution for which other Debentures shall have been authenticated and delivered) and not theretofore cancelled, or (b) all the Debentures not theretofore cancelled or delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year, or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and the Company shall deposit with the Trustee, in trust, funds sufficient to pay at maturity or upon redemption all of the Debentures (other than any Debentures which shall have been mutilated, destroyed, lost or stolen and in lieu of or in substitution for which other Debentures shall have been authenticated and delivered) not theretofore cancelled or delivered to the Trustee for cancellation, including principal and premium, if any, and interest due or to become due to such date of maturity or date of redemption, as the case may be, and if in either case the Company shall also pay or cause to be paid all other sums payable hereunder by the Company, then this Indenture shall cease to be of further effect (except as to (i) remaining rights of registration of transfer, substitution and exchange of Debentures, (ii) rights hereunder of holders to receive payments of principal of, and premium, if any, and interest on, the Debentures and the other rights, duties and obligations of Debentureholders, as beneficiaries hereof with respect to the amounts, if any, so deposited with the Trustee and (iii) the rights, obligations and immunities of the Trustee hereunder), and the Trustee, on demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel as required by Section

15.05 and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture, the Company, however, hereby

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agreeing to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee in connection with this Indenture or the Debentures.

SECTION 12.02. Deposited Monies to Be Held in Trust by Trustee. Subject to Section 12.04, all monies deposited with the Trustee pursuant to Section 12.01 shall be held in trust and applied by it to the payment, either directly or through any paying agent (including the Company if acting as its own paying agent), to the holders of the particular Debentures for the payment of which such monies have been deposited with the Trustee, of all sums due and to become due thereon for principal and interest and premium, if any.

SECTION 12.03. Paying Agent to Repay Monies Held. Upon the satisfaction and discharge of this Indenture, all monies then held by any paying agent of the Debentures (other than the Trustee) shall, upon demand of the Company, be repaid to it or paid to the Trustee, and thereupon such paying agent shall be released from all further liability with respect to such monies.

SECTION 12.04. Return of Unclaimed Monies. Any monies deposited with or paid to the Trustee for payment of the principal of, premium, if any, or interest on Debentures and not applied but remaining unclaimed by the holders of Debentures for two years after the date upon which the principal of, premium, if any, or interest on such Debentures, as the case may be, shall have become due and payable, shall be repaid to the Company by the Trustee on written demand and all liability of the Trustee shall thereupon cease with respect to such monies; and the holder of any of the Debentures shall thereafter look only to the Company for any payment which such holder may be entitled to collect.

## ARTICLE THIRTEEN

### DEFEASANCE

SECTION 13.01. Defeasance in Respect of the Debentures. (a) If the Company shall provide for the payment of the aggregate outstanding principal amount of and premium (if any) on the Debentures and each installment of interest due and to become due, as the same shall become due on the Debentures (calculated as provided below), in each case to the date of maturity of the Debentures or a selected date of redemption of the Debentures as permitted under this Indenture (if such Debentures are to be called for redemption and satisfactory arrangements have been made with the Trustee for the giving of notice with respect thereto) through a deposit of funds in an amount which satisfies

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subsection (i) below, or of investments in an amount which satisfies subsection (ii) below, or a combination of funds and investments, each of which component satisfies the appropriate test as to its respective portion of the total principal, premium (if any) and interest to be funded (as provided below):

(i) by depositing with the Trustee in trust for the sole benefit of the Debentureholders, funds in an amount sufficient to pay (A) such principal amount of and premium (if any) on the Debentures in full on the date of maturity of the Debentures or such date of redemption, as the case may be, and (B) the interest on such aggregate principal amount to the date of maturity of the Debentures or such date of redemption, as the case may be, taking into account all intervening interest payment dates, for the period from the date through which interest on the Debentures has been paid to the date of maturity of the Debentures or such date of redemption, as the case may be; and provided further that such funds, if invested, shall be invested only in U.S. Government Obligations maturing prior to the date of maturity of the Debentures or such date of redemption, as the case may be, and such intervening interest payment dates; or

(ii) by depositing with the Trustee, in trust for the sole benefit of the Debentureholders, U.S. Government Obligations in such aggregate principal amount and maturing on such dates as will, together with the income or increment to accrue thereon, but without consideration of any reinvestment of such income or increment, be sufficient to pay when due (including any intervening interest payment dates) the amounts set forth in clauses (A) and (B) of subsection (i) above;

and if the Trustee shall receive (x) an Officers' Certificate, dated the date of such deposit and in form and substance satisfactory to the Trustee, to the effect that the amount of the trust deposit will be sufficient to pay when due on the date of maturity of the Debentures or such date of redemption, as the case may be, and on such intervening interest payment dates the amounts described in clauses (A) and (B) in subsection (i) above and that such defeasance is not in anticipation of a Preferred Stock Redemption Payment and (y) an Opinion of Counsel, dated the date of such deposit and in form and substance satisfactory to the Trustee, to the effect that the trust deposit of such funds or investments or both to defease the Company's obligations in respect of the Debentures (A) does not contravene applicable law and is in accordance with the provisions of this Indenture, (B) describing either a private ruling concerning the Debentures or a published ruling of the Internal Revenue Service to the effect that Debentureholders, or persons in the position of Debentureholders, will not recognize income, gain or loss for federal income tax purposes as a result of such deposit,

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defeasance and discharge and will be subject to federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred and (C) does not require that the Company, the trust or the Trustee register as an investment company under the Investment Company Act of 1940, as amended; and if the Company

shall also pay or cause to be paid all other sums then due and payable hereunder, then the Company's obligations in respect of the Debentures shall cease, determine and be terminated and this Indenture shall cease to be of further effect (except as specified in Section 13.01(b)).

(b) Notwithstanding the foregoing, this Indenture shall continue to be effective, regardless of any defeasance specified in this Section 13.01, as to (i) remaining rights of registration of transfer, substitution and exchange of Debentures, (ii) rights hereunder of holders regarding replacement of stolen, lost or mutilated Debentures, (iii) the obligation of the Company to maintain an office or agency as provided in Section 4.02, (iv) rights hereunder of Debentureholders to receive payments of principal of and premium, if any, and interest on the Debentures and the other rights, duties and obligations of Debentureholders, as beneficiaries hereof with respect to the amounts, if any, so deposited with the Trustee and (v) the rights, obligations and immunities of the Trustee hereunder.

(c) The Trustee, on demand of the Company and following the Trustee's receipt of all documents, funds and investments and payments specified in Section 13.01(a), and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture; the Company, however, hereby agreeing to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee in connection with this Indenture or the Debentures.

#### ARTICLE FOURTEEN

##### IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS

SECTION 14.01. Indenture and Debentures Solely Corporate Obligations. No recourse for the payment of the principal of or premium, if any, or interest on any Debenture, or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company in this Indenture or in any supplemental indenture, or in any Debenture, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator,

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stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that all such liability is hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of the Debentures.

#### ARTICLE FIFTEEN

SECTION 15.01. Provisions Binding on Company's Successors. All the covenants, stipulations, promises and agreements in this Indenture contained by the Company shall bind its successors and assigns whether so expressed or not.

SECTION 15.02. Official Acts by Successor Corporation. Any act or proceeding by any provision of this Indenture authorized or required to be done or performed by any board, committee or officer of the Company shall and may be done and performed with like force and effect by the like board, committee or officer of any corporation that shall at the time be the lawful sole successor of the Company.

SECTION 15.03. Addresses for Notices, etc. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the holders of Debentures on the Company may be given or served by being deposited postage prepaid by registered or certified mail in a post office letter box addressed (until another address is filed by the Company with the Trustee) to Continental Cablevision, Inc., Attention: Corporate Secretary, The Pilot House, Lewis Wharf, Boston, Massachusetts 02110. Any notice, direction, request or demand by any Debentureholder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or made in writing at the Principal Office of the Trustee, The Bank of New York, 101 Barclay Street, Floor 21W, New York, New York 10286, Attention: Corporate Trust Trustee Administration.

SECTION 15.04. Governing Law. This Indenture and each Debenture shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles thereof.

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SECTION 15.05. Evidence of Compliance with Conditions Precedent. Upon any application or demand by the Company to the Trustee to take any action under any of the provisions of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture shall include (1) a statement that the person making such certificate or opinion has read such covenant or condition; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statement or opinion contained in such certificate or opinion are based; (3) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been

complied with; and (4) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

SECTION 15.06. Legal Holidays. In any case where the date of maturity of interest or premium, if any, on or principal of the Debentures or the date fixed for redemption of any Debenture will be in The City of New York, New York or the City of Boston, Massachusetts, a legal holiday or a day on which banking institutions or any national securities exchanges are authorized or required by law, regulation or executive order to close ("Legal Holidays"), then payment of such interest on or principal of the Debentures need not be made on such date but may be made on the next succeeding day not a Legal Holiday with the same force and effect as if made on the date of maturity or the date fixed for redemption and no interest shall accrue for the period from and after such date.

SECTION 15.07. Trust Indenture Act to Control. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with another provision included in this Indenture by operation of Sections 310 to 317, inclusive, of the Trust Indenture Act of 1939, such incorporated provision shall control.

SECTION 15.08. No Security Interest Created. Nothing in this Indenture or in the Debentures, expressed or implied, shall be construed to constitute a security interest under the Uniform Commercial Code or similar legislation, as now or hereafter

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enacted and in effect, in any jurisdiction where property of the Company or its Subsidiaries is located.

SECTION 15.09. Benefits of Indenture. Nothing in this Indenture or in the Debentures, express or implied, shall give to any person, other than the parties hereto, any paying agent, any Debenture registrar and their successors hereunder and the holders of Debentures, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 15.10. Table of Contents, Headings, etc. The table of contents and the titles and headings of the articles and sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

SECTION 15.11. Execution in Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

The Bank of New York hereby accepts the trusts in this Indenture declared and provided, upon the terms and conditions hereinabove set forth.



On the \_\_\_ day of August, 1993, before me personally came Nancy Hawthorne, to me known, who, being by me duly sworn, did depose and say that she resides at 74 Holland Avenue, Brookline, Massachusetts; that she is the Chief Financial Officer, Senior Vice President and Treasurer of Continental Cablevision, Inc., one of the corporations described in and which executed the above instrument; that she knows the corporate seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by the authority of the Board of Directors of said corporation; and that she signed her name thereto by like authority.

-----  
Notary Public

My Commission Expires

[NOTARIAL SEAL]

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

On the \_\_\_\_ day of August, 1993, before me personally came Mary Jane Morrissey, to me known, who, being by me duly sworn, did depose and say that she resides at 1320 Sunrise Avenue, Pt. Pleasant, New Jersey; that she is an Assistant Vice President of The Bank of New York, the bank described in and which executed the above instrument; that she knows the seal of said bank; that the seal affixed to the said instrument is such seal; that it was so affixed by authority of the Board of Directors of said bank; and that she signed her name thereto by like authority.

-----  
Notary Public

My Commission Expires

[NOTARIAL SEAL]



=====

CONTINENTAL CABLEVISION, INC.

and

BANK OF MONTREAL TRUST COMPANY,

as Trustee

-----

INDENTURE

Dated as of December 13, 1995

-----

\$600,000,000

8.30% Senior Notes Due 2006

=====

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\* This table of contents shall not, for any purpose, be deemed to be a part of the Indenture.

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THIS INDENTURE dated as of December 13, 1995 between CONTINENTAL CABLEVISION, INC., a Delaware corporation (hereinafter sometimes called the "Company"), and BANK OF MONTREAL TRUST COMPANY, a New York banking corporation,



as trustee hereunder (hereinafter sometimes called the "Trustee"),

W I T N E S S E T H:

WHEREAS, for its lawful corporate purposes, the Company has duly authorized the issue of its 8.30% Senior Notes Due 2006 (hereinafter sometimes called the "Notes"), in an aggregate principal amount not to exceed \$600,000,000 (except as otherwise provided below) and, to provide the terms and conditions upon which the Notes are to be authenticated, issued and delivered, the Company has duly authorized the execution and delivery of this Indenture; and

WHEREAS, the Notes and the certificate of authentication to be borne by the Notes are to be substantially in the following forms, respectively:

[FORM OF FACE OF NOTE]

No. R-

\$

CUSIP No. \_\_\_\_\_

CONTINENTAL CABLEVISION, INC.

8.30% Senior Note Due 2006

CONTINENTAL CABLEVISION, INC., a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company"), for value received, hereby promises to pay to \_\_\_\_\_, or registered assigns, the principal sum of \_\_\_\_\_ Dollars on May 15, 2006 at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest, semi-annually on May 15 and November 15 of each year, commencing on May 15, 1996 on said principal sum at said office or agency, in like coin or currency, at the rate per annum specified in the title of this Note [(subject to adjustment as provided below)]\*, from the May 15 or the November 15, as the case may be, next preceding the date of this Note to which

-----

\* To be deleted in Exchange Notes.

interest has been paid or duly provided for, unless the date hereof is a date to which interest has been paid or duly provided for, in which case from the date of this Note, or unless no interest has been paid or duly provided for on the Notes, in which case from December 13, 1995 until payment of said principal sum has been made or duly provided for. Notwithstanding the foregoing, if the date hereof is after any May 1 or November 1, as the case may be, and before the following May 15 or November 15, this Note shall bear interest from such May 15 or November 15; provided, however, that if the Company shall default in the payment of interest due on such May 15 or November 15, then this Note shall bear interest from the next preceding May 15 or November 15 to which interest has

been paid or duly provided for or, if no interest has been paid or duly provided for on the Notes, from December 13, 1995. The interest so payable on any May 15 or November 15 will be paid to the person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the record date which shall be the May 1 or November 1 (whether or not a business day) next preceding such May 15 or November 15; provided that any such interest not punctually paid or duly provided for shall be payable as provided in the Indenture. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Interest may, at the option of the Company, be paid by check mailed to the registered address of such person.

[If an exchange offer registered under the Securities Act of 1933 (as defined in the Indenture) is not consummated, or a registration statement under the Securities Act of 1933 with respect to resales of the Notes is not declared effective by the SEC (as defined in the Indenture), by the 180th calendar day following the initial sale of the Notes, in accordance with the terms of a Registration Rights Agreement dated December 13, 1995 by and among the Company, Morgan Stanley & Co. Incorporated and Lazard Freres & Co. LLC, interest due per annum on the Notes shall be increased by one-half of one percent, commencing as of the 181st calendar day following the initial sale of the Notes, until the date such exchange offer is consummated or the date such resale registration statement becomes effective. The holder of this Note is entitled to the benefits of such Registration Rights Agreement.]\*

Reference is made to the further provisions of this Note set forth on the reverse side hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

-----

\* To be deleted in Exchange Notes.

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This Note shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with and governed by the laws of said State.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been manually signed by the Trustee under the Indenture.

IN WITNESS WHEREOF, CONTINENTAL CABLEVISION, INC. has caused this instrument to be duly executed.

CONTINENTAL CABLEVISION, INC.

By \_\_\_\_\_

Attest:

\_\_\_\_\_  
[Title]

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[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes described in the within-mentioned Indenture.

Dated:

BANK OF MONTREAL TRUST COMPANY  
as Trustee

By \_\_\_\_\_  
Authorized Signatory

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[FORM OF REVERSE OF NOTE]

CONTINENTAL CABLEVISION, INC.

8.30% Senior Note Due 2006

1. This Note is one of a duly authorized issue of Notes of the Company, designated as its 8.30% Senior Notes Due 2006 (herein called the "Notes"), limited (except as otherwise provided in the Indenture mentioned below) to the aggregate principal amount of \$600,000,000, all issued or to be issued under and pursuant to an Indenture dated as of December 13, 1995 (herein called the "Indenture"), duly executed and delivered in the Borough of Manhattan, The City of New York, the State of New York, by the Company to Bank of Montreal Trust Company, Trustee (herein called the "Trustee"), to which Indenture and all indentures supplemental thereto reference is hereby made for a

description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Notes.

2. In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal hereof may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

3. The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of a majority in aggregate principal amount of the Notes at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or modifying in any manner the rights of the holders of the Notes; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Note, or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount thereof or any premium thereon, or make the principal thereof or any premium or interest thereon payable in any coin or currency other than that hereinbefore provided without the consent of the holder of each Note so affected or (ii) reduce the aforesaid percentage of Notes, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of all Notes then outstanding. It is also provided in the Indenture that, prior to any declaration accelerating the maturity of the Notes, the holders of a majority in aggregate principal amount of the Notes at the time outstanding may on behalf of the holders of all of the Notes waive any past default or Event of Default under

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the Indenture and its consequences except a default in the payment of interest or any premium on or the principal of any of the Notes. Any such consent or waiver by the holder of this Note (unless revoked as provided in the Indenture) shall be conclusive and binding upon such holder and upon all future holders and owners of this Note and any Notes which may be issued in exchange or substitution therefor, irrespective of whether or not any notation thereof is made upon this Note or such other Notes.

4. No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Note at the place, at the respective times, at the rate and in the coin or currency herein prescribed.

5. The Notes are issuable in registered form without coupons in denominations of \$100,000 and any multiple of \$50,000 in excess thereof. At the office or agency of the Company in the Borough of Manhattan, The City of New York and in the manner and subject to the limitations provided in the Indenture, but without payment of any service charge, Notes may be exchanged for a like aggregate principal amount of Notes of other authorized denominations.

6. The Notes shall not be redeemable at the option of

the Company.

7. If the Company proposes to make certain cash redemptions (a "Preferred Stock Redemption Payment", as defined in the Indenture) with respect to its 1992 Preferred Stock (as defined in the Indenture) in connection with a Preferred Stock Change of Control Event (as defined in the Indenture), the Company shall mail notice thereof (the "Preferred Event Put Notice", as defined in the Indenture) to each holder of Notes at his or her last registered address at least 31 and no more than 60 days before the proposed date of such Preferred Stock Redemption Payment. For 30 days from the date of the Preferred Event Put Notice, or such longer period as the Company may elect by written notice to the holders of the Notes (the "Tender Period", as defined in the Indenture), each holder of the Notes shall have the right to tender all, but not less than all, his or her Notes to the Company and thereby require the Company to prepay, on the date (if any) of the Preferred Stock Redemption Payment (which shall be (i) at least 31 and no more than 60 days after the date of the Preferred Event Put Notice and (ii) no more than five days after the last day of the Tender Period), all, but not less than all, of such holder's Notes at the principal amount thereof together with accrued interest to the date fixed for prepayment. Such date shall be the same as the date on which the Company repurchases any 2001 Notes, 2005 Debentures, 2013

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Debentures or June Senior Debt Securities (as such terms are defined in the Indenture) as a result of a Preferred Stock Redemption Payment. If the proposed Preferred Stock Redemption Payment is not made on or prior to the earlier to occur of (i) the 60th day after the date of the Preferred Event Put Notice with respect thereto or (ii) the fifth day after the last day of the Tender Period, the Company shall no longer have the right or obligation to prepay Notes tendered in connection with, and as a result of, such proposed Preferred Stock Redemption Payment and the Company shall cause the Notes tendered by each holder to be returned to such holder. The Company shall not thereafter make a Preferred Stock Redemption Payment unless a subsequent Preferred Event Put Notice has been sent to the holders of the Notes in connection therewith. If the Company has previously satisfied and discharged the Indenture or has previously effected a defeasance with respect to the Notes, the right of a holder to require such a prepayment shall expire.

8. If the Company proposes to make certain repurchases with respect to the Common Stock (as defined in the Indenture) or certain borrowings, and immediately after any such repurchase or borrowing (and related transactions) the aggregate Indebtedness (as so defined) of the Note Restricted Group (as defined in the Indenture) would exceed certain specified levels (each a "Put Option Transaction", as defined in the Indenture), the Company shall mail notice thereof to each holder of the Notes at his or her last registered address not less than 15 days nor more than 45 days before the proposed date of such Put Option Transaction. On the date the Put Option Transaction takes place (which shall be no more than 30 days after the date proposed in the initial notice provided by the Company), the Company shall mail notice thereof to each holder of the Notes at his or her last registered address. For 30 days from the date of

such notice, each holder of the Notes shall have the right to tender his or her Notes to the Company and thereby require the Company to prepay all, but not less than all, of such holder's Notes at a price equal to the principal amount of such Notes plus accrued interest thereon to the date fixed for prepayment (which shall be 35 days from the date on which the Put Option Transaction takes place), plus a premium (expressed as a percentage of the principal amount prepaid) determined as follows:

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If prepaid during the 18-month period ending May 14, 1997 or during the subsequent 12-month periods, each ending May 14,

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Year	Premium	Year	Premium
----	-----	----	-----
<S>	<C>	<C>	<C>
1997	8.3000%	2002	3.1125%
1998	7.2625%	2003	2.0750%
1999	6.2250%	2004	1.0375%
2000	5.1875%	2005 and thereafter	-0-
2001	4.1500%		

</TABLE>

Following the consummation of a Put Option Transaction and the repurchase of those Notes, if any, properly tendered for repurchase, (i) holders of Notes will have no further right to cause the Company to prepay their Notes as a result of any subsequent Put Option Transaction and (ii) the Company will no longer be bound by certain covenants as set forth in the Indenture. If the Company has previously satisfied and discharged the Indenture or has previously effected a defeasance with respect to the Notes, the right of a holder to request such a prepayment shall expire.

9. Upon due presentment for registration of transfer of this Note at the office or agency of the Company in the Borough of Manhattan, The City of New York, a new Note or Notes of authorized denominations for an equal aggregate principal amount will be issued to the transferee in exchange therefor, subject to the limitations provided in the Indenture, without charge except for any tax or other governmental charge imposed in connection therewith.

10. The Company, the Trustee, any paying agent and any Note registrar may deem and treat the registered holder hereof as the absolute owner of this Note (whether or not this Note shall be overdue and notwithstanding any notation of ownership or other writing hereon) for the purpose of receiving payment hereof, or on account hereof and for all other purposes, and neither the Company nor the Trustee nor any paying agent nor any Note registrar shall be affected by any notice to the contrary. All payments made to or upon the order of such registered holder shall, to the extent of the sum or sums paid, satisfy and discharge liability for monies payable on this Note.

11. No recourse for the payment of the principal of or any premium or interest on this Note, or for any claim based hereon or otherwise in respect hereof, and no recourse under or upon any obligation, covenant or agreement of the Company in the Indenture or any indenture supplemental thereto or in any Note,

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or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

-----

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ASSIGNMENT FORM

For value received

\_\_\_\_\_

hereby sell, assign and transfer unto

\_\_\_\_\_

\_\_\_\_\_  
Please insert social security or  
other identifying number of assignee

Please print or typewrite name and  
address including zip code of  
assignee:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

the within Note and do hereby irrevocably constitute and appoint

\_\_\_\_\_ Attorney to transfer the Note on the books of the Company with full power of substitution in the premises.

Date: \_\_\_\_\_

Your Signature: \_\_\_\_\_

(Sign exactly as name appears on the other side of this Note)

Signature Guarantee: \_\_\_\_\_ (Signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

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[MANNER OF TRANSFER

- Transfer to Continental Cablevision, Inc. [ ]
- Transfer to Qualified Institutional Buyer [ ]
- Transfer to Institutional Accredited Investor [ ]
- Transfer outside the United States in compliance with Rule 904 under the Securities Act of 1933 [ ]

\_\_\_\_\_ ]\*

OPTION OF HOLDER TO ELECT PREPAYMENT

If you want to elect to have this Note prepaid in its entirety by the Company pursuant to Section 3.02 or 3.03 of the Indenture, check the box:

Dated: \_\_\_\_\_

Your Signature: \_\_\_\_\_

(Sign exactly as name appears on the other side of this Note)



Signature Guarantee: \_\_\_\_\_ (Signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

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\* To be deleted in the Exchange Notes.

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AND WHEREAS all acts and things necessary to make the Notes, when executed by the Company and authenticated and delivered by the Trustee, as in this Indenture provided, and issued, valid, binding and legal obligations of the Company, and to constitute these presents a valid agreement according to its terms, have been done and performed, and the execution of this Indenture and the issue hereunder of the Notes have in all respects been duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Notes are, and are to be, authenticated, issued and delivered, and in consideration of the premises, of the purchase and acceptance of the Notes by the holders thereof and of the sum of one dollar duly paid to it by the Trustee at the execution of these presents, the receipt whereof is hereby acknowledged, the Company covenants and agrees with the Trustee for the equal and proportionate benefit of the respective holders from time to time of the Notes (except as otherwise provided below), as follows:

#### ARTICLE ONE

#### DEFINITIONS

SECTION 1.01. Definitions. The terms defined in this Section 1.01 (except as herein otherwise expressly provided or unless the context otherwise clearly requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section 1.01. All other terms used in this Indenture which are defined in the Trust Indenture Act of 1939 or which are by reference therein defined in the Securities Act of 1933 (except as herein otherwise expressly provided or unless the context otherwise clearly requires) shall have the meanings assigned to such terms in said Trust Indenture Act and in said Securities Act of 1933 as in force at the date of the execution of this Indenture; provided that with respect to the Registration of the Notes, the Securities Act of 1933 shall mean said Securities Act of 1933 as in force at the relevant time of Registration.

Acceleration Notice: The term "Acceleration Notice" shall have the meaning specified in Section 6.01.

Accreted Value: The term "Accreted Value", for each share of 1992 Preferred Stock, as of any date, shall mean the sum of \$350 and an amount calculated to provide the holder of a share of 1992 Preferred Stock, as of such date, with a yield of eight percent thereon, compounded semi-annually in arrears, from the

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date issued to and including such date, provided that such Accreted Value shall be reduced by the fair market value at such date of any dividends or distributions which have been previously paid on such share of 1992 Preferred Stock, assuming the same eight percent per annum yield from the date of payment of such dividend or distribution and compounded on the same basis. The fair market value of any non-cash dividend or distribution shall be (a) in the case of any securities, the current market price of such securities (determined in accordance with the terms of the Company's Certificate of Incorporation); and (b) in the case of any other property, the fair market value of such property on a fully-distributed basis as determined at the time of such distribution by investment bankers mutually agreeable to the Company and the holders of a majority of the voting power represented by the outstanding shares of 1992 Preferred Stock.

Affiliate: The term "Affiliate" shall mean, as to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with") as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract or otherwise.

Annualized Cash Flow: The term "Annualized Cash Flow" shall mean Operating Cash Flow for the latest fiscal quarter for which financial statements are available multiplied by four.

Banking Day: The term "Banking Day" shall mean any day other than a day on which commercial banks are required to close in the Borough of Manhattan, The City of New York.

Board of Directors: The term "Board of Directors" shall mean the Board of Directors of the Company, or the Executive Committee thereof, as from time to time constituted, or any other committee of such Board duly authorized to act for it in respect of matters pertaining to this Indenture.

Capital Stock: The term "Capital Stock" shall mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated) of such Person's capital stock whether now

outstanding or issued after the date of this Indenture, including, without limitation, all Common Stock and 1992 Preferred Stock.

Common Stock: The term "Common Stock" shall mean the Common Stock of the Company, whether now outstanding or issued

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after the date of this Indenture, including, without limitation, all series and classes of such Common Stock.

Company: The term "Company" shall mean Continental Cablevision, Inc., a Delaware corporation, and subject to the provisions of Article Eleven, shall include its successors and assigns.

Defaulted Interest: The term "Defaulted Interest" shall have the meaning specified in Section 2.04.

Depository: The term "Depository" shall mean The Depository Trust Company, its nominees, and their respective successors.

Event of Default: The term "Event of Default" shall mean any event specified in Section 6.01, continued for the period of time, if any, and after the giving of the notice, if any, therein designated.

Exchange Notes: The term "Exchange Notes" shall mean 8.30% Senior Notes Due 2006 issued by the Company, and containing terms identical to those of the Notes (except that such Exchange Notes (i) shall have been issued in an exchange offer registered under the Securities Act of 1933 and (ii) shall have an interest rate of 8.30% per annum, without provision for adjustment as provided on the face of the Notes), that are issued and exchanged for the Notes pursuant to the Registration Rights Agreement and this Indenture.

Exempt Repurchase Indebtedness: The term "Exempt Repurchase Indebtedness" shall mean Indebtedness or any portion thereof specifically incurred or to be incurred (in either instance, within 75 days of the Exempt Repurchase to which it relates) for the purpose of making an Exempt Repurchase, or a refinancing thereof.

Exempt Repurchase: The term "Exempt Repurchase" shall mean the repurchase by the Company at any time or from time to time of up to 16,684,150 shares of its Common Stock that are subject to the 1998-1999 Share Repurchase Program, provided that the Company shall have received prior to any such Exempt Repurchase of Common Stock an opinion of an investment banker knowledgeable in the communications industry (who may be the Company's investment banker) that the price per share of Common Stock paid pursuant to any such Exempt Repurchase does not exceed the greater of (A) the dollar amount that a holder of Common Stock would then receive per share of Common Stock upon a sale of the Company as a whole pursuant to a merger or sale of stock or, if greater, the dollar amount that a holder of Common Stock would then receive per share of Common Stock

derived from the sale of

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the Company's assets and subsequent distribution of the proceeds therefrom (net of taxes, including corporate, sales and capital gain taxes in connection with such sale of assets), in each case less a discount of 22.5 percent or (B) the net proceeds which would be expected to be received by a shareholder of the Company from the sale of a share of the Company's Common Stock in an underwritten public offering held at the time any such Exempt Repurchase is to occur after being reduced by pro forma expenses and underwriting discounts unless the Common Stock is publicly traded and such expenses and underwriting discounts would not be incurred in connection with an underwritten public sale of a shareholder's non-registered shares in the opinion of the investment banker; provided, further, that no such opinion of an investment banker shall be required for repurchases of shares of Common Stock which are subject to the 1998-1999 Share Repurchase Program to the extent that the aggregate purchase price paid therefor in any calendar year does not exceed \$10,000,000.

GAAP: The term "GAAP" shall mean generally accepted accounting principles in the United States as in effect as of the date of this Indenture, including, without limitation, those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession.

Global Notes: The term "Global Notes" shall have the meaning specified in Section 2.02.

Indebtedness: The term "Indebtedness" shall mean (without duplication), with respect to any Person, any indebtedness, contingent or otherwise, in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof), or evidenced by bonds, notes, debentures or similar instruments or representing the balance deferred and unpaid of the purchase price of any property (excluding any balances that constitute subscriber advance payments and deposits, accounts payable or trade payables, and other accrued liabilities arising in the ordinary course) if and to the extent any of the foregoing indebtedness would appear as a liability upon a balance sheet of such Person prepared in accordance with generally accepted accounting principles, and shall also include, to the extent not otherwise included, the maximum fixed repurchase price of any equity securities or other similar interests of such Person which by their terms or otherwise are required to be redeemed prior to the maturity of the Notes or at the option of the holder thereof, obligations secured by a Lien to which the property or assets owned or held by such Person is subject, whether or not the

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obligation or obligations secured thereby shall have been assumed, all obligations to reimburse any bank or other Person in respect of amounts paid

under letters of credit, acceptances or other similar instruments, and guaranties of any of the above items (whether or not such items would appear upon such balance sheet). The term "Indebtedness" shall not include (i) any Interest Rate Agreement, however denominated, of the Company or any of its Subsidiaries, (ii) as to the Note Restricted Group, any indebtedness of any Subsidiary which is non-recourse to the Note Restricted Group or any pledge of the stock of any such Subsidiary to secure such indebtedness, (iii) as to the Note Restricted Group, Indebtedness of a Subsidiary that is part of the Note Restricted Group to the Company or another Subsidiary that is part of the Note Restricted Group, and Indebtedness of the Company to a Subsidiary that is part of the Note Restricted Group, (iv) any obligation of the Company to redeem, or to pay dividends on, its outstanding 1992 Preferred Stock, (v) any obligation of the Company to repurchase shares of its outstanding Common Stock pursuant to the 1998-1999 Share Repurchase Program, or (vi) any equity securities or other similar interests which, at the option of the Company or otherwise, are redeemable into shares of Capital Stock of the Company.

**Indenture:** The term "Indenture" shall mean this instrument as originally executed or as it may be amended or supplemented from time to time by one or more indentures supplemental to this Indenture entered into pursuant to the applicable provisions of this Indenture.

**Initial Tender Period:** The term "Initial Tender Period" shall have the meaning specified in Section 3.02(a).

**Institutional Accredited Investor:** The term "Institutional Accredited Investor" shall mean an institution that is an "accredited investor" as that term is defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933.

**Interest Rate Agreement:** The term "Interest Rate Agreement" shall mean any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement designed to protect the party indicated therein against fluctuations in interest rates.

**Investment Grade Rated:** The term "Investment Grade Rated" shall mean, with respect to any security, both a rating of such security by Standard & Poor's Ratings Group (or successor entity) of BBB- or better and a rating of such security by Moody's Investors Service (or successor entity) of Baa3 or better.

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**June Senior Debt Securities:** The term "June Senior Debt Securities" shall mean the 8-5/8% Senior Notes Due August 15, 2003 of the Company issued pursuant to an indenture dated as of June 1, 1993 between the Company and The First National Bank of Chicago, as trustee, and the 9% Senior Debentures Due September 1, 2008 of the Company issued pursuant to an indenture dated as of June 1, 1993 between the Company and The First National Bank of Chicago, as trustee.

Lien: The term "Lien" shall mean, as to the Note Restricted Group and as used in the definition of "Indebtedness", any mortgage, pledge, lien or security interest except for (i) pledges of the stock of any Subsidiaries that are not part of the Note Restricted Group to secure Indebtedness; (ii) Liens for taxes, assessments or governmental charges or claims the payment of which is being contested in good faith by appropriate proceedings and with respect to which the Company or a Subsidiary that is part of the Note Restricted Group shall have created adequate reserves on its books; (iii) Liens of mechanics, carriers, warehousemen or materialmen arising in the ordinary course of business in respect of obligations which are not overdue or which are being contested in good faith; (iv) Liens resulting from deposits or pledges made in the ordinary course of business to secure payment of workers' compensation, unemployment insurance, old age pension or other social security, or in connection with, or to secure the performance of, bids, tenders or contracts made in the ordinary course of business, or to secure statutory obligations or surety, performance or appeal bonds; (v) Liens in respect of judgments or awards the payment of which is being contested in good faith by appropriate proceedings and with respect to which the Note Restricted Group shall have created adequate reserves on its books; (vi) purchase money security interests (including mortgages, any conditional sale or other title retention agreement and any capitalized lease); provided, however, that the principal amount of Indebtedness secured by each such security interest in each such item (or group of items) of property shall not exceed the cost of the item (or group of items) subject thereto and each such security interest shall attach only to the particular item (or group of items) so acquired and any additions or accessions thereto; (vii) landlord's or lessor's Liens under leases to which any member of the Note Restricted Group is a party; and (viii) Liens of utilities and other persons pursuant to pole attachment agreements, and restrictions on the transfer of rights under franchises or pole attachment agreements, and any encumbrances created in favor of franchising authorities and subscribers by provisions of franchises on cable television plant and equipment located in the areas covered thereby.

New Borrowing Group: The term "New Borrowing Group" shall mean those certain Subsidiaries of the Company that are

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parties to the 1995 Credit Facility, whether as borrowers or as guarantors.

1998-1999 Share Repurchase Program: The term "1998-1999 Share Repurchase Program" shall mean the Common Stock repurchase program of the Company under the Stock Liquidation Agreement under which the Company will offer to purchase, and certain shareholders of the Company will sell to the Company, on December 15, 1998 (or January 15, 1999, at the election of each such shareholder), at a price established pursuant to a specified formula, up to 16,684,150 shares of Common Stock.

1995 Credit Facility: The term "1995 Credit Facility" shall mean that certain Credit Agreement dated as of July 18, 1995, among Colony Communications, Inc., a Rhode Island corporation, Columbia Cable of Michigan,

Inc., a Delaware corporation, and each of their respective Subsidiaries and certain financial institutions, as amended from time to time.

1994 Credit Facility: The term "1994 Credit Facility" shall mean that certain Amended and Restated Credit Agreement dated as of October 1, 1994, among the Company, the Restricted Subsidiaries and certain financial institutions, as amended from time to time.

1992 Preferred Stock: The term "1992 Preferred Stock" shall mean the Series A Participating Convertible Preferred Stock, \$.01 par value per share, of the Company.

Non-U.S. Person: The term "Non-U.S. Person" shall mean a person who is not a U.S. person, as defined in Regulation S.

Note or Notes; Outstanding. The terms "Note" or "Notes" shall mean any Note or Notes, as the case may be, authenticated and delivered under this Indenture. For all purposes of this Indenture, the term "Notes" shall include any Exchange Notes to be issued and exchanged for any Notes pursuant to the Registration Rights Agreement and this Indenture and, for purposes of this Indenture, all Notes and Exchange Notes shall vote together as one series of Notes under this Indenture.

The term "outstanding", when used with reference to Notes, shall, subject to the provisions of Section 8.04, mean, as of any particular time, all Notes authenticated and delivered by the Trustee under this Indenture, except

(a) Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Notes, or portions thereof, for the payment or prepayment of which monies in the necessary amount shall have

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been deposited in trust with the Trustee or with any paying agent (other than the Company) or shall have been set aside and segregated in trust by the Company (if the Company shall act as its own paying agent), provided that, if such Notes are to be prepaid prior to the maturity thereof, notice of such prepayment shall have been given as in Article Three provided, or provision satisfactory to the Trustee shall have been made for giving such notice; and

(c) Notes replaced pursuant to Section 2.09 or in lieu of or in substitution for which other Notes shall have been authenticated and delivered pursuant to the terms of Section 2.09 unless proof satisfactory to the Trustee is presented that any such Notes are held by bona fide holders in whose hands the Notes are valid obligations of the Company.

Noteholder: The terms "Noteholder" or "holder of Notes", or other



similar terms, shall mean any person in whose name at the time a particular Note is registered on the books of the Company kept for that purpose in accordance with the terms hereof.

Note Restricted Group: The term "Note Restricted Group" shall mean the Company and (i) any Subsidiary that is a member of the New Borrowing Group and any other Subsidiary of the Company, whether existing on or after the date of this Indenture, which has been designated a Restricted Subsidiary for purposes of the Company's 1994 Credit Facility, unless any such Subsidiary is subsequently classified as a Subsidiary that is not part of the Note Restricted Group by the Company for purposes of this Indenture, as evidenced by an Officers' Certificate delivered to the Trustee, and (ii) any Subsidiary which is classified as a member of the Note Restricted Group for purposes of this Indenture by the Company, as evidenced by an Officers' Certificate delivered to the Trustee. The Company may not classify a Subsidiary as not part of the Note Restricted Group for purposes of this Indenture if such Subsidiary is classified as a Restricted Subsidiary for purposes of the 1994 Credit Facility or any similar, successor agreements.

Officers' Certificate: The term "Officers' Certificate", when used with respect to the Company, shall mean a certificate signed by the Chairman of the Board, the Vice Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer or any Vice President and by the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Company. Each such certificate shall include the statements provided for in Section 15.05 if and to the extent required by the provisions of such Section.

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Offshore Global Note: The term "Offshore Global Note" shall have the meaning provided in Section 2.02.

Offshore Notes Exchange Date: The term "Offshore Notes Exchange Date" shall have the meaning provided in Section 2.02.

Offshore Physical Notes: The term "Offshore Physical Notes" shall have the meaning provided in Section 2.02.

Operating Cash Flow: The term "Operating Cash Flow" shall mean, for any period, an amount equal to (i) aggregate operating revenues plus interest and ordinary dividend income minus (ii) aggregate operating expenses, excluding therefrom non-operating expenses such as interest expense, depreciation and amortization, non-cash amounts and taxes on income, of the Note Restricted Group for such period, determined on a consolidated basis, after eliminating all inter-company items, in accordance with generally accepted accounting principles consistently applied. For purposes of calculating Operating Cash Flow, there shall be included in the Operating Cash Flow of the Note Restricted Group for any fiscal quarter for which Operating Cash Flow is being calculated the Operating Cash Flow for such fiscal period of any Subsidiary which has been designated a Subsidiary that is part of the Note



Restricted Group or of any operating assets acquired by the Company or a Subsidiary that is part of the Note Restricted Group (including assets constituting a cable television system acquired by the Company or a Subsidiary that is part of the Note Restricted Group) after the commencement of such fiscal period. If the actual financial statements of any such new Subsidiary to the Note Restricted Group or new operating assets for any fiscal period or portion thereof prior to the inclusion of such Subsidiary as part of the Note Restricted Group or the acquisition of such operating assets by the Company or a Subsidiary that is part of the Note Restricted Group are unavailable or inaccurate in the reasonable opinion of the Company, then the Operating Cash Flow of such new Subsidiary to the Note Restricted Group or new operating assets may be determined from pro forma financial statements of such new Subsidiary to the Note Restricted Group or new operating assets for such period as prepared in good faith by the Company, provided, however, that not more than \$10,000,000 of Operating Cash Flow determined on an annualized basis from such pro forma financial statements shall be included in the Operating Cash Flow of the Note Restricted Group. For purposes of calculating Operating Cash Flow, there will not be included in the Operating Cash Flow of the Note Restricted Group for any fiscal quarter for which Operating Cash Flow is being calculated the Operating Cash Flow for such fiscal period of any Subsidiary that is part of the Note Restricted Group which has been designated an Unrestricted Subsidiary after the commencement of such fiscal period or of operating assets (including assets constituting a cable

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television system) owned by the Company or a Subsidiary that is part of the Note Restricted Group which have been transferred to an Unrestricted Subsidiary or any third party after the commencement of such fiscal period.

Opinion of Counsel: The term "Opinion of Counsel" shall mean an opinion in writing signed by legal counsel, who may be an employee of or counsel to the Company or other counsel reasonably acceptable to the Trustee. Each such opinion shall include the statements provided for in Section 15.05 if and to the extent required by the provisions of such Section.

Permanent Offshore Global Note: The term "Permanent Offshore Global Note" shall have the meaning provided in Section 2.02.

Person: The term "Person" shall mean a corporation, an association, a partnership, an organization, an individual, a government or a political subdivision thereof or a governmental agency.

Physical Notes: The term "Physical Notes" shall have the meaning provided in Section 2.02.

Pre-Acceleration Notice: The term "Pre-Acceleration Notice" shall have the meaning specified in Section 6.01.

Predecessor Note: The term "Predecessor Note" of any particular

Note shall mean every previous Note evidencing all or a portion of the same debt as that evidenced by such particular Note; and, for the purposes of this definition, any Note authenticated and delivered under Section 2.09 in lieu of a lost, destroyed or stolen Note shall be deemed to evidence the same debt as the lost, destroyed or stolen Note, and any Exchange Note issued in exchange for a Note in connection with an effective Registration pursuant to the Registration Rights Agreement shall be deemed to evidence the same debt as such Note.

**Preferred Event Put Notice:** The term "Preferred Event Put Notice" shall have the meaning set forth in Section 3.02(c).

**Preferred Event Redemption Date:** The term "Preferred Event Redemption Date" shall have the meaning specified in Section 3.02(b).

**Preferred Event Redemption Price:** The term "Preferred Event Redemption Price" shall have the meaning specified in Section 3.02(a).

**Preferred Stock Change of Control Event:** The term "Preferred Stock Change of Control Event" shall mean the right of

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holders of 1992 Preferred Stock, pursuant to the terms of the Company's Certificate of Incorporation, to cause the Company to redeem any of their shares of 1992 Preferred Stock at the then Accreted Value, payable, at the Company's sole option, in cash or in shares of Common Stock (based on a value of 90 percent of the Common Stock's then-current market value (as determined in accordance with the terms of the Company's Certificate of Incorporation)) if (i) there is (subject to certain exceptions) an acquisition by any person or group of 50 percent or more of the combined voting or economic power of the then outstanding voting securities of the Company, including pursuant to a reorganization, consolidation or merger, or a sale of all or substantially all of the Company's assets and (ii) at the time of any such event, the value of the Common Stock issuable upon conversion of a share of 1992 Preferred Stock is less than the then Accreted Value of such share of 1992 Preferred Stock.

**Preferred Stock Redemption Payment:** The term "Preferred Stock Redemption Payment" shall mean the redemption by the Company of shares of the 1992 Preferred Stock, for an aggregate cash redemption price exceeding 25 percent of the Accreted Value as of the date of redemption of all outstanding shares of the 1992 Preferred Stock, in response to the exercise by holders of the 1992 Preferred Stock of their right to cause the Company to redeem any of their shares upon the occurrence of a Preferred Stock Change of Control Event.

**Principal Office of the Trustee:** The term "Principal Office of the Trustee", or other similar term, shall mean the principal office of the Trustee at which at any particular time its corporate trust business shall be administered.

**Principal Property:** The term "Principal Property" shall mean, as of any date of determination, any property or assets owned by any Subsidiary

that is part of the Note Restricted Group other than (1) any such property which, in the good faith opinion of the Board of Directors, is not of material importance to the business conducted by the Note Restricted Group taken as a whole and (2) any shares of any class of stock or any other security of any Subsidiary that is not part of the Note Restricted Group.

Private Placement Legend: The term "Private Placement Legend" shall mean the legend initially set forth on the Notes in the form set forth in Section 2.03.

Proposed Date: The term "Proposed Date" shall have the meaning set forth in Section 3.03(c).

Put Option Borrowing: The term "Put Option Borrowing" shall have the meaning specified in Section 3.03(b)(ii).

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Put Option Redemption Date: The term "Put Option Redemption Date" shall have the meaning specified in Section 3.03(a).

Put Option Redemption Price: The term "Put Option Redemption Price" shall have the meaning specified in Section 3.03(a).

Put Option Stock Repurchase: The term "Put Option Stock Repurchase" shall have the meaning specified in Section 3.03(b)(i).

Put Option Transaction: The term "Put Option Transaction" shall have the meaning set forth in Section 3.03(c).

Put Option Transaction Date: The term "Put Option Transaction Date" shall have the meaning specified in Section 3.03(d).

QIB: The term "QIB" shall mean a "qualified institutional buyer" as defined in Rule 144A.

Registration: The term "Registration" shall have the meaning provided in Section 5.02.

Registration Rights Agreement: The term "Registration Rights Agreement" shall mean the Registration Rights Agreement, dated as of December 13, 1995, by and among the Company, Morgan Stanley & Co. Incorporated and Lazard Freres & Co. LLC.

Registration Statement: The term "Registration Statement" shall mean the Registration Statement as defined and described in the Registration Rights Agreement.

Regulation S: The term "Regulation S" shall mean Regulation S under the Securities Act of 1933.

Responsible Officer: The term "Responsible Officer", when used with respect to the Trustee, shall mean any officer of the Trustee assigned by the Trustee to administer its corporate trust matters and shall include any officer in its corporate trust department.

Restricted Payments: The term "Restricted Payments" shall have the meaning specified in Section 4.06. Restricted Payments shall not include any Exempt Repurchases.

Restricted Stock Purchase Agreement: The term "Restricted Stock Purchase Agreement" shall mean an agreement between the Company and an employee selected by the Board of

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Directors pursuant to which that employee may purchase shares of Common Stock.

Rule 144A: The term "Rule 144A" shall mean Rule 144A under the Securities Act of 1933.

SEC: The term "SEC" shall mean the Securities and Exchange Commission.

Securities Act of 1933: The term "Securities Act of 1933" shall mean the Securities Act of 1933, as amended, as the same may be hereafter amended.

Senior Subordinated Debt: The term "Senior Subordinated Debt" shall mean the 10-5/8% Senior Subordinated Notes of the Company Due June 15, 2002, the Senior Subordinated Floating Rate Debentures Due November 1, 2004 and the 11% Senior Subordinated Debentures Due June 1, 2007.

Stock Liquidation Agreement: The term "Stock Liquidation Agreement" shall mean that certain Stock Liquidation Agreement dated March 6, 1989, as amended, among the Company and certain holders of the Common Stock of the Company.

Subsidiary: The term "Subsidiary" shall mean (i) any corporation of which the outstanding stock having at least a majority in voting power in the election of directors under ordinary circumstances shall at the time be owned, directly or indirectly, by the Company or by the Company and one or more Subsidiaries or by one or more Subsidiaries or (ii) any other Person of which at least a majority in voting interest, under ordinary circumstances, is at the time, directly or indirectly, owned or controlled by the Company or by the Company and one or more Subsidiaries or by one or more Subsidiaries. A partnership of which the Company or any Subsidiary is the managing general partner shall be deemed to be a Subsidiary.

Temporary Offshore Global Note: The term "Temporary Offshore Global Note" shall have the meaning provided in Section 2.02.

Tender Discharge Date: The term "Tender Discharge Date" shall have the meaning specified in Section 3.02(b).

Tender Period: The term "Tender Period" shall have the meaning specified in Section 3.02(a).

Total Interest Expense: The term "Total Interest Expense" shall mean, for any period, the aggregate amount of interest in respect of Indebtedness (including amortization of original issue discount on any Indebtedness and the interest

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portion of any deferred payment obligation and after taking into account the effect of any Interest Rate Agreement, however denominated, with respect to such Indebtedness) and all but the principal component of rentals in respect of capital lease obligations, paid, accrued or scheduled to be paid or accrued by the Note Restricted Group during such period, determined on a consolidated basis, after eliminating all intercompany items, in accordance with generally accepted accounting principles; provided that such amounts paid, accrued and scheduled to be paid or accrued by any Person which is not a Subsidiary but the accounts of which are consolidated with those of the Company shall be deducted therefrom. For purposes of this definition, interest on a capital lease obligation shall be deemed to accrue at an interest rate reasonably determined by the Company to be the rate of interest implicit in such capital lease obligation in accordance with generally accepted accounting principles.

Trustee: The term "Trustee" shall mean Bank of Montreal Trust Company and, subject to the provisions of Article Seven hereof, shall also include its successors and assigns as Trustee hereunder.

Trust Indenture Act of 1939: The term "Trust Indenture Act of 1939" shall mean the Trust Indenture Act of 1939 as it was in force at the date of execution of this Indenture, except as provided in Section 10.03.

2005 Debentures: The term "2005 Debentures" shall mean the 8-7/8% Senior Debentures of the Company Due September 15, 2005.

2001 Notes: The term "2001 Notes" shall mean the 8-1/2% Senior Notes of the Company Due September 15, 2001.

2013 Debentures: The term "2013 Debentures" shall mean the 9-1/2% Senior Debentures of the Company Due August 1, 2013.

Unrestricted Subsidiary: The term "Unrestricted Subsidiary" shall mean any Subsidiary of the Company, whether existing on or after the date of this Indenture, which is not a member of the Note Restricted Group.

U.S. Global Note: The term "U.S. Global Note" shall have the

meaning provided in Section 2.02.

U.S. Government Obligations: The term "U.S. Government Obligations" shall mean direct obligations of, or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America.

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U.S. Physical Notes: The term "U.S. Physical Notes" shall have the meaning provided in Section 2.02.

Vice President: The term "Vice President" shall mean any vice president of the Company, whether or not designated by a number or a word or words added before or after the title "vice president".

## ARTICLE TWO

### ISSUE, DESCRIPTION, EXECUTION, REGISTRATION AND EXCHANGE OF NOTES

SECTION 2.01. Designation, Amount and Issue of Notes. The Notes shall be designated as "8.30% Senior Notes Due 2006". Notes not to exceed the aggregate principal amount of \$600,000,000 (except as provided in Section 2.09) upon the execution of this Indenture, or from time to time thereafter, may be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Notes to or upon the written order of the Company, signed by its Chairman or Vice Chairman of the Board of Directors or its Chief Executive Officer or its President or its Chief Financial Officer or any Vice President and by its Treasurer or Assistant Treasurer or its Secretary or any Assistant Secretary, without any further action by the Company hereunder.

The Notes shall be senior in right of payment to all subordinated indebtedness of the Company, including, without limitation, the Senior Subordinated Debt.

SECTION 2.02. Form of Notes. The Notes and the Trustee's certificate of authentication to be borne by the Notes shall be substantially in the form as in this Indenture above recited. Any of the Notes may have imprinted thereon such legends or endorsements as the officers executing the same may approve (execution thereof to be conclusive evidence of such approval) and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Notes may be listed, or to conform to usage.

Notes offered and sold in reliance on Rule 144A shall be issued initially in the form of one or more permanent global

Notes in registered form, substantially in the form as above recited (the "U.S. Global Note"), deposited with the Trustee, as custodian for the Depositary, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The

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aggregate principal amount of the U.S. Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary or its nominee, as hereinafter provided.

Notes offered and sold in offshore transactions in reliance on Regulation S shall be issued initially in the form of one or more temporary global Notes in registered form substantially in the form as above recited (the "Temporary Offshore Global Note") deposited with the Trustee, as custodian for the Depositary, duly executed by the Company and authenticated by the Trustee as hereinafter provided. At any time beginning 40 days after the later of the commencement of the offering and the closing in connection with the Notes (the "Offshore Notes Exchange Date"), upon receipt by the Trustee and the Company of a certificate substantially in the form of Exhibit A hereto, one or more permanent global Notes in registered form substantially in the form as above recited (the "Permanent Offshore Global Note" and, together with the Temporary Offshore Global Note, the "Offshore Global Note") duly executed by the Company and authenticated by the Trustee as hereinafter provided shall be deposited with the Trustee, as custodian for the Depositary, and the registrar shall reflect on its books and records the date and a decrease in the principal amount of the Temporary Offshore Global Note in an amount equal to the principal amount of the beneficial interest in the Temporary Offshore Global Note transferred.

Notes offered and sold in reliance on Regulation D under the Securities Act of 1933 shall be issued in the form of permanent certificated Notes in registered form in substantially the form as above recited (the "U.S. Physical Notes"). Notes issued pursuant to Section 2.07 in exchange for interests in the Offshore Global Note shall be in the form of permanent certificated Notes in registered form substantially in the form as above recited (the "Offshore Physical Notes").

The Offshore Physical Notes and U.S. Physical Notes are sometimes collectively herein referred to as the "Physical Notes". The U.S. Global Note and the Offshore Global Note are sometimes referred to as the "Global Notes".

The definitive Notes shall be typed, printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any securities exchange on which the Notes may be listed, all as determined by the officers executing such Notes, as evidenced by their execution of such Notes.

SECTION 2.03. Restrictive Legends. Unless and until a Note is exchanged for an Exchange Note in connection with an



effective Registration pursuant to the Registration Rights Agreement, the U.S. Global Note, Temporary Offshore Global Note and each U.S. Physical Note shall bear the following legend on the face thereof:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3), OR (7) OF REGULATION D UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (2) AGREES THAT IT WILL NOT, WITHIN THREE YEARS AFTER THE LATER OF THE ORIGINAL ISSUANCE OF THIS NOTE OR THE LAST DATE ON WHICH THIS NOTE WAS HELD BY AN AFFILIATE OF THE COMPANY, RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) INSIDE THE UNITED STATES TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS NOTE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE) AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF NOTES AT THE TIME OF TRANSFER OF LESS THAN \$250,000, AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (F) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS NOTE WITHIN THREE YEARS AFTER THE LATER OF THE ORIGINAL ISSUANCE OF THIS NOTE OR THE LAST DATE ON WHICH THIS NOTE WAS HELD BY AN AFFILIATE OF THE COMPANY, THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH HEREIN RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS NOTE TO THE TRUSTEE. IF

THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE



AND THE COMPANY SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS EITHER OF THEM MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING RESTRICTIONS.

Each Global Note, whether or not an Exchange Note, shall bear the following legend on the face thereof:

Unless this Note is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Company or its agent for registration of transfer, exchange or payment, and any Note issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Transfers of this Note shall be limited to transfers in whole, but not in part, to nominees of Cede & Co. or to a successor thereof or such successor's nominee and transfers of portions of this Note shall be limited to transfers made in accordance with the restrictions set forth in section 2.08 of the Indenture.

SECTION 2.04. Date and Denomination of Notes. The Notes shall be issuable in registered form without coupons in denominations of \$100,000 and any multiple of \$50,000 in excess thereof. Every Note shall be dated the date of its authentication and, except as provided in this Section, shall bear interest, payable semi-annually on May 15 and November 15 of each year, commencing on May 15, 1996, from the May 15 or November 15, as the case may be, next preceding the date of such Note to which interest has been paid or duly provided for, unless the date of such Note is the date to which interest has been paid or duly provided for, in which case from the date of such Note, or unless no interest has been paid or duly provided for on the Notes, in which case from December 13, 1995 until payment of the

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principal sum has been made or duly provided for. Notwithstanding the foregoing, when there is no existing default in the payment of interest on the Notes, all Notes authenticated by the Trustee after the close of business on the record date (as hereinafter defined) for any interest payment date (May 15 or November 15, as the case may be) and prior to such interest payment date shall be dated

the date of authentication but shall bear interest from such interest payment date; provided, however, that if and to the extent that the Company shall default in the payment of interest due on such interest payment date then any such Note shall bear interest from the May 15 or November 15, as the case may be, next preceding the date of such Note to which interest has been paid or duly provided for, unless no interest has been paid or duly provided for on the Notes, in which case from December 13, 1995. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The person in whose name any Note (or its Predecessor Note) is registered at the close of business on any record date with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date (subject to the provisions of Article Three in the case of any Note or Notes, or portion thereof, prepaid on a date subsequent to the record date and prior to such interest payment date) notwithstanding the cancellation of such Note upon any transfer or exchange subsequent to the record date and prior to such interest payment date. Interest may, at the option of the Company, be paid by check mailed to the address of such person on the registry kept for such purposes. The term "record date" with respect to any interest payment date shall mean the May 1 or November 1 preceding said May 15 or November 15.

Any interest on any Note which is payable, but is not paid or duly provided for within 30 days after the date on which it becomes due and payable on any said May 15 or November 15 (herein called "Defaulted Interest") shall forthwith cease to be payable to the Noteholder on the relevant record date by virtue of having been such Noteholder; and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Notes (or their respective Predecessor Notes) are registered at the close of business on a special record date for the payment of such Defaulted Interest, which shall be fixed in the following manner. At least 45 days before the proposed payment date, the Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Note and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the

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aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon, not more than 15 days and not less than 10 days after receipt by the Trustee of notice of the proposed payment, the Trustee shall fix a special record date for the payment of such Defaulted Interest which shall be not more than 15 days and

not less than 10 days prior to the date of the proposed payment. The Trustee shall promptly notify the Company of such special record date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the special record date therefor to be mailed, first-class postage prepaid to each Noteholder at his or her address as it appears in the Note register, not less than 15 days prior to such special record date. Notice of the proposed payment of such Defaulted Interest and the special record date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Notes (or their respective Predecessor Notes) are registered at the close of business on such special record date and shall no longer be payable pursuant to the following clause (2).

(2) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

SECTION 2.05. Execution of Notes. The Notes shall be signed in the name and on behalf of the Company by the facsimile signature of its Chairman or Vice Chairman of the Board of Directors, its Chief Executive Officer, its President, its Chief Financial Officer or any of its Vice Presidents and attested by the facsimile signature of its Secretary or any of its Assistant Secretaries (which may be printed, engraved or otherwise reproduced thereon, by facsimile or otherwise). Only such Notes as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, manually executed by the Trustee, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such authentication by the Trustee upon any Note executed by the Company shall be conclusive evidence that the Note so authenticated has been duly authenticated and delivered hereunder and that the holder is entitled to the benefits of this Indenture.

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In case any officer of the Company who shall have signed any of the Notes shall cease to be such officer before the Notes so signed shall have been authenticated and delivered by the Trustee, or disposed of by the Company, such Notes nevertheless may be authenticated and delivered or disposed of as though the person who signed such Notes had not ceased to be such officer of the Company; and any Note may be signed on behalf of the Company by such persons as, at the actual date of the execution of such Note, shall be the proper officers of the Company, although at the date of the execution of this Indenture any such person was not such an officer.

SECTION 2.06. Exchange and Registration of Notes; Transfer of Notes. Notes may be exchanged for a like aggregate principal amount of Notes of other authorized denominations. Notes to be exchanged shall be surrendered at the office or agency to be maintained by the Company in the Borough of

Manhattan, The City of New York (which office for purposes of this Section 2.06 shall be the office of the registrar hereunder), and the Company shall execute and register and the Trustee shall authenticate and deliver in exchange therefor the Note or Notes which the Noteholder making the exchange shall be entitled to receive. The Company hereby appoints the Trustee to be, and the Trustee agrees to serve as, the initial registrar of the Notes.

The registrar (or the Company if there is no registrar) shall keep at said office in the Borough of Manhattan, The City of New York, a register in which, subject to such reasonable regulations as it may prescribe, Notes shall be registered and the transfer of Notes shall be registered as in this Article Two provided. Such register shall be in written form or in any other form capable of being converted into written form within a reasonable time. At all reasonable times such register shall be open for inspection by the Trustee. Upon due presentment for registration of transfer of any Note at such office or agency maintained by the Company in the Borough of Manhattan, The City of New York, the Company shall execute and register and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Note or Notes for an equal aggregate principal amount. Furthermore, the Depositary shall, by acceptance of a Global Note, agree that transfers of beneficial interests in such Global Note may be effected only through a book-entry system maintained by the Depositary (or its agent), and that ownership of a beneficial interest in the Global Note shall be required to be reflected in a book entry. When Notes are presented to the registrar with a request to register the transfer or to exchange them for an equal principal amount of Notes of other authorized denominations (including on exchange of Notes for Exchange Notes), the registrar shall register the transfer or make the exchange as requested if its requirements

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for such transactions are met; provided that no exchanges of Notes for Exchange Notes shall occur until a Registration Statement shall have been declared effective by the SEC and that any Notes that are exchanged for Exchange Notes shall be canceled by the Trustee; provided, further, that any Exchange Note issued in exchange for a Physical Note shall upon such exchange be represented by a Global Note. To permit registrations of transfers and exchanges in accordance with the terms, conditions and restrictions hereof, the Company shall execute and the Trustee shall authenticate Notes at the registrar's request.

All Notes presented for registration of transfer or for exchange, prepayment or payment shall (if so required by the Company or the Trustee) be duly endorsed by, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Company and the registrar duly executed by, the holder or his or her attorney duly authorized in writing.

No service charge shall be made for any exchange or registration of transfer of Notes, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

SECTION 2.07. Book-Entry Provisions for U.S. Global Note and Offshore Global Note. (a) The U.S. Global Note and Offshore Global Note initially shall (i) be registered in the name of the Depositary for such Global Notes or the nominee of such Depositary, (ii) be delivered to the Trustee as custodian for such Depositary and (iii) bear legends as set forth in Section 2.03.

Members of, or participants in, the Depositary ("Agent Members") shall have no rights under this Indenture with respect to any U.S. Global Note or Offshore Global Note, as the case may be, held on their behalf by the Depositary, or the Trustee as its custodian, or under the U.S. Global Note or Offshore Global Note, as the case may be, and the Depositary may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of such U.S. Global Note or Offshore Global Note, as the case may be, for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee, from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices governing the exercise of the rights of a holder of any Note.

(b) Transfers of the U.S. Global Note and the Offshore Global Note shall be limited to transfers of such U.S. Global Note or Offshore Global Note in whole, but not in part, to the

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Depositary, its successors or their respective nominees. Beneficial interests in the U.S. Global Note and the Offshore Global Note may be transferred in accordance with the applicable rules and procedures of the Depositary and the provisions of Section 2.08. In addition, U.S. Physical Notes and Offshore Physical Notes shall be transferred to all beneficial owners in exchange for their beneficial interests in the U.S. Global Note or the Offshore Global Note, as the case may be, if (i) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for the U.S. Global Note or the Offshore Global Note, as the case may be, and a successor depositary is not appointed by the Company within 90 days of such notice or (ii) an Event of Default has occurred and is continuing and the registrar has received a request from the Depositary.

(c) Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

(d) In connection with any transfer of a beneficial interest in the U.S. Global Note to a transferee receiving U.S. Physical Notes pursuant to paragraph (b) of this Section, the registrar shall reflect on its books and

records the date and a decrease in the principal amount of the U.S. Global Note in an amount equal to the principal amount of the beneficial interest in the U.S. Global Note to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more U.S. Physical Notes of like tenor and amount.

(e) In connection with the transfer of the entire U.S. Global Note or Offshore Global Note to beneficial owners pursuant to paragraph (b) of this Section, the U.S. Global Note or Offshore Global Note, as the case may be, shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall authenticate and deliver, to each beneficial owner identified by the Depositary in exchange for its beneficial interest in the U.S. Global Note or Offshore Global Note, as the case may be, an equal aggregate principal amount of U.S. Physical Notes or Offshore Physical Notes, as the case may be, of authorized denominations.

(f) Any U.S. Physical Note delivered in exchange for an interest in the U.S. Global Note pursuant to paragraph (b) or (d) of this Section shall, except as otherwise provided by paragraph (f) of Section 2.08, bear the legend regarding transfer

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restrictions applicable to the U.S. Physical Note set forth in Section 2.03.

(g) Any Offshore Physical Note delivered in exchange for an interest in the Offshore Global Note pursuant to paragraph (b) of this Section shall, except as otherwise provided by paragraph (f) of Section 2.08, bear the legend regarding transfer restrictions applicable to the Offshore Physical Note set forth in Section 2.03.

(h) The registered holder of the U.S. Global Note and the Offshore Global Note may grant proxies and otherwise authorize any person, including Agent Members and persons that may hold interests through Agent Members, to take any action which such holder is entitled to take under this Indenture or the Notes.

SECTION 2.08. Special Transfer Provisions. Unless and until a Note is exchanged for an Exchange Note, or the Notes are registered for sale in connection with an effective Registration pursuant to the Registration Rights Agreement, the following provisions shall apply:

(a) Transfers to Non-QIB Institutional Accredited Investors. The following provisions shall apply with respect to the registration of any proposed transfer of a Note to any Institutional Accredited Investor which is not a QIB (excluding transfers to or by Non-U.S. Persons):

(i) The registrar shall register the transfer of any Note, whether or not such Note bears the Private Placement Legend, if  
(x) the requested transfer is at least three years after the later



of the original issue date of the Notes and the last date on which such Note was held by an affiliate of the Company or (y) the proposed transferee has delivered to the registrar (A) a certificate substantially in the form of Exhibit B hereto and (B) if the aggregate principal amount of the Notes being transferred is less than \$250,000 at the time of such transfer, an opinion of counsel acceptable to the Company and the registrar that such transfer is in compliance with the Securities Act of 1933.

(ii) If the proposed transferor is an Agent Member holding a beneficial interest in the U.S. Global Note, upon receipt by the registrar of (x) the documents, if any, required by paragraph (i) and (y) instructions given in accordance with the Depositary's and the registrar's procedures, the registrar shall reflect on its books and records the date and decrease in the principal amount of the U.S. Global Note in an amount equal to the principal

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amount of the beneficial interest in the U.S. Global Note to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more U.S. Physical Notes of like tenor and amount.

(b) Transfers to QIBs. The following provisions shall apply with respect to the registration of any proposed transfer of a Note to a QIB (excluding transfers to or by Non- U.S. Persons):

(i) If the Note to be transferred consists of U.S. Physical Notes or an interest in the Temporary Offshore Global Note, the registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Note stating, or has otherwise advised the Company and the registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Note stating, or has otherwise advised the Company and the registrar in writing, that it is purchasing the Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A.

(ii) If the proposed transferee is an Agent Member, and the Note to be transferred consists of U.S. Physical Notes or an

interest in the Temporary Offshore Global Note, upon receipt by the registrar of the documents referred to in clause (i) and instructions given in accordance with the Depository's and the registrar's procedures, the registrar shall reflect on its books and records the date and an increase in the principal amount of the U.S. Global Note in an amount equal to the principal amount of the U.S. Physical Note or the interest in the Temporary Offshore Global Note, as the case may be, to be transferred, and the Trustee shall cancel the Physical Note or decrease the amount of the Temporary Offshore Global Note so transferred.

(c) Transfers of Interest in the Temporary Offshore Global Note. The following provisions shall apply with

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respect to registration of any proposed transfer of interests in the Temporary Offshore Global Note:

(i) The registrar shall register the transfer of any Note (x) if the proposed transferee is a Non-U.S. Person and the proposed transferor has delivered to the registrar a certificate substantially in the form of Exhibit C hereto or (y) if the proposed transferee is a QIB and the proposed transferor has checked the box provided for on the form of Note stating, or has otherwise advised the Company and registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Note stating, or has otherwise advised the Company and the registrar in writing, that it is purchasing the Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A.

(ii) If the proposed transferee is an Agent Member, upon receipt by the registrar of the documents referred to in clause (i) (y) above and instructions given in accordance with the Depository's and the registrar's procedures, the registrar shall reflect on its books and records the date and an increase in the principal amount of the U.S. Global Note in an amount equal to the principal amount of the Temporary Offshore Global Note to be transferred, and the Trustee shall decrease the amount of the Temporary Offshore Global Note so transferred.



(d) Transfers of Interests in the Permanent Offshore Global Note or Offshore Physical Note. The registrar shall register the transfer of any interests in the Permanent Offshore Global Note or Offshore Physical Notes without requiring any additional certification.

(e) Transfers to Non-U.S. Persons at any Time. The following provisions shall apply with respect to any transfer of a Note to a Non-U.S. Person:

(i) Prior to the 40th day after the later of the commencement of the offering and the closing date in

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connection with the Notes, the registrar shall register any proposed transfer of a Note to a Non-U.S. Person upon receipt of a certificate substantially in the form of Exhibit C hereto from the proposed transferor.

(ii) On and after the 40th day after the later of the commencement of the offering and the closing date in connection with the Notes, the registrar shall register any proposed transfer to any Non-U.S. Person if the Note to be transferred is a U.S. Physical Note or an interest in the U.S. Global Note, upon receipt of a certificate substantially in the form of Exhibit C from the proposed transferor.

(iii) (a) If the proposed transferor is an Agent Member holding a beneficial interest in the U.S. Global Note, upon receipt by the registrar of (x) documents, if any, required by paragraph (ii) and (y) instructions in accordance with the Depository's and the registrar's procedures, the registrar shall reflect on its books and records the date and a decrease in the principal amount of the U.S. Global Note in an amount equal to the principal amount of the beneficial interest in the U.S. Global Note to be transferred, and (b) if the proposed transferee is an Agent Member, upon receipt by the registrar of instructions given in accordance with the Depository's and the registrar's procedures, the registrar shall reflect on its books and records the date and an increase in the principal amount of the Offshore Global Note in an amount equal to the principal amount of the U.S. Physical Notes or the U.S. Global Note, as the case may be, to be transferred, and the Trustee shall cancel the Physical Note, if any, so transferred or decrease the amount of the U.S. Global Note.

(f) Private Placement Legend. Upon the transfer, exchange or replacement of Notes not bearing the Private Placement Legend, the registrar shall deliver Notes that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Notes bearing the

Private Placement Legend, the registrar shall deliver only Notes that bear the Private Placement Legend unless either (i) the circumstances contemplated by the third paragraph of Section 2.02 or paragraphs (a)(i)(x) or (e)(ii) of this Section 2.08 exist or (ii) there is delivered to the registrar an opinion of counsel reasonably satisfactory to the Company and the registrar to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act of 1933.

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(g) General. By its acceptance of any Note bearing the Private Placement Legend, each holder of such a Note acknowledges the restrictions on transfer of such Note set forth in this Indenture and in the Private Placement Legend and agrees that it will transfer such Note only as provided in this Indenture. The registrar shall not register a transfer of any Note unless such transfer complies with the restrictions on transfer of such Note set forth in this Indenture. In connection with any transfer of Notes, each holder agrees by its acceptance of the Notes to furnish the registrar or the Company such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act of 1933; provided that the registrar shall not be required to determine (but may rely on a determination made by the Company with respect to) the sufficiency of any such certifications, legal opinions or other information.

The registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 2.07 or this Section 2.08. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the registrar.

SECTION 2.09. Mutilated, Destroyed, Lost or Stolen Notes. In case any temporary or definitive Note shall become mutilated or be destroyed, lost or stolen, the Company in its discretion may execute, and upon its request the Trustee shall authenticate and deliver, a new Note, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated Note, or in lieu of and in substitution for the Note so destroyed, lost or stolen. In every case the applicant for a substituted Note shall furnish to the Company and to the Trustee such security or indemnity as may be required by them to save each of them harmless, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Company and to the Trustee evidence to their satisfaction of the destruction, loss or theft of such Note and of the ownership thereof.

The Trustee may authenticate any such substituted Note and deliver the same upon the written request or authorization of any officer of the

Company. Upon the issuance of any substituted Note, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. In case any Note which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Company

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may, instead of issuing a substitute Note, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Note) if the applicant for such payment shall furnish to the Company and to the Trustee such security or indemnity as may be required by them to save each of them harmless and, in case of destruction, loss or theft, evidence satisfactory to the Company and the Trustee of the destruction, loss or theft of such Note and of the ownership thereof.

Every substituted Note issued pursuant to the provisions of this Section 2.09 by virtue of the fact that any Note is destroyed, lost or stolen shall constitute an additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Note shall be found at any time, and shall be entitled to all the benefits, and subject to all the provisions, of this Indenture equally and proportionately with any and all other Notes duly issued hereunder. To the extent permitted by law, all Notes shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 2.10. Temporary Notes. Pending the preparation of definitive Notes, the Company may execute and the Trustee shall authenticate and deliver temporary Notes (typed, printed or lithographed). Temporary Notes shall be issuable in any authorized denomination, and substantially in the form of the definitive Notes but with such omissions, insertions and variations as may be appropriate for temporary Notes, all as may be determined by the Company. Every such temporary Note shall be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with the same effect, as the definitive Notes. Without unreasonable delay the Company will execute and deliver to the Trustee definitive Notes and thereupon any or all temporary Notes may be surrendered in exchange therefor, at the office or agency of the Company in the Borough of Manhattan, The City of New York (which office for purposes of this Section 2.10 shall be the office in the said Borough of the registrar hereunder), and the Trustee shall authenticate and deliver in exchange for such temporary Notes an equal aggregate principal amount of definitive Notes; provided, however, that if all Notes are exchanged for Exchange Notes represented by one or more Global Notes, the Global Notes may remain in temporary form until such Global Notes are exchanged for Physical Notes pursuant to Section 2.07(b). Such exchange shall be made by the Company at its own expense and without any charge therefor. Until so exchanged, the temporary Notes

shall in all respects be entitled

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to the same benefits under this Indenture as definitive Notes authenticated and delivered hereunder.

SECTION 2.11. Cancellation of Notes Paid, etc. All Notes surrendered for the purpose of payment, prepayment, exchange or registration of transfer, or in discharge, shall, if surrendered to the Company or any paying agent or any Note registrar, be surrendered to the Trustee and promptly canceled by it, or, if surrendered to the Trustee, shall be promptly canceled by it, and no Notes shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Company may at any time deliver to the Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever and the Trustee shall cancel any Notes so delivered. The Trustee shall return all canceled Notes to the Company.

SECTION 2.12. CUSIP Numbers. The Company in issuing the Notes may use CUSIP numbers (if then generally in use), and, if so, the Trustee shall use CUSIP numbers in notices of prepayment as a convenience to Noteholders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a prepayment and that reliance may be placed only on the other identification numbers printed on the Notes, and any such prepayment shall not be affected by any defect in or omission of such numbers.

### ARTICLE THREE

#### REDEMPTION OF NOTES; PREPAYMENT AT THE OPTION OF THE HOLDERS

SECTION 3.01. Redemption at the Option of the Company.

(a) The Notes shall not be redeemable at the option of the Company prior to maturity.

(b) The Notes shall not be entitled to the benefits of a sinking fund.

SECTION 3.02. Prepayment at the Option of the Holder - Preferred Stock Redemption Payment.

(a) The holder of any Note shall have the right, at his or her option, upon the giving of a Preferred Event Put Notice, and subject to the terms and conditions hereof, to tender all, but not less than all, Notes held by that holder, without regard to the fact that the Notes may not then be otherwise prepayable,

for cash, in an amount equal to the principal amount of the Notes (the "Preferred Event Redemption Price") together with accrued interest to the date fixed for prepayment of such holder's Notes. The right of each holder to tender his or her Note or Notes shall continue for 30 days after the date of the Preferred Event Put Notice (the "Initial Tender Period"), unless such period shall be extended by the Company by written notice delivered to the holders of the Notes in accordance with Section 3.02(c) hereof (the Initial Tender Period, together with all such extensions, is hereinafter referred to as the "Tender Period"), and shall be exercised by any surrender of such Note or Notes to the office or agency to be maintained by the Company pursuant to Section 4.02 of this Indenture, accompanied by written notice that the holder elects to tender such Note or Notes and (if so required by the Company or the Trustee) by a written instrument or instruments of transfer in form satisfactory to the Company and the Trustee duly executed by the holder or his or her duly authorized legal representative and transfer tax stamps or funds therefor, if required. Such tender by a holder shall be irrevocable. The holders of Notes shall not have the right to tender Notes if on the date of the Preferred Event Put Notice the Company shall have satisfied and discharged this Indenture pursuant to Article Twelve or effected a defeasance with respect to the Notes pursuant to Article Thirteen (except that the Company may not satisfy this Indenture or effect defeasance in anticipation of a Preferred Stock Redemption Payment).

(b) Any such prepayment of Notes shall occur on the date on which the Company shall make the Preferred Stock Redemption Payment (the "Preferred Event Redemption Date"), which date, if any, shall be (i) at least 31 and no more than 60 days after the date of the Preferred Event Put Notice and (ii) no more than five days after the last day of the Tender Period (the "Tender Discharge Date"). Such date shall be the same as the date on which the Company repurchases any 2001 Notes, 2005 Debentures, 2013 Debentures or June Senior Debt Securities as a result of a Preferred Stock Redemption Payment. In no case may the Company make a Preferred Stock Redemption Payment prior to purchasing Notes which have been properly tendered in accordance with this Section 3.02. If the Company elects not to make a particular Preferred Stock Redemption Payment, then the Company shall have no obligation to purchase the Notes tendered in connection with that Preferred Stock Redemption Payment. If the proposed Preferred Stock Redemption Payment is not made on or prior to the earlier to occur of (i) the 60th day after the date of the Preferred Event Put Notice with respect thereto or (ii) the Tender Discharge Date with respect thereto, (A) the Company shall, on or prior to the earlier to occur of the 61st day after the date of such Preferred Event Put Notice or such Tender Discharge Date, mail, or cause the Trustee to mail, notice in accordance with Section 3.04 to each Noteholder stating that the

proposed Preferred Stock Redemption Payment was not made, (B) the Company shall, on or prior to the earlier to occur of the 66th day after the date of such Preferred Event Put Notice or such Tender Discharge Date, return, or cause to be returned, any Notes tendered to the Company in accordance with this Section 3.02 to the holders thereof (together with any written instrument or instruments of transfer and any transfer tax stamps or funds therefor which accompanied such Notes when they were delivered by the Noteholder), and (C) the Company shall no longer have the right or obligation to purchase Notes tendered in connection with, and as a result of, such proposed Preferred Stock Redemption Payment. The Company shall not thereafter make a Preferred Stock Redemption Payment unless a subsequent Preferred Event Put Notice shall have been sent to holders of Notes in connection therewith and the holders of Notes shall have been afforded an opportunity to tender their Notes in accordance with, and subject to, the terms of this Section 3.02.

(c) The Company shall file with the Trustee and shall mail, or cause the Trustee to mail, to each Noteholder notice in accordance with Section 3.04 (the "Preferred Event Put Notice") stating that the Company is proposing to make a Preferred Stock Redemption Payment and that each holder has the right for no more than 30 days from the date of such notice to tender all, but not less than all, of his or her Notes for cash in accordance with and subject to the terms hereof. If the Company elects to extend the Initial Tender Period or any extension thereof, the Company shall file with the Trustee and shall mail, or cause the Trustee to mail, at least five days prior to the termination of such period, notice in accordance with Section 3.04 stating that the Company is extending such period and that each holder's ability to tender his or her Notes in accordance with this Section 3.02 will be extended until the end of such extended period. The Trustee shall not be deemed to have knowledge of any Preferred Stock Change of Control Event or any corresponding obligation with respect thereto until so notified by the Company.

(d) On or before, but not more than three Banking Days prior to, the Preferred Event Redemption Date, the Company shall deposit with the Trustee or with a paying agent an amount of money sufficient to pay the Preferred Event Redemption Price, and (except if the Preferred Event Redemption Date shall be an interest payment date) accrued interest on all the Notes to be purchased on the Preferred Event Redemption Date.

(e) After a holder has tendered Notes for prepayment as provided in clause (a) above, the Notes of such holder shall, on the Preferred Event Redemption Date, become due and payable at the Preferred Event Redemption Price, together with accrued interest to the Preferred Event Redemption Date, and from and after such date (unless the Company shall default in the payment

of such Notes at the Preferred Event Redemption Price) such Notes shall cease to bear interest. Upon surrender of any such Note for prepayment in accordance herewith, such Note shall be paid on the Preferred Event Redemption Date by the Trustee or paying agent at a price equal to the applicable Preferred Event



Redemption Price (together with accrued interest to the Preferred Event Redemption Date); provided, however, that if the Preferred Event Redemption Date is an interest payment date, interest accrued to such Preferred Event Redemption Date shall be payable to the holders of record of such Note or Notes at the close of business on the relevant record date according to the provisions of this Indenture.

If any Note to be prepaid shall not be so purchased on the Preferred Event Redemption Date, the Preferred Event Redemption Price and accrued interest shall, until paid, bear interest from the Preferred Event Redemption Date at the rate borne by the Notes.

SECTION 3.03. Prepayment at the Option of the Holder - Exempt Repurchases and Borrowing.

(a) The holder of any Note shall have the right, at his or her option, upon the giving of notice described in clause (d) below, and subject to the terms and provisions hereof, to tender all, but not less than all, Notes held by such holder without regard to the fact that the Notes may not then be otherwise prepayable, for cash in an amount equal to the principal of such Notes plus a premium, if any, as set forth in paragraph 8 of the Notes (together, the "Put Option Redemption Price"), plus accrued interest to the date fixed for prepayment. Such prepayment shall occur on a date (the "Put Option Redemption Date") 35 days after the Put Option Transaction Date (as defined below). The holder's right to tender shall continue for 30 days after the Put Option Transaction Date, and shall be exercised by any surrender of such Notes to the office or agency to be maintained by the Company pursuant to Section 4.02 of this Indenture, accompanied by written notice that the holder elects to tender such Notes and (if so required by the Company or the Trustee) by a written instrument or instruments of transfer in form satisfactory to the Company and the Trustee duly executed by the holder or his or her duly authorized legal representative and transfer tax stamps or funds therefor, if required. Such tender by a holder shall be irrevocable.

(b) The holder shall have the right to tender under clause (a) upon the occurrence of an event or series of events set forth below, provided that at the time of the occurrence of such event, the Company shall not have satisfied and discharged this Indenture pursuant to Article Twelve or effected a defeasance with respect to the Notes pursuant to Article Thirteen

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(except that the Company may not satisfy this Indenture or effect defeasance in anticipation of (i) or (ii) below):

(i) The Company makes an Exempt Repurchase and immediately thereafter and after giving effect to any Exempt Repurchase Indebtedness incurred or to be incurred for the purpose of making such Exempt Repurchase, the Company is unable to incur an additional One Dollar (\$1.00) of Indebtedness under Section 4.07, without giving effect to Section

4.07(b) (hereinafter referred to as a "Put Option Stock Repurchase").

(ii) The Company incurs Indebtedness and immediately thereafter, and after giving effect to such Indebtedness, the Company is able to incur an additional \$1 of Indebtedness under Section 4.07, but only because of the effect of Section 4.07(b) (hereinafter referred to as a "Put Option Borrowing").

(c) The Company shall file with the Trustee and shall mail, or cause the Trustee to mail, to each Noteholder not more than 45 days and not less than 15 days prior to the proposed date on which a Put Option Stock Repurchase or Put Option Borrowing (either, a "Put Option Transaction") is to occur (the "Proposed Date") a notice as provided in Section 3.04 stating that the Company is proposing to make a Put Option Stock Repurchase or a Put Option Borrowing, whichever the case may be, on the Proposed Date, and that if the Put Option Transaction is consummated, each holder shall have the right to tender all, but not less than all, of his or her Notes for cash pursuant to the terms hereof.

(d) The date on which the proposed Put Option Transaction shall occur (the "Put Option Transaction Date") shall be no more than 30 days after the Proposed Date. On the Put Option Transaction Date, the Company shall mail, or cause the Trustee to mail, notice in accordance with Section 3.04 to each Noteholder stating that the Put Option Transaction has been consummated and that each holder of Notes has the right to tender his or her Notes for a period of 30 days after the Put Option Transaction Date.

(e) On or before, but not more than three Banking Days prior to, the Put Option Redemption Date, the Company shall deposit with the Trustee or with a paying agent an amount of money sufficient to pay the Put Option Redemption Price, and (except if the Put Option Redemption Date shall be an interest payment date) accrued interest on, all the Notes to be purchased on the Put Option Redemption Date. Prior to the consummation of any Put Option Transaction, the Company shall deliver to the Trustee an Officers' Certificate to the effect that it has arranged for committed financing sufficient to purchase all of the Notes in accordance with this Section 3.03.

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(f) All Notes properly tendered for prepayment pursuant to clause (a) above shall, on the Put Option Redemption Date, become due and payable at the applicable Put Option Redemption Price plus accrued interest, if any, and from and after such date (unless the Company shall default in the payment thereof) such Notes shall cease to bear interest. Upon surrender of any such Note for prepayment in accordance herewith, such Note shall be paid on the Put Option Redemption Date by the Trustee or paying agent at a price equal to the applicable Put Option Redemption Price, together with accrued interest to the Put Option Redemption Date; provided, however, that if the Put Option Redemption Date is an interest payment date, interest accrued to such Put Option Redemption Date shall be payable to the holders of record of such Notes at the close of business on the relevant record date according to the provisions of this



Indenture.

If any Note to be prepaid shall not be so purchased on the Put Option Redemption Date, the Put Option Redemption Price and accrued interest shall, until paid, bear interest from the Put Option Redemption Date at the rate borne by the Notes.

(g) Upon (A) the consummation of the proposed Put Option Transaction no later than 30 days after the Proposed Date, and (B) the prepayment of all Notes properly tendered for prepayment pursuant to clause (a) above, the Company shall no longer be bound by the provisions of this Section 3.03 and Sections 4.07, 4.08 and 4.11.

(h) If the proposed Put Option Transaction that was the subject of the notice provided pursuant to clause (c) above is not consummated within 30 days of the Proposed Date, the Company shall, on the 31st day after the Proposed Date, mail, or cause the Trustee to mail, notice in accordance with Section 3.04 to each Noteholder stating that the proposed Put Option Transaction was not consummated.

SECTION 3.04. Mailing of Notices. If pursuant to this Article Three, the Company or the Trustee is required to mail to one or more Noteholders notice of the right of the Noteholders to require prepayment, such notice shall be given in the manner hereinafter provided. Notice shall be mailed to the subject Noteholders at their last addresses as the same shall appear on the register for the Notes described in Section 2.06. Such mailing shall be by first-class mail. The notice if mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to any subject Noteholder shall not affect the validity of the proceedings for the prepayment of any other Note.

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Each such notice of the right of the holders to require prepayment shall specify (except as otherwise provided in Sections 3.02 and 3.03) the date fixed for prepayment, the prepayment price at which Notes are to be purchased, the place or places of payment, the CUSIP number of the Notes, that payment will be made upon presentation and surrender of such Notes to be prepaid (and other conditions of payments, if any), the terms and conditions to which each Noteholder's right to require prepayment is subject, that interest accrued to the date fixed for prepayment on Notes or portions thereof to be prepaid will be paid as specified in the notice, that on or after said date interest on Notes or portions thereof to be prepaid will cease to accrue and such other information as is provided for in the Section of this Article Three calling for such notice. Either the Company shall give the notice or shall provide the Trustee with copies of the notice and shall request the Trustee to mail the notice on the Company's behalf.

SECTION 3.05. Cancellation of Notes after Prepayment. All Notes

surrendered for prepayment shall, if surrendered to the Company or any prepayment agent, be delivered to the Trustee for cancellation and, if surrendered to the Trustee, shall be canceled by it upon the occurrence of the prepayment.

#### ARTICLE FOUR

##### PARTICULAR COVENANTS OF THE COMPANY

SECTION 4.01. Payment of Principal, Premium and Interest. The Company covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and premium, if any, and interest on each of the Notes at the places, at the respective times and in the manner provided herein and in the Notes.

SECTION 4.02. Offices for Notices and Payments, etc. So long as any of the Notes remain outstanding, the Company will maintain in the Borough of Manhattan, The City of New York, an office or agency where the Notes may be presented for payment, and an office or agency where the Notes may be presented for registration of transfer and for exchange as in this Indenture provided and an office or agency where notices and demands to or upon the Company in respect of the Notes or of this Indenture may be served. The Company will give to the Trustee written notice of the location of each such office or agency and of any change of location thereof. If the Company shall fail to maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof, presentations and demands may be made and notices may be served at the office of the Trustee and the Company hereby appoints the Trustee to be,

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and the Trustee agrees to serve as, the Company's initial agent to receive all such presentations, demands and notices.

SECTION 4.03. Appointments to Fill Vacancies in Trustee's Office. The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 7.09, a Trustee, so that there shall at all times be a Trustee hereunder.

SECTION 4.04. Provision as to Paying Agent. (a) If the Company shall appoint a paying agent other than the Trustee, it will cause such paying agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 4.04:

(1) that it will hold all sums held by it as such agent for the payment of the principal of and premium, if any, or interest on the Notes (whether such sums have been paid to it by the Company or by any other obligor on the Notes) in trust for the benefit of the holders of the Notes;

(2) that it will give the Trustee notice of any failure by the

Company (or by any other obligor on the Notes) to make any payment of the principal of and premium, if any, or interest on the Notes when the same shall become due and payable; and

(3) that at any time during the continuance of an Event of Default, upon request of the Trustee, it will forthwith pay to the Trustee all sums so held in trust.

(b) If the Company shall act as its own paying agent, it will, on or before each due date of the principal of and premium, if any, or interest on the Notes, set aside, segregate and hold in trust for the benefit of the holders of the Notes a sum sufficient to pay such principal and premium, if any, or interest so becoming due and will notify the Trustee of any failure to take such action and of any failure by the Company (or by any other obligor on the Notes) to make any payment of the principal of and premium, if any, or interest on the Notes when the same shall become due and payable.

(c) Anything in this Section 4.04 to the contrary notwithstanding, the Company may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust by any paying agent hereunder as required by this Section 4.04, such sums to be held by the Trustee upon the trusts herein contained and upon such payment by any paying agent to the Trustee, such paying agent shall be released from all further liability with respect to such money.

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(d) Anything in this Section 4.04 to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section 4.04 is subject to Sections 12.03 and 12.04.

SECTION 4.05. Corporate Existence and Maintenance of Properties. Except as provided in Section 11.01 hereof, the Company will at all times maintain its corporate existence, will maintain its properties in adequate condition for the conduct of its business and will do or cause to be done all things necessary to preserve and keep in full force and effect its rights (charter and statutory) and franchises; provided, however, that the Company will not be required to preserve any right or franchise if the Board of Directors of the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Noteholders.

SECTION 4.06. Restricted Payments. The Company covenants and agrees, so long as any of the Notes remain outstanding, that it will not declare or pay any dividend on, or authorize or make any distribution in respect of, any shares of any class of the Company's Capital Stock (except dividends or distributions payable in shares of its Capital Stock), or authorize or make any purchase, redemption or acquisition for value of, or permit any Subsidiary to purchase or otherwise acquire for value, any shares of any class of the Company's Capital Stock (or any rights, warrants or options to purchase any

class of Capital Stock of the Company, except if such rights, warrants or options are held by an employee of the Company and such purchase, redemption or acquisition occurs in connection with the termination of such employee's employment with the Company), otherwise than pursuant to Exempt Repurchases (any declaration, authorization or payment so restricted being herein called a "Restricted Payment"): (i) if a default shall have occurred and be continuing at the time of such proposed Restricted Payment or shall occur as a consequence thereof; or (ii) if the aggregate of all Restricted Payments made from September 30, 1995 through and including the date on which such Restricted Payment is made, would exceed the sum of (a) the amount by which Operating Cash Flow of the Note Restricted Group on a consolidated basis for the period, treated as a single accounting period, from September 30, 1995 through the fiscal quarter immediately preceding such proposed Restricted Payment for which financial statements are available exceeds 1.20 times the Total Interest Expense for the period, treated as a single accounting period, from September 30, 1995 through said fiscal quarter immediately preceding such proposed Restricted Payment, plus (b) \$1,029,726,000, plus (c) the aggregate net proceeds, including the fair market value of property other than cash, received by the Company from the issue or sale (other than to a Subsidiary) subsequent to September 30, 1995 of any class of

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Capital Stock of the Company. For all purposes of this Section 4.06, any recapitalization of the Company (whether or not effected through a merger or consolidation with, or sale of substantially all of the assets of the Company to, any Person) that has the effect of transferring money, property, or securities other than Capital Stock of the Company to any holder of any shares of the Capital Stock of the Company (otherwise than in connection with an Exempt Repurchase) shall be deemed a Restricted Payment.

For purposes of this Section 4.06, "default" shall mean the occurrence of any event specified in clauses (a), (b), (c), (d), (e) or (f) of Section 6.01, not including periods of grace, if any, provided for therein.

SECTION 4.07. Limitation on Indebtedness. (a) Except as provided in Section 3.03(g), the Company covenants and agrees, so long as any of the Notes remain outstanding, that it shall not, and shall not permit any member of the Note Restricted Group to, incur, create, assume, directly or indirectly guarantee or in any other manner become liable with respect to, or become responsible for the payment of, any additional Indebtedness (other than Exempt Repurchase Indebtedness) if, immediately thereafter and giving effect thereto on a pro forma basis, the aggregate Indebtedness of the Note Restricted Group would be more than the product of (i) four times the Operating Cash Flow of the Note Restricted Group for the fiscal quarter most recently preceding such incurrence for which financial statements are available, multiplied by (ii) nine.

(b) For purposes of the above calculation, the aggregate Indebtedness of the Note Restricted Group shall be reduced by the aggregate Exempt Repurchase Indebtedness of the Note Restricted Group.

SECTION 4.08. Limitation on Investment in Subsidiaries other than the Note Restricted Group. Except as provided in Section 3.03(g), the Company covenants and agrees, so long as any of the Notes remain outstanding, that it shall not, and shall not permit any member of the Note Restricted Group to, directly or indirectly make any loan or transfer of property to, or investment in, any Subsidiary that is not part of the Note Restricted Group (other than (i) the provision of goods and services to such a Subsidiary if such goods and services are billed to such a Subsidiary on the basis of the provider's cost therefor and (ii) advances to any Subsidiary that is not part of the Note Restricted Group in the ordinary course of business by the Note Restricted Group if the interest payable on such advances is generally consistent with the Company's cost of borrowings under its credit facilities), unless, immediately after giving effect to such loan or investment on a pro forma

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basis, the Note Restricted Group would be able to incur an additional One Dollar (\$1.00) of Indebtedness under Section 4.07, as determined for the fiscal quarter most recently completed for which financial statements are available at the date of such loan, transfer or investment.

The Company's obligation to comply with this covenant will be suspended once the Notes or the Exchange Notes are Investment Grade Rated.

SECTION 4.09. Transactions with Stockholders and Affiliates. The Company covenants and agrees, so long as any of the Notes remain outstanding, that it will not, and will not permit any Subsidiary that is part of the Note Restricted Group to, enter into any transaction (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with any holder of five percent or more of any class of Capital Stock of the Company or with any Affiliate of the Company or of any such holder, on terms that are less favorable to the Company or such Subsidiary, as the case may be, than those which might be obtained at the time of such transaction from a Person who is not such a holder or Affiliate; provided, however, that this Section 4.09 shall not limit, or be applicable to, (i) Exempt Repurchases, (ii) transactions between the Company and a Subsidiary or between Subsidiaries, (iii) transactions pursuant or relating to Restricted Stock Purchase Agreements or (iv) the payment of reasonable and customary regular fees to directors of the Company who are not employees of the Company.

The Company's obligation to comply with this covenant will be suspended at any time once the Notes or the Exchange Notes are Investment Grade Rated.

SECTION 4.10. Certificate to Trustee. The Company will furnish to the Trustee not more than 90 days after the end of the Company's fiscal year (beginning with fiscal 1995) in each year a brief certificate from the principal executive, financial or accounting officer of the Company as to his or her knowledge of the Company's compliance with all conditions and covenants under

this Indenture (such compliance to be determined without regard to any period of grace or requirement of notice provided under this Indenture), stating that in the course of the performance by the signer of his or her duties as an officer of the Company, he or she would normally have knowledge of any default by the Company and, if he or she has knowledge of any default, specifying each such default of which the signer has knowledge and the nature thereof.

SECTION 4.11. Limitation on Liens. Except as provided in Section 3.03(g), the Company will not, and will not permit any

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Subsidiary that is part of the Note Restricted Group to, create, incur or assume any Lien on any Principal Property or any shares of Capital Stock or Indebtedness of any such Subsidiary without making effective provision for all of the Notes and all other amounts due under this Indenture to be directly secured equally and ratably with (or prior to) the obligation or liability secured by such Lien unless, at the time of such creation, incurrence or assumption and, after giving effect thereto, the aggregate amount of all Indebtedness of the Note Restricted Group so secured does not exceed five times Annualized Cash Flow; provided, however, that if all Liens (other than Liens created pursuant to this Section or the comparable provisions of the indentures relating to the other senior debt securities of the Company) on Principal Property or on shares of Capital Stock or Indebtedness of any Subsidiary that is part of the Note Restricted Group which secure Indebtedness of the Company or any such Subsidiary are released, then (i) all then existing Liens created pursuant to this Section (together with all then existing Liens created pursuant to the comparable provisions of the indentures relating to the other senior debt securities of the Company) shall be automatically released and (ii) the Trustee shall be authorized to execute and deliver to the Company any documents requested by the Company which are required to evidence the release of such Liens.

The foregoing limitation does not apply to:

(i) Liens securing obligations of the Company to reimburse any bank or other Person in respect of amounts paid under letters of credit, acceptances or other similar instruments; or

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(ii) Liens securing Indebtedness on the assets of any entity existing at the time such assets are acquired by the Company or any of its Subsidiaries that are part of the Note Restricted Group, whether by merger, consolidation, purchase of assets or otherwise; provided that such Liens (x) are not created, incurred or assumed in connection with, or in contemplation of, such assets being acquired by the Company or any of its Subsidiaries that are part of the Note Restricted Group and (y) do not extend to any other Principal Property or assets of the Company or any of



ARTICLE FIVE

NOTEHOLDERS LISTS AND REPORTS BY THE  
COMPANY AND THE TRUSTEE

SECTION 5.01. Noteholders Lists. If and so long as the Trustee shall not be the Note registrar, the Company will furnish or cause to be furnished to the Trustee a list in such form as the Trustee may reasonably require of the names and addresses of the holders of the Notes pursuant to Section 312 of the Trust Indenture Act of 1939 (a) not more than 15 days after each record date for the payment of semi-annual interest on the Notes (as specified in Section 2.04 hereof), as of such record date, and (b) at such other times as the Trustee may request in writing, within 30 days after receipt by the Company of any such request, such information to be as of a date not more than 15 days prior to the time such information is furnished.

SECTION 5.02. Reports by the Company. (a) The Company covenants to file with the SEC all reports and other information required to be filed by the Company with the SEC pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 at all times from and after the earlier of (i) the date of the consummation of a registered exchange offer for the Notes by the Company or other registration of the Notes (the "Registration") and (ii) the date that is six months after the date of the original issuance of the Notes under this Indenture. The Company covenants to file with the Trustee copies of such reports or other information within 15 days after their being filed with the SEC.

(b) The Company covenants and agrees that it will deliver to the Trustee and mail, or cause the Trustee to mail, to each holder of Notes:

(1) as soon as available and in any event within 90 days after the end of each fiscal year of the Company (i) a consolidated balance sheet of the Company and its Subsidiaries as of the end of such fiscal year and the related consolidated statements of operations, shareholders' equity and cash flows for such fiscal year, all reported on by Deloitte & Touche LLP or other independent public accountants of nationally recognized standing, (ii) a report containing a management's discussion and analysis of financial condition and results of operations and a description of the business and properties of the Company and (iii) a report as to the maximum amount of Restricted Payments that the Company could have made as of the end of the fiscal year without violating Section 4.06, such report explaining

how such maximum amount was calculated and briefly describing any transaction that occurred during the last quarter that affected such maximum amount;

(2) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Company (i) an unaudited consolidated financial report for such quarter, (ii) a report containing a management's discussion and analysis of financial condition and results of operations and (iii) a report as to the maximum amount of Restricted Payments that the Company could have made as of the end of the quarter without violating Section 4.06, such report explaining how such maximum amount was calculated and briefly describing any transaction that occurred during the quarter that affected such maximum amount;

(3) promptly upon the mailing thereof to the shareholders of the Company generally, copies of annual letters; and

(4) promptly upon the filing thereof, copies of all annual, quarterly, monthly or periodic reports which the Company shall have filed with the SEC.

(c) The Company covenants to supply the information required under Rule 144A to any holder of Notes or any prospective purchaser of Notes designated by a holder, upon the request of such holder or prospective purchaser, at all times prior to the Registration.

SECTION 5.03. Reports by the Trustee. Any Trustee's report required under Section 313(a) of the Trust Indenture Act of 1939 shall be transmitted on or before June 1, 1996, and on or before every June 1 thereafter, and shall be dated as of a date 60 days prior to such June 1.

## ARTICLE SIX

### REMEDIES OF THE TRUSTEE AND NOTEHOLDERS ON THE OCCURRENCE OF AN EVENT OF DEFAULT

SECTION 6.01. Events of Default. In case one or more of the following Events of Default shall have occurred and be continuing:

(a) default in the payment of any installment of interest upon any of the Notes as and when the same shall



become due and payable, and continuance of such default for a period of 30 days; or

(b) default in the payment of the principal of or premium, if any, on any of the Notes as and when the same shall become due and payable either at maturity or in connection with any prepayment, by declaration or otherwise; or

(c) failure on the part of the Company duly to observe or perform any other of the covenants or agreements on the part of the Company in the Notes or in this Indenture continued for a period of 60 days after the date on which written notice of such failure, requiring the Company to remedy the same, shall have been given to the Company by the Trustee, or to the Company and the Trustee by the holders of at least 25 percent in aggregate principal amount of the Notes at the time outstanding; or

(d) (i) default by the Company in the payment when due at maturity of any indebtedness for borrowed money (other than indebtedness which is non-recourse to the Company) in excess of \$25,000,000 issued under an indenture or instrument evidencing such indebtedness, whether such indebtedness is outstanding at the date of this Indenture or is hereafter outstanding, and continuation of such default for the greater of any period of grace applicable thereto or 10 days from the date of such default or (ii) an event of default, as defined in any indenture or instrument evidencing or under which the Company has at the date of this Indenture or shall hereafter have outstanding at least \$25,000,000 aggregate principal amount of indebtedness for borrowed money, shall happen and be continuing and such indebtedness shall have been accelerated so that the same shall be or become due and payable prior to the date on which the same would otherwise have become due and payable, and such acceleration shall not be rescinded or annulled, or such indebtedness shall not be discharged, within 10 days after notice thereof shall have been given to the Company by the Trustee (if such event be known to it), or to the Company and the Trustee by the holders of at least 25 percent in aggregate principal amount of the Notes at the time outstanding; provided that if such event of default or event of default under such indenture or instrument shall be remedied or cured by the Company or waived by the holders of such indebtedness, then the Event of Default hereunder by reason thereof shall be deemed likewise to have been thereupon remedied, cured or waived without further action upon the part of either the Trustee or any of the Noteholders, and provided further, however, that, subject to the provisions of Section 7.01, the Trustee shall not be charged with knowledge of any such default or event of default unless written notice thereof

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shall have been given to the Trustee by the Company, by the holder or an agent of the holder of any such indebtedness, by the trustee then acting under any indenture or other instrument under which such default or event of default shall have occurred, or by the holders of not less than 25

percent in the aggregate principal amount of the Notes at the time outstanding; or

(e) the Company shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due; or

(f) an involuntary case or other proceeding shall be commenced against the Company seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 consecutive days;

then and in each and every such case, unless the principal of all of the Notes shall have already become due and payable, either the Trustee or the holders of not less than 25 percent in aggregate principal amount of the Notes then outstanding hereunder, by notice (an "Acceleration Notice") in writing to the Company (and to the Trustee if given by Noteholders), may declare the principal of all the Notes and the interest accrued thereon and premium, if any, to be due and payable immediately, and (unless prior to the date of such Acceleration Notice all Events of Default in respect of the Notes shall have been cured or waived) upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Notes contained to the contrary notwithstanding, provided that except in the case (A) of an Event of Default under clause (e) or (f) above or (B) that no more than 10 days and no less than five days prior to the giving of an Acceleration Notice the Trustee shall have given to the Company (or, in the case of an acceleration by the Noteholders, the Noteholders shall have given to the Trustee and the Company) a notice (a "Pre-Acceleration Notice") in writing that in no more than 10 days the Trustee (or

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the Noteholders) intends to give an Acceleration Notice, an Acceleration Notice shall not become effective until five days after receipt of such notice by the Company (and the Trustee if given by Noteholders). The provision above regarding acceleration, however, is subject to the condition that if, at any time after the principal of the Notes shall have been so declared due and payable, and before any judgment or decree for the payment of the monies due shall have been obtained or entered as hereinafter provided, the Company shall pay or shall

deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all the Notes and the principal of and premium, if any, on any and all Notes which shall have become due otherwise than by acceleration (with interest on overdue installments of interest (to the extent that payment of such interest is enforceable under applicable law) and on such principal and premium, if any, at the rate borne by the Notes, to the date of such payment or deposit) and the expenses of the Trustee, and any and all defaults under this Indenture, other than the nonpayment of principal of and accrued interest on Notes which shall have become due by acceleration, shall have been remedied--then and in every such case the holders of a majority in aggregate principal amount of the Notes then outstanding, by written notice to the Company and to the Trustee, may waive all defaults and rescind and annul such declaration and its consequences; but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon.

In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Company, the holders of Notes, and the Trustee shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Company, the holders of Notes and the Trustee shall continue as though no such proceeding had been taken.

The Trustee shall give the Noteholders notice of any default hereunder as and to the extent provided by the Trust Indenture Act of 1939. For the purpose of this paragraph, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

SECTION 6.02. Payment of Notes on Default; Suit Therefor. The Company covenants that (a) in case default shall be made in the payment of any installment of interest upon any of the Notes as and when the same shall become due and payable, and such default shall have continued for a period of 30 days, or (b) in case default shall be made in the payment of the principal of

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and premium, if any, on any of the Notes as and when the same shall have become due and payable, whether at maturity of the Notes or in connection with any prepayment, by declaration or otherwise--then, upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the holders of the Notes, the whole amount that then shall have become due and payable on all such Notes for principal and premium, if any, or interest, or both, as the case may be, with interest upon the overdue principal and premium, if any, and (to the extent that payment of such interest is enforceable under applicable law) upon the overdue installments of interest at the rate borne by the Notes; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including a reasonable compensation to the Trustee, its agents, attorneys and counsel, and any expenses or liabilities incurred by the Trustee hereunder other than through its negligence or bad faith.

In case the Company shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Company or any other obligor on the Notes and collect in the manner provided by law out of the property of the Company or any other obligor on the Notes wherever situated the monies adjudged or decreed to be payable.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Company or any other obligor on the Notes under Title 11 of the United States Code, or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Company or such other obligor, or in the case of any other similar judicial proceedings relative to the Company or other obligor upon the Notes, or to the creditors or property of the Company or such other obligor, the Trustee, irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section 6.02, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of principal, premium, if any, and interest owing and unpaid in respect of the Notes, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and of the Noteholders allowed in such judicial proceedings relative to the Company or any other obligor on the Notes, its or their creditors, or its or

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their property, and to collect and receive any monies or other property payable or deliverable on any such claims, and to distribute the same after the deduction of its charges and expenses; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the Noteholders to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to the Noteholders, to pay to the Trustee any amount due it for compensation and expenses, including counsel fees and expenses incurred by it up to the date of such distribution. To the extent that such payment of reasonable compensation, expenses and counsel fees and expenses out of the estate in any such proceedings shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, monies, securities and other property which the holders of the Notes may be entitled to receive in such proceedings, whether in liquidation or under any plan of reorganization or arrangement or otherwise.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or adopt on behalf of any Noteholder any plan of

reorganization or arrangement, affecting the Notes or the rights of any Noteholder, or to authorize the Trustee to vote in respect of the claim of any Noteholder in any such proceeding.

All rights of action and of asserting claims under this Indenture, or under any of the Notes, may be enforced by the Trustee without the possession of any of the Notes, or the production thereof at any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the holders of the Notes.

SECTION 6.03. Application of Monies Collected by Trustee. Any monies collected by the Trustee shall be applied in the order following, at the date or dates fixed by the Trustee for the distribution of such monies, upon presentation of the several Notes, and stamping thereon the payment, if only partially paid, and upon surrender thereof if fully paid:

First: To the payment of costs and expenses of collection and reasonable compensation to the Trustee, its agents, attorneys and counsel, and of all other expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith;

Second: In case the principal of the outstanding Notes shall not have become due and be unpaid, to the payment of interest on the Notes in the order of the maturity of the

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installments of such interest, with interest (to the extent that such interest has been collected by the Trustee) upon the overdue installments of interest at the rate borne by the Notes, such payments to be made ratably to the persons entitled thereto;

Third: In case the principal of the outstanding Notes shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Notes for principal and premium, if any, and interest, with interest on the overdue principal and premium, if any, and (to the extent that such interest has been collected by the Trustee) upon overdue installments of interest at the rate borne by the Notes; and in case such monies shall be insufficient to pay in full the whole amounts so due and unpaid upon the Notes, then to the payment of such principal and premium, if any, and interest without preference or priority of principal and premium, if any, over interest, or of interest over principal and premium, if any, or of any installment of interest over any other installment of interest, or of any Note over any other Note, ratably to the aggregate of such principal and premium, if any, and accrued and unpaid interest;

Fourth: To the payment of the remainder, if any, to the

Company.

SECTION 6.04. Proceedings by Noteholder. No holder of any Note shall have any right by virtue of or by availing of any provision of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of default and of the continuance thereof, as hereinbefore provided, and unless also the holders of not less than 25 percent in aggregate principal amount of the Notes then outstanding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding, it being understood and intended, and being expressly covenanted by the taker and holder of every Note with every other taker and holder and the Trustee, that no one or more holders of Notes shall have any right in any manner whatever by virtue of or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of any other holder of such Notes, or to obtain or seek to obtain priority over or preference to any other

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such holder, or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all holders of Notes (except as otherwise provided herein). For the protection and enforcement of this Section 6.04, each and every Noteholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provisions of this Indenture (including the first paragraph of this Section 6.04), however, the right of any holder of any Note to receive payment of the principal of and premium, if any, and interest on such Note, on or after the respective due dates expressed in such Note, or to institute suit for the enforcement of any such payment on or after such respective dates against the Company shall not be impaired or affected without the consent of such holder.

SECTION 6.05. Proceedings by Trustee. In case of an Event of Default hereunder the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either by suit in equity or by action at law or by proceeding in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

SECTION 6.06. Remedies Cumulative and Continuing. All powers and



remedies given by this Article Six to the Trustee or to the Noteholders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the holders of the Notes, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or of any holder of any of the Notes to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein; and, subject to the provisions of Section 6.04, every power and remedy given by this Article Six or by law to the Trustee or to the Noteholders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Noteholders.

SECTION 6.07. Direction of Proceedings and Waiver of Defaults by Majority Noteholders. The holders of a majority in aggregate principal amount of the Notes at the time outstanding determined in accordance with Section 8.04 shall have the right

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to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee; provided, however, that (subject to the provisions of Section 7.01) the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith by its board of directors or trustees, executive committee, or a trust committee of directors or trustees and/or Responsible Officers shall determine that the action or proceedings so directed could involve the Trustee in personal liability. Prior to any declaration accelerating the maturity of the Notes, the holders of a majority in aggregate principal amount of the Notes at the time outstanding may on behalf of the holders of all of the Notes waive any past default or Event of Default hereunder and its consequences except a default in the payment of interest, or premium, if any, on, or the principal of, the Notes. Upon any such waiver the Company, the Trustee and the holders of the Notes shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon. Whenever any default or Event of Default hereunder shall have been waived as permitted by this Section 6.07, said default or Event of Default shall for all purposes of the Notes and this Indenture be deemed to have been cured and to be not continuing.

## ARTICLE SEVEN

### CONCERNING THE TRUSTEE

SECTION 7.01. Duties and Responsibilities of Trustee; During

Default; Prior to Default. The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

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(a) prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred:

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any statements, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but, in the case of any such statements, certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;

(b) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the Notes at the time outstanding determined as provided in Section 8.04 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.



None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Trustee shall not be deemed to have notice of any Event of Default described in Section 6.01(c), 6.01(d), 6.01(e) or 6.01(f) or any event which, with the passage of time, might become an Event of Default described in Section 6.01(c), 6.01(d),

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6.01(e) or 6.01(f) unless the Trustee has received written notice thereof, addressed to a Responsible Officer of the Trustee.

This Section 7.01 is in furtherance of and subject to Sections 315 and 316 of the Trust Indenture Act of 1939.

SECTION 7.02. Certain Rights of the Trustee. In furtherance of and subject to the Trust Indenture Act of 1939, and subject to Section 7.01:

(a) the Trustee may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Board of Directors may be evidenced to the Trustee by a copy thereof certified by the Secretary or an Assistant Secretary of the Company;

(c) the Trustee may consult with counsel of its selection and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Noteholders, pursuant to the provisions of this Indenture, unless such Noteholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby;

(e) the Trustee shall not be liable for any action taken or

omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(f) subject to the second sentence of Section 7.01, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond, debenture, note or other paper or document unless requested in writing to do so by the holders of not less than a majority in principal amount of the

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Notes then outstanding, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney, during reasonable business hours; provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such expense or liability as a condition to so proceeding; and

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due care hereunder.

SECTION 7.03. No Responsibility for Recitals, etc. The recitals contained herein and in the Notes (except in the Trustee's certificate of authentication) shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Notes. The Trustee shall not be responsible for the statements relating to the Notes in any registration statement for the Notes filed with the SEC. The Trustee shall not be accountable for the use or application by the Company of any Notes or the proceeds of any Notes authenticated and delivered by the Trustee in conformity with the provisions of this Indenture.

SECTION 7.04. Trustee, Paying Agents or Registrar May Own Notes. The Trustee or any paying agent or Note registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Notes with the same rights it would have if it were not Trustee, paying agent, Note registrar or such other agent.

SECTION 7.05. Monies to Be Held in Trust. Subject to the provisions of Section 12.04, all monies received by the Trustee shall, until

used or applied as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

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SECTION 7.06. Compensation and Expenses of Trustee. The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, such compensation as the Company and the Trustee shall from time to time agree upon in writing (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), and the Company will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except to the extent any such expense, disbursement or advance may arise from its negligence or bad faith. The Company also covenants to indemnify and defend each of the Trustee and any predecessor Trustee for, and to hold it harmless against, any and all loss, damage, claims, liability or expense, including taxes (other than taxes based on the income, profits, capital or net worth of the Trustee or any franchise or general doing business tax of the Trustee), arising out of or in connection with the acceptance or administration of this trust and the performance of its duties hereunder, including the costs and expenses of defending itself against any claim of liability in the premises, except to the extent any such loss, liability or expense may arise from the Trustee's negligence or bad faith. The obligations of the Company under this Section 7.06 to compensate or indemnify the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall be secured by a lien prior to that of the Notes upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the holders of particular Notes. The obligation of the Company under this Section 7.06 shall survive the satisfaction and discharge of this Indenture. Any compensation or expense incurred by the Trustee after a default specified in Section 6.01(e) or 6.01(f) is intended to constitute an expense of administration under any then applicable bankruptcy or insolvency law. "Trustee" for purposes of this Section 7.06 shall include any predecessor Trustee but the negligence or bad faith of any Trustee shall not affect the rights of any other Trustee under this Section 7.06.

SECTION 7.07. Officers' Certificate as Evidence. Except as otherwise provided in Section 7.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such Certificate, in the

absence of negligence or bad faith on the part of the Trustee, shall be full warrant to

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the Trustee for any action taken or omitted by it under the provisions of this Indenture upon the faith thereof.

SECTION 7.08. Eligibility of Trustee. The Trustee hereunder shall at all times be a corporation having a combined capital and surplus of at least \$10,000,000 and which is eligible in accordance with the provisions of Section 310(a) of the Trust Indenture Act of 1939. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of a Federal, State, or District of Columbia supervising or examining authority, then for the purposes of this Section 7.08, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

SECTION 7.09. Resignation or Removal of Trustee. (a) The Trustee may at any time resign by giving written notice of resignation to the Company and by mailing, at the request and expense of the Company, notice thereof to the holders of Notes at their addresses as they shall appear on the registry books of the Company. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within 60 days after the mailing of such notice of resignation to the Noteholders, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Noteholder who has been a bona fide holder of a Note or Notes for at least six months may, subject to the provisions of Section 315(e) of the Trust Indenture Act of 1939, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(1) the Trustee shall fail to comply with the provisions of Section 310(b) of the Trust Indenture Act of 1939, after written request therefor by the Company or by any Noteholder who has been a bona fide holder of a Note or Notes for at least six months, or

(2) the Trustee shall cease to be eligible in accordance with the provisions of Section 7.08 and shall fail to resign

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after written request therefor by the Company or by any such Noteholder, or

(3) the Trustee shall become incapable of acting as the Trustee under this Indenture, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case the Company may remove the Trustee and appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to Section 315(e) of the Trust Indenture Act of 1939, any Noteholder who has been a bona fide holder of a Note or Notes for at least six months may, on behalf of himself or herself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The holders of a majority in aggregate principal amount of the Notes at the time outstanding may at any time remove the Trustee and nominate a successor trustee which shall be deemed appointed as successor trustee unless within 10 days after such nomination the Company objects thereto, in which case the Trustee so removed or any Noteholder, upon the terms and conditions and otherwise as in subdivision (a) of this Section 7.09 provided, may petition any court of competent jurisdiction for an appointment of a successor trustee.

(d) Any resignation or removal of the Trustee and appointment of a successor trustee to any of the provisions of this Section 7.09 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 7.10.

SECTION 7.10. Acceptance by Successor Trustee. Any successor trustee appointed as provided in Section 7.09 shall execute, acknowledge and deliver to the Company and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as trustee herein; but, nevertheless, on the written request of the Company or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due it

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pursuant to the provisions of Section 7.06, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon request of any such successor trustee, the Company shall

execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 7.06.

Upon acceptance of appointment by a successor trustee as provided in this Section 7.10, the Company shall mail notice of the succession of such trustee hereunder to the holders of Notes at their addresses as they shall appear on the registry books of the Company. If the Company fails to mail such notice within 10 days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of the Company.

No successor trustee shall accept appointment as provided in this Section 7.10 unless at the time of such acceptance such successor trustee shall be qualified under the provisions of Section 7.12 and eligible under the provisions of Section 7.08.

SECTION 7.11. Succession by Merger, etc. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor to the Trustee hereunder, provided such corporation shall be eligible under the provisions of Section 7.08 without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything to the contrary notwithstanding.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and, in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Trustee shall have; provided, however, that the right to adopt the certificate of authentication of any predecessor trustee or to authenticate Notes in the name of any

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predecessor trustee shall apply only to its successor or successors by merger, conversion or consolidation.

SECTION 7.12. Disqualification; Conflicting Interests. If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act of 1939, the Trustee shall either eliminate such interest or

resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act of 1939 and this Indenture.

## ARTICLE EIGHT

### CONCERNING THE NOTEHOLDERS

SECTION 8.01. Action by Noteholders. Whenever in this Indenture it is provided that the holders of a specified percentage in aggregate principal amount of the Notes may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by Noteholders in person or by agent or proxy appointed in writing, or (b) by the record of the holders of Notes voting in favor thereof at any meeting of Noteholders duly called and held in accordance with the provisions of Article Nine, or (c) by a combination of such instrument or instruments and any such record of such a meeting of Noteholders.

SECTION 8.02. Proof of Execution by Noteholders; Record Date. Subject to the provisions of Sections 7.01, 7.02 and 9.05, proof of the execution of any instrument by a Noteholder or his or her agent or proxy shall be sufficient if made in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in such manner as shall be satisfactory to the Trustee. The ownership of Notes shall be proved by the registry of such Notes or by a certificate of the Note registrar. The Company may set a record date for purposes of determining the identity of holders of Notes entitled to vote or consent to any action referred to in Section 8.01 or Section 9.01, which record date may be set at any time or from time to time by notice to the Trustee, for any date or dates (in the case of any adjournment or resolicitation) not more than 60 days nor less than five days prior to the proposed date of such vote or consent, and thereafter, notwithstanding any other provisions hereof, only holders of Notes of record on such record date shall be entitled to so vote or give such consent or to withdraw such vote or consent.

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The record of any Noteholders' meeting shall be proved in the manner provided in Section 9.06.

SECTION 8.03. Who Are Deemed Absolute Owners. The Company, the Trustee, any paying agent, and any Note registrar may deem the person in whose name such Note shall be registered upon the books of the Company to be, and may treat him or her as, the absolute owner of such Note (whether or not such Note shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or on account of the principal of and premium, if any, and interest on such Note; and neither the Company nor the Trustee nor any paying agent nor any Note registrar shall be affected by any



notice to the contrary. All such payments so made to any holder for the time being, or upon his or her order shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for monies payable upon any such Note.

SECTION 8.04. Company-Owned Notes Disregarded. In determining whether the holders of the requisite aggregate principal amount of Notes have concurred in any direction, consent, waiver or other action under this Indenture, Notes which are owned by the Company or any other obligor on the Notes or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any other obligor on the Notes shall be disregarded and deemed not to be outstanding for the purpose of any such determination; provided that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, consent, waiver or other action only Notes which the Trustee knows are so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as outstanding for the purposes of this Section 8.04 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Notes and that the pledgee is not the Company or any other obligor or a person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any such other obligor. In the case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

SECTION 8.05. Revocation of Consents; Future Holders Bound. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01, of the taking of any action by the holders of the percentage in aggregate principal amount of the Notes specified in this Indenture in connection with such action, any holder of a Note which is shown by the evidence to be included in the Notes the holders of which have consented to such action may, by filing written notice with the Trustee at the Principal Office of the Trustee and upon proof of holding as provided in Section 8.02, revoke such action so far as

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concerns such Note. Except as aforesaid, any such action taken by the holder of any Note shall be conclusive and binding upon such holder and upon all future holders and owners of such Note, irrespective of whether any notation in regard thereto is made upon such Note or any Note issued in exchange or substitution therefor.

## ARTICLE NINE

### NOTEHOLDERS ' MEETINGS

SECTION 9.01. Purposes of Meetings. A meeting of Noteholders may be called at any time and from time to time pursuant to the provisions of this Article Nine for any of the following purposes:



(1) to give any notice to the Company or to the Trustee or to give any directions to the Trustee, or to consent to the waiving of any default hereunder and its consequences, or to take any other action authorized to be taken by Noteholders pursuant to any of the provisions of Article Six;

(2) to remove the Trustee and nominate a successor trustee pursuant to the provisions of Article Seven;

(3) to consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 10.02; or

(4) to take any other action authorized to be taken by or on behalf of the holders of any specified aggregate principal amount of the Notes under any other provision of this Indenture or under applicable law.

SECTION 9.02. Call of Meetings by Trustee. The Trustee may at any time call a meeting of Noteholders to take any action specified in Section 9.01, to be held at such time and at such place in the Borough of Manhattan, The City of New York, New York, as the Trustee shall determine. Notice of every meeting of the Noteholders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be mailed to holders of Notes at their addresses as they shall appear on the registry books of the Company. Such notice shall be mailed not less than 20 nor more than 90 days prior to the date fixed for the meeting.

Any meeting of Noteholders shall be valid without notice if the holders of all Notes then outstanding are present in person or by proxy or if notice is waived before or after the meeting by the holders of all Notes outstanding, and if the

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Company and the Trustee are either present by duly authorized representatives or have, before or after the meeting, waived notice.

SECTION 9.03. Call of Meetings by Company or Noteholders. In case at any time the Company, pursuant to a resolution of its Board of Directors, or the holders of at least 10 percent in aggregate principal amount of the Notes then outstanding, shall have requested the Trustee to call a meeting of Noteholders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed the notice of such meeting within 20 days after receipt of such request, then the Company or such Noteholders may determine the time and the place in said Borough of Manhattan for such meeting and may call such meeting to take any action authorized in Section 9.01, by mailing notice thereof as provided in Section 9.02.

SECTION 9.04. Qualifications for Voting. To be entitled to vote at

any meeting of Noteholders a person shall (a) be a holder of one or more Notes as of the record date in respect of such vote set pursuant to Section 8.02 or (b) be a person appointed by an instrument in writing as proxy by a holder of one or more Notes. The only persons who shall be entitled to be present or to speak at any meeting of Noteholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 9.05. Regulations. Notwithstanding any other provision of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Noteholders, in regard to proof of the holding of Notes and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Noteholders as provided in Section 9.03, in which case the Company or the Noteholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the holders of a majority in principal amount of the Notes represented at the meeting and entitled to vote at the meeting.

Subject to the provisions of Section 8.04, at any meeting each Noteholder or proxy shall be entitled to one vote for each

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\$50,000 principal amount of Notes held or represented by him or her; provided, however, that no vote shall be cast or counted at any meeting in respect of any Note challenged as not outstanding and ruled by the chairman of the meeting not to be outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Notes held by him or her or instruments in writing as aforesaid duly designating him or her as the person to vote on behalf of other Noteholders. Any meeting of Noteholders duly called pursuant to the provisions of Section 9.02 or 9.03 may be adjourned from time to time by a majority of the votes present, whether or not constituting a quorum, and the meeting may be held as so adjourned without further notice.

SECTION 9.06. Voting. The vote upon any resolution submitted to any meeting of Noteholders shall be by written ballot on which shall be subscribed the signatures of the holders of Notes or of their representatives by proxy and the principal amount of the Notes held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Noteholders shall be prepared by the

secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in Section 9.02. The record shall show the principal amount of the Notes voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Company and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

SECTION 9.07. No Delay of Rights by Meeting. Nothing in this Article Nine contained shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Noteholders or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Noteholders under any of the provisions of this Indenture or of the Notes.

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## ARTICLE TEN

### SUPPLEMENTAL INDENTURES

SECTION 10.01. Supplemental Indentures without Consent of Noteholders. The Company, when authorized by the resolutions of the Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for one or more of the following purposes:

(a) to evidence the succession of another corporation to the Company, or successive successions, and the assumption by the successor corporation of the covenants, agreements and obligations of the Company pursuant to Article Eleven hereof;

(b) to add to the covenants of the Company such further covenants, restrictions or conditions as the Board of Directors and the Trustee shall consider to be for the benefit of the holders of Notes, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions or conditions a default or an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; provided, however, that in respect of any such additional covenant, restriction or condition such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon

such default or may limit the remedies available to the Trustee upon such default;

(c) to provide for the issuance under this Indenture of Notes in coupon form (including Notes registrable as to principal only) and to provide for exchangeability of such Notes with the Notes issued hereunder in fully registered form and to make all appropriate changes for such purpose; or

(d) to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture which may be inconsistent with any other provision contained herein or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under this Indenture which shall not adversely affect the interests of the holders of the Notes in any material respect.

The Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer and

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assignment of any property thereunder, but the Trustee shall not be obligated to, but may in its discretion, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section 10.01 may be executed by the Company and the Trustee without the consent of the holders of any of the Notes at the time outstanding, notwithstanding any of the provisions of Section 10.02.

SECTION 10.02. Supplemental Indentures with Consent of Noteholders. With the consent (evidenced as provided in Section 8.01) of the holders of a majority in aggregate principal amount of the Notes at the time outstanding, the Company, when authorized by the resolutions of the Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of the Notes; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Note, or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount thereof or premium, if any, thereon, or make the principal thereof or interest or premium, if any, thereon payable in any coin or currency other than that provided in the Notes without the consent of the holder of each Note so affected, or (ii) reduce the aforesaid percentage of Notes, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of all Notes then outstanding.

Upon the request of the Company, accompanied by a copy of the resolutions of the Board of Directors certified by its Secretary or Assistant Secretary authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Noteholders as aforesaid, the Trustee shall join with the Company in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Noteholders under this Section 10.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

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After an amendment under this Section 10.02 becomes effective, the Company, or at its request, the Trustee in the name and at the expense of the Company, shall mail to each Noteholder a notice briefly describing the amendment.

SECTION 10.03. Compliance with Trust Indenture Act; Effect of Supplemental Indentures. Any supplemental indenture executed pursuant to the provisions of this Article Ten, and this Indenture as affected by such supplemental indenture, shall comply with the Trust Indenture Act of 1939, as then in effect. Upon the execution of any supplemental indenture pursuant to the provisions of this Article Ten, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitation of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company and the holders of Notes shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 10.04. Notation on Notes. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article Ten may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company or the Trustee shall so determine, new Notes so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any modification of this Indenture contained in any such supplemental indenture may be prepared and executed by the Company, authenticated by the Trustee and delivered in exchange for the Notes then outstanding, upon surrender of such Notes then outstanding.

SECTION 10.05. Evidence of Compliance of Supplemental Indenture to Be Furnished to the Trustee. The Trustee, subject to the provisions of Sections 7.01 and 7.02, may receive an Officers' Certificate and an Opinion of Counsel as

conclusive evidence that any supplemental indenture executed pursuant hereto complies with the requirements of this Article Ten.

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## ARTICLE ELEVEN

### CONSOLIDATION, MERGER, SALE, CONVEYANCE AND LEASE

SECTION 11.01. Company May Consolidate, etc., on Certain Terms. Subject to the provisions of Section 11.02, nothing contained in this Indenture or in any of the Notes shall prevent any consolidation or merger of the Company with or into any other corporation or corporations (whether or not affiliated with the Company), or successive consolidations or mergers in which the Company or its successor or successors shall be a party or parties, or shall prevent any sale, conveyance or lease (or successive sales, conveyances or leases) of all or substantially all of the property of the Company, to any other corporation (whether or not affiliated with the Company), if (i) either (A) the Company is the surviving corporation, or (B) the resulting, surviving or transferee corporation is organized under the laws of a state of the United States or the District of Columbia and agrees to pay promptly when due the principal of and premium, if any, and interest on the Notes, and to assume, perform and observe all the covenants and conditions of this Indenture to be performed by the Company, and (ii) immediately after the giving effect to such transaction, no Event of Default has occurred.

SECTION 11.02. Successor Corporation to Be Substituted. In case of any such consolidation, merger, sale, conveyance or lease and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the due and punctual payment of the principal of and premium, if any, and interest on all of the Notes and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Company, such successor corporation shall succeed to and be substituted for the Company, with the same effect as if it had been named herein as the party of the first part. Such successor corporation thereupon may cause to be signed, and may issue in its own name any or all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such successor corporation instead of the Company and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and deliver any Notes which previously shall have been signed and delivered by the officers of the Company to the Trustee for authentication, and any Notes which such successor corporation thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the Notes so issued shall in all respects have the same legal rank and benefit under this Indenture as the Notes theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Notes had been issued at the date of the execution

hereof. In the event of any such sale, conveyance or lease, the person named as the "Company" in the first paragraph of this Indenture or any successor which shall thereafter have become such in the manner prescribed in this Article Eleven may be dissolved, wound up and liquidated at any time thereafter and such person shall be released from its liabilities as obligor and maker of the Notes and from its obligations under this Indenture.

In case of any such consolidation, merger, sale, conveyance or lease, such changes in phraseology and form (but not in substance) may be made in the Notes thereafter to be issued as may be appropriate.

SECTION 11.03. Opinion of Counsel to Be Given to Trustee. The Trustee, subject to Sections 7.01 and 7.02, may receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale, conveyance or lease and any such assumption complies with the provisions of this Article Eleven.

## ARTICLE TWELVE

### SATISFACTION AND DISCHARGE OF INDENTURE

SECTION 12.01. Discharge of Indenture. When (a) the Company shall deliver to the Trustee for cancellation all Notes theretofore authenticated (other than any Notes which shall have been destroyed, lost or stolen and in lieu of or in substitution for which other Notes shall have been authenticated and delivered) and not theretofore canceled, or (b) all the Notes not theretofore canceled or delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year, and the Company shall deposit with the Trustee, in trust, funds sufficient to pay at maturity all of the Notes (other than any Notes which shall have been mutilated, destroyed, lost or stolen and in lieu of or in substitution for which other Notes shall have been authenticated and delivered) not theretofore canceled or delivered to the Trustee for cancellation, including principal and premium, if any, and interest due or to become due to such date of maturity, and if in either case the Company shall also pay or cause to be paid all other sums payable hereunder by the Company, then this Indenture shall cease to be of further effect (except as to (i) remaining rights of registration of transfer, substitution and exchange of Notes, (ii) rights hereunder of holders to receive payments of principal of, and premium, if any, and interest on, the Notes and the other rights, duties and obligations of Noteholders, as beneficiaries hereof with respect to the amounts, if any, so deposited with the Trustee and

(iii) the rights, obligations and immunities of the Trustee hereunder), and the Trustee, on demand of the Company accompanied by an Officers' Certificate and an



Opinion of Counsel as required by Section 15.05 and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture, the Company, however, hereby agreeing to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee in connection with this Indenture or the Notes.

SECTION 12.02. Deposited Monies to Be Held in Trust by Trustee. Subject to Section 12.04, all monies deposited with the Trustee pursuant to Section 12.01 shall be held in trust and applied by it to the payment, either directly or through any paying agent (including the Company if acting as its own paying agent), to the holders of the particular Notes for the payment of which such monies have been deposited with the Trustee, of all sums due and to become due thereon for principal and interest and premium, if any.

SECTION 12.03. Paying Agent to Repay Monies Held. Upon the satisfaction and discharge of this Indenture, all monies then held by any paying agent of the Notes (other than the Trustee) shall, upon demand of the Company, be repaid to it or paid to the Trustee, and thereupon such paying agent shall be released from all further liability with respect to such monies.

SECTION 12.04. Return of Unclaimed Monies. Any monies deposited with or paid to the Trustee for payment of the principal of, premium, if any, or interest on Notes and not applied but remaining unclaimed by the holders of Notes for two years after the date upon which the principal of, premium, if any, or interest on such Notes, as the case may be, shall have become due and payable, shall be repaid to the Company by the Trustee on written demand and all liability of the Trustee shall thereupon cease with respect to such monies; and the holder of any of the Notes shall thereafter look only to the Company for any payment which such holder may be entitled to collect.

## ARTICLE THIRTEEN

### DEFEASANCE

SECTION 13.01. Defeasance in Respect of the Notes. (a) If the Company shall provide for the payment of the aggregate outstanding principal amount of and premium (if any) on the Notes and each installment of interest due and to become due, as the same shall become due on the Notes (calculated as provided below), in each case to the date of maturity of the Notes through

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a deposit of funds in an amount which satisfies subsection (i) below, or of investments in an amount which satisfies subsection (ii) below, or a combination of funds and investments, each of which component satisfies the appropriate test as to its respective portion of the total principal, premium (if any) and interest to be funded (as provided below):

(i) by depositing with the Trustee in trust for the sole benefit of the Noteholders, funds in an amount sufficient to pay (A) such principal



amount of and premium (if any) on the Notes in full on the date of maturity of the Notes and (B) the interest on such aggregate principal amount to the date of maturity of the Notes, taking into account all intervening interest payment dates, for the period from the date through which interest on the Notes has been paid to the date of maturity of the Notes; and provided further that such funds, if invested, shall be invested only in U.S. Government Obligations maturing prior to the date of maturity of the Notes and such intervening interest payment dates; or

(ii) by depositing with the Trustee, in trust for the sole benefit of the Noteholders, U.S. Government Obligations in such aggregate principal amount and maturing on such dates as will, together with the income or increment to accrue thereon, but without consideration of any reinvestment of such income or increment, be sufficient to pay when due (including any intervening interest payment dates) the amounts set forth in clauses (A) and (B) of subsection (i) above;

and if the Trustee shall receive (x) an Officers' Certificate, dated the date of such deposit and in form and substance satisfactory to the Trustee, to the effect that the amount of the trust deposit will be sufficient to pay when due on the date of maturity of the Notes and on such intervening interest payment dates the amounts described in clauses (A) and (B) in subsection (i) above and that such defeasance is not in anticipation of a Preferred Stock Redemption Payment and (y) an Opinion of Counsel, dated the date of such deposit and in form and substance satisfactory to the Trustee, to the effect that the trust deposit of such funds or investments or both to defease the Company's obligations in respect of the Notes (A) does not contravene applicable law and is in accordance with the provisions of this Indenture, (B) describing either a private ruling concerning the Notes or a published ruling of the Internal Revenue Service to the effect that Noteholders, or persons in the position of Noteholders, will not recognize income, gain or loss for federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred and (C) does not require that the Company, the trust or

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the Trustee register as an investment company under the Investment Company Act of 1940, as amended; and if the Company shall also pay or cause to be paid all other sums then due and payable hereunder, then the Company's obligations in respect of the Notes shall cease, determine and be terminated and this Indenture shall cease to be of further effect (except as specified in Section 13.01(b)).

(b) Notwithstanding the foregoing, this Indenture shall continue to be effective, regardless of any defeasance specified in this Section 13.01, as to (i) remaining rights of registration of transfer, substitution and exchange of Notes, (ii) rights hereunder of holders regarding replacement of stolen, lost or mutilated Notes, (iii) the obligation of the Company to maintain

an office or agency as provided in Section 4.02, (iv) rights hereunder of Noteholders to receive payments of principal of and premium, if any, and interest on the Notes and the other rights, duties and obligations of Noteholders, as beneficiaries hereof with respect to the amounts, if any, so deposited with the Trustee and (v) the rights, obligations and immunities of the Trustee hereunder.

(c) The Trustee, on demand of the Company and following the Trustee's receipt of all documents, funds and investments and payments specified in Section 13.01(a), and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture; the Company, however, hereby agreeing to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee in connection with this Indenture or the Notes.

#### ARTICLE FOURTEEN

##### IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS, DIRECTORS AND EMPLOYEES

SECTION 14.01. Indenture and Notes Solely Corporate Obligations. No recourse for the payment of the principal of or premium, if any, or interest on any Note, or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company in this Indenture or in any supplemental indenture, or in any Note, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, officer, director, employee or controlling person as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it

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being expressly understood that all such liability is hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of the Notes.

#### ARTICLE FIFTEEN

##### MISCELLANEOUS PROVISIONS

SECTION 15.01. Provisions Binding on Company's Successors. All the covenants, stipulations, promises and agreements in this Indenture contained by the Company shall bind its successors and assigns whether so expressed or not.

SECTION 15.02. Official Acts by Successor Corporation. Any act or proceeding by any provision of this Indenture authorized or required to be done

or performed by any board, committee or officer of the Company shall and may be done and performed with like force and effect by the like board, committee or officer of any corporation that shall at the time be the lawful sole successor of the Company.

SECTION 15.03. Addresses for Notices, etc. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the holders of Notes on the Company may be given or served by being deposited postage prepaid by registered or certified mail in a post office letter box addressed (until another address is filed by the Company with the Trustee) to Continental Cablevision, Inc., Attention: Corporate Secretary, The Pilot House, Lewis Wharf, Boston, Massachusetts 02110. Any notice, direction, request or demand by any Noteholder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or made in writing at the Principal Office of the Trustee, 77 Water Street, New York, New York 10005, Attention: Corporate Trust Department.

SECTION 15.04. Governing Law. This Indenture and each Note shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles thereof.

SECTION 15.05. Evidence of Compliance with Conditions Precedent. Upon any application or demand by the Company to the Trustee to take any action under any of the provisions of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action

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have been complied with and an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture shall include (1) a statement that the person making such certificate or opinion has read such covenant or condition; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statement or opinion contained in such certificate or opinion are based; (3) a statement that, in the opinion of such person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

SECTION 15.06. Legal Holidays. In any case where the date of maturity of interest or premium, if any, on or principal of the Notes or the date fixed for prepayment of any Note will be in The City of New York, New York or the City of Boston, Massachusetts, a legal holiday or a day on which banking institutions or any national securities exchanges are authorized or required by

law, regulation or executive order to close ("Legal Holidays"), then payment of such interest on or principal of the Notes need not be made on such date but may be made on the next succeeding day not a Legal Holiday with the same force and effect as if made on the date of maturity or the date fixed for prepayment and no interest shall accrue for the period from and after such date.

SECTION 15.07. Trust Indenture Act to Control. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with another provision included in this Indenture by operation of Sections 310 to 317, inclusive, of the Trust Indenture Act of 1939, such incorporated provision shall control.

SECTION 15.08. No Security Interest Created. Nothing in this Indenture or in the Notes, expressed or implied, shall be construed to constitute a security interest under the Uniform Commercial Code or similar legislation, as now or hereafter enacted and in effect, in any jurisdiction where property of the Company or its Subsidiaries is located.

SECTION 15.09. Benefits of Indenture. Nothing in this Indenture or in the Notes, express or implied, shall give to any person, other than the parties hereto, any paying agent, any Note registrar and their successors hereunder and the holders of

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Notes, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 15.10. Table of Contents, Headings, etc. The table of contents and the titles and headings of the articles and sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

SECTION 15.11. Execution in Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

Bank of Montreal Trust Company hereby accepts the trusts in this Indenture declared and provided, upon the terms and conditions hereinabove set forth.

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IN WITNESS WHEREOF, Continental Cablevision, Inc. has caused this Indenture to be signed and acknowledged by its Vice President and Treasurer, and its corporate seal to be affixed hereunto, and the same to be attested by its Secretary or an Assistant Secretary, and Bank of Montreal Trust Company has caused this Indenture to be signed and acknowledged by one of its Vice Presidents, and has caused its corporate seal to be affixed hereunto and the

same to be attested by an Assistant Vice President thereof, as of the day and year first written above.

CONTINENTAL CABLEVISION, INC.

By \_\_\_\_\_  
Name: P. Eric Krauss  
Title: Vice President and Treasurer

[Seal]

Attest:

\_\_\_\_\_  
Name:  
Title:

BANK OF MONTREAL TRUST COMPANY

By \_\_\_\_\_  
Name: Mark F. McLaughlin  
Title: Vice President

[Seal]

Attest:

\_\_\_\_\_  
Name:  
Title:

COMMONWEALTH OF MASSACHUSETTS )  
 ) ss.:  
COUNTY OF SUFFOLK )

On the th day of December, 1995, before me personally came P. Eric



-----, ---  
Bank of Montreal Trust Company  
77 Water Street  
New York, New York 10005  
Attention: Corporate Trust Department

Continental Cablevision, Inc.  
The Pilot House  
Lewis Wharf  
Boston, Massachusetts 02110  
Attention: Corporate Secretary

Re: Continental Cablevision, Inc. (the "Company")  
8.30% Senior Notes Due 2006 (the "Notes")

Dear Sirs:

This letter relates to U.S. \$\_\_\_\_\_ principal amount of Notes represented by a Note (the "Legended Note") which bears a legend outlining restrictions upon transfer of such Legended Note. Pursuant to Section 2.02 of the Indenture (the "Indenture") dated as of December 13, 1995 relating to the Notes, we hereby certify that we are (or we will hold such securities on behalf of) a person outside the United States to whom the Notes could be transferred in accordance with Rule 904 of Regulation S promulgated under the U.S. Securities Act of 1933, as amended. Accordingly, you are hereby requested to exchange the Legended Note for an unlegended Note representing an identical principal amount of Notes, all in the manner provided for in the Indenture.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,

[Name of Noteholder]

By: \_\_\_\_\_  
Authorized Signature

Form of Certificate to Be  
Delivered in Connection with

Transfers to Non-QIB Accredited Investors

-----, ---

Bank of Montreal Trust Company  
77 Water Street  
New York, New York 10005  
Attention: Corporate Trust Department

Continental Cablevision, Inc.  
The Pilot House  
Lewis Wharf  
Boston, Massachusetts 02110  
Attention: Corporate Secretary

Re: Continental Cablevision, Inc. (the "Company")  
8.30% Senior Notes Due 2006 (the "Notes")

Dear Sirs:

In connection with our proposed purchase of \$\_\_\_\_\_ aggregate principal amount of the Notes, we confirm that:

1. We understand that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Indenture dated as of December 13, 1995 relating to the Notes (the "Indenture") and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "Securities Act").

2. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell any Notes, we will do so only (A) to the Company or any subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on

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its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the form of this letter, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the exemption from registration provided by Rule 144 under the Securities Act, or (F) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any person purchasing any of the Notes from us a notice advising such purchaser that resales of the Notes are restricted as stated herein.

3. We understand that, on any proposed resale of any Notes, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Notes purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferee]

By: \_\_\_\_\_  
Authorized Signature

Form of Certificate to Be Delivered  
in Connection with Transfers  
Pursuant to Regulation S

-----, ---

Bank of Montreal Trust Company  
77 Water Street  
New York, New York 10005  
Attention: Corporate Trust Department

Continental Cablevision, Inc.  
The Pilot House  
Lewis Wharf  
Boston, Massachusetts 02110  
Attention: Corporate Secretary

Re: Continental Cablevision, Inc. (the "Company")  
8.30% Senior Notes Due 2006 (the "Notes")

Dear Sirs:

In connection with our proposed sale of \$\_\_\_\_\_ aggregate principal amount of the Notes, we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the Securities Act of 1933, as amended, and, accordingly, we represent that:

- (1) the offer of the Notes was not made to a person in the United States;
- (2) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States;
- (3) no directed selling efforts have been made by us in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable; and
- (4) the transaction is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act of 1933.

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You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in

any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,

[Name of Transferor]

By: \_\_\_\_\_  
Authorized Signature

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## EXHIBIT 12.1

COMCAST CORPORATION  
STATEMENT REGARDING COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES  
(dollars in millions)

	Nine Months Ended September 30,		Years Ended December 31,			
	2002	2001	2000	1999	1998	1997
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Earnings (loss) before fixed charges (1):						
Earnings (loss) from continuing operations before cumulative effect of accounting change	(\$222.9)	\$ 224.1	\$2,021.5	\$729.9	\$1,003.5	(\$213.1)
Minority Interest	126.0	160.4	115.3	(4.6)	(44.3)	(76.2)
Income tax (benefit) expense	52.3	469.4	1,428.6	696.2	591.7	54.1
Equity in net (income) losses of affiliates	59.9	28.5	21.3	(1.4)	515.9	343.8
Fixed charges	543.5	734.1	727.7	616.8	473.2	523.4
	-----	-----	-----	-----	-----	-----
	\$558.8	\$1,616.5	\$4,314.4	\$2,036.9	\$2,540.0	\$632.0
	=====	=====	=====	=====	=====	=====
Fixed charges:						
Interest expense	\$543.5	\$ 734.1	\$ 727.7	\$ 616.8	\$ 473.2	\$505.4
Capitalized interest	--	--	--	--	--	18.0
	-----	-----	-----	-----	-----	-----
	\$543.5	\$ 734.1	\$ 727.7	\$ 616.8	\$ 473.2	\$523.4
	=====	=====	=====	=====	=====	=====
Ratio of earnings to fixed charges (1)	1.03	2.20	5.93	3.30	5.37	1.21

-----

(1) For purposes of calculating the ratio of earnings to fixed charges, earnings consist of income (loss) from continuing operations before income taxes, cumulative effect of accounting changes, minority interest, equity in net (income) losses of affiliates and fixed charges. Fixed charges consist of interest expense and capitalized interest.

COMCAST CABLE COMMUNICATIONS, INC.  
STATEMENT REGARDING COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES  
(dollars in millions)

<Table> <Caption>	Nine Months Ended September 30,	Years Ended December 31,				
<S>	2002 ----	2001 ----	2000 ----	1999 ----	1998 ----	1997 ----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Earnings (loss) before fixed charges (1):						
Income (loss) before cumulative effect of accounting changes	\$360.7	(\$360.9)	\$106.0	\$ (253.7)	(\$97.3)	(\$128.8)
Minority Interest	-	-	-	(107.9)	(17.0)	(21.0)
Income tax (benefit) expense	219.5	(36.6)	296.1	(49.5)	(35.9)	(52.6)
Equity in net (income) losses of affiliates	(4.0)	7.5	9.3	2.4	0.4	--
Fixed Charges	427.2	585.4	542.8	372.4	275.9	290.9
	----- \$1,003.4 =====	----- \$195.4 =====	----- \$954.2 =====	----- \$ (36.3) =====	----- \$126.1 =====	----- \$88.5 =====
Fixed charges (1):						
Interest expense	\$427.2	\$546.1	\$526.6	\$362.4	\$223.8	\$253.6
Interest expense on notes payable to affiliates	----- \$427.2 =====	----- 39.3 ----- \$585.4 =====	----- 16.2 ----- \$542.8 =====	----- 10.0 ----- \$372.4 =====	----- 52.1 ----- \$275.9 =====	----- 37.3 ----- \$290.9 =====
Rate of earnings to fixed charges (2)	2.35	-	1.76	-	-	-

-----  
</Table>

- (1) For the purpose of calculating the ratio of earnings to fixed charges, earnings consist of income (loss) from continuing operations before income taxes, cumulative effect of accounting changes, minority interest, equity in net (income) losses of affiliates and fixed charges. Fixed charges consist of interest expense and interest expense on notes payable to affiliates.
- (2) For the years ended December 31, 2001, 1999, 1998 and 1997, earnings, as defined above, were inadequate to cover fixed charges by \$390.0 million, \$408.7 million, \$149.8 million and \$202.4 million, respectively.

COMCAST CABLE COMMUNICATIONS HOLDINGS, INC.  
STATEMENT REGARDING COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES  
(Unaudited)

Comcast Cable Communications Holdings, Inc.'s loss for the nine months ended September 30, 2002, the years ended December 31, 2001 and 2000, and the ten month period ended December 31, 1999 was inadequate to cover fixed charges in the amount of \$19.2 billion, \$9.2 billion, \$10.4 billion and \$2.0 billion, respectively.

COMCAST CABLE HOLDINGS, LLC  
STATEMENT REGARDING COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES  
(Unaudited)

Comcast Cable Holdings, LLC's loss for the nine months ended September 30, 2002, the years ended December 31, 2001 and 2000, and the ten month period ended December 31, 1999 was inadequate to cover fixed charges in the amount of \$1.1 billion, \$1.5 billion, \$1.9 billion and \$1.3 billion, respectively.

## COMCAST MO GROUP, INC.

Statement Regarding Computation of Ratio of Earnings to Fixed Charges  
(Dollars in Millions)  
(Unaudited)

&lt;Table&gt;

	Nine Months ended September 30, 2002 -----	Year ended December 31, 2001 -----	Period ended December 31, 2000 (a) -----
<S>	<C>	<C>	<C>
Income before income taxes	\$244	\$712	\$ --
Add fixed charges	159	180	--
Total earnings before income taxes and fixed charges	\$403	\$892	--
Fixed charges:			
Interest expense	\$159	\$180	--
Ratio of earnings to fixed charges	2.53	5.0	(b)

&lt;/Table&gt;

-----

(a) Data is from date of acquisition of MediaOne Group by AT&T Corporation on June 15, 2000 through December 31, 2000.

(b) Comcast MO Group's loss for the period ended December 31, 2000 was inadequate to cover fixed charges in the amount of \$0.4 billion.



COMCAST MO OF DELAWARE, INC.  
STATEMENT REGARDING COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES  
(Dollars in Millions)  
(Unaudited)

Comcast MO of Delaware, Inc.'s loss for the nine months ended September 30, 2002, the year ended December 31, 2001 and the period ended December 31, 2000 was inadequate to cover fixed charges in the amount of \$4.1 billion, \$1.0 billion and \$.4 billion respectively. The period ended December 31, 2000 represents data from the date of acquisition of MediaOne of Delaware, Inc. by AT&T Corp. on June 15, 2000 through December 31, 2000.

## INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Comcast Corporation (formerly AT&T Comcast Corporation) on Form S-4 of our report dated April 29, 2002 related to the balance sheet of Comcast Corporation as of December 31, 2001, appearing in Comcast Corporation's Current Report on Form 8-K/A dated November 18, 2002 filed on December 16, 2002, and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ Deloitte & Touche LLP

Philadelphia, Pennsylvania  
January 27, 2003

## INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Comcast Corporation (formerly AT&T Comcast Corporation) on Form S-4 of our report dated February 5, 2002 (July 30, 2002 as to Note 14 and December 6, 2002 as to Note 15) (which report expresses an unqualified opinion and includes an explanatory paragraph related to the adoption of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, effective January 1, 2001) related to the financial statements of Comcast Holdings Corporation (formerly known as Comcast Corporation), appearing in Comcast Corporation's Current Report on Form 8-K/A dated November 18, 2002 filed on December 16, 2002, and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ Deloitte & Touche LLP

Philadelphia, Pennsylvania  
January 27, 2003

## INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Comcast Corporation (formerly AT&T Comcast Corporation) on Form S-4 of our reports dated February 5, 2002 (which report on the financial statements expresses an unqualified opinion and includes an explanatory paragraph related to the adoption of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, effective January 1, 2001), appearing in the Annual Report on Form 10-K of Comcast Cable Communications, Inc. for the year ended December 31, 2001 and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ Deloitte & Touche LLP

Philadelphia, Pennsylvania  
January 27, 2003

## CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-4 of Comcast Corporation of our report dated March 25, 2002 relating to the combined financial statements of AT&T Broadband Group, which appears in the Current Report on Form 8-K/A of Comcast Corporation filed on December 16, 2002. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

New York, New York  
January 28, 2003

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-4 of Comcast Corporation of our report dated March 31, 2002 relating to the consolidated financial statements of MediaOne of Delaware, Inc., which appears in the Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Denver, Colorado  
January 31, 2003

[PRICEWATERHOUSECOOPERS LETTERHEAD]

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in this Registration Statement on Form S-4 of Comcast Corporation of our report dated April 30, 2001, relating to the consolidated financial statements of MediaOne of Delaware, Inc., which appears in such Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Denver, Colorado  
January 31, 2003

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

## FORM T-1

STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939  
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY  
OF A TRUSTEE PURSUANT TO SECTION 305(b)(2)

BANK ONE, NATIONAL ASSOCIATION  
(EXACT NAME OF TRUSTEE AS SPECIFIED IN ITS CHARTER)

A NATIONAL BANKING ASSOCIATION 36-0899825  
(I.R.S. EMPLOYER  
IDENTIFICATION NUMBER)

1 BANK ONE PLAZA, CHICAGO, ILLINOIS 60670-0120  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

BANK ONE, NATIONAL ASSOCIATION  
1 BANK ONE PLAZA, SUITE 111-0120  
CHICAGO, ILLINOIS 60670-0120  
ATTN: CHRISTOPHER C. HOLLY, (312) 732-1643  
(NAME, ADDRESS AND TELEPHONE NUMBER OF AGENT FOR SERVICE)

COMCAST CORPORATION  
(FORMERLY AT & T COMCAST CORPORATION)  
(EXACT NAME OF OBLIGOR AS SPECIFIED IN ITS CHARTER)

PENNSYLVANIA 27-0000798  
(STATE OR OTHER JURISDICTION OF (I.R.S. EMPLOYER  
INCORPORATION OR ORGANIZATION) IDENTIFICATION NUMBER)

1500 MARKET STREET 19102-2148  
PHILADELPHIA, PENNSYLVANIA (ZIP CODE)  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

1

COMCAST CABLE COMMUNICATIONS, INC.  
(EXACT NAME OF OBLIGOR AS SPECIFIED IN ITS CHARTER)

DELAWARE 23-2175755  
(STATE OR OTHER JURISDICTION OF (I.R.S. EMPLOYER  
INCORPORATION OR ORGANIZATION) IDENTIFICATION NUMBER)

1500 MARKET STREET 19102-2148  
PHILADELPHIA, PENNSYLVANIA (ZIP CODE)  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

COMCAST CABLE COMMUNICATIONS HOLDINGS, INC.  
(FORMERLY AT & T BROADBAND CORP.)  
(EXACT NAME OF OBLIGOR AS SPECIFIED IN ITS CHARTER)

DELAWARE 04-35923297  
(STATE OR OTHER JURISDICTION OF (I.R.S. EMPLOYER

1500 MARKET STREET  
 PHILADELPHIA, PENNSYLVANIA  
 (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

19102-2148  
 (ZIP CODE)

COMCAST CABLE HOLDINGS, LLC  
 (FORMERLY AT & T BROADBAND, LLC)  
 (EXACT NAME OF OBLIGOR AS SPECIFIED IN ITS CHARTER)

DELAWARE  
 (STATE OR OTHER JURISDICTION OF  
 INCORPORATION OR ORGANIZATION)

84-1260157  
 (I.R.S. EMPLOYER  
 IDENTIFICATION NUMBER)

1500 MARKET STREET  
 PHILADELPHIA, PENNSYLVANIA  
 (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

19102-2148  
 (ZIP CODE)

2

COMCAST MO GROUP, INC.  
 (FORMERLY MEDIAONE GROUP, INC.)  
 (EXACT NAME OF OBLIGOR AS SPECIFIED IN ITS CHARTER)

DELAWARE  
 (STATE OR OTHER JURISDICTION OF  
 INCORPORATION OR ORGANIZATION)

84-0926774  
 (I.R.S. EMPLOYER  
 IDENTIFICATION NUMBER)

1500 MARKET STREET  
 PHILADELPHIA, PENNSYLVANIA  
 (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

19102-2148  
 (ZIP CODE)

9% SENIOR DEBENTURES DUE SEPTEMBER 1, 2008  
 (TITLE OF INDENTURE SECURITIES)

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ITEM 1. GENERAL INFORMATION. FURNISH THE FOLLOWING  
 INFORMATION AS TO THE TRUSTEE:

(a) NAME AND ADDRESS OF EACH EXAMINING OR  
 SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Comptroller of Currency, Washington, D.C.;  
 Federal Deposit Insurance Corporation,  
 Washington, D.C.; The Board of Governors of  
 the Federal Reserve System, Washington D.C..

(b) WHETHER IT IS AUTHORIZED TO EXERCISE  
 CORPORATE TRUST POWERS.

The trustee is authorized to exercise corporate trust powers.

ITEM 2. AFFILIATIONS WITH THE OBLIGOR. IF THE OBLIGOR  
 IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH  
 SUCH AFFILIATION.

No such affiliation exists with the trustee.

ITEM 16. LIST OF EXHIBITS. LIST BELOW ALL EXHIBITS FILED AS A PART  
 OF THIS STATEMENT OF ELIGIBILITY.

1. A copy of the articles of association of the  
 trustee now in effect.\*
2. A copy of the certificates of authority of the



trustee to commence business.\*

3. A copy of the authorization of the trustee to exercise corporate trust powers.\*
4. A copy of the existing by-laws of the trustee.\*
5. Not Applicable.
6. The consent of the trustee required by Section 321(b) of the Act.

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7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.
8. Not Applicable.
9. Not Applicable.

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, Bank One, National Association, a national banking association organized and existing under the laws of the United States of America, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago and State of Illinois, on the 24th day of January, 2003.

BANK ONE, NATIONAL ASSOCIATION,  
TRUSTEE

BY /S/ CHRISTOPHER C. HOLLY

-----  
CHRISTOPHER C. HOLLY  
SENIOR COUNSEL

\* EXHIBITS 1, 2, 3, AND 4 ARE HEREIN INCORPORATED BY REFERENCE TO EXHIBITS BEARING IDENTICAL NUMBERS IN ITEM 16 OF THE FORM T-1 OF BANK ONE, NATIONAL ASSOCIATION, FILED AS EXHIBIT 25 TO THE REGISTRATION STATEMENT ON FORM S-3 OF HOUSEHOLD FINANCE CORPORATION FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON MARCH 24, 2000 (REGISTRATION NO. 333-33240).

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EXHIBIT 6

THE CONSENT OF THE TRUSTEE REQUIRED  
BY SECTION 321(b) OF THE ACT

January 24, 2003

Securities and Exchange Commission  
Washington, D.C. 20549

Gentlemen:

In connection with the qualification of an indenture between Comcast MO of

Delaware, Inc (formerly known as MediaOne of Delaware, Inc.) and Bank One, National Association, (formerly known as The First National Bank of Chicago), as Trustee, the undersigned, in accordance with Section 321(b) of the Trust Indenture Act of 1939, as amended, hereby consents that the reports of examinations of the undersigned, made by Federal or State authorities authorized to make such examinations, may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

BANK ONE, NATIONAL ASSOCIATION

BY: /S/ CHRISTOPHER C. HOLLY

-----  
CHRISTOPHER C. HOLLY  
SENIOR COUNSEL

6

EXHIBIT 7

Legal Title of Bank: Bank One, N.A. Call Date: 6/30/02  
Address: 1 Bank One Plaza Cert #: 03618 Page RC-1  
City, State Zip: Chicago, IL 60670

CONSOLIDATED REPORT OF CONDITION FOR INSURED COMMERCIAL AND STATE-CHARTERED SAVINGS BANKS FOR JUNE 30, 2002

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding of the last business day of the quarter.

SCHEDULE RC--BALANCE SHEET

<TABLE>  
<CAPTION>

	DOLLAR AMOUNTS IN THOUSANDS		C300
	-----		----
<S>	<C>	<C>	<C>
<b>ASSETS</b>			
1. Cash and balances due from depository institutions (from Schedule RC-A):	RCON		
	----		
a. Noninterest-bearing balances and currency and coin(1) .....	0081	12,783,000	1.a
b. Interest-bearing balances(2) .....	0071	3,002,000	1.b
2. Securities			
a. Held-to-maturity securities(from Schedule RC-B, column A) ....	1754	0	2.a
b. Available-for-sale securities (from Schedule RC-B, column D) .	1773	42,712,000	2.b
3. Federal funds sold and securities purchased under agreements to resell			
a. Federal funds sold in domestic offices .....	B987	7,139,000	
b. Securities Purchased under agreements to resell .....	B989	1,015,000	3.
4. Loans and lease financing receivables: (from Schedule RC-C):	RCON		
	----		
a. Loans and leases held for sale .....	5369	1,587,000	4.a
b. Loans and leases, net of unearned income .....	B528	101,957,000	4.b
c. LESS: Allowance for loan and lease losses .....	3123	2,551,000	4.c
d. Loans and leases, net of unearned income and allowance (item 4.b minus 4.c) .....	B529	99,406,000	4.d
5. Trading assets (from Schedule RC-D) .....	3545	3,353,000	5.
6. Premises and fixed assets (including capitalized leases) .....	2145	1,006,000	6.
7. Other real estate owned (from Schedule RC-M) .....	2150	33,000	7.
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M) .....	2130	175,000	8.
9. Customers' liability to this bank on acceptances outstanding ....	2155	244,000	9.
10. Intangible assets			
a. Goodwill .....	3163	473,000	10.a
b. Other intangible assets (from Schedule RC-M) .....	0426	2,000	10.b
11. Other assets (from Schedule RC-F) .....	2160	10,989,000	11.

12. Total assets (sum of items 1 through 11) ..... 2170 183,869,000 12.  
 </TABLE>

- (1) Includes cash items in process of collection and unposted debits.
- (2) Includes time certificates of deposit not held for trading.
- (3) Includes all securities resale agreements in domestic and foreign offices, regardless of maturity.

Legal Title of Bank: Bank One, N.A. Call Date: 3/31/02  
 Address: 1 Bank One Plaza Cert # 03618 Page RC-2  
 City, State Zip: Chicago, IL 60670

SCHEDULE RC-CONTINUED  
 <TABLE>  
 <CAPTION>

	DOLLAR AMOUNTS IN THOUSANDS		
	----- <C>	<C>	<C>
<b>LIABILITIES</b>			
13. Deposits:			
a. In domestic offices (sum of totals of columns A and C	RCON		
from Schedule RC-E) .....	----		
(1) Noninterest-bearing(1).....	2200	90,275,000	13.a
(2) Interest-bearing.....	6631	33,176,000	13.a1
b. Not applicable	6636	57,099,000	13.a2
14. Federal funds purchased and securities sold under agreements			
to repurchase	RCFN		
a. Federal funds purchased in domestic offices (2).....	----		
b. Securities sold under agreements to repurchase (3).....	B993	5,324,000	14.a
5. Trading Liabilities(from Schedule RC-D).....	RCFD		
16. Other borrowed money (includes mortgage indebtedness and	----		
obligations under capitalized leases) (from Schedule RC-M).....	B995	13,027,000	14.b
17. Not applicable	3548	3,119,000	15.
18. Bank's liability on acceptances executed and outstanding.....	3190	19,954,000	16.
19. Subordinated notes and debentures (2).....	2920	244,000	18.
20. Other liabilities (from Schedule RC-G).....	3200	3,979,000	19.
21. Total liabilities (sum of items 13 through 20).....	2930	10,109,000	20.
22. Minority interest in consolidated subsidiaries.....	2948	170,457,000	21.
<b>EQUITY CAPITAL</b>	3000	60,000	22.
23. Perpetual preferred stock and related surplus.....	3838	0	23.
24. Common stock.....	3230	201,000	24.
25. Surplus (exclude all surplus related to preferred stock).....	3839	7,479,000	25.
26. a. Retained earnings.....	3632	5,545,000	26.a
b. Accumulated other comprehensive income (3).....	B530	127,000	26.b
27. Other equity capital components (4).....	A130	0	27.
28. Total equity capital (sum of items 23 through 27).....	3210	13,352,000	28.
29. Total liabilities, minority interest, and equity			
capital (sum of items 21, 22, and 28).....	3300	183,869,000	29.

Memorandum

To be reported only with the March Report of Condition

<TABLE>

	<C>	<C>	<C>
	-----	-----	-----
1. Indicate in the box at the right the number of the statement below	RCON	Number	Number
that best describes the most comprehensive level of auditing			M.I.
work performed for the bank by independent external auditors as			
of any date during 2001.....	6724	N/A	

</TABLE>

<TABLE>

<S> 1 = Independent audit of the bank conducted in accordance <C> 5 = Directors' examination of the bank performed by other

with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank

2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)

3 = Attestation on bank management's asseertion on the effectiveness of internal control over financial reporting by a certified public accounting firm.

4 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)

external auditors (may be required by state chartering authority)

6 = Review of the bank's financial statements by external auditors

7 = Compilation of the bank's financial statements by external auditors

8 = Other audit procedures (excluding tax preparation work)

9 = No external audit work

</TABLE>

- (1) Includes total demand deposits and noninterest-bearing time and savings deposits.
- (2) Report overnight Federal Home Loan Bank advances in Schedule RC, item 16, "other borrowed money."
- (3) Includes all securities repurchase agreements in domestic and foreign offices, regardless of maturity.
- (4) Includes limited-life preferred stock and related surplus.
- (5) Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, and minimum pension liability adjustments.
- (6) Includes treasury stock and unearned Employee Stock Ownership Plan shares.

## FORM T-1

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939 OF A  
CORPORATION DESIGNATED TO ACT AS TRUSTEECHECK IF AN APPLICATION TO DETERMINE  
ELIGIBILITY OF A TRUSTEE PURSUANT TO  
SECTION 305(b)(2) []-----  
THE BANK OF NEW YORK  
(Exact name of trustee as specified in its charter)New York 13-5160382  
(State of incorporation (I.R.S. employer  
if not a U.S. national bank) identification no.)One Wall Street, New York, N.Y. 10286  
(Address of principal executive offices) (Zip Code)-----  
COMCAST CORPORATION  
(Exact name of obligor as specified in its charter)Pennsylvania 27-0000798  
(State or other jurisdiction of (I.R.S. employer  
incorporation or organization) identification no.)COMCAST CABLE COMMUNICATIONS, INC.  
(Exact name of obligor as specified in its charter)Delaware 23-2175755  
(State or other jurisdiction of (I.R.S. employer  
incorporation or organization) identification no.)COMCAST CABLE COMMUNICATIONS HOLDINGS, INC.  
(formerly AT&T Broadband Corp.)  
(Exact name of obligor as specified in its charter)Delaware 04-3592397  
(State or other jurisdiction of (I.R.S. employer  
incorporation or organization) identification no.)

COMCAST CABLE HOLDINGS, LLC  
(formerly AT&T Broadband, LLC)  
(Exact name of obligor as specified in its charter)

Delaware 84-1260157  
(State or other jurisdiction of (I.R.S. employer  
incorporation or organization) identification no.)

COMCAST MO GROUP, INC.  
(formerly MediaOne Group, Inc.)  
(Exact name of obligor as specified in its charter)

Delaware 84-0926774  
(State or other jurisdiction of (I.R.S. employer  
incorporation or organization) identification no.)

1500 Market Street 19102-2148  
Philadelphia, Pennsylvania (Zip code)  
(Address of principal executive offices)

-----  
8 7/8% Senior Notes Due September 15, 2005  
(Title of the indenture securities)

=====

1. GENERAL INFORMATION. FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:
- (a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Name	Address
------	---------

Superintendent of Banks of the State of 2 Rector Street, New York,  
New York N.Y. 10006, and Albany,

N.Y. 12203

Federal Reserve Bank of New York

33 Liberty Plaza, New York,  
N.Y. 10045

Federal Deposit Insurance Corporation

Washington, D.C. 20429

New York Clearing House Association

New York, New York 10005

(b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

Yes.

2. AFFILIATIONS WITH OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

None.

16. LIST OF EXHIBITS.

EXHIBITS IDENTIFIED IN PARENTHESES BELOW, ON FILE WITH THE COMMISSION, ARE INCORPORATED HEREIN BY REFERENCE AS AN EXHIBIT HERETO, PURSUANT TO RULE 7a-29 UNDER THE TRUST INDENTURE ACT OF 1939 (THE "ACT") AND 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)
4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)
6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 24th day of January, 2003.

THE BANK OF NEW YORK

By: /s/ MARY LAGUMINA

-----  
Name: MARY LAGUMINA  
Title: VICE PRESIDENT

-4-

EXHIBIT 7

-----  
Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286  
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business September 30,



2002, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

<TABLE>  
<CAPTION>

	DOLLAR AMOUNTS IN THOUSANDS
	-----
<S>	<C>
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin .	\$ 3,735,469
Interest-bearing balances .....	3,791,026
Securities:	
Held-to-maturity securities .....	1,140,688
Available-for-sale securities .....	15,232,384
Federal funds sold in domestic offices .....	1,286,657
Securities purchased under agreements to resell .....	1,035,718
Loans and lease financing receivables:	
Loans and leases held for sale .....	869,285
Loans and leases, net of unearned income .....	34,695,130
LESS: Allowance for loan and lease losses .....	645,382
Loans and leases, net of unearned income and allowance .....	34,049,748
Trading Assets .....	9,044,881
Premises and fixed assets (including capitalized leases) .....	823,722
Other real estate owned .....	778
Investments in unconsolidated subsidiaries and associated companies .....	226,274
Customers' liability to this bank on acceptances outstanding .....	249,803
Intangible assets	
Goodwill .....	1,852,232
Other intangible assets .....	54,714
Other assets .....	4,961,572
	-----
</TABLE>	

<TABLE>

<S>	<C>
Total assets .....	\$ 78,354,951

LIABILITIES

Deposits:	
In domestic offices .....	\$ 32,962,289
Noninterest-bearing .....	12,792,415
Interest-bearing .....	20,169,874
In foreign offices, Edge and Agreement subsidiaries, and IBFs .....	24,148,516
Noninterest-bearing .....	445,725
Interest-bearing .....	23,702,791
Federal funds purchased in domestic offices .....	959,287
Securities sold under agreements to repurchase .....	491,806
Trading liabilities .....	2,916,377
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases) .....	1,691,634
Bank's liability on acceptances executed and outstanding .....	251,701
Subordinated notes and debentures .....	2,090,000
Other liabilities .....	5,815,688
	-----
Total liabilities .....	\$ 71,327,298
	=====
Minority interest in consolidated subsidiaries .....	500,019
 EQUITY CAPITAL	
Perpetual preferred stock and related surplus .....	0
Common stock .....	1,135,284
Surplus .....	1,056,724
Retained earnings .....	4,218,003
Accumulated other comprehensive income .....	(117,623)
Other equity capital components .....	0
Total equity capital .....	6,527,634
	-----
Total liabilities minority interest and equity capital	\$ 78,354,951
	=====

</TABLE>

I, Thomas J. Mastro, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,  
Senior Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance

with the instructions and is true and correct.

Thomas A. Renyi		
Gerald L. Hassell		Directors
Alan R. Griffith		

## FORM T-1

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939 OF A  
CORPORATION DESIGNATED TO ACT AS TRUSTEECHECK IF AN APPLICATION TO DETERMINE  
ELIGIBILITY OF A TRUSTEE PURSUANT TO  
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(Exact name of trustee as specified in its charter)New York 13-5160382  
(State of incorporation (I.R.S. employer  
if not a U.S. national bank) identification no.)One Wall Street, New York, N.Y. 10286  
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COMCAST CORPORATION  
(Exact name of obligor as specified in its charter)Pennsylvania 27-0000798  
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incorporation or organization) identification no.)COMCAST CABLE COMMUNICATIONS, INC.  
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(State or other jurisdiction of (I.R.S. employer  
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(State or other jurisdiction of (I.R.S. employer  
incorporation or organization) identification no.)

1500 Market Street 19102-2148  
Philadelphia, Pennsylvania (Zip code)  
(Address of principal executive offices)

-----  
8.30% Senior Notes Due May 15, 2006  
(Title of the indenture securities)

=====

1. GENERAL INFORMATION. FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:
- (a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Name	Address
------	---------

Superintendent of Banks of the State of 2 Rector Street, New York,  
New York N.Y. 10006, and Albany,

N.Y. 12203

Federal Reserve Bank of New York

33 Liberty Plaza, New York,  
N.Y. 10045

Federal Deposit Insurance Corporation

Washington, D.C. 20429

New York Clearing House Association

New York, New York 10005

(b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

Yes.

2. AFFILIATIONS WITH OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

None.

16. LIST OF EXHIBITS.

EXHIBITS IDENTIFIED IN PARENTHESES BELOW, ON FILE WITH THE COMMISSION, ARE INCORPORATED HEREIN BY REFERENCE AS AN EXHIBIT HERETO, PURSUANT TO RULE 7a-29 UNDER THE TRUST INDENTURE ACT OF 1939 (THE "ACT") AND 17 C.F.R. 229.10(d).

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7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 24th day of January, 2003.

THE BANK OF NEW YORK

By: /s/ MARY LAGUMINA

-----  
Name: MARY LAGUMINA  
Title: VICE PRESIDENT

-4-

EXHIBIT 7

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And Foreign and Domestic Subsidiaries,

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Total liabilities .....	\$ 71,327,298
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Common stock .....	1,135,284
Surplus .....	1,056,724
Retained earnings .....	4,218,003
Accumulated other comprehensive income .....	(117,623)
Other equity capital components .....	0
Total equity capital .....	6,527,634
	-----
Total liabilities minority interest and equity capital	\$ 78,354,951
	=====

</TABLE>

I, Thomas J. Mastro, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,  
Senior Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance

with the instructions and is true and correct.

Thomas A. Renyi		
Gerald L. Hassell		Directors
Alan R. Griffith		

## FORM T-1

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939 OF A  
CORPORATION DESIGNATED TO ACT AS TRUSTEECHECK IF AN APPLICATION TO DETERMINE  
ELIGIBILITY OF A TRUSTEE PURSUANT TO  
SECTION 305(b)(2) []-----  
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(Exact name of trustee as specified in its charter)New York 13-5160382  
(State of incorporation (I.R.S. employer  
if not a U.S. national bank) identification no.)One Wall Street, New York, N.Y. 10286  
(Address of principal executive offices) (Zip Code)-----  
COMCAST CORPORATION  
(Exact name of obligor as specified in its charter)Pennsylvania 27-0000798  
(State or other jurisdiction of (I.R.S. employer  
incorporation or organization) identification no.)COMCAST CABLE COMMUNICATIONS, INC.  
(Exact name of obligor as specified in its charter)Delaware 23-2175755  
(State or other jurisdiction of (I.R.S. employer  
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(Exact name of obligor as specified in its charter)Delaware 04-3592397  
(State or other jurisdiction of (I.R.S. employer  
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COMCAST CABLE HOLDINGS, LLC  
(formerly AT&T Broadband, LLC)  
(Exact name of obligor as specified in its charter)

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(State or other jurisdiction of (I.R.S. employer  
incorporation or organization) identification no.)

COMCAST MO GROUP, INC.  
(formerly MediaOne Group, Inc.)  
(Exact name of obligor as specified in its charter)

Delaware 84-0926774  
(State or other jurisdiction of (I.R.S. employer  
incorporation or organization) identification no.)

1500 Market Street 19102-2148  
Philadelphia, Pennsylvania (Zip code)  
(Address of principal executive offices)

-----  
9.5% Senior Notes Due August 1, 2013  
(Title of the indenture securities)

=====

1. GENERAL INFORMATION. FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:
- (a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

-----

Name	Address
------	---------

-----

Superintendent of Banks of the State of 2 Rector Street, New York,  
New York N.Y. 10006, and Albany,

N.Y. 12203

Federal Reserve Bank of New York

33 Liberty Plaza, New York,  
N.Y. 10045

Federal Deposit Insurance Corporation

Washington, D.C. 20429

New York Clearing House Association

New York, New York 10005

(b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

Yes.

2. AFFILIATIONS WITH OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

None.

16. LIST OF EXHIBITS.

EXHIBITS IDENTIFIED IN PARENTHESES BELOW, ON FILE WITH THE COMMISSION, ARE INCORPORATED HEREIN BY REFERENCE AS AN EXHIBIT HERETO, PURSUANT TO RULE 7a-29 UNDER THE TRUST INDENTURE ACT OF 1939 (THE "ACT") AND 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)
4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)
6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 24th day of January, 2003.

THE BANK OF NEW YORK

By: /s/ MARY LAGUMINA

-----  
Name: MARY LAGUMINA  
Title: VICE PRESIDENT

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EXHIBIT 7

-----  
Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286  
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business September 30,

2002, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

<TABLE>  
<CAPTION>

	DOLLAR AMOUNTS IN THOUSANDS
	-----
<S>	<C>
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin .	\$ 3,735,469
Interest-bearing balances .....	3,791,026
Securities:	
Held-to-maturity securities .....	1,140,688
Available-for-sale securities .....	15,232,384
Federal funds sold in domestic offices .....	1,286,657
Securities purchased under agreements to resell .....	1,035,718
Loans and lease financing receivables:	
Loans and leases held for sale .....	869,285
Loans and leases, net of unearned income .....	34,695,130
LESS: Allowance for loan and lease losses .....	645,382
Loans and leases, net of unearned income and allowance .....	34,049,748
Trading Assets .....	9,044,881
Premises and fixed assets (including capitalized leases) .....	823,722
Other real estate owned .....	778
Investments in unconsolidated subsidiaries and associated companies .....	226,274
Customers' liability to this bank on acceptances outstanding .....	249,803
Intangible assets	
Goodwill .....	1,852,232
Other intangible assets .....	54,714
Other assets .....	4,961,572
	-----

</TABLE>

<TABLE>

<S>	<C>
Total assets .....	\$ 78,354,951

LIABILITIES

Deposits:	
In domestic offices .....	\$ 32,962,289
Noninterest-bearing .....	12,792,415
Interest-bearing .....	20,169,874
In foreign offices, Edge and Agreement subsidiaries, and IBFs .....	24,148,516
Noninterest-bearing .....	445,725
Interest-bearing .....	23,702,791
Federal funds purchased in domestic offices .....	959,287
Securities sold under agreements to repurchase .....	491,806
Trading liabilities .....	2,916,377
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases) .....	1,691,634
Bank's liability on acceptances executed and outstanding .....	251,701
Subordinated notes and debentures .....	2,090,000
Other liabilities .....	5,815,688
	-----
Total liabilities .....	\$ 71,327,298
	=====
Minority interest in consolidated subsidiaries .....	500,019
 EQUITY CAPITAL	
Perpetual preferred stock and related surplus .....	0
Common stock .....	1,135,284
Surplus .....	1,056,724
Retained earnings .....	4,218,003
Accumulated other comprehensive income .....	(117,623)
Other equity capital components .....	0
Total equity capital .....	6,527,634
	-----
Total liabilities minority interest and equity capital	\$ 78,354,951
	=====

</TABLE>

I, Thomas J. Mastro, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,  
Senior Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance



with the instructions and is true and correct.

Thomas A. Renyi		
Gerald L. Hassell		Directors
Alan R. Griffith		