City of Jonesboro, AR

FCC FORM 394

Federal Communications Commission
Washington, DC 20554

Approved By OMB
3060-0573

FCC 394

APPLICATION FOR FRANCHISE AUTHORITY CONSENT TO ASSIGNMENT OR TRANSFER OF CONTROL OF CABLE TELEVISION FRANCHISE

FOR FRANCHISE AUTHORITY USE ONLY

SECTION I. GENERAL INFORMATION

DATE **December 12, 2005**	1. Community Unit Identification Number: **AR0056**

2. Application for: [X] Assignment of Franchise [ ] Transfer of Control

3. Franchising Authority: **City of Jonesboro, AR**

4. Identify community where the system/franchise that is the subject of the assignment or transfer of control is located: **Jonesboro, AR**

5. Date system was acquired or (for system's constructed by the transferor/assignor) the date on which service was provided to the first subscriber in the franchise area: **8/12/1999**

6. Proposed effective date of closing of the transaction assigning or transferring ownership of the system to transferee/assignee: **4/30/2006**

7. Attach as an Exhibit a schedule of any and all additional information or material filed with this application that is identified in the franchise as required to be provided to the franchising authority when requesting its approval of the type of transaction that is the subject of this application.

Exhibit No. **N/A**

PART I - TRANSFEROR/ASSIGNOR

1. Indicate the name, mailing address, and telephone number of the transferor/assignor.

Legal name of Transferor/Assignor (if individual, list last name first)
TCA Cable Partners

Assumed name used for doing business (if any)
Cox Communications Middle America

Mailing street address or P.O. Box
1400 Lake Hearn Drive

City	State	ZIP Code	Telephone No. (include area code)
Atlanta	**GA**	**30319**	**404-843-5000**

2.(a) Attach as an Exhibit a copy of the contract or agreement that provides for the assignment or transfer of control (including any exhibits or schedules thereto necessary in order to understand the terms thereof). If there is only an oral agreement, reduce the terms to writing and attach. (Confidential trade, business, pricing or marketing information, or other information not otherwise publicly available, may be redacted).

Exhibit No. **1**

(b) Does the contract submitted in response to (a) above embody the full and complete agreement between the transferor/assignor and the transferee/assignee? [X] Yes [ ] No

If No, explain in an Exhibit.

Exhibit No. **N/A**

PART II - TRANSFEREE/ASSIGNEE

1.(a) Indicate the name, mailing address, and telephone number of the transferee/assignee.

Legal name of Transferee/Assignee (if individual, list last name first)			
Cebridge Acquisition, L.P.			
Assumed name used for doing business (if any)			
Cebridge Connections			
Mailing street address or P.O. Box			
12444 Powerscourt Drive Suite 450			
City	State	ZIP Code	Telephone No. (include area code)
St. Louis	**MO**	**63131**	**314-965-2020**

(b) Indicate the name, mailing address, and telephone number of person to contact, if other than transferee/assignee.

Name of contact person (list last name first)			
LeVoyd Carter			
Firm or company name (if any)			
Cox Communications			
Mailing street address or P.O. Box			
1400 Lake Hearn Drive			
City	State	ZIP Code	Telephone No. (include area code)
Atlanta	**GA**	**30319**	**404-269-5616**

(c) Attach as an Exhibit the name, mailing address, and telephone number of each additional person who should be contacted, if any.

Exhibit No.
2

(d) Indicate the address where the system's records will be maintained.

Street address			
Records will continue to be maintained at the current system location			
City	State	ZIP Code	

2. Indicate on an attached exhibit any plans to change the current terms and conditions of service and operations of the system as a consequence of the transaction for which approval is sought.

Exhibit No.
3

SECTION II. TRANSFEREE'S/ASSIGNEE'S LEGAL QUALIFICATIONS

1. Transferee/Assignee is:

[ ]	Corporation	a. Jurisdiction of incorporation: b. Date of incorporation: c. For profit or not-for-profit:	d. Name and address of registered agent in jurisdiction:
[X]	Limited Partnership	a. Jurisdiction in which formed: **DE** b. Date of formation: **12/05/05**	c. Name and address of registered agent in jurisdiction: **See Attached Exhibit 4**
[ ]	General Partnership	a. Jurisdiction whose laws govern formation:	b. Date of formation:
[ ]	Individual		
[ ]	Other. Describe in an Exhibit.		Exhibit No. **N/A**

2. List the transferee/assignee, and, if the transferee/assignee is not a natural person, each of its officers, directors, stockholders beneficially holding more than 5% of the outstanding voting shares, general partners, and limited partners holding an equity interest of more than 5%. Use only one column for each individual or entity. Attach additional pages if necessary. (Read carefully - the lettered items below refer to corresponding lines in the following table.)

(a) Name, residence, occupation or principal business, and principal place of business. (If other than an individual, also show name, address and citizenship of natural person authorized to vote the voting securities of the applicant that it holds.) List the applicant first, officers, next, then directors and, thereafter, remaining stockholders and/or partners.
(b) Citizenship.
(c) Relationship to the transferee/assignee (e.g., officer, director, etc.).
(d) Number of shares or nature of partnersihp interest.
(e) Number of votes.
(f) Percentage of votes.

(a)	**See attached Exibit 5**		
(b)	**See attached Exibit 5**		
(c)	**See attached Exhibit 5**		
(d)	**See attached Exhibit 5**		
(e)	**See attached Exhibit 5**		
(f)	**See attached Exhibit 5**		

3. If the applicant is a corporation or a limited partnership, is the transferee/assignee formed under the laws of, or duly qualified to transact business in, the State or other jurisdiction in which the system operates?
If the answer is No, explain in an Exhibit.

☐ Yes ☒ No

Exhibit No. 6

4. Has the transferee/assignee had any interest in or in connection with an applicant which has been dismissed or denied by any franchise authority?
If the answer is Yes, describe circumstances in an Exhibit.

☐ Yes ☒ No

Exhibit No. n/a

5. Has an adverse finding been made or an adverse final action been taken by any court or administrative body with respect to the transferee/assignee in a civil, criminal or administrative proceeding, brought under the provisions of any law or regulation related to the following: any felony; revocation, suspension or involuntary transfer of any authorization (including cable franchises) to provide video programming services; mass media related antitrust or unfair competition; fraudulent statements to another government unit; or employment discrimination?

☐ Yes ☒ No

If the answer is Yes, attach as an Exhibit a full description of the persons and matter(s) involved, including an identification of any court or administrative body and any proceeding (by dates and file numbers, if applicable), and the disposition of such proceeding.

Exhibit No. n/a

6. Are there any documents, instruments, contracts or understandings relating to ownership or future ownership rights with respect to any attributable interest as described in Question 2 (including, but not limited to, non-voting stock interests, beneficial stock ownership interests, options, warrants, debentures)?

☐ Yes ☒ No

If Yes, provide particulars in an Exhibit.

7. Do documents, instruments, agreements or understandings for the pledge of stock of the transferee/assignee, as security for loans or contractual performance, provide that: (a) voting rights will remain with the applicant, even in the event of default on the obligation; (b) in the event of default, there will be either a private or public sale of the stock; and (c) prior to the exercise of any ownership rights by a purchaser at a sale described in (b), any prior consent of the FCC and/or of the franchising authority, if required pursuant to federal, state or local law or pursuant to the terms of the franchise agreement will be obtained?

☐ Yes ☒ No

If No, attach as an Exhibit a full explanation.

Exhibit No. 7

SECTION III. TRANSFEREE'S/ASSIGNEE'S FINANCIAL QUALIFICATIONS

1. The transferee/assignee certifies that it has sufficient net liquid assets on hand or available from committed resources to consummate the transaction and operate the facilities for three months.

☒ Yes ☐ No

2. Attach as an Exhibit the most recent financial statements, prepared in accordance with generally accepted accounting principals, including a balance sheet and income statement for at least one full year, for the transferee/assignee or parent entity that has been prepared in the ordinary course of business, if any such financial statements are routinely prepared. Such statements, if not otherwise publicly available, may be marked CONFIDENTIAL and will be maintained as confidential by the franchise authority and its agents to the extent permissible under local law.

Exhibit No. 8

SECTION IV. TRANSFEREE'S/ASSIGNEE'S TECHNICAL QUALIFICATIONS

Set forth in an Exhibit a narrative account of the transferee's/assignee's technical qualifications, experience and expertise regarding cable television systems, including, but not limited to, summary information about appropriate management personnel that will be involved in the system's management and operations. The transferee/assignee may, but need not, list a representative sample of cable systems currently or formerly owned or operated.

Exhibit No. 9

SECTION V - CERTIFICATIONS

rt I - Transferor/Assignor

All the statements made in the application and attached exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature 
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Date **12/7/2005**
	Print full name **James A. Hatcher** **Vice President, TCA Cable Partners**

Check appropriate classification:

[ ] Individual [ ] General Partner [X] Corporate Officer (Indicate Title) [ ] Other. Explain:

Part II - Transferee/Assignee

All the statements made in the application and attached Exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

ıe transferee/assignee certifies that he/she:

(a) Has a current copy of the FCC's Rules governing cable television systems.

(b) Has a current copy of the franchise that is the subject of this application, and of any applicable state laws or local ordinances and related regulations.

(c) Will use its best efforts to comply with the terms of the franchise and applicable state laws or local ordinances and related regulations, and to effect changes, as promptly as practicable, in the operation system, if any changes are necessary to cure any violations thereof or defaults thereunder presently in effect or ongoing.

I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Date Print full name

Check appropriate classification:

[ ] Individual [ ] General Partner [ ] Corporate Officer (Indicate Title) [ ] Other. Explain:

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Check appropriate classification: ☐ Individual ☐ General Partner ☐ Corporate Officer (Indicate Title) ☐ Other. Explain:	

Part II - Transferee/Assignee

All the statements made in the application and attached Exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

The transferee/assignee certifies that he/she:

(a) Has a current copy of the FCC's Rules governing cable television systems.

(b) Has a current copy of the franchise that is the subject of this application, and of any applicable state laws or local ordinances and related regulations.

(c) Will use its best efforts to comply with the terms of the franchise and applicable state laws or local ordinances and related regulations, and to effect changes, as promptly as practicable, in the operation system, if any changes are necessary to cure any violations thereof or defaults thereunder presently in effect or ongoing.

I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature 
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Date 12/5/2005 Print full name By Cebridge General, LLC its General Partner Dale R. Bennett - Senior Vice President, Operations
Check appropriate classification: ☐ Individual ☒ General Partner ☐ Corporate Officer (Indicate Title) ☐ Other. Explain:	

EXHIBIT 1

ASSET PURCHASE AGREEMENT

BETWEEN

TCA CABLE PARTNERS,

COX SOUTHWEST HOLDINGS, L.P.,

COX COMMUNICATIONS LOUISIANA, L.L.C.,

COXCOM, INC.,

COX TELCOM PARTNERS,

COX COMMUNICATIONS, INC.

AND

CEBRIDGE ACQUISITION CO. LLC

DATED

October 31, 2005

EXHIBIT 1

The accompanying Form 394 is being submitted in connection with an Asset Purchase Agreement dated October 31, 2005 ("Agreement") among TCA Cable Partners, a Delaware general partnership, Cox Southwest Holdings, L.P., a Texas limited partnership, Cox Communications Louisiana, L.L.C., a Delaware limited liability company, CoxCom, Inc., a Delaware corporation, and Cox Telcom Partners, Inc., a Delaware corporation, and Cox Communications, Inc., a Delaware corporation, on the one hand, and Cebridge Acquisition Co. LLC, a Delaware limited liability company ("Cebridge Acquisition"), on the other hand. A copy of the Agreement with schedules and exhibits is attached hereto on compact disc. Prior to closing of the transactions contemplated under the Agreement, Cebridge Acquisition will assign its right to acquire the franchise under the Agreement to Cebridge Acquisition, L.P. d/b/a Cebridge Connections ("Cebridge").

Cequel III, LLC ("Cequel III") is a Delaware limited liability company and will control day-to-day management of Cebridge pursuant to a management agreement with Cebridge. Cequel III will hold an equity interest in Cebridge, either directly or through one or more intermediate holding companies.

Please note that portions of the Agreement and exhibits and schedules thereto are redacted, consistent with the FCC's directions to Form 394, to protect "confidential trade, business, pricing or marketing information, or other information not otherwise publicly available." In addition Exhibit A (Required Programming Agreement) to the Agreement has not been provided because it contains highly confidential programming information.

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is dated October 31, 2005, by and among TCA Cable Partners, a Delaware general partnership ("**TCAP**"), Cox Southwest Holdings, L.P., a Texas limited partnership ("**CSWH**"), Cox Communications Louisiana, L.L.C., a Delaware limited liability company ("**CCL**"), CoxCom, Inc., a Delaware corporation ("**CoxCom**"), and Cox Telcom Partners, Inc., a Delaware corporation ("**CTP**") (TCAP, CSWH, CCL, CoxCom and CTP each a "**Seller**" and collectively, the "**Sellers**"), and Cox Communications, Inc., a Delaware corporation ("**Parent**"), on the one hand, and Cebridge Acquisition Co. LLC, a Delaware limited liability company ("**Buyer**"), on the other hand.

RECITALS:

A. Sellers own and operate the cable television systems serving the communities identified on **Schedule A-1** (the "**California System**"), **Schedule A-2** (the "**MAC System**"), **Schedule A-3** (the "**North Carolina System**") and **Schedule A-4** (the "**West Texas System**") (the California System, the MAC System, the North Carolina System and the West Texas System, each, a "**System**" and collectively, the "**Systems**").

B. Sellers desire to sell, and Buyer desires to buy, certain of the Sellers' assets used exclusively in the operation of the Systems for the price and on the terms and conditions hereinafter set forth.

C. Cox North Carolina Telcom, L.L.C., a Delaware limited liability company ("**CNC**"), holds the Governmental Permits set forth on **Schedule C** hereto.

D. CoxCom holds all the issued and outstanding membership interests of CNC (the "**CNC Interests**").

E. TCA Communications, L.L.C., a Texas limited liability company ("**TCAC**"), holds the Governmental Permits set forth on **Schedule E** hereto.

F. CoxCom holds all the issued and outstanding membership interests of TCAC (the "**TCAC Interests**").

G. Cox Texas Telcom, L.P., a Delaware limited partnership ("**CTT**"), holds the Governmental Permits set forth on **Schedule G** hereto.

H. CoxCom holds all the issued and outstanding limited partnership interests of CTT and CTP holds all the issued and outstanding general partnership interests of CTT (collectively, the "**CTT Interests**").

I. CoxCom and CTP desire to sell, and Buyer desires to buy from CoxCom and CTP all of the CNC Interests, TCAC Interests and CTT Interests as part of the Transferred Assets hereunder and on the terms and conditions hereinafter set forth.

J. As further inducement for Buyer to enter into this Agreement, pursuant to Section 10.20, Parent is guaranteeing all of the obligations of Sellers under this Agreement.

AGREEMENTS:

In consideration of the above recitals and the covenants and agreements contained herein, Buyer and Sellers agree as follows:

1. DEFINED TERMS

The following terms shall have the following meanings in this Agreement:

1.1 "**Accounts Receivable**" means the sum of (a) Advertising Accounts Receivable, (b) Cable Accounts Receivable, (c) Commercial Accounts Receivable and (d) National Advertising Accounts Receivable.

1.2 "**Accrued Vacation**" means with respect to any Sellers Employee who becomes a Transferred Employee, the accrued vacation and personal days to which such Transferred Employee is entitled under the plans or policies of Sellers or Sellers' Affiliates as of the Adjustment Time.

1.3 "**Acquired Company**" means CNC, CTT or TCAC, as the case may be.

1.4 "**Adjustment Time**" means 11:59 p.m. on the day prior to the Closing Date.

1.5 "**Advertising Accounts Receivable**" means the rights of a Seller or Acquired Company to payment relating to the Systems for advertising time relating to the Systems for local or regional accounts provided by such Seller or Acquired Company prior to the Adjustment Time.

1.6 "**Affiliate**" means with respect to a Person, any Person directly or indirectly controlling, controlled by or under common control with such other Person. For purposes of this definition, the term "**control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or partnership interests, by contract or otherwise.

1.7 "**Agreement**" means this Asset Purchase Agreement.

1.8 "**Basic Cable Television Service**" means the lowest tier of video programming offered by a System consistent with Section 76.901(a) of the FCC's regulations, 47 C.F.R. §76.901(a).

1.9 "**Basic Subscriber**" means (a) with respect to residential single unit accounts, each customer with a subscription to Basic Cable Television Service, (b) with respect to residential bulk accounts, each customer with a primary outlet served pursuant to a subscription to Basic Cable Television Service and (c) with respect to commercial accounts, each customer with a subscription to Basic Cable Television Service, in each case excluding Delinquent Accounts and Excluded Subscribers.

1.10 "**Business Day**" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which national banking institutions in either Atlanta, Georgia or New York, New York are authorized or obligated by law or executive order to be closed.

1.11 "**Cable Accounts Receivable**" means the rights of a Seller or Acquired Company to payment relating to the Systems for residential and commercial video services, residential telephony services and residential high speed internet services provided by such Seller or Acquired Company prior to the Adjustment Time.

1.12 "**Closing**" means the consummation of the transactions contemplated by this Agreement in accordance with the provisions of Article 7.

1.13 "**Closing Date**" means the date on which the Closing occurs.

1.14 "**Code**" means the Internal Revenue Code of 1986, as amended, and the regulations thereunder, or any subsequent legislative enactment thereof, each as in effect from time to time.

1.15 "**Commercial Accounts Receivable**" means the rights of a Seller or Acquired Company to payment relating to the Systems for commercial telephony services and commercial high speed internet services provided by such Seller or Acquired Company prior to the Adjustment Time.

1.16 "**Communications Act**" means the Communications Act of 1934, including the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992 and the Telecommunications Act of 1996, each as amended, and the FCC's rules, regulations and published policies and decisions thereunder, each as in effect from time to time.

1.17 "**Consent**" means any consent, permit, waiver, authorization, approval or filing of, to or with any Governmental Authorities or other Persons that Sellers or Buyer is required to obtain for Buyer to own and operate the Transferred Assets, the Systems and the Acquired Companies on and after the Closing Date.

1.18 "**Contract**" means any contract, agreement, indenture, note, bond, mortgage, loan, instrument, lease or license (other than a Franchise or Governmental Permit).

1.19 "**Delinquent Account**" means a customer account that (a) has physically been disconnected or (b) has a past due balance in excess of $25 (excluding late charges and amounts subject to a bona fide dispute) for more than ninety (90) days from the first day of the billing period for which the bill relates.

1.20 "**Digital Subscriber**" means (a) with respect to residential single unit accounts, each customer with a subscription to any digital tier offered by a System, (b) with respect to residential bulk accounts, each customer with a primary outlet served pursuant to a subscription to digital video programming offered by a System and (c) with respect to commercial accounts, each customer with a subscription to digital video programming offered by a System, in each case excluding Delinquent Accounts and Excluded Subscribers.

1.21 "**Employee Benefit Plan**" means any employee benefit plan, within the meaning of Section 3(3) of ERISA, and each written stock option, stock appreciation right, restricted stock, stock purchase, stock unit, incentive, bonus, profit-sharing, savings, deferred compensation, health, medical, dental, life insurance, disability, accident, supplemental unemployment or retirement, severance or benefits continuation or fringe benefit plan, program or agreement that provides benefits to Sellers Employees, including any Multiemployer Plan.

1.22 "**Encumbrance**" means any lien, encumbrance, pledge, mortgage, deed of trust, security interest, charge, option, right of first refusal, easement, proxy, voting trust or agreement or transfer restriction under any shareholder or similar agreement.

1.23 "**Environmental Law**" means any Legal Rule relating to the handling, treatment, transportation or disposal of Hazardous Substances, the protection of the environment, natural resources or human health and safety as it relates to environmental protection, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Clean Water Act, the Clean Air Act, the Natural Environmental Policy Act and any and all analogous state and local laws.

1.24 "**Equipment**" means all electronic and optical devices, trunk and distribution, service drop, coaxial and optical fiber cable, amplifiers, power supplies, conduit, vaults and pedestals, grounding and pole hardware, customer devices (including converters, encoders, transformers behind television sets and fittings), headend hardware and electronics (including, without limitation, origination, earth stations, antenna equipment transmission and distribution systems located on the premises of any of the Real Property, in vehicles or at repair facilities or on loan to any other system (other than the Systems) of Sellers and their Affiliates), test and measurement equipment, tools, construction equipment, vehicles, construction trailers, splicing tools, fiber splicing trailers, analog and digital studio equipment, computers, monitoring equipment of any kind, generators, equipment associated with the provisioning and routing of VoIP and high speed internet, office machines, TV sets and spares of any of the foregoing located at any of the Systems or in any vehicles, with respect to each of the foregoing listed items, owned, leased or held for use by a Seller or Acquired Company and used exclusively in connection with the ownership and operation of one or more of the Systems, plus such additions thereto and deletions therefrom between the date of this Agreement and the Closing Date as permitted by this Agreement.

1.25 "**Equity Interests**" mean any and all shares, interests, or other equivalent interests (however designated) in the equity of any Person, including capital stock, partnership interests and membership interests, and including any rights, options or warrants with respect thereto.

1.26 "**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder, as in effect from time to time.

1.27 "**Excluded Subscriber**" means, with respect to any residential single unit account, residential bulk unit account or commercial account, an account that both has not passed Sellers' credit scoring in accordance with Sellers' customary policies and has not made at least one (1) monthly payment in full.

1.28 "**Exclusive Cox Business Services Agreement**" means any agreement of any Seller or any Seller's Affiliate for the provision of video, data and/or telephony services sold to a commercial customer in connection with the operation of one or more of the Systems which does not also apply to the operation of any other cable television system that is not being sold pursuant to the terms of this Agreement and that is owned or operated by any Seller or Seller's Affiliate.

1.29 "**Exclusive Cox Media Agreement**" means any agreement of any Seller or any Seller's Affiliate for the provision of advertising sales and services or advertising sales representation in connection with the operation of one or more of the Systems which does not also apply to the operation of any other cable television system that is not being sold pursuant to the terms of this Agreement and that is owned or operated by any Seller or Seller's Affiliate.

1.30 "**Exclusive FCC License**" means any FCC License that is used in the operation of one or more of the Systems, that is not used in connection with the operation of any other cable system that is not being sold pursuant to the terms of this Agreement and that is owned or operated by any Seller or Seller's Affiliate: provided, however, the term "Exclusive FCC License" shall not include any Telecommunications Authorization.

1.31 "**Exclusive Governmental Permit**" means any Franchise, Exclusive FCC License and Exclusive Telecommunications Authorization and any other material license, permit or authorization used exclusively in the operation of one or more of the Systems granted or issued to any Seller or Acquired Company by any Governmental Authority, including all amendments thereto and renewals or modifications thereof.

1.32 "**Exclusive Pole Attachment Agreement**" means any pole attachment agreement, conduit agreement or similar license or right of any Seller or Acquired Company to use utility poles related to the operation of one or more of the Systems which does not also apply to the operation of any other cable television system that is not being sold pursuant to the terms of this Agreement and that is owned or operated by any Seller or Seller's Affiliate.

1.33 "**Exclusive Programming Agreement**" means any programming agreement or programming carriage obligation of any Seller or Acquired Company related to the operation of one or more of the Systems which does not also apply to the operation of any other cable television system that is not being sold pursuant to the terms of this Agreement and that is owned or operated by any Seller or Seller's Affiliate.

1.34 "**Exclusive Retransmission Consent Agreement**" means any retransmission consent agreement, must carry notice or other related broadcast right or obligation of any Seller or Acquired Company related to the operation of one or more of the Systems which does not also apply to the operation of any other cable television system that is not being sold pursuant to the terms of this Agreement and is owned or operated by any Seller or Seller's Affiliate.

1.35 "**Exclusive Telecommunications Authorization**" means any FCC Telecommunications Authorization or State Telecommunications Authorization that authorizes any Seller or Seller's Affiliate to provide international, interstate or intrastate Telecommunications Services over a System, that is not being used in connection with the

operation of any other cable system that is not being sold pursuant to the terms of this Agreement and that is owned or operated by any Seller or Seller's Affiliate; provided, however, the term "Exclusive Telecommunications Authorization" shall not include any Franchise or FCC License.

1.36 "**FCC**" means the Federal Communications Commission.

1.37 "**FCC License**" means any license, permit, registration or authorization granted or issued by the FCC to any Seller or Acquired Company and used in the operation of one or more of the Systems, including all amendments thereto and renewals or modifications thereof; provided, however, the term "FCC License" shall not include any Franchise or Telecommunications Authorization.

1.38 "**FCC Telecommunications Authorization**" means an authorization granted or issued by the FCC to provide Telecommunications Services.

1.39 "**Franchise**" means any franchise, permit, license, resolution, contract, certificate, agreement or similar authorization, or any renewal thereof, issued by a Franchising Authority authorizing the construction and operation of a System; provided, however, the term "Franchise" shall not include any FCC License or Telecommunications Authorization.

1.40 "**Franchising Authority**" means any Governmental Authority which has issued a Franchise.

1.41 "**GAAP**" means United States generally accepted accounting principles and practices as in effect from time to time.

1.42 "**Governmental Authority**" means the United States government or any state, or other political subdivision thereof or any entity exercising executive, legislative, judicial, regulatory or administrative functions on their behalf.

1.43 "**Governmental Permit**" means any Franchise, FCC License and Telecommunications Authorization used in the operation of one or more of the Systems granted or issued to any Seller or Acquired Company by any Governmental Authority and any other material license, permit or authorization used in the operation of one or more of the Systems granted or issued to any Seller or Acquired Company by any Governmental Authority, including all amendments thereto and renewals or modifications thereof.

1.44 "**Hazardous Substance**" means any pollutant, contaminant, waste, hazardous or toxic substance, constituent, or material, including petroleum products and their derivatives, or other substances regulated under or pursuant to Environmental Law.

1.45 "**High Speed Data Subscriber**" means a residential primary outlet served pursuant to a subscription to any level of residential high speed data service, excluding Delinquent Accounts and Excluded Subscribers.

1.46 "**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and the regulations promulgated by the Federal Trade Commission with respect thereto, as amended and in effect from time to time.

1.47 **[Intentionally Omitted]**

1.48 "**Independent Accounting Firm**" means (a) an independent certified public accounting firm in the United States of national recognition (other than a firm which then serves as the independent auditor for any of Sellers or Buyer or any of their respective Affiliates) mutually acceptable to Sellers and Buyer or (b) if Sellers and Buyer are unable to agree upon such a firm, then Sellers, collectively, and Buyer shall each select a representative from one such firm and those two individuals shall select a third firm, in which event "Independent Accounting Firm" shall mean such third firm.

1.49 "**Initial Adjustment Statement**" means the unaudited statement of the Current Adjustment and the Operating Cash Flow Adjustment, delivered by Sellers to Buyer pursuant to Section 2.6.3.

1.50 "**Intellectual Property**" means all right, title and interest in or relating to intellectual property, whether protected, created or arising under the laws of the United States or any other jurisdiction, including: (i) all patents and applications therefor, including all continuations, divisionals, and continuations-in-part thereof and patents issuing thereon, along with all reissues, reexaminations and extensions thereof (collectively. "**Patents**"); (ii) all trademarks, service marks, trade names. service names, brand names, trade dress rights, logos, corporate names, trade styles, logos and other source or business identifiers and general intangibles of a like nature, together with the goodwill associated with any of the foregoing. along with all applications, registrations, renewals and extensions thereof; (iii) all Internet domain names; (iv) all copyrights and all mask work, database and design rights, whether or not registered or published, all registrations and recordations thereof and all applications in connection therewith, along with all reversions, extensions and renewals thereof (collectively, "**Copyrights**"); (iv) trade secrets ("**Trade Secrets**") and (v) all other intellectual property rights arising from or relating to Technology.

1.51 "**Knowledge**" means, with respect to Sellers, the actual knowledge. after due inquiry, of the individuals set forth on **Schedule 1.51(a)**, and with respect to Buyer, the actual knowledge, after due inquiry, of the individuals set forth on **Schedule 1.51(b)**.

1.52 "**Legal Rules**" mean any applicable statute, ordinance, code or other law, rule. regulation, order. or other written standard, requirement, policy or procedure enacted, adopted, promulgated, applied or followed, by any Governmental Authority applicable to the Transferred Assets or any of the Systems.

1.53 "**Leased Real Property**" means leasehold interests in real estate held by any Seller or Acquired Company and used exclusively in connection with the ownership and operation of one or more of the Systems as of the date of this Agreement, plus such additions thereto and deletions therefrom between the date of this Agreement and the Closing Date as permitted by this Agreement.

1.54 "**Liability**" means debts, losses. Taxes, fines, penalties or obligations (whether direct or indirect, known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, matured or unmatured, determined or undeterminable, disputed or undisputed.

liquidated or unliquidated, or due or to become due, and whether in contract, tort, strict liability or otherwise) and all costs, expenses, damages, liabilities, losses, claims. judgments or settlements, including, without limitation, reasonable attorney and professional fees, imposed on or otherwise suffered by a Person related to the foregoing.

1.55 "**Licensed Intellectual Property**" means all Intellectual Property used in connection with the business or operations of one or more of the Systems, other than Transferred Intellectual Property.

1.56 "**Master Carrier Agreement**" means (a) a master carrier agreement pursuant to which one or more Sellers or Seller's Affiliates lease network capacity (either as a lessor or lessee) and/or provide or use related Telecommunications Services listed on **Schedule 1.56** or (b) such other agreement listed on **Schedule 1.56**.

1.57 "**Master CBI Agreement**" means a master Cox Business Internet agreement listed on **Schedule 1.57**.

1.58 "**Material Adverse Effect**" means any change, event or effect (1) that has been or would reasonably be likely to be materially adverse to the business, properties, liabilities, operations, assets or condition (financial or otherwise) of the Systems, taken as a whole, other than any of the following: (a) matters affecting the cable television industry generally (including, without limitation, (i) any federal or state governmental actions, including without limitation, proposed or enacted legislation or regulations or (ii) accounting or litigation matters) that do not affect the Systems disproportionately from similarly situated participants in the cable industry; (b) matters relating to or arising from local, regional or national economic conditions (including, without limitation, financial and capital markets) that do not affect the Systems disproportionately from similarly situated participants in the cable industry: (c) matters relating to or arising from the announcement or pendency of the transaction contemplated by this Agreement; (d) actions taken by Buyer or its Affiliates; (e) any changes in competition affecting the Systems; and (f) consequences of the taking of any action contemplated or required by this Agreement; or (2) that would prevent Sellers from performing their obligations hereunder and consummating the transactions contemplated hereby.

1.59 "**Material Leased Real Property**" means the Leased Real Property that is the subject of a Material Real Property Lease.

1.60 "**Material Real Property Lease**" means a Real Property Lease (a) that requires rent or other payments annually in excess of [redacted], (b) the subject of which is a headend, or (c) the subject of which is a call center.

1.61 "**Material Transferred Contract**" means each (a) Material Real Property Lease. (b) material Exclusive Pole Attachment Agreement, (c) material Exclusive Programming Agreement, (d) material Exclusive Retransmission Consent Agreement and (e) any other Contract that requires payment annually in excess of [redacted] and has a remaining stated term of longer than twelve (12) months from the date of this Agreement and which cannot be terminated on sixty (60) days' notice or less without the payment of any penalty.

1.62 "**Multiemployer Plan**" means a plan, as defined in ERISA Section 3(37) or 4001(a)(3), to which Sellers or any trade or business which would be considered a single employer with Sellers under Section 4001(b)(1) of ERISA or part of the same "controlled group" as the Sellers under Section 302(d)(8)(C) of ERISA, contributed, contributes or is required to contribute that provides benefits to Sellers Employees.

1.63 "**National Advertising Accounts Receivable**" means the rights of a Seller or Acquired Company to payment relating to the Systems for advertising time for accounts established or managed through National Cable Communications, KMAY (NBC), Cabletyme or CTV provided by such Seller or Acquired Company prior to the Adjustment Time.

1.64 "**Non-Exclusive Cox Media Agreement**" means (a) an agreement that applies to advertising sales for advertising both on cable television systems that are included within the Systems and on cable television systems that are not being sold pursuant to the terms of this Agreement and which are owned or operated by any Seller or Seller's Affiliate and (b) an advertising sales representation agreement or other agreement listed on **Schedule 1.64**.

1.65 "**Non-Exclusive Pole Attachment Agreement**" means a pole attachment agreement granting rights to both cable television systems included within the Systems and cable television systems that are not being sold pursuant to the terms of this Agreement and which are owned or operated by any Seller or Seller's Affiliate and that are listed on **Schedule 1.65**.

1.66 "**Non-Exclusive Retransmission Consent Agreement**" means a retransmission consent agreement granting rights to both cable television systems included within the Systems and cable television systems that are not being sold pursuant to the terms of this Agreement and which are owned or operated by any Seller or Seller's Affiliate and that are listed on **Schedule 1.66**.

1.67 "**Other Real Property Interest**" means any interest in real property (other than Owned Real Property, Leased Real Property or Excluded Real Property) held by any Seller or Acquired Company and used exclusively in connection with the ownership and operation of one or more of the Systems as of the date of this Agreement, including easements, licenses, rights to access and rights-of-way, plus such additions thereto and deletions therefrom between the date of this Agreement and the Closing Date as permitted under this Agreement.

1.68 "**Owned Real Property**" means fee simple interests in a parcel of real estate and the buildings and improvements thereon (other than Excluded Real Property) owned by any Seller or Acquired Company and used exclusively in connection with the ownership and operation of one or more of the Systems as of the date of this Agreement, plus such additions thereto and deletions therefrom between the date of this Agreement and the Closing Date as permitted under this Agreement. The term "Owned Real Property" does not include any Other Real Property Interests or Leased Real Property.

1.69 "**Permitted Encumbrances**" mean any of the following liens or encumbrances: (a) landlord's liens for sums not yet due or being diligently contested in good faith; (b) liens for current Taxes, assessments and governmental charges not yet due or being contested in good faith by appropriate proceedings; (c) liens arising out of judgments or awards against a Seller or

Acquired Company with respect to which at the time there shall be a prosecution for appeal or there shall be a proceeding to review or the time limit has not yet run for such an appeal or review with respect to such judgment or award; (d) liens of carriers, warehousemen, mechanics, laborers, and materialmen and other similar statutory liens incurred in the ordinary course of business for sums not yet due or being diligently contested in good faith; (e) liens (other than Encumbrances imposed by ERISA) incurred in the ordinary course of business in connection with worker's compensation and unemployment insurance or similar laws; (f) with respect to Real Property, leases, easements, rights to access, rights-of-way, mineral rights or other similar reservations, restrictions or defects of title, in each such instance any of which either individually or in the aggregate, do not materially affect the operations of any System as currently operated; (g) liens, liabilities or encumbrances which are, or are related to, Assumed Liabilities including, without limitation, liens on leased Personal Property and Leased Real Property; (h) leasehold interests in real property leased to third parties by a Seller; and (i) restrictions set forth in, or rights granted to Franchising Authorities or other Governmental Authorities as set forth in, the Franchises, Governmental Permits or Legal Rules.

1.70 "**Person**" means any individual, corporation, limited liability company, partnership, company, sole proprietorship, joint venture, trust, estate, association, organization, Governmental Authority or other entity.

1.71 "**Personal Property**" means all of the tangible and intangible personal property (other than personal property specifically listed on **Schedule 2.2**) owned or leased by a Seller or Acquired Company and used exclusively in connection with the ownership and operation of one or more of the Systems as of the date of this Agreement, including, without limitation, Exclusive Governmental Permits, Transferred Contracts, Petty Cash, Accounts Receivable, Equipment, Subscriber Information, customer lists and billing records for the Systems, Transferred Intellectual Property, Transferred Motor Vehicles, office furnishings and office equipment, plus such additions thereto and deletions therefrom between the date of this Agreement and the Closing Date as permitted under this Agreement.

1.72 "**Petty Cash**" means petty cash at locations in the Systems in an amount not to exceed $100,000.00 in the aggregate.

1.73 "**Post-Closing Adjustment Statement**" means the unaudited statement of the Current Adjustment and the Operating Cash Flow Adjustment delivered by Buyer to Sellers pursuant to Section 2.6.3(ii).

1.74 "**Programmer**" means the party to the Programmer Optional Programming Agreements, other than one of the Sellers or an Affiliate of one of the Sellers.

1.75 "**Programmer Optional Programming Agreements**" mean those programming agreements for the programming networks listed on **Schedule 1.75(a)** and **Schedule 1.75(b)** unless a Programmer who is a party to a Programmer Optional Programming Agreement elects not to exercise its option to require Buyer to assume such programming agreement.

1.76 "**Purchased Interests**" mean the CNC Interests, CTT Interests and TCAC Interests.

1.77 "**Real Property**" means the Owned Real Property, Leased Real Property and Other Real Property Interests.

1.78 "**Real Property Lease**" means a lease agreement the subject of which is Leased Real Property.

1.79 "**Required Programming Agreement**" means an affiliation agreement with Cox Communications Louisiana, LLC substantially in the form attached hereto as **Exhibit A**.

1.80 "**Revenue Generating Units**" or "**RGUs**" mean the sum of (a) Basic Subscribers, (b) Digital Subscribers, (c) High Speed Data Subscribers and (d) Telephony Subscribers.

1.81 "**Sellers Employees**" mean those employees of any Seller or any Acquired Company who work primarily at or for one or more of the Systems or any Acquired Company.

1.82 "**Separated Advertising Sales Rights**" mean those rights and obligations relating to one or more of the Systems which arise under a Non-Exclusive Cox Media Agreement, subject to the terms and conditions of such Non-Exclusive Cox Media Agreement.

1.83 "**Separated Carrier Rights**" mean those rights and obligations relating to one or more of the Systems which arise under a Master Carrier Agreement, subject to the terms and conditions of such Master Carrier Agreement.

1.84 "**Separated CBI Rights**" mean those rights and obligations relating to one or more of the Systems which arise under a Master CBI Agreement, subject to the terms and conditions of such Master CBI Agreement.

1.85 "**Separated Retransmission Rights**" mean those retransmission consent rights and obligations relating to one or more of the Systems which arise under a Non-Exclusive Retransmission Consent Agreement, subject to the terms and conditions of such Non-Exclusive Retransmission Consent Agreement.

1.86 "**Severance Maximum**" means the amount set forth on **Schedule 1.86**.

1.87 "**Software**" means any and all (i) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code; (ii) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise; (iii) descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons; and (iv) all documentation, including user manuals and other training documentation related to any of the foregoing, in each case used in connection with the business or operations of one or more of the Systems, other than Transferred Intellectual Property, but including, without limitation, the proprietary software set forth on schedule A to the Intellectual Property License Agreement.

1.88 "**State Consent**" means any Consent of a State Regulatory Authority required for (a) the sale of any Transferred Asset (including without limitation a State Telecommunications Authorization) used in the provision of Telecommunications Services by any of the Systems or

(b) the replacement by Buyer of the Telecommunications Authorizations set forth on **Schedule 2.8.3**, as contemplated in Section 5.3.1(iii) of this Agreement.

1.89 **"State Regulatory Authority"** means any state Governmental Authority with authority over the provision of Telecommunications Service.

1.90 **"State Telecommunications Authorization"** means an authorization granted or issued by a State Regulatory Authority to provide Telecommunications Services.

1.91 **"Subscriber Information"** means personally identifiable information pertaining to customers, including, without limitation (a) names, (b) telephone numbers, (c) e-mail addresses, where available (d) billing addresses, (e) credit card numbers and expiration dates (for those subscribers who currently pay their monthly bills through automatic credit card payments) and (f) bank account numbers and routing numbers (for those subscribers who currently pay their monthly bills through automatic withdrawals from their bank accounts).

1.92 **"Tax Return"** means any return, report or statement required to be filed with respect to any Tax (including any schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated Tax, and including, where permitted or required, combined, consolidated or unitary returns for any group of entities that includes Sellers, any of their subsidiaries, or any of their Affiliates.

1.93 **"Taxes"** mean all federal, state, local or foreign income, franchise, sales, use, ad valorem, value added, net or gross proceeds, gains, profits, capital, withholding, payroll, employment, unemployment, social security, workers' compensation, license, excise or real or personal property taxes, customs, duties, fees and charges or levies of any kind, together with any interest thereon and any penalties, additions to tax or additional amounts applicable thereto, and any liability in respect of any items described above payable by reason of contract, assumption, transferee liability, operation of law, Treasury Regulations Section 1.1502-6(a) (or any predecessor or successor thereof or any analogous or similar provision under law) or otherwise.

1.94 **"Taxing Authority"** means the Internal Revenue Service of the United States and any other Governmental Authority responsible for the administration of any Tax.

1.95 **"Technology"** means, collectively, all Software, information, designs, formulae, algorithms, procedures, methods, techniques, ideas, know-how, research and development, technical data, programs, subroutines, tools, materials, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship and other similar materials, and all recordings, graphs, drawings, reports, analyses, and other writings, and other tangible embodiments of the foregoing, in any form whether or not specifically listed herein, and all related technology, that are used in, incorporated in, embodied in, displayed by or relate to, or are used in connection with the foregoing.

1.96 **"Telecommunications Authorization"** means any FCC Telecommunications Authorization or State Telecommunications Authorization that authorizes any Seller or a Seller's Affiliate to provide international, interstate or intrastate Telecommunications Services over a

System; provided, however, the term "Telecommunications Authorization" shall not include any Franchise or FCC License.

1.97 "**Telecommunications Service**" shall have the meaning set forth in Section 3(46) of the Communications Act as of the date of this Agreement, 47 U.S.C. Section 153(46).

1.98 "**Telephony Subscriber**" means a residential primary outlet served pursuant to a subscription to any level of circuit-switched or VoIP telephony service, excluding Delinquent Accounts and Excluded Subscribers.

1.99 "**Transferred Assets**" mean such tangible and intangible assets owned or leased by any Seller which are to be sold and transferred to Buyer pursuant to Section 2.1.

1.100 "**Transferred Contracts**" mean any of the following Contracts (other than any Contracts that are Excluded Assets) that are either (a) in effect on the date of this Agreement (other than those that expire by their terms and are not renewed prior to the Closing) or (b) entered into by either any Seller or any Acquired Company between the date of this Agreement and the Closing Date as permitted under this Agreement:

i. Exclusive Pole Attachment Agreements;

ii. Exclusive Retransmission Consent Agreements;

iii. Exclusive Programming Agreements;

iv. Exclusive Cox Media Agreements;

v. Exclusive Cox Business Services Agreements; and

vi. any of the following Contracts to which any Seller or Acquired Company is a party and which relates exclusively to either the Transferred Assets or the business or operations of one or more of the Systems:

A. personal property leases;

B. Real Property Leases;

C. tower leases (for which a Seller is a lessor or lessee);

D. subscription agreements with customers for cable, internet and telephony services provided by the Systems (other than Exclusive Cox Business Services Agreements);

E. maintenance agreements;

F. railroad crossing agreements;

G. Other Real Property Interest agreements; and

H. other agreements

vii. non-exclusive Contracts listed on **Schedule 1.100**.

1.101 "**Transferred Intellectual Property**" means (i) all Seller-owned internet domain names set forth on **Schedule 1.101** that are used exclusively in connection with the business or operations of one or more of the Systems and (ii) the right to use the company name "TCA Communications, L.L.C." in full, but not any abbreviation or derivation thereof.

1.102 "**Transferred Motor Vehicles**" means the motor vehicles used exclusively in connection with the ownership and operation of one or more of the Systems (it being understood that at or prior to Closing, Sellers shall, at their expense, discharge any operating or capitalized master lease agreements or lease agreements relating to vehicles used exclusively in connection with the business or operations of one or more of the Systems), including those motor vehicles described in **Schedule 1.102**, except as the vehicles listed thereon may be changed, replaced, or disposed of from time to time in the ordinary course of business consistent with past practices after the date hereof.

1.103 "**2005 Operating Cash Flow**" shall mean for the period from January 1 through December 31, 2005, an amount equal to the following:

i. As such amounts are set forth in the December 31, 2005 Audited Financial Statement (as defined in Section 5.2.1 below), the revenues of the Systems less cost of services (excluding depreciation and amortization) and selling, general and administrative expenses (excluding depreciation and amortization); plus

ii. The sum of the following items:

A. general corporate overhead expense, allocated to the Systems;

B. local overhead expense from regional offices of the Sellers or their Affiliates, for services provided to one or more of the Systems;

C. non-recurring items of an unusual nature and amounts in connection with: (1) the transactions contemplated by this Agreement, including, without limitation, incentive bonuses and like items and the restructuring in the MAC System; (2) Hurricane Rita and other natural disasters; and (3) amounts incurred in respect of long-term incentive plans, unit appreciation plans and like items; and

D. amounts associated with:

(1) adjustments to reflect the difference between the programming rates allocated to the Systems by Parent and the actual effective contractual rates associated with premium programming services provided by the Systems;

(2) up to [redacted] of the sum of:

(aa) adjustments to reflect the amount of indirect costs capitalized in connection with the construction of cable transmission and distribution facilities and capitalized installation services based on a change from the rate applicable to Parent and its subsidiaries, taken as a whole, to that applicable to the Systems considered as a stand-alone entity; and

(bb) adjustments for recognition of changes in the materiality standard in respect of recognition of programming incentives, taking into account the difference in size between the Systems considered as a stand-alone entity compared to Parent and its subsidiaries, taken as a whole.

With respect to the foregoing allocations, adjustments and the like in clause (ii) (A) - (D) above, such allocations, adjustments and the like shall be made in a manner consistent with the methodology and practices used in determining similar allocations, adjustments and the like for 2004, as illustrated in **Schedule 1.103** attached hereto.

With respect to the foregoing, any reference to a System or Systems shall include any cable system included in such System to the extent relevant.

1.104 [redacted]

1.105 **"WARN Act"** means the Worker Adjustment and Retraining Notification Act. as amended and as in effect from time to time.

1.106 List of Additional Definitions. The following is a list of additional terms used in this Agreement and a reference to the Section hereof in which such term is defined:

Term	Section
Acquisition Transaction	5.19.1
Additional New Court TV Analog Subscribers	5.16.4
Antitrust Division	5.4
Audited Financial Statements	3.5
Assumed Liabilities	2.7.1
Assumption Agreement	7.2.2
Bill of Sale	7.2.1
Brokerage Services	3.20
Buyer	Preamble
Buyer Indemnified Parties	9.2
California System	Recitals
Cap	9.5.2
CCL	Preamble
Claimant	9.4.1
CNC	Recitals
CNC Interests	Recitals
COBRA	5.8.3

Copyright Act	3.15.3
Copyright Filings	3.15.3
Copyrights	1.50
Court TV Minimum	5.16.4
CoxCom	Preamble
CSWH	Preamble
CTT	Recitals
CTT Interests	Recitals
CTP	Preamble
Current Adjustment	2.6.1
Current New Court TV Analog Subscribers	5.16.4
December 31, 2005 Audited Financial Statements	5.2.1
Deductible	9.5.1
Deposit	2.3
Deposits	2.6.1
Deposit Escrow Agreement	2.3
Designated Area	5.18.1
Direct Claim	9.4.1
Eligible Employees	5.8.1
End Date	8.1.3
Environmental Firm	5.9.1
Escrow Agent	2.3
Excluded Assets	2.2
Excluded Real Property	2.2.15
Exclusion Notice	5.8.1
Financial Statements	3.5
Financing Commitments	4.5
Franchise Right of First Refusal	2.9
FTC	5.4
Indemnifying Party	9.4.1
Intellectual Property License Agreement	5.7
MAC System	Recitals
Management Agreement	10.1.3
North Carolina System	Recital
Operating Cash Flow Adjustment	2.6.2
Outsourcing Agreement	10.1.4
Patents	1.50
Pre-Closing Covenants	9.1
Prepaid Expenses	2.6.1
Programming Assumption Agreements	5.16.1
Projections	5.14.1
Purchase Price	2.4
Real Property Capitalized Leases	2.6.1(ii)(E)
Related Agreements	3.2
Related Franchise Assets	10.1.1
Related Telecommunications Assets	10.1.1

Reorganization Plan	5.8.7
Representatives	5.19.1
Required Action	5.9.1
Required Consents	6.1.5
Resale Certificates	5.5.3
Restricted Business	5.18.1
Retained Franchises	10.1.1
Retained Taxes	9.2.4
Retained Telecommunications Operation	10.1.1
Sellers	Preamble
Sellers Indemnified Parties	9.3
Severance Excess	5.8.7
Intellectual Property License Agreement	5.7
SEC	3.5
Subsequent Transfer	10.1.2
Survival Period	9.1
Systems	Recitals
TCAC	Recitals
TCAC Interests	Recitals
TCAP	Preamble
Third Party Claim	9.4.1
Telcom Entities	3.4.1(ii)
Trade Secrets	1.50
Transfer Taxes	5.5.1
Transferred Employees	5.8.1
Transition Services Agreement	5.7
Unaudited Financial Statements	3.5
West Texas System	Recitals

2. SALE AND PURCHASE OF TRANSFERRED ASSETS

2.1 Agreement to Sell and Purchase. Subject to the terms and conditions set forth in this Agreement, Sellers hereby agree to sell, transfer and deliver to Buyer at Closing, and Buyer agrees to purchase from Sellers at Closing, all of the Transferred Assets listed below, free and clear of any Encumbrances, other than Permitted Encumbrances:

2.1.1 The Personal Property;

2.1.2 The Exclusive Governmental Permits (other than any Exclusive Governmental Permit set forth on **Schedule 2.2**);

2.1.3 The Real Property;

2.1.4 Subject to Section 2.2.2, all books and records relating to the operation of the Systems and the Transferred Assets, including without limitation copies of the Transferred Contracts and all correspondence and memoranda relating thereto, Subscriber Information, customer records and all records required by the Franchising Authorities to be kept by the

Systems and the minute books and similar company records of the Acquired Companies (provided that Sellers may retain copies of company records of the Acquired Companies);

2.1.5 Prepaid Expenses and Deposits;

2.1.6 In accordance with and subject to the terms and conditions set forth in Section 5.16, the Required Programming Agreement and the Programmer Optional Programming Agreements, each solely with respect to the Systems;

2.1.7 In accordance with and subject to the terms and conditions set forth in Section 5.3, the Separated Retransmission Rights, the Separated Carrier Rights, the Separated CBI Rights and the Separated Advertising Sales Rights;

2.1.8 The assets listed in **Schedule 2.1.8**;

2.1.9 The Purchased Interests;

2.1.10 The right to use the company name "TCA Communications, L.L.C." in full, but not any abbreviation or derivation thereof; and

2.1.11 The goodwill and going concern value generated by Sellers with respect to the Systems; and

2.1.12 Such other assets owned by Sellers and not specifically set forth above, used exclusively in the conduct of the business and operations of the Systems as conducted as of the date hereof by Sellers, other than Excluded Assets or those assets set forth on or described in **Schedule 3.22**.

2.2 Excluded Assets. Notwithstanding anything set forth in this Agreement to the contrary, the Transferred Assets shall exclude the following assets (collectively, the "**Excluded Assets**"):

2.2.1 Except for any Petty Cash, any Seller's cash on hand as of the Adjustment Time and all other cash, checks, drafts or cash equivalents in any Seller's bank, savings or lockbox accounts, including, without limitation, customer advance payments and deposits; any and all bonds, surety instruments, insurance policies and all rights and claims thereunder (except as specifically provided herein), letters of credit or other similar items, including, without limitation those listed on **Schedule 3.19**, and any cash surrender value in regard thereto, and any stocks, bonds, certificates of deposit and similar investments (other than the Purchased Interests);

2.2.2 Any books and records that any Seller is required by law to retain (provided that copies of such books and records will be made available to Buyer) or is otherwise prohibited by law to disclose and any correspondence, memoranda, books of account, Tax reports and Tax Returns (other than Tax reports and Tax Returns filed by the Acquired Companies and in possession of a Seller or an Affiliate of Seller) and the like related to the Systems and all files related to the Systems that are located at Parent's headquarters in Atlanta, Georgia, and Sellers' corporate minute books and other books and records related to internal company matters and financial relationships with Sellers' lenders and Affiliates;

2.2.3 Any claims, rights and interest in and to any refunds of federal, state or local franchise, income or other Taxes or fees of any nature whatsoever for periods prior to the Adjustment Time including, without limitation, fees paid to the United States Copyright Office or any choses in action owned by Sellers relating to such refunds;

2.2.4 All programming agreements (other than the Required Programming Agreement, the Exclusive Programming Agreements and, if applicable, the Programmer Optional Programming Agreements) of any Seller or any Affiliate of any Seller, including those relating to or benefiting the Systems;

2.2.5 All retransmission consent agreements (other than Exclusive Retransmission Consent Agreements) of any Seller or any Affiliate of any Seller, including those relating to or benefiting the Systems including, without limitation, all rights under Non-Exclusive Retransmission Agreements (other than Separated Retransmission Rights);

2.2.6 All pole attachment agreements (other than Exclusive Pole Attachment Agreements) of any Seller or any Affiliate of any Seller, including those relating to or benefiting the Systems;

2.2.7 All corporate names, trademarks, trade names, domain names, service marks, service names, logos and similar proprietary rights of any Seller (including, without limitation, any use of the names "Cox" or "TCA" or any derivations thereof) whether or not used in the business or operations of the Systems (other than the company name "TCA Communications, L.L.C."), except for the Transferred Intellectual Property;

2.2.8 Any and all assets and rights of any Seller that are not used exclusively in connection with, or do not relate exclusively to, the ownership and operation of one or more of the Systems, except for those assets or rights specifically set forth on **Schedule 2.1.8**;

2.2.9 All rights to receive fees or services from any Seller or any Affiliate of any Seller and any contracts, agreements or other arrangements between any Seller and an Affiliate of any Seller, other than pursuant to Transferred Contracts, Accounts Receivable or the Related Agreements;

2.2.10 All equipment, Software and agreements related to any Seller's customer billing systems whether or not used exclusively or otherwise in the business of one or more of the Systems;

2.2.11 Any Employee Benefit Plan and its related assets;

2.2.12 All rights and licenses to Software, including without limitation, the Software owned, developed or used by Cox Media, L.L.C. used in connection with the operation of the Systems, other than pursuant to and in accordance with the terms and conditions set forth in the Intellectual Property License Agreement;

2.2.13 All Governmental Permits (other than Exclusive Governmental Permits) of any Seller or any Seller's Affiliate, including those relating to or benefiting the Systems; and

2.2.14 Licensed Intellectual Property.

2.2.15 The (i) real property (the "Excluded Real Property") and (ii) other assets listed on **Schedule 2.2**.

2.3 Deposit Escrow. Within three Business Days of the execution and delivery of this Agreement by Sellers and Buyer, Buyer shall deliver a cash deposit in U.S. Dollars in an amount equal to Thirty-Five Million Dollars ($35,000,000.00) (the "**Deposit**") to an escrow agent selected by Sellers and reasonably acceptable to Buyer ("**Escrow Agent**") to secure the timely performance and fulfillment of Buyer's obligations under this Agreement. The Deposit shall be held in an account and applied pursuant to the terms of that certain Deposit Escrow Agreement, substantially in the form attached hereto as **Exhibit B** (the "**Deposit Escrow Agreement**"), with such changes requested by Escrow Agent and mutually acceptable to Buyer and Sellers, each acting reasonably, to be executed by Buyer, Sellers and Escrow Agent concurrently with the delivery of the Deposit. Notwithstanding anything to the contrary set forth herein, Sellers shall have the right to terminate this Agreement if Buyer fails to deliver the Deposit timely as provided for herein. The Deposit will be invested as provided in the Deposit Escrow Agreement. At the Closing, the amount of the Deposit, together with interest thereon, shall be delivered to Sellers and credited against the Purchase Price. In the event the transactions contemplated hereby are not consummated or in the event of a termination of this Agreement, the Deposit, together with interest thereon, shall be paid in accordance with Section 8.2 hereof.

2.4 Purchase Price. The purchase price for the Transferred Assets shall be Two Billion Five Hundred Fifty Million Dollars ($2,550,000,000.00) (the "**Purchase Price**"), which amount shall be adjusted as provided in Section 2.6 below. At the Closing, Buyer shall deliver to Sellers, via wire transfer(s) of immediately available funds in U.S. Dollars in accordance with Sellers' written instructions provided at least two (2) Business Days prior to the Closing, the Purchase Price (a) reduced by the amount of the Deposit, together with interest thereon, delivered to Sellers on the Closing Date pursuant to Section 2.3, above, and (b) subject to adjustment on the Closing Date as provided in Section 2.6, below.

2.5 Allocation of Purchase Price. Sellers and Buyer agree to use good faith efforts to agree to an allocation of the aggregate purchase consideration among the Transferred Assets (and among the assets of each of CNC and TCAC and the Purchased Interests in CTT) in a manner consistent with Section 1060 of the Code and the United States Treasury Regulations promulgated thereunder within sixty (60) days after the Closing Date and, if Sellers and Buyer reach such agreement, then Sellers and Buyer agree (i) to file all income Tax forms and returns (including IRS Form 8594 or any successor form) in accordance with such allocation, (ii) to update such Tax forms or returns in accordance with the methods used in making the allocation to the extent necessary to reflect purchase price adjustments, and (iii) not to take any position before any taxing authority that is inconsistent with such allocation. If Sellers and Buyer shall not have agreed on such allocation by the sixtieth (60th) day following the Closing Date, then Sellers and Buyer shall have no further obligations pursuant to this Section 2.5, and each of Sellers and Buyer shall make its own determination of such allocation for financial and tax reporting purposes. For purposes of this Section 2.5, the Transferred Assets shall include the covenant not to compete in Section 5.18.

2.6 Adjustments to the Purchase Price. The Purchase Price shall be subject to adjustment, as of the Adjustment Time, as follows:

2.6.1 The Purchase Price shall be subject to:

(i) an increase in the Purchase Price by an amount equal to the sum of:

(A) [redacted] of the face amount of all Cable Accounts Receivable that are outstanding as of the Adjustment Time, no part of which is outstanding more than thirty (30) days from the first day of the period to which any outstanding bill relates;

(B) [redacted] of the face amount of all Cable Accounts Receivable that, as of the Adjustment Time, any part of which is outstanding more than thirty (30) days from the first day of the period to which any outstanding bill relates but no part of which is outstanding more than sixty (60) days from the first day of the period to which any outstanding bill relates;

(C) [redacted] of the face amount of all Cable Accounts Receivable that, as of the Adjustment Time, any part of which is outstanding more than sixty (60) days from the first day of the period to which any outstanding bill relates but no part of which is outstanding more than ninety (90) days from the first day of the period to which any outstanding bill relates;

(D) [redacted] of the face amount of all Commercial Accounts Receivable that are outstanding as of the Adjustment Time, no part of which is outstanding more than sixty (60) days from the first day of the period to which any outstanding bill relates;

(E) [redacted] of the face amount of all Commercial Accounts Receivable that, as of the Adjustment Time, any part of which is outstanding more than sixty (60) days from the first day of the period to which any outstanding bill relates but no part of which is outstanding more than ninety (90) days from the first day of the period to which any outstanding bill relates;

(F) [redacted] of the face amount of all Commercial Accounts Receivable that, as of the Adjustment Time, any part of which is outstanding more than ninety (90) days from the first day of the period to which any outstanding bill relates but no part of which is outstanding more than one hundred twenty (120) days from the first day of the period to which any outstanding bill relates;

(G) [redacted] of the face amount of all Advertising Accounts Receivable that are outstanding, as of the Adjustment Time, no part of which is outstanding more than one hundred twenty (120) days from the first day of the period to which any outstanding bill relates;

(H) [redacted] of the face amount of all Advertising Accounts Receivable that, as of the Adjustment Time, no part of which is outstanding more than one hundred twenty (120) days from the first day of the period to which any outstanding bill relates;

(I) [redacted] of the face amount of all National Advertising Accounts Receivable that are, as of the Adjustment Time, outstanding;

(J) all normal and customary prepaid expenses relating to the ownership or operation of any of the Transferred Assets or Acquired Companies, and for which it is reasonably expected that Buyer will receive a benefit within twelve (12) months following the Closing, which prepaid expenses shall be prorated between Sellers and Buyer as of the Adjustment Time in accordance with GAAP, and which prepaid expenses, by way of example, shall include: real and personal property taxes and assessments levied against the Transferred Assets; real and personal property rentals (other than capitalized leases); pole rentals; power and utility charges; applicable franchise, copyright or other business and license fees, sales and service charges; and similar items (such expenses, the "**Prepaid Expenses**");

(K) the outstanding amount of all deposits relating to the Systems paid by any Seller or Affiliate of any Seller prior to the Adjustment Time (the "**Deposits**");

(L) an amount equal to the excess of capital expenditures (excluding customer premise equipment) made with respect to the Systems during the portion of the applicable period set forth on **Schedule 2.6.1(i)** that occurs before the Adjustment Time, in the aggregate, over the amount of the aggregate budgeted capital expenditures (excluding customer premise equipment) for the Systems set forth on **Schedule 2.6.1(i)** for such portion of said period, on a prorated basis, but only to the extent that Buyer has approved such excess expenditures; provided, however, in the event that Buyer does not approve such expenditure, Sellers, notwithstanding anything to the contrary set forth in this Agreement, shall not be obligated to make any such expenditure;

(M) Petty Cash; and

(N) an amount equal to the Severance Excess, if any;

(ii) a decrease in the Purchase Price by an amount equal to the sum of:

(A) all customer advance payments and deposits from customers relating to the Systems paid to any Seller and retained by any Seller subsequent to the Closing;

(B) all normal and customary accrued and unpaid expenses of the kind itemized in Section 2.6.1(i)(J) above relating to the ownership or operation of any of the Transferred Assets or Acquired Companies, which accrued and unpaid expenses shall be prorated between Sellers and Buyer as of the Adjustment Time in accordance with GAAP;

(C) an amount, if any, equal to the monetary amount of the type of Permitted Encumbrance contemplated in clause (d) of the definition of Permitted Encumbrance;

(D) all Accrued Vacation of the Transferred Employees as of the Adjustment Time; and

(E) An amount equal to the net book value of the liability, as of the Adjustment Time, under the real property capitalized leases listed on **Schedule 2.6.1(ii)(E)** (the "**Real Property Capitalized Leases**"), determined in accordance with GAAP (it being understood and agreed that Buyer shall assume all obligations under such leases relating to the period after the Adjustment Time); and

(F) an amount equal to the deficit of capital expenditures (excluding customer premise equipment) made with respect to the Systems during the portion of the applicable period set forth on **Schedule 2.6.1(i)** that occurs before the Adjustment Time, in the aggregate, below the amount of the aggregate budgeted capital expenditures (excluding customer premise equipment) for the Systems set forth on Schedule **2.6.1(i)** for such portion of said period, on a prorated basis:

(G) the amount set forth in Section 2.9, if applicable.

The adjustment provided for in this Section 2.6.1 is referred to herein as the "**Current Adjustment**."

2.6.2 If the 2005 Operating Cash Flow is less than the 2005 Operating Cash Flow Target, then the Purchase Price shall be reduced by an amount equal to [redacted] times the amount of the difference between the 2005 Operating Cash Flow Target and the 2005 Operating Cash Flow. If 2005 Operating Cash Flow equals or exceeds the 2005 Operating Cash Flow Target, there shall be no adjustment hereunder. The adjustment, if any, provided for herein shall be referred to as the "**Operating Cash Flow Adjustment.**"

2.6.3 For purposes of determining the adjustments to the Purchase Price to be made as of the Adjustment Time pursuant to Sections 2.6.1 and 2.6.2 above, Sellers and Buyer shall proceed as follows:

(i) At least seven (7) Business Days prior to the Closing, Sellers will deliver to Buyer the Initial Adjustment Statement, showing in reasonable detail a preliminary good faith estimate of the Current Adjustment and the Operating Cash Flow Adjustment, together with such documentation as may reasonably support Sellers' calculations set forth therein. Not less than five (5) Business Days prior to the Closing Date, Buyer shall provide Sellers with any good faith objections to the Initial Adjustment Statement in writing, together with such documentation as may reasonably support Buyer's good faith objections. After considering Buyer's objections, Sellers shall make such revisions to the Initial Adjustment Statement as are mutually acceptable to the parties and shall deliver a revised Initial Adjustment Statement not less than one (1) day prior to the Closing Date, and the Purchase Price shall be adjusted on the Closing Date in accordance with such revised Initial Adjustment Statement. Any disagreements that may continue to exist with respect to the Initial Adjustment Statement shall be resolved in connection with the Post-Closing Adjustment Statement pursuant to Section 2.6.3(iv) below. Notwithstanding the foregoing, in the event Buyer disputes in good faith the amount of the Operating Cash Flow Adjustment, and the amount in dispute exceeds [redacted] the amount in dispute shall be excluded from the Initial Adjustment Statement and the disputed amount shall be resolved pursuant to and in accordance with the provisions set forth in Section 2.6.3(iv) below; which procedures shall commence immediately

following Closing. In the event any portion of such disputed amount is resolved in favor of Sellers pursuant to Section 2.6.3(iv), in addition to paying such amount resolved in favor of Sellers, Buyer shall pay interest to Sellers on the amount of such disputed amount resolved in favor of Sellers at the rate of [redacted] per annum accruing from the Closing Date until the amount is paid to Sellers. In the event any portion of an amount included in the Initial Adjustment Statement is ultimately resolved in favor of Buyer pursuant to Section 2.6.3(iv), in addition to paying such amount resolved in favor of Buyer, Sellers shall pay interest to Buyer on the amount of such disputed amount resolved in favor of Buyer at the rate of [redacted] per annum accruing from the Closing Date until the amount is paid to Buyer. Such amounts shall be paid within three (3) Business Days of receipt of the determination under Section 2.6.3(iv) below.

(ii) Within ninety (90) days after the Closing Date, Buyer shall deliver to Sellers the Post-Closing Adjustment Statement which shall set forth Buyer's determination of the Current Adjustment and the Operating Cash Flow Adjustment, together with such documentation as may reasonably support Buyer's calculations set forth therein and such other documentation relating to such Post-Closing Adjustment Statement as Sellers may reasonably request.

(iii) If Sellers shall in good faith conclude that the Post-Closing Adjustment Statement does not accurately reflect the adjustments to be made to the Purchase Price as of the Adjustment Time pursuant to Sections 2.6.1 and 2.6.2, Sellers shall, within sixty (60) days after their receipt of the Post-Closing Adjustment Statement, provide to Buyer a written statement of any discrepancies believed in good faith to exist, together with such documentation as may reasonably support Sellers' calculations set forth therein and such other documentation relating to such statement as Buyer may reasonably request.

(iv) Buyer and Sellers shall use good faith efforts to jointly resolve the discrepancies within thirty (30) days of Buyer's receipt of Sellers' written statement of discrepancies, which resolution, if achieved, shall be in writing and binding upon all parties to this Agreement and not subject to dispute or judicial review. If Buyer and Sellers do not resolve the discrepancies to their mutual satisfaction within such 30-day period, Buyer and Sellers shall, within the following ten (10) days, jointly engage the Independent Accounting Firm to review the Post-Closing Adjustment Statement, together with Sellers' discrepancy statement and any other relevant documents requested by the Independent Accounting Firm. The Independent Accounting Firm shall report its conclusions as to the adjustments to be made to the Purchase Price as of the Adjustment Time pursuant to Sections 2.6.1 and 2.6.2, which report shall be in writing, conclusive, final and binding on all parties to this Agreement and not subject to dispute or judicial review. After final resolution of all disputes with respect to the Post-Closing Adjustment Statement pursuant to the procedures set forth above, no party shall have the right to raise further adjustments or make any other claim in its favor. If, after adjustment as appropriate with respect to the amount of the aforesaid adjustments paid or credited at the Closing, Buyer, on the one hand, or Sellers, on the other hand, are determined to owe an amount to the other pursuant to the terms of this Section 2.6.3(iv), the appropriate party shall pay such amount to the other within three (3) Business Days after receipt of such determination. The cost of retaining the Independent Accounting Firm shall be borne one-half by Buyer and one-half by Sellers.

2.7 Assumption of Assumed Liabilities. Pursuant to the Assumption Agreement, Buyer shall assume, and shall pay, perform and discharge when due, the following Liabilities (the "**Assumed Liabilities**"):

2.7.1 Accrued Vacation to the extent such Liabilities are taken into account in the determination of the Current Adjustment;

2.7.2 all severance obligations, if any, to Transferred Employees arising out of the termination of employment after the Closing as set forth in Section 5.8.5;

2.7.3 Liabilities accrued or relating to periods from and after the Adjustment Time arising out of Buyer's ownership, leasing or use of the Transferred Assets, the Acquired Companies or operation of the Systems, including, without limitation, those Liabilities arising under any Transferred Contract or Exclusive Governmental Permit accrued or relating to periods from and after the Adjustment Time;

2.7.4 all Liabilities of Sellers taken into account in the determination of the Current Adjustment; and

2.7.5 the Liabilities set forth on **Schedule 2.7.5**.

Except as expressly set forth in this Agreement, Buyer will not assume any other Liabilities of Sellers or related to the Systems or the Transferred Assets. The Acquired Companies shall have no Liabilities other than Liabilities accruing or arising after the Adjustment Time under the Contracts set forth on **Schedule 3.21.5**. For the avoidance of doubt, no Retained Taxes shall be Assumed Liabilities.

2.8 Cox Name; Affiliated Services.

2.8.1 Buyer acknowledges and agrees that the names "Cox," "TCA" and any derivations thereof are Excluded Assets, other than the name "TCA Communications, L.L.C." After Closing, Buyer shall remove or delete the names "Cox," "TCA" and any derivations thereof from the Transferred Assets as soon as reasonably practicable, but in any event, by the one hundred eightieth (180th) day following Closing. Until such removal or deletion in accordance with the preceding sentence, in order to facilitate the transition of ownership of the Systems pursuant to the transactions contemplated by this Agreement, said names and derivations thereof may remain on the tangible assets included in the Transferred Assets. As soon as reasonably practicable following the Closing, Buyer shall cause the company name of each of the Acquired Companies other than TCA Communications, L.L.C. to be changed to a name which is not confusingly similar with, and which does not use as part of its name, the name "Cox" or "TCA" or any variation, abbreviation or derivation thereof; provided, however, Buyer may continue to use the name "TCA Communications, L.L.C." as the company name of said Acquired Company. Notwithstanding the foregoing, Buyer shall not be required to remove or discontinue using said names and derivations thereof as same may appear on identification tags or on converters, modems or similar items while in customers' homes or properties making such removal or discontinuation impracticable for Buyer.

2.8.2 Buyer acknowledges and agrees that (a) the services currently provided for the Systems by Sellers and their Affiliates, including, without limitation, customary corporate overhead services provided by the corporate, division or regional offices of Parent or any Affiliate thereof and those described on **Schedule 2.8.2**, shall cease to be provided to the Systems or Buyer effective as of the Closing by Sellers and their Affiliates and (b) after Closing, Sellers and their Affiliates shall no longer provide such services for the Systems other than pursuant to and in accordance with the terms and conditions set forth in the Transition Services Agreement and the Exclusive Cox Media Agreements.

2.8.3 Buyer acknowledges and agrees that Sellers will not be assigning or transferring any of their Telecommunications Authorizations listed in **Schedule 2.8.3** that authorize (i) interstate and international telecommunications services; and (ii) the telecommunications operations of Sellers or their Affiliates in the States of Louisiana, Oklahoma, California, Missouri, Mississippi and New Mexico.

2.9 Rights of First Refusal. In the event any Franchising Authority or other Person deriving rights from or through such Franchising Authority exercises any right of first refusal, option or similar right to acquire such Franchise and the related assets pursuant to and in accordance with such Franchise (a "**Franchise Right of First Refusal**"), then (a) such Franchise and related assets shall not constitute Transferred Assets; (b) Buyer shall cooperate with Sellers in dealing with the applicable Franchising Authority or other Person exercising the Franchise Right of First Refusal; (c) [redacted] and (d) Sellers shall be entitled to proceeds received as a result of such Franchise Right of First Refusal and if Buyer shall receive such proceeds, it shall immediately remit the same to Sellers.

3. REPRESENTATIONS AND WARRANTIES OF SELLERS

Sellers, jointly and severally, represent and warrant to Buyer as follows:

3.1 Organization, Standing and Authority.

3.1.1 TCAP is a general partnership validly existing under the laws of the State of Delaware. CSWH is a limited partnership validly existing and in good standing under the laws of the State of Texas. CCL is a limited liability company validly existing and in good standing under the laws of the State of Delaware. CoxCom is a corporation validly existing and in good standing under the laws of the State of Delaware. CTP is a corporation validly existing and in good standing under the laws of the State of Delaware. Each Seller is qualified to conduct business in each jurisdiction in which the property related to the Systems owned, leased or operated by it requires it to be so qualified except where its failure to be so qualified has not had and would not reasonably be expected to have a material adverse effect on such operations. Each Seller has the requisite partnership, limited liability company or corporate, as applicable, power and authority (a) to own, lease and use the Transferred Assets as currently owned, leased and used by it and (b) to conduct the business and operations of the Systems as currently conducted by it.

3.1.2 Parent is a corporation validly existing and in good standing under the laws of the State of Delaware. Parent is qualified to conduct its business in each jurisdiction in which it is required it to be so qualified except where its failure to be so qualified has not had and would not reasonably be expected to have a material adverse effect on such operations. Parent has the corporate power and authority (a) to own, lease and use its properties and assets as currently owned, leased and used by it and (b) to conduct its business and operations as currently conducted by it.

3.2 Authorization and Binding Obligation. Each Seller and Parent has the partnership, limited liability company or corporate, as applicable, power and authority to execute and deliver this Agreement and all other agreements, instruments and certificates contemplated by this Agreement (collectively, the "**Related Agreements**") and to carry out and perform all of its other obligations under the terms of this Agreement and the Related Agreements. The execution and delivery of, and performance of the obligations contained in, this Agreement and the Related Agreements and the transactions contemplated hereby and thereby have been, or solely with respect to the Related Agreements as of the Closing will be, duly authorized by all necessary partnership, limited liability company or corporate, as applicable, action on the part of each Seller and Parent and their respective directors, partners, managers, members or stockholders. This Agreement has been, and all Related Agreements as of the Closing will be, duly executed and delivered by each Seller and Parent, and this Agreement constitutes, and the Related Agreements will, as of the Closing, constitute, the valid and legally binding obligation of each Seller and Parent, enforceable against each of them in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally, and as the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding thereunder may be brought.

3.3 Absence of Conflicting Terms; Consents. Except for the expiration or termination of any applicable waiting period under the HSR Act or as set forth on **Schedule 3.3** or as would not impair the ability of each Seller to perform its obligations under this Agreement and the Related Agreements, the execution, delivery and performance by each Seller of this Agreement and by each Seller of the Related Agreements to which it is a party (with or without the giving of notice, the lapse of time, or both): (a) do not require the Consent of, notice to, or filing with, any Governmental Authority or with respect to any Exclusive Governmental Permit; (b) will not conflict with any provision of the certificate of formation, certificate of limited partnership or certificate of incorporation of any Seller or Acquired Company, as applicable, or the limited liability company operating agreement, partnership agreement or bylaws of any Seller or Acquired Company, as applicable; (c) assuming receipt of all Consents listed in **Schedule 3.3**, will not in any material way conflict with, result in a material breach or violation of, or constitute a material default under any material Legal Rule applicable to Sellers or to the Systems with respect to the Transferred Assets or to the Acquired Companies; (d) assuming receipt of all Consents listed in **Schedule 3.3**, will not conflict in any material way with, constitute grounds for termination of, result in a material breach of, result in loss of a material benefit of, constitute a material default under, or accelerate or permit the acceleration of any performance required by the terms of any Exclusive Governmental Permit; (e) assuming receipt of all Consents listed in **Schedule 5.3**, will not result in the creation upon the Transferred Assets or the assets of any of the Acquired Companies of any Encumbrances other than Permitted Encumbrances; and (f)

assuming receipt of all Consents listed in **Schedule 5.3**, will not constitute grounds for termination of, result in a material breach of, constitute a material default under, or accelerate or permit the acceleration of any performance required by the terms of any Material Transferred Contract. Notwithstanding the foregoing, Sellers make no representation or warranty regarding any of the foregoing that may result from the specific legal or regulatory status of Buyer or any of its Affiliates or as a result of any other facts that specifically relate to the business or activities in which Buyer or any of its Affiliates is or proposes to be engaged. Except as set forth in **Schedule 3.3**, no Person has any right to acquire any interest in any of the Systems or the Transferred Assets (including any right of first refusal, option to buy or similar right) as a result of Sellers' execution, delivery or performance of this Agreement or any of the transactions contemplated hereby.

3.4 Governmental Permits.

3.4.1 With respect to Governmental Permits:

(i) **Schedule 3.4(a)** lists all Governmental Permits in existence as of the date of this Agreement that (a) are held by a Seller, Acquired Company or an Affiliate of any Seller or Acquired Company for use in connection with the operation of the Systems and (b) except as set forth on **Schedule 3.4(b)**, are necessary for Sellers or any Acquired Company to provide the services now provided by Sellers or any Acquired Company in the geographic areas served by the Systems. Sellers have delivered or made available true and complete copies of all Governmental Permits that are or are required to be set forth on **Schedule 3.4(a)**, except for such Governmental Permits that are issued or granted by virtue of publication of official notice of the issuing Governmental Authority.

(ii) CNC, CTT, TCAC, Cox Louisiana Telcom LLC, Cox Missouri Telcom LLC and Cox Oklahoma Telecom LLC (collectively, the "**Telcom Entities**") hold all State Telecommunications Authorizations necessary to provide the Telecommunications Services now provided in the geographic areas served by the Systems. Sellers and their Affiliates do not provide any services in the geographic areas served by the Systems that require State Telecommunications Authorization in California, New Mexico and Mississippi.

(iii) **Schedule 3.4(c)** identifies all of the Governmental Permits that are not Exclusive Governmental Permits or that are otherwise Excluded Assets.

3.4.2 Each of the Governmental Permits is in full force and effect in accordance with its terms. No legal action or other formal proceeding or investigation is pending or, to Sellers' Knowledge, threatened, to revoke, terminate, suspend, or cancel any of the Governmental Permits or to impose any material forfeiture or penalty with respect to any of the Governmental Permits. The applicable Seller and the operation of the Systems by such Seller and the applicable Telecom Entities are in material compliance with the terms and conditions of the Governmental Permits.

3.4.3 During the two (2) year period preceding the date hereof, no Seller has received written correspondence from any Governmental Authority stating that any of the Governmental Permits will not be renewed in the ordinary course; however, Sellers make no

representation or warranty that an Exclusive Governmental Permit will be renewed or that a particular Governmental Authority will not impose significant conditions upon any renewal. A valid request for renewal has been duly and timely filed by Sellers under Section 626 of the Communications Act with the proper Franchising Authority with respect to any Franchise that has expired prior to, or will expire within thirty (30) months after, the date of this Agreement.

3.5 Financial Statements. Sellers have delivered or made available to Buyer a copy of the (a) audited combined balance sheets with respect to the Systems in the aggregate, as of December 31, 2004 and 2003, and the related combined statements of operations, invested equity, and cash flows for each of the two years in the period ended December 31, 2004 (collectively, the "**Audited Financial Statements**"), and (b) unaudited combined balance sheets with respect to the Systems in the aggregate, as of June 30, 2005, and the related combined statement of operations for the six months then ended (the "**Unaudited Financial Statements**")(the Audited Financial Statements and the Unaudited Financial Statements, collectively, the "**Financial Statements**"). The Audited Financial Statements (y) have been prepared based on the separate accounting records maintained by the Sellers and applicable Affiliates of Sellers and (z) fairly present, in all material respects, the combined financial position of the Systems in the aggregate as of December 31, 2004 and 2003, and the combined results of their operations and their cash flows for each of the two years in the period ended December 31, 2004, in conformity with GAAP consistently applied and comply with the requirements of Regulations S-X of the Securities and Exchange Commission (the "**SEC**"). The Unaudited Financial Statements (aa) have been prepared based on the separate accounting records maintained by the Sellers and applicable Affiliates of Sellers, (bb) fairly present, in all material respects, the combined financial position of the Systems in the aggregate as of June 30, 2005, and the combined results of their operations for the six months then ended prepared in accordance with GAAP on a basis consistent with the most recent Audited Financial Statements, which does not include a combined statement of invested equity, a combined statement of cash flows or additional information and footnote disclosures required by GAAP for complete financial statements. In the opinion of the Sellers (yy) all adjustments considered necessary for the fair presentation of the Unaudited Financial Statements have been made and (zz) all such adjustments are of a normal recurring nature. To Sellers' Knowledge, the revenues of the Systems less direct expenses (excluding depreciation and amortization) and operating expenses (excluding depreciation and amortization) of the Systems for the period January 1 through September 30, 2005 was at least [redacted] calculated based upon Sellers' consistent application of the internal policies, procedures and methodologies as applied in calculating the historical data contained in the Confidential Descriptive Memorandum delivered to Buyer in June 2005 and in preparing the Long Range Plan referenced in the Confidential Descriptive Memorandum made available to Buyer in the data room established by Sellers in connection with the transaction contemplated by this Agreement.

3.6 Personal Property. Each Seller (a) that owns any material item of tangible personal property has good and valid title thereto and (b) that leases any material item of tangible personal property has a valid leasehold interest therein (subject to expiration of such lease in accordance with its terms), in each case of clause (a) and (b) above, free and clear of all Encumbrances, other than Permitted Encumbrances. All material items of Equipment and other tangible personal property included in the Transferred Assets are, in the aggregate (and with due consideration for reasonable wear and tear and the age of each specific item of Equipment or

other tangible personal property), in good operating condition and repair. Each Seller has the valid and enforceable right to use all material intangible personal property included in the Transferred Assets as it is currently used.

3.7 Real Property. **Schedule 3.7** lists the street address or other means of identification for all Owned Real Property in existence as of the date of this Agreement. Each Seller (a) that owns a fee estate in an Owned Real Property parcel has good and indefeasible title thereto and (b) that leases Material Leased Real Property has a valid leasehold interest therein (subject to expiration of such lease in accordance with its terms), in each case of clause (a) and (b) above, free and clear of all encumbrances, other than Permitted Encumbrances.

3.8 Contracts.

3.8.1 Except as set forth on **Schedule 3.8.1**, all of the Material Transferred Contracts are valid and binding on the Seller or Acquired Company that is a party thereto, and are in full force and effect and legally enforceable in accordance with their terms upon the Seller or Acquired Company which is a party thereto, and to Sellers' Knowledge, upon the other parties thereto, except to the extent such enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the rights of creditors generally, and as the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding thereof may be brought. No Seller or Acquired Company is in material default under any Material Transferred Contract nor, to Sellers' Knowledge, is any other party thereto in material default under any Material Transferred Contract. Except as set forth on **Schedules 3.8.1** through **3.8.7**, as of the date hereof there is no Material Transferred Contract.

3.8.2 **Schedule 3.8.2** lists all Material Real Property Leases.

3.8.3 **Schedule 3.8.3** lists all material Exclusive Retransmission Consent Agreements.

3.8.4 **Schedule 3.8.4** lists all material Exclusive Pole Attachment Agreements.

3.8.5 **Schedule 3.8.5** lists all material Exclusive Programming Agreements.

3.8.6 **Schedule 3.8.6** lists all material Exclusive Cox Media Agreements.

3.8.7 **Schedule 3.8.7** lists certain other Transferred Contracts.

3.8.8 Except as set forth on **Schedule 3.8.8**, the Transferred Contracts do not include:

(i) any Contract with a labor union or association representing any Sellers Employee:

(ii) any Contract for the sale of any Transferred Assets (other than in the ordinary course of business consistent with past practices) or the Purchased Interests or for

the grant to any Person of any right of first refusal, preferential or similar rights to purchase any of the Transferred Assets or Equity Interests;

(iii) any Contract for joint ventures, strategic alliances, partnerships, or sharing of profits or proprietary information;

(iv) any Contract that contains covenants of any Seller or Acquired Company not to compete in any line of business or with any Person in any geographical area or not to solicit or hire any Person with respect to employment or covenants of any other Person not to compete with Sellers or the Acquired Companies in any line of business or in any geographical area or not to solicit or hire any Person with respect to employment;

(v) any Contract that relates to the acquisition (by merger, purchase of stock or assets or otherwise) of any operating business or material assets or the capital stock of any other Person, except to the extent any such Contract relates to rights of any Seller or Acquired Company with respect to any transaction that was consummated prior to the date hereof, to the extent assignable without the consent of any Person;

(vi) any Contract that relates to the incurrence, assumption or guarantee of any indebtedness or imposing an Encumbrance on any of the Transferred Assets, the assets of any of the Acquired Companies or any Purchased Interests, including indentures, guarantees, loan or credit agreements, sale and leaseback agreements, incurred in connection with the acquisition of property, mortgages, pledge agreements, security agreements for borrowed money, or conditional sale or title retention agreements, other than Permitted Encumbrances or security agreements encumbering Transferred Assets that are not material to the operation of any System;

(vii) any Contract that provides for advances or loans to any other Person by any Seller or Acquired Company;

(viii) any Contract of guaranty, surety or indemnification, direct or indirect, by any Seller or Acquired Company other than Contracts pursuant to which the bonds and letters of credit set forth on **Schedule 3.19** were obtained;

(ix) any Contract that provides for severance, retention, change in control or other similar payments;

(x) any Contract of employment; or

(xi) any Contract with independent contractors or consultants (or similar arrangements) that is not terminable without penalty or further payment and without more than 30 days' notice or that has a remaining term of more than one (1) year.

3.8.9 **Schedule 3.8.9** lists all material Non-Exclusive Retransmission Consent Agreements under which Separated Retransmission Rights are to be provided.

3.8.10 **Schedule 3.8.10** lists all Non-Exclusive Cox Media Agreements under which Separated Advertising Sales Rights are to be provided.

3.8.11 **Schedule 3.8.11** lists all material Master CBI Agreements under which Separated CBI Rights are to be provided.

3.8.12 **Schedules 3.8.12** lists all Master Carrier Agreements under which Separated Carrier Rights are to be provided.

3.8.13 Except as set forth on **Schedules 3.8.1** through **3.8.8**, there is no Transferred Contract, and except with as set forth on **Schedules 3.8.9** through **3.8.12**, there is no master or non-exclusive agreement in effect under which separated rights are provided, that has a material non-monetary obligation that would be binding on Buyer. Sellers have delivered or made available to Buyer true and complete copies of all Contracts required to be set forth on **Schedules 3.8.1** through **3.8.8** and all material non-exclusive or master agreements set forth on **Schedules 3.8.9** through **3.8.12**.

3.9 Certain Information on Systems. (a) **Schedule 3.9(a)** lists, as of June 30, 2005, the approximate number of miles of energized cable plant for each System; (b) each System is capable of delivering the bandwidth in MHz as described on **Schedule 3.9(b)**; and (c) **Schedule 3.9(c)** lists, as of June 30, 2005, the approximate number, as set forth in the billing records of Sellers, of Basic Subscribers, Digital Subscribers, High Speed Data Subscribers and Telephony Subscribers for each System.

3.10 Taxes, Returns and Reports. All material Tax Returns required to be filed by Sellers or the Acquired Companies in connection with the operation of the Systems or the business or assets of the Acquired Companies have been filed. Except for Permitted Encumbrances, there are no liens for Taxes on any of the Transferred Assets or on the assets of the Acquired Companies. Except where the failure to do so would not have a material adverse effect on the Systems, all Taxes which are due and payable in connection with the operation of the Systems have been timely and properly paid and all such Taxes which are not yet due and payable have been properly accrued on the books and records of the Sellers of the Acquired Companies. For federal income tax purposes: (a) each of CNC and TCAC is and always has been classified as a disregarded entity pursuant to Treasury Regulations Section 301.7701-3(b), and (b) CTT is and always has been classified as a partnership. There is no deficiency, assessment or audit, or proposed deficiency, assessment or audit from any Taxing Authority that could materially affect Sellers or the Acquired Companies or that could result in the imposition of any Encumbrances upon the Transferred Assets or any assets of the Acquired Companies or that could result in the imposition of any liability upon Buyer. There are no proposed reassessments of any property owned by any of the Sellers or the Acquired Companies that would or would reasonably be expected to materially affect the Taxes of the Sellers or the Acquired Companies. Sellers have withheld from Sellers Employees, creditors, independent contractors and any other relevant third parties and timely paid to the appropriate Taxing Authorities, proper and accurate amounts in all material respects for all taxable periods, or portions thereof, ending on or before the Closing in compliance with all tax withholding and remitting Legal Rules. No Tax Authority in a jurisdiction in which any of Sellers or the Acquired Companies do not file Tax Returns has made a claim, assertion of threat that any of Sellers or the Acquired Companies is or may be subject to Tax in such jurisdiction.

3.11 Employee Benefit Plans.

3.11.1 Set forth in **Schedule 3.11** is a complete list of each Employee Benefit Plan. Except as disclosed in **Schedule 3.11**, there is not now in effect or to become effective after the date of this Agreement and until the Closing Date, any new Employee Benefit Plan or any amendment to an existing Employee Benefit Plan which will materially affect the benefits of Sellers Employees (other than customary merit and performance pay increases and other than as required by law) that will on or after the Closing Date impose liability on the Buyer.

3.11.2 Each of Sellers' Employee Benefit Plans has been administered without material exception in compliance with its own terms and, where applicable, with ERISA, the Code, the Age Discrimination in Employment Act and any other applicable Legal Rule.

3.11.3 Each Employee Benefit Plan which is intended to be "qualified" within the meaning of Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service and, to Sellers' Knowledge, no event has occurred and no condition exists which would reasonably be expected to result in the revocation of any such determination.

3.11.4 Within the past six (6) years, no Seller or Acquired Company has contributed to or is required to contribute to any Multiemployer Plan with respect to Sellers Employees.

3.12 Labor Relations. As of the date hereof, no Seller or Acquired Company is a party to or subject to any collective bargaining or other labor union agreements applicable to Sellers Employees and no collective bargaining agreement is being negotiated by Sellers or Acquired Company with respect to Sellers Employees. As of the date hereof, to Sellers' Knowledge, there is no effort by or on behalf of any labor union to organize any Sellers Employee nor has any, to Sellers' Knowledge, been threatened in writing which would reasonably be expected to interfere in any material respect with the Systems, taken as a whole. As of the date hereof, there is no labor dispute or strike pending against any Seller or Acquired Company, or to Sellers' Knowledge threatened, which would reasonably be expected to interfere in any material respect with the Systems, taken as a whole.

3.13 Legal Proceedings/Compliance with Laws.

3.13.1 Except for investigations and rule-making proceedings affecting the cable or telecommunications industry generally (in each case on a national or state basis), or as set forth on **Schedule 3.13.1**, as of the date of this Agreement, there are not any suits, claims, actions, arbitrations, judgments, orders, injunctions, decrees, awards and investigations pending, or to Sellers' Knowledge, threatened, against any Seller or any Acquired Company or involving any of the Systems which (i) would individually, or in the aggregate, reasonably be expected to materially and adversely affect any System or the Transferred Assets or Acquired Companies or materially impair Sellers' ability to consummate the transactions contemplated hereby or (ii) relates to this Agreement, the Related Agreements or the transactions contemplated.

3.13.2 Except as disclosed in **Schedule 3.13.2**, Sellers (with respect to the Systems) and the Acquired Companies are in material compliance with all Legal Rules.

3.14 Environmental Matters.

3.14.1 Each Seller's operation of the Systems, Owned Real Property and Leased Real Property is in compliance in all material respects with all applicable Environmental Laws as in effect on the date of this Agreement; and no Seller, and to Sellers' Knowledge no other Person, has used the Owned Real Property or Leased Real Property for the manufacture, transportation, treatment, storage or disposal of Hazardous Substances except for the use (and not the storage and disposal), of gasoline, diesel fuel and other Hazardous Substances customary in the construction, maintenance and operation of a cable communications system and in amounts or under circumstances that would not reasonably be expected to give rise to material liability to Buyer for remediation.

3.14.2 As of the date of this Agreement, no Seller has received written notice from any Governmental Authority of any material violation of any Environmental Laws by any Seller or any other Person with respect to any System which violation has not been remedied or cured on or prior to the date of this Agreement.

3.14.3 To Sellers' knowledge, as of the date of this Agreement, Sellers, with respect to the Systems, the Owned Real Property or, to Sellers' Knowledge, the Leased Real Property, are not subject to any pending or threatened claim, action, proceeding or other written assertion alleging material non-compliance with or material liability under Environmental Laws. To Sellers' Knowledge, no investigation by a Governmental Authority pursuant to Environmental Laws is pending against the Seller with respect to the Systems, the Owned Real Property or the Leased Real Property with respect to any of the foregoing that would reasonably be expected to result in material liability to Buyer under Environmental Laws.

3.14.4 Notwithstanding any other provision of this Agreement, the parties to this Agreement acknowledge and agree that the representations and warranties contained in this Section 3.14 are the only representations and warranties given by the Sellers with respect to environmental matters or compliance with Environmental Laws and no other provision of this Agreement shall be interpreted as containing any representation or warranty with respect thereto.

3.15 FCC and Copyright Compliance.

3.15.1 The Sellers are permitted under the Communications Act to retransmit the television broadcast signals carried by the Systems and to utilize all FCC restricted carrier frequencies (*i.e.*, 108-136 Mhz and 225-400 Mhz) generated by the operations of the Systems. Except for nonduplication and blackout notices received in the ordinary course of business, as of the date hereof, none of the Sellers has received any FCC order requiring any System to carry a television broadcast signal or to terminate carriage of a television broadcast signal with which it has not complied, and except as disclosed in **Schedule 3.15.1**, each Seller has complied in all material respects with all written and bona fide requests or demands received from television broadcast stations to carry or to terminate carriage of a television broadcast signal on a System.

3.15.2 **Schedule 3.15.2** sets forth a list of all Franchising Authorities that are certified by the FCC to regulate the Basic Cable Television Service and equipment rates of the Systems pursuant to Section 623 of the Communications Act as of the date of this Agreement.

Sellers have made available to Buyer complete and correct copies of all FCC Basic Cable Television Service and equipment rate forms filed by Sellers with any Franchising Authority with respect to the Systems. Except as disclosed in **Schedule 3.15.2**, Sellers' Basic Cable Television Service and equipment rates are in compliance in all material respects with the Communications Act and any authoritative interpretation thereof. As of the date hereof, none of the Sellers has received any written notice from any Franchising Authority that it has any unresolved obligation or liability to refund to subscribers of the Systems any portion of the cable television service revenue received by the Sellers from cable television subscribers of the Systems (excluding revenue with respect to deposits for converters, encoders, decoders and related equipment and other prepaid items).

3.15.3 Sellers, with respect to their operation of the Systems, are in compliance in all material respects with Section 111 of the Copyright Act of 1976, as amended, and the applicable rules and regulations of the United States Copyright Office (collectively, the "**Copyright Act**"). Sellers have filed with the United States Copyright Office all statements of account and have made all payments to the United States Copyright Office required under Section 111 of the Copyright Act with respect to each of the Systems for all accounting periods beginning on or after July 1, 2002 (the "**Copyright Filings**") to obtain, hold and maintain the compulsory copyright license for cable television systems prescribed in Section 111 of the Copyright Act. No Seller has been notified in writing of any adverse material inquiry, claim, action or demand pending before the United States Copyright Office which questions the Copyright Filings or related payments made by Sellers with respect to any of the Systems.

3.16 Intellectual Property.

3.16.1 Except (a) as disclosed in **Schedule 3.16.1**, (b) with respect to music licensing for which Sellers make no representation or warranty, and (c) for matters relating to Section 111 of the Copyright Act as to which Seller's representations and warranties are contained exclusively in Section 3.15.3 above, to the Knowledge of the Sellers: (i) the Transferred Intellectual Property owned, used, practiced, licensed or otherwise exploited by Sellers or the Acquired Companies; (ii) the use, marketing, licensing, offering for sale or sale of the products or services by Sellers or the Acquired Companies with respect to the operation of the Systems; or (iii) the operation of the Systems by Sellers, as of the date of this Agreement, does not materially infringe, violate or constitute an unauthorized use or misappropriation of any Intellectual Property of any Person.

3.16.2 To the Knowledge of Sellers, there is no material infringement, misappropriation, violation or unauthorized use by any Person of any Transferred Intellectual Property, and no such claims have been made against any Person by Seller or its Affiliates.

3.16.3 Except as set forth in **Schedule 3.16.3**, (i) Sellers are the sole and exclusive owners of, or have valid rights under the Transferred Intellectual Property Licenses to use, sell, license and otherwise exploit, as the case may be, all Intellectual Property included in Transferred Intellectual Property, free and clear of all Encumbrances (other than Permitted Encumbrances); (ii) to the Knowledge of the Sellers, all of the Transferred Intellectual Property is valid and enforceable; (iii) there are no material licenses by any Seller or any of their Affiliates granting to any Person any rights in any Transferred Intellectual Property; (iv) no Seller or

Acquired Company is a party to any claim, suit or other action; and (v) to the Knowledge of the Sellers, no claim, suit or other action is threatened, that challenges the validity, enforceability, ownership, or right to use, sell, license or otherwise exploit any Transferred Intellectual Property.

3.16.4 The rights to Transferred Intellectual Property granted by this Agreement and the rights to Intellectual Property granted by the License Agreement constitute all material rights (except for rights to Licensed Intellectual Property owned by a third party) reasonably necessary for the operation of the Systems and the Transferred Assets as currently operated by Sellers and the Acquired Companies.

3.17 Conduct of Business in Ordinary Course. Except as set forth on **Schedule 3.17**, since June 30, 2005, through the date of this Agreement, (i) Sellers and the Acquired Companies have conducted the business and operations of the Systems in the ordinary and usual course consistent with Sellers' and Acquired Companies' past practices and (ii) there has not been any change, event or effect that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.

3.18 Transactions with Affiliates. Except as disclosed on **Schedule 3.18** and except with respect to customary corporate overhead services provided by the corporate, division or regional offices of Parent, no Seller is a party to any business arrangement or business relationship with any of its Affiliates with respect to the Transferred Assets or operation of the Systems, and none of its Affiliates (other than the Acquired Companies) owns any property or right, tangible or intangible, that is material to any Sellers' or Acquired Company's operations or used primarily in any Seller's operation of the Systems or Acquired Company's operations (other than in its capacity as a direct or indirect holder of its equity or debt).

3.19 Bonds; Letters of Credit. Except as set forth in **Schedule 3.19**, as of the date hereof there are no material franchise, construction, fidelity, performance, or other bonds, guaranties in lieu of bonds or letters of credit or indemnity agreement posted by a Seller or Acquired Company in connection with the operation or ownership of any of the Systems or Acquired Company's operations.

3.20 Brokers of Sellers. No Seller or Affiliate of any Seller or any Person acting on their behalf has incurred any liability for any finders' or brokers' fees or commissions, and no investment banker, finder, broker or other intermediary has been retained, in connection with the transaction contemplated by this Agreement, except that an Affiliate of Sellers has retained Citigroup Global Markets Inc., Lehman Brothers Inc., J.P. Morgan Securities Inc. to provide M&A services in connection with the transaction contemplated by this Agreement and Daniels & Associates to provide consulting services in connection with the transaction contemplated by this Agreement (said M&A services and consulting services referred to herein as "**Brokerage Services**"), each of whose fees for Brokerage Services shall be paid by Sellers.

3.21 Acquired Companies.

3.21.1 CNC is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. TCAC is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Texas. CTT

is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware. Each Acquired Company is qualified to conduct business and is in good standing in each jurisdiction in which the property related to the Systems owned, leased or operated by it requires it to be so qualified except where its failure to be so qualified would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on such operations. Each Acquired Company has the requisite partnership or limited liability company, as applicable, power and authority (i) to own, lease and use its assets as currently owned, leased and used by it, and (ii) to conduct its business and operations as currently conducted by it.

3.21.2 None of the Acquired Companies owns directly or indirectly, of record or beneficially, any outstanding Equity Interests or other interest in any Person or has the right or obligation to acquire, any Equity Interests or other interest in any Person.

3.21.3 **Schedule 3.21.3** sets forth each of the Acquired Companies' authorized, issued and outstanding Equity Interests and the record and beneficial owner of each issued and outstanding Equity Interest of each of them. All of such issued and outstanding Equity Interests of the Acquired Companies have been validly issued and fully paid and have not been issued in violation of any federal or state securities laws or such entity's constituent documents. The owner of the Equity Interests of each of the Acquired Companies owns such Equity Interest free and clear of all Encumbrances other than Permitted Encumbrances. There are no outstanding securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind to which any of the Acquired Companies is a party or by which any of the Acquired Companies is bound obligating any of the Acquired Companies to issue, deliver or sell, or cause to be issued, delivered or sold, any additional Equity Interests of any of the Acquired Companies or obligating any of the Acquired Companies to issue, grant, extend or enter into any such security, option, warrant, call, right, commitment, agreement, arrangement or undertaking. The outstanding Equity Interests of the Acquired Companies are not subject to any voting trust agreement or other contract, agreement or arrangement restricting or otherwise relating to the voting, dividend rights or disposition of such Equity Interests. Sellers have delivered or made available to Buyer complete and correct copies of the organizational documents, minutes and other corporate records of each of the Acquired Companies as in effect on the date hereof.

3.21.4 CoxCom and CTP, as their interests may appear, hold all legal and beneficial right and have good and valid title to the Purchased Interests, free and clear of all Encumbrances other than Permitted Encumbrances and upon transfer to Buyer of the Purchased Interests at Closing, good and valid title to the Purchased Interests, free and clear of all Encumbrances other than Permitted Encumbrances and those resulting from Buyer's ownership, will pass to Buyer. All of the Purchased Interests have been validly issued and fully paid, and no class of Equity Interest of any of the Acquired Companies is entitled to preemptive rights.

3.21.5 None of the Acquired Companies holds any Governmental Permit other than those set forth on **Schedule C**, **Schedule E** and **Schedule G**, respectively. None of the Acquired Companies has any liabilities other than those arising in the ordinary course of business relating to the provision of Telecommunications Services provided in the geographic areas served by a System. As of the Closing, none of the Acquired Companies will have any

employees, assets, properties, Contracts or material Liabilities. other than those described in **Schedule 3.21.5.**

3.22 Sufficiency of Transferred Assets. Except as described on **Schedule 3.22,** the Transferred Assets comprise all the assets necessary for the Sellers and their Affiliates to conduct, in all material respects, the business and operations of the Systems as conducted as of the date hereof.

3.23 Accounts Receivable. All Accounts Receivable of Sellers and the Acquired Companies have arisen from bona fide transactions in the ordinary course of business consistent with past practice.

3.24 Overbuilds. As of the date hereof, except for any satellite providers or as set forth on **Schedule 3.24**, there are no material competing activated wired video cable television or data services offered by other cable television operators, or, to the Knowledge of Sellers, any local competing "wireless cable" video system or "open video" system, in the areas actually served by the Systems. To the Knowledge of Sellers, as of the date hereof, except as set forth on **Schedule 3.24**, no competing franchises have been issued to other Persons to operate cable television systems in the areas served by the Franchises and, to the Knowledge of Sellers, no formal applications to obtain such competing franchises are pending.

4. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers as follows:

4.1 Organization, Standing and Authority. Buyer is a limited liability company validly existing and in good standing under the laws of the State of Delaware. Buyer has the requisite limited liability company power and authority to execute and deliver this Agreement and to perform and comply with all of the terms. covenants and conditions to be performed and complied with by Buyer hereunder.

4.2 Authorization and Binding Obligation. Buyer has the limited liability company power and authority to execute and deliver this Agreement and all Related Agreements and to carry out and perform all of its other obligations under the terms of this Agreement and the Related Agreements. The execution and delivery of, and performance of the obligations contained in, this Agreement and the Related Agreements by Buyer and the transactions contemplated hereby and thereby have been, or solely with respect to the Related Agreements as of the Closing will be, duly authorized by all necessary limited liability company action on the part of Buyer and their respective members. This Agreement has been, and all Related Agreements as of the Closing will be, duly executed and delivered by Buyer, and this Agreement constitutes, and the Related Agreements will, as of the Closing, constitute, the valid and legally binding obligation of Buyer, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally, and as the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding thereof may be brought.

4.3 Absence of Conflicting Agreements. Except for the expiration or termination of any applicable waiting period under the HSR Act, and assuming the receipt of all required consents from Governmental Authorities with respect to the transfer to Buyer of the Exclusive Governmental Permits, the execution, delivery and performance by Buyer of this Agreement and of the Related Agreements (with or without the giving of notice, the lapse of time, or both): (a) do not require the consent of, notice to, or filing with, any Governmental Authority, or any other third party; (b) will not conflict with any provision of the certificate of formation of Buyer, or the limited liability company operating agreement of Buyer; (c) will not violate any material Legal Rule applicable to Buyer in any material respect; or (d) will not conflict with, constitute grounds for termination of, result in a material breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any material agreement, instrument, license or permit to which Buyer is a party or by which Buyer may be bound, such that Buyer could not perform hereunder and acquire or operate the Transferred Assets.

4.4 Buyer Qualification. Buyer is legally and, subject to the receipt of the financing contemplated in the Financing Commitments, will be at Closing, financially qualified to acquire, own and operate the Systems and be the transferee and holder of the Exclusive Governmental Permits that are either acquired from Sellers pursuant to the terms of this Agreement or the other governmental authorizations, licenses and permits that are required to be obtained by Buyer as contemplated in Section 5.3.1(iii) hereof. Buyer has no Knowledge of any fact that would, under any Legal Rule including without limitation, any rule or policy of any Governmental Authority, including, without limitation, any Franchising Authority, the FCC or any State Regulatory Authority, (a) disqualify Buyer as a transferee and holder of the Exclusive Governmental Permits, as applicable, or as the owner and operator of the Systems; (b) be reasonably likely to cause any Governmental Authority, including, without limitation, any Franchising Authority, the FCC or any State Regulatory Authority, to fail to approve in a timely fashion any of the applications for Consent relating to the Exclusive Governmental Permits; or (c) be reasonably likely to cause any Governmental Authority, including, without limitation, the FCC or any State Regulatory Authority, to fail to approve in a timely fashion any of the applications for issuance to Buyer of any other governmental authorizations, licenses or permits as contemplated in Section 5.3.1(iii). Except as set forth on **Schedule 4.4**, no waiver of any Legal Rule, including without limitation, any rule or policy of any Governmental Authority, including, without limitation, any Franchising Authority, the FCC or any State Regulatory Authority, is necessary to be obtained for the grant of the applications for the transfer of the Exclusive Governmental Permits to Buyer, nor will processing pursuant to any exception to a rule of general applicability be requested or required in connection with the consummation of the transactions contemplated hereby. Buyer has no Knowledge of any fact that would, under existing law and the existing rules, regulations, policies and procedures of the Federal Trade Commission or the Department of Justice be reasonably likely to impede or delay the early termination or expiration of the waiting period under the HSR Act.

4.5 Availability of Funds. Subject to the receipt of the financing contemplated in the Financing Commitments, Buyer has the financial capability to consummate the transactions contemplated by this Agreement, and Buyer understands that under the terms of this Agreement Buyer's consummation of those transactions is not in any way contingent upon or otherwise subject to (i) Buyer's consummation of any financing arrangements or Buyer's obtaining of any financing or (ii) the availability, grant, provision or extension of any financing to Buyer. Buyer

has received commitments from sources of equity and debt financing in amounts sufficient to enable Buyer to consummate the transactions contemplated hereby ("**Financing Commitments**") and, on the Closing Date, subject to the receipt of the financing contemplated in the Financing Commitments, Buyer will have available sufficient unrestricted funds to enable it to consummate the transactions contemplated hereby. Prior to the date hereof, Buyer has delivered true and accurate copies of all Financing Commitments to Sellers. Buyer acknowledges and agrees that it shall be Buyer's obligation to have funds on hand at the Closing sufficient to enable Buyer to pay the Purchase Price.

4.6 Brokers of Buyer. Except as set forth on **Schedule 4.6**, neither Buyer nor any Affiliate of Buyer nor any Person acting on either of their behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transaction contemplated by this Agreement.

5. SPECIAL COVENANTS OF THE PARTIES

5.1 Conduct of the Business of the Systems Prior to Closing. Except (a) as required by applicable Legal Rules, (b) as contemplated by this Agreement or **Schedule 5.1** or (c) as consented to by Buyer (which consent shall not be unreasonably withheld or delayed), between the date hereof and the Closing Date, Sellers will, and will cause the Acquired Companies to, operate the Systems in the ordinary course of business consistent with past practice (subject to, and except as modified by, compliance with the following negative and affirmative covenants):

5.1.1 Negative Covenants. The Sellers shall not, and shall not permit the Acquired Companies to, do any of the following between the date hereof and the Closing Date:

(i) Fail to timely file a valid request for renewal in accordance with Section 626(a) of the Communications Act, or fail to use commercially reasonable efforts to renew on substantially the same or on other commercially reasonable terms any Franchise that will expire after the date hereof and prior to the date which is thirty (30) months after the Closing Date in accordance with its terms (it being understood that the Sellers shall not be required to take any steps necessary to obtain a renewal of any Franchise earlier than such steps are required to be taken by applicable FCC regulations, and obtaining a renewal of any Franchise shall not be a condition precedent to Buyer's obligations hereunder). Sellers shall not agree to any material modifications to, or in connection with, or the imposition of any material condition, to the renewal of, any of the Franchises that are not reasonably acceptable to Buyer and Buyer agrees that it shall not unreasonably withhold or delay its consent; provided, however, nothing set forth in this sentence shall limit or reduce the obligations of Buyer set forth in Section 5.3.2. Sellers will notify Buyer of all meetings, hearings and other discussions with Governmental Authorities in connection with renewal or extension of any Franchise or Governmental Authority relating to a Franchise.

(ii) Enter into any new Contracts with respect to the Systems that would be included in Transferred Assets, except: (A) Contracts for the provision of services to customers on customary terms and conditions consistent with Sellers' past practice; (B) the renewal or extension of any existing Contract on its existing terms, in all material respects, in the ordinary course of business or consistent with Sellers' past practice; (C) with respect to utility

pole attachment agreements, Contracts with terms as customarily required by the utility whose poles are utilized; or (D) Contracts or commitments entered into in the ordinary course of business that are terminable on not more than sixty (60) days' prior notice without the payment of any penalty or that do not involve post-Closing obligations in excess of [redacted] per annum in any one case. Sellers shall not agree to any material modifications to, or in connection with, or the imposition of any material condition, to the renewal of, any of the Exclusive Retransmission Consent Agreements that are not reasonably acceptable to Buyer and Buyer agrees that it shall not unreasonably withhold or delay its consent; provided, however, nothing set forth in this sentence shall limit or reduce the obligations of Buyer set forth in Section 5.3.2..

(iii) Modify or amend in any material respect, any existing Contract that would be included in Transferred Assets, except in the ordinary course of business and consistent with Sellers' past practice and except to the extent that any such modified or amended Contract would be permitted under Section 5.1.1(ii).

(iv) Acquire any asset except in the ordinary course of business or sell, assign, lease, swap or otherwise transfer or dispose of any asset that would otherwise constitute part of the Transferred Assets, except for such assets consumed or disposed of in the ordinary course of business and consistent with Sellers' past practice.

(v) Create, assume or permit to exist any Encumbrance upon the Transferred Assets or any of the Purchased Interests other than Permitted Encumbrances.

(vi) [redacted]

(vii) Relocate (a) any employees of the Systems with exempt status under the Fair Labor Standards Act without the consent of Buyer; or (b) any other Eligible Employees other than in the ordinary course and consistent with Sellers' past practice.

(viii) Effect any rate decrease or change any programming or programming packages, except as may be required under applicable Legal Rules, except in the ordinary course of business and consistent with Sellers' past practice.

(ix) Make or rescind or permit any Acquired Company to make or rescind any election relating to Taxes or make or permit any Acquired Company to make any change in any method of Tax accounting or reporting unless required by GAAP or applicable Legal Rules.

(x) Waive, release or assign any material right relating to the Systems or the Transferred Assets.

(xi) Enter into any commitment for capital expenditures with respect to the systems in excess of the budgeted capital expenditures set forth on **Schedule 2.6.1(i)**.

(xii) Enter into, modify or terminate any labor or collective bargaining agreement or, through negotiation or otherwise, make any commitment or incur any Liability that will become an Assumed Liability at Closing to any labor organization, with respect to any Sellers Employee.

(xiii) Except in the ordinary course consistent with past practice, change or modify its credit, collection or payment policies, procedures or practices, including acceleration of collections or receivables (whether or not past due) or fail to pay or delay payment of payables or other Liabilities, with respect to the Systems.

(xiv) Amend the constituent documents of any Acquired Company.

(xv) Except in the ordinary course consistent with past practice: enter into any Contracts, whether as a marketing promotion or otherwise, providing for (A) free cable, digital, high speed data or telephony by the Systems or at rates less than the rates in effect on the date of this Agreement; or (B) free installations or for installations at less than the applicable Seller's standard installation charges.

(xvi) Authorize or enter into any agreement or commitment with respect to any of the foregoing.

5.1.2 Affirmative Covenants. Sellers shall do the following between the date hereof and the Closing Date:

(i) Subject to Buyer's obligations under Section 5.15.1 and under the Confidentiality and Nondisclosure Agreement, dated June 2, 2005, between Parent and Buyer, allow Buyer and its authorized representatives reasonable access during normal business hours and upon reasonable notice to the Systems, the Transferred Assets and the physical plant, offices, properties and records of the Sellers and the Acquired Companies with respect to the Systems and the Acquired Companies for the purpose of inspection, and furnish or cause to be furnished to Buyer or its authorized representatives all information with respect to the Transferred Assets, the Systems or the Acquired Companies that Buyer may reasonably request.

(ii) Maintain the existing insurance policies on the Systems and the Transferred Assets (or comparable replacement policies).

(iii) Comply in all material respects with all Legal Rules applicable to Sellers, the Acquired Companies and the Transferred Assets and the operation of the Systems.

(iv) Use commercially reasonable efforts to make capital expenditures in the amounts set forth on **Schedule 2.6.1(i)** during the period from the date hereof until the Closing Date; provided that it is understood and agreed that other than for any adjustment to the Purchase Price pursuant to Section 2.6.1(ii)(F), Buyer shall have no claim under this Agreement against Sellers for any failure to make capital expenditures; provided, further, that Sellers shall consult with Buyer, in good faith, with respect to how funds related to capital expenditures will be used.

(v) In the event that Licensed Intellectual Property is owned by a third-party licensor and is used exclusively in connection with the business or operations of one or more of the Systems, use commercially reasonable efforts to assist Buyer in obtaining the right to use Licensed Intellectual Property.

(vi) Use commercially reasonable efforts to keep all Transferred Contracts and Exclusive Governmental Permits (subject to expiration of such Transferred Contracts and Exclusive Governmental Permits in accordance with their respective terms) in full force and effect without default or event of default thereunder except for such defaults or events of default that (i) would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the operations of a System or (ii) have not and will not materially impair the ability of Sellers to perform their respective obligations under this Agreement or any Related Agreement or to consummate the transactions contemplated hereunder or thereunder.

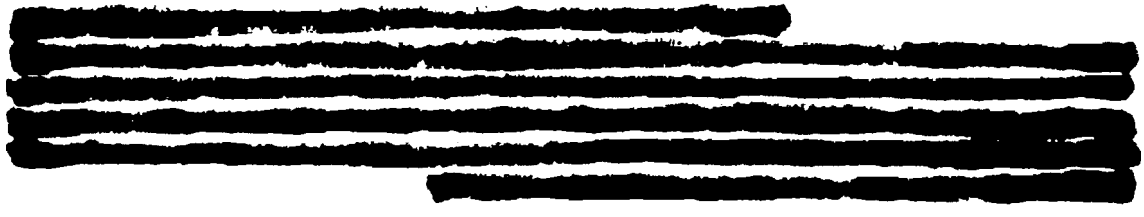
(vii) Promptly advise Buyer of any union organizing activities with respect to any of the Sellers Employees and consult with Buyer regarding negotiations with respect to any such activities.

(viii) [redacted]

5.2 Financial and Operational Information. Sellers shall use commercially reasonable efforts to furnish to Buyer:

5.2.1 on or before March 31, 2006, a copy of the audited combined balance sheets with respect to the Systems in the aggregate, as of December 31, 2005, and the related combined statements of operations, invested equity, and cash flows for the year then ended (the "**December 31, 2005 Audited Financial Statements**") which (a) shall have been prepared based on the separate accounting records maintained by the Sellers and applicable Affiliates of Sellers, (b) will fairly present, in all material respects, the combined financial position of the Systems in the aggregate as of December 31, 2005, and the combined results of their operations and their cash flows for the year then ended, in conformity with GAAP, consistently applied (c) shall have been audited by Deloitte & Touche or another Big 4 accounting firm and include an unqualified opinion of such firm and (d) shall have been prepared to comply with the requirements of Regulations S-X of the SEC.

5.2.2 on or before May 15, 2006, a copy of the unaudited combined balance sheet with respect to the Systems in the aggregate, as of March 31, 2006 and 2005, and the related combined statements of operations and cash flows for the three months ended March 31, 2006, and 2005 which (a) shall have been prepared based on the separate accounting records maintained by the Sellers and applicable Affiliates of Sellers and (b) will fairly present, in all material respects, the combined financial position of the Systems in the aggregate as of March 31, 2006 and 2005, and the combined results of their operations for the three months ended



March 31, 2006 and 2005, in accordance with GAAP for interim financial information, which will include all of the information and footnote disclosures required by GAAP for interim financial information, (c) shall have been reviewed in accordance with SAS 100 by Deloitte & Touche or another Big 4 accounting firm, and (d) shall have been prepared to comply with the requirements of Regulations S-X of the SEC. In the event the Closing occurs more than 135 days after (A) March 31, 2006 or (B) the date of any later calendar quarter end, financial information related to such quarterly period in accordance with this Section 5.2.2, shall be furnished to Buyer promptly after the 135th day after the date of the applicable calendar quarter end; provided that the out-of-pocket expenses incurred in connection with the preparation of the financial statements pursuant to this sentence shall be shared equally by Buyer and Sellers.

5.2.3 within forty-five (45) days (or sooner if available) after the end of each month between the date hereof and the Closing Date, such monthly financial and operating reports as are routinely prepared for internal use for management of the Sellers.

5.3 Consents and Replacement Agreements.

5.3.1 Sellers and Buyer covenant and agree as follows:

(i) Following the execution hereof, until the Closing, Sellers and Buyer shall each use its commercially reasonable efforts to obtain as expeditiously as possible the Consents listed on **Schedule 5.3**, including without limitation, reasonable replacement or separated Contracts and reasonably comparable replacement or separated authorizations (including any Telecommunications Authorizations).

(ii) As soon as practicable after the execution of this Agreement, but in any event no later than thirty (30) days after such execution (subject to extension for a period of up to an additional ten (10) days, if reasonably necessary for a party to complete its application), Sellers and Buyer shall prepare and file or deliver, or cause to be prepared and filed or delivered, all applications (including FCC Forms 394 or other appropriate forms) or requests required to be filed with or delivered to the FCC, any State Regulatory Authority, any Franchising Authority or any other Person that are that are necessary to obtain the Consents for the transfer of the Exclusive Governmental Permits and any other Consents of the FCC or any State Regulatory Authority listed on **Schedule 5.3**, which applications shall include, where applicable, a request that Sellers and their Affiliates be unconditionally released from or under any obligation of Sellers thereunder or any of Sellers' or their Affiliates' guarantee or surety of any of the Sellers' obligations or performance thereunder. Buyer and Sellers shall each be responsible for and pay one half of all Governmental Permit transfer fees, including fees and expenses of counsel. accountants, agents and other representatives, related thereto.

(iii) As soon as practicable after the execution of this Agreement. but in any event no later than thirty (30) days after such execution (subject to extension for a period of up to an additional ten (10) days, if reasonably necessary for Buyer to complete its application) Buyer shall prepare and file, or cause to be prepared and filed, all applications required to be filed with the FCC and any State Regulatory Authority that are necessary to obtain replacement authorizations for the Telecommunications Authorizations set forth on **Schedule 2.8.3**. Buyer

and Sellers shall each be responsible for and pay one half of all fees, including fees and expenses of counsel, accountants, agents and other representatives, of related thereto.

(iv) As soon as practicable after the execution of this Agreement, but in any event no later than thirty (30) days after such execution (subject to extension for a period of up to an additional ten (10) days, if reasonably necessary for a party to complete its requests for Consent), the parties shall make appropriate requests for any Consents required under the Contracts set forth on **Schedule 5.3**, which requests shall include a request that Sellers and their Affiliates be unconditionally released of any guarantee or surety of any of the Sellers' obligations or performance thereunder in connection therewith. If any Transferred Contract, Non-Exclusive Retransmission Consent Agreement, Master Carrier Agreement or Master CBI Agreement requires Buyer to assume such Transferred Contract or the obligations of any of the Sellers thereunder (or with respect to such Non-Exclusive Retransmission Consent Agreement, Separated Retransmission Rights, or with respect to such Master Carrier Agreement. Separated Carrier Rights, or with respect to such Master CBI Agreement, Separated CBI Rights, or with respect to Non-Exclusive Cox Media Agreements, Separated Advertising Sales Rights) in connection with the consummation of the transactions contemplated by this Agreement, Buyer shall, effective as of Closing, assume any such Transferred Contract and obligations (or with respect to such Non-Exclusive Retransmission Consent Agreement, Separated Retransmission Rights, or with respect to such Master Carrier Agreement, Separated Carrier Rights, or with respect to such Master CBI Agreement, Separated CBI Rights, or with respect to Non-Exclusive Cox Media Agreements, Separated Advertising Sales Rights) pursuant to an instrument reasonably acceptable to all parties thereto. Buyer and Sellers shall each be responsible for and pay one half of all administrative or other fees imposed by a Person as a condition to processing or giving any Consent or as a condition to entering into a new replacement agreement with Buyer in lieu of giving Consent to assignment of such Transferred Contract (or with respect to such Non-Exclusive Retransmission Consent Agreement, Separated Retransmission Rights, or with respect to such Master Carrier Agreement. Separated Carrier Rights, or with respect to such Master CBI Agreement, Separated CBI Rights, or with respect to Non-Exclusive Cox Media Agreements, Separated Advertising Sales Rights) to Buyer, including fees and expenses of counsel, accountants, agents and other representatives related thereto.

(v) If, notwithstanding their commercially reasonable efforts, Sellers are unable to obtain one or more of the Consents, (a) Buyer and the applicable Seller shall enter into the Management Agreement with respect to affected Franchises as contemplated in Section 10.1.3, (b) Buyer and the applicable Seller shall enter into the Outsourcing Agreement with respect to affected State Telecommunications Authorizations as contemplated in Section 10.1.4. (c) as to a Consent involving a Transferred Contract, Sellers shall transfer the affected Transferred Contract to Buyer notwithstanding the absence of any such Consent and (d) as to a Consent involving Separated Retransmission Rights, Separated Carrier Rights, Separated CBI Rights or Separated Advertising Sales Rights, Sellers, at their sole option, may elect to either transfer or not transfer such Separated Retransmission Rights, Separated Carrier Rights. Separated CBI Rights or Separated Advertising Sales Rights and, in any case of clause (a). (b), (c) or (d), above, none of the Sellers shall be liable to Buyer for any breach of covenant under this Section 5.3.1, and, for the avoidance of doubt, after the Closing, Sellers shall not have any obligation with respect to obtaining any Consents or any liability for the failure of such Consents to be obtained. Except as expressly set forth in Section 5.3.2 below, nothing in this Section 5.3.1

shall require the expenditure or payment of any funds (other than in respect of normal and usual attorneys fees, filing fees or other normal costs of doing business) or the giving of any other consideration by Buyer or Sellers or any adjustment to the Purchase Price.

(vi) Sellers will use their commercially reasonable efforts to assist Buyer in connection with Buyer's efforts to obtain replacement assets for any Excluded Assets and to obtain Separated Retransmission Rights, Separated Carrier Rights, Separated CBI Rights and Separated Advertising Sales Rights. In the event a replacement Contract or a replacement asset for an Excluded Asset is not obtained, Sellers will, if and to the extent Buyer shall request, reasonably assist Buyer in obtaining the benefits to which Sellers are entitled under their Contracts or with respect to the Excluded Assets; provided, however, that the obligations required to procure such benefits would be Buyer's, and Sellers will reasonably assist with any transfer or assignment to Buyer by Sellers of any right or benefit arising thereunder or resulting therefrom.

5.3.2 Except as otherwise agreed by Sellers and Buyer, Buyer shall not be required to accept any Consent from any Governmental Authority or other Person which contains any adverse condition, change or additional or different adverse terms to an Exclusive Governmental Permit, Transferred Contract, Separated Retransmission Rights, Separated Carrier Rights, Separated CBI Rights or Separated Advertising Sales Rights to which such Consent relates as a requirement for such Governmental Authority or other Person granting its Consent; provided, however, that any conditions, changes or additional or different terms that are customary in the industry for cable system operators similarly situated to Buyer in terms of size and financial and operating qualifications, giving effect to the transaction contemplated by this Agreement, shall be accepted by Buyer. Buyer agrees that any of such conditions, changes or additional or different terms falling within the proviso of the previous sentence shall be deemed commercially reasonable for purposes hereof.

5.3.3 Buyer shall promptly furnish to any Governmental Authority or other Person from whom a Consent is requested such accurate and complete information regarding Buyer and its Affiliates, including financial information concerning Buyer and other information relating to the cable and other media operations of Buyer, as a Governmental Authority or other Person may reasonably require in connection with obtaining any Consent, and Buyer shall promptly furnish to Sellers a copy of any such information provided to a Governmental Authority or other Person, and any other information concerning Buyer as Sellers may reasonably request in connection with obtaining any Consent.

5.3.4 Each of Buyer and Sellers shall use their commercially reasonable efforts to keep one another apprised of any request by Governmental Authorities or other Persons of any conditions, changes or additional or different terms to an Exclusive Governmental Permit, Transferred Contract, Separated Retransmission Rights, Separated Carrier Rights, Separated CBI Rights or Separated Advertising Sales Rights for which a Consent is sought.

5.3.5 Buyer agrees that if any Consent related to an Exclusive Governmental Permit, Transferred Contract, Separated Retransmission Right, Separated Carrier Right, Separated CBI Right or Separated Advertising Sales Right that includes a guarantee (including any continuing obligation as assignor) or surety by any Seller or any of its Affiliates of any of the

Sellers' or Sellers' Affiliates' obligations or performance thereunder does not include an unconditional release thereof, from and after Closing Buyer shall indemnify and hold harmless Sellers and their Affiliates from and against any and all Losses arising out of any such guarantee or surety.

5.4 HSR Act Filing. As soon as practicable after the execution of this Agreement, but in any event no later than thirty (30) days after such execution (subject to extension for a period of up to an additional ten (10) days, if reasonably necessary for a party to complete its notification and report if not filed by the expiration of such thirty (30) day period), the parties will each complete and file, or cause to be completed and filed, any notification and report required to be filed under the HSR Act. The parties shall use commercially reasonable efforts to respond as promptly as reasonably practicable to any inquiries received from the Federal Trade Commission (the "**FTC**") and the Antitrust Division of the Department of Justice (the "**Antitrust Division**") for additional information or documentation and to respond as promptly as reasonably practicable to all inquiries and requests received from any other Governmental Authority in connection with antitrust matters. The parties shall use commercially reasonable efforts to overcome any objections which may be raised by the FTC, the Antitrust Division or any other Governmental Authority having jurisdiction over antitrust matters. Buyer, on the one hand, and Sellers, on the other hand, shall share equally the cost of the filing fee required under the HSR Act.

5.5 Transfer Taxes, Etc..

5.5.1 Buyer and Sellers shall each be responsible for and pay one half of all sales, use, transfer, documentary and purchase Taxes and fees, filing fees (except as expressly set forth in Section 5.4). recordation fees and application fees (collectively. the "**Transfer Taxes**"). if any, arising out of the transactions contemplated herein, and Buyer shall be responsible for. and Sellers shall cooperate with Buyer in connection with, the timely filing of all necessary documents (including all Tax Returns), subject to Sellers right , in advance. to review, comment on and approve, which approval shall not be unreasonably withheld, such documents with respect to Transfer Taxes.

5.5.2 All real property taxes, personal property taxes, or ad valorem obligations and similar recurring taxes and fees on the Transferred Assets and the assets of the Acquired Companies and all Taxes of the Acquired Companies shall be prorated between Buyer and Sellers as of the Adjustment Time. Sellers shall be responsible for all such taxes and fees on the Transferred Assets and assets of the Acquired Companies and the Taxes of the Acquired Companies to the extent attributable to any period up to and including the Adjustment Time. Buyer shall be responsible for all such taxes and fees on the Transferred Assets and the assets of the Acquired Companies to the extent attributable to any period after the Adjustment Time. With respect to Taxes described in this Section 5.5, Sellers shall timely file all Tax Returns due before the Closing Date with respect to such Taxes and Buyer shall prepare and timely file all Tax Returns due after the Closing Date with respect to such Taxes. If one party remits to the appropriate Taxing Authority payment for Taxes. which are subject to proration under this Section 5.5 and such payment includes the other party's share of such Taxes. such other party shall promptly reimburse the remitting party for its share of such Taxes.

5.5.3 Buyer and Sellers shall cooperate, as and to the extent reasonably requested by the other party, to obtain from any Taxing Authority, or to provide to the other party hereto, any certificate or other document as may be necessary or helpful to mitigate, reduce or eliminate any Transfer Tax that could be imposed with respect to the transactions contemplated by this Agreement. Without limiting the foregoing, at Closing, Buyer shall deliver to the appropriate Seller a properly completed resale certificate (or an acceptable substitute therefor) for each state in which Buyer is purchasing the Transferred Assets for resale, in order to qualify such purchase for the applicable resale exemption under the sales Tax (or similar) laws of each applicable state (collectively, the "**Resale Certificates**").

5.6 Bonds, Letters of Credit, Etc. Subject to the provisions of Section 5.3.2 hereof, Buyer shall take all steps and execute and deliver all documents to ensure that, on the Closing Date, or such other later date not to exceed thirty (30) days following the Closing, Buyer has delivered such bonds, letters of credit, indemnity agreements and similar instruments in such amounts and in favor of such Franchising Authorities and other persons requiring the same in connection with the Exclusive Governmental Permits, the Transferred Contracts and the bonds, letters of credit and similar instruments set forth on **Schedule 3.19**.

5.7 Transition Services; Intellectual Property. At Closing, Buyer and Sellers will (and, if applicable, Sellers will cause certain of their Affiliates to) execute and deliver (a) an agreement in the form attached hereto as **Exhibit C** (the "**Transition Services Agreement**"), pursuant to which Sellers or Sellers' Affiliates or agents will agree to perform certain transitional services for Buyer with respect to the Systems pursuant to the terms therein, and (b) a license agreement in the form attached hereto as **Exhibit D** (the "**Intellectual Property License Agreement**"), pursuant to which Sellers or Acquired Companies or any Affiliate thereof will license to Buyer the right to use certain Licensed Intellectual Property and Software owned by Sellers or Acquired Companies or any Affiliate thereof solely in connection with the operation of the Systems.

5.8 Covenants Regarding Employee Matters.

5.8.3 Buyer shall waive all preexisting condition limitations under Buyer's health plan for Transferred Employees covered by Sellers' health care plan as of the Adjustment Time and shall provide such health care coverage effective as of the Adjustment Time without the application of any eligibility period for coverage. In addition, Buyer shall cause Buyer's health care plan to credit all employee payments toward deductible and co-payment obligations limits under Sellers' health care plan for the plan year that includes the Adjustment Time as if such payments had been made for similar purposes under Buyer's health care plan during the plan year that includes the Adjustment Time, with respect to Transferred Employees. Buyer shall offer no inducement to any person to elect continuation coverage pursuant to Part 6 of Subtitle B of Title I of ERISA ("COBRA") with respect to any of Sellers' "group health plan" (as such term is defined in Section 607(1) of ERISA or Section 5000(b)(1) of the Code).

5.8.4 For each Transferred Employee, Buyer shall give past service credit for eligibility and vesting crediting purposes (but not for benefit accrual purposes) under each of its employee benefit plans that, on or after the Adjustment Time, provides coverage to Transferred Employees to the same extent such employment service was credited for similar purposes under Sellers' employee benefit plans prior to the Adjustment Time. Buyer shall permit Transferred Employees to use and shall grant Transferred Employees credit for and shall assume and be responsible for Accrued Vacation, but only to the extent taken into account in the determination of the Current Adjustment.

5.8.6 Subsequent to the Closing, the account balances of the Transferred Employees under the Sellers' 401(k) plan shall be payable to such Transferred Employees in accordance with the terms of the plan. Upon evidence reasonably satisfactory to Buyer of the qualified status of Seller's 401(k) plan, Buyer will permit rollovers to Buyer's 401(k) plan of cash and of promissory notes that relate to outstanding loans made to participants from Sellers' 401(k) plan, if any, with respect to any Transferred Employee that elects to make such a rollover. Buyer's 401(k) plan shall be substituted as the obligee of such promissory notes, and, except as permitted by applicable Legal Rules, no other changes shall be made with respect to the terms of the notes. Buyer shall effect such rollovers in a manner intended not to result in the recognition of taxable income by the Transferred Employees, and shall take, or shall cause its 401(k) plan to take, any actions that are necessary to effect such rollovers.

5.9 Environmental Investigations.

5.9.1 After the date of this Agreement, Buyer may elect, at its own expense, to order a Phase I environmental site assessment of any Owned Real Property or Leased Real Property to the extent expressly permitted by the applicable lease as Buyer may determine, to be performed by a nationally recognized environmental firm selected by Buyer, and approved by Sellers, which approval shall not be unreasonably withheld, conditioned or delayed (the "**Environmental Firm**"), which Phase I environmental site assessments must be completed within ninety (90) days after the date of this Agreement. If the Environmental Firm reasonably determines as a result of those assessments that further investigation or testing is necessary, Buyer may cause to be performed, at its expense, Phase II environmental site assessments at the Owned Real Property and the Leased Real Property except to the extent expressly prohibited by the applicable lease, as soon as reasonably practicable by the Environmental Firm. Following their completion, Buyer will promptly deliver copies of such Phase I and Phase II environmental site assessment reports to Sellers. Sellers will comply with any reasonable request for information made by Buyer or the Environmental Firm in connection with any such investigation and shall afford Buyer and the Environmental Firm access to all areas of the Owned Real Property, at reasonable times and in a reasonable manner in connection with any such

investigation. In the event that as a result of Phase II environmental assessments, the Environmental Firm reasonably determines that remedial action is required by Environmental Law (a "Required Action"), Buyer shall promptly notify Sellers and provide Sellers with copies of the relevant report.

5.9.2 If the estimated cost required to complete the Required Action (as provided by the Environmental Firm) is equal to or less than the current amount of the then Unutilized Deductible (as hereafter defined), Buyer shall accept the Transferred Assets in their then condition and an amount equal to Buyer's actual cost to complete the Required Action shall reduce the amount of the Unutilized Deductible provided for in Section 9.5.1 (it being understood and agreed that no Liabilities arising out of or relating to such Required Action shall serve as the basis for a claim for indemnification by Buyer pursuant to Article 9 but the amount of the Unutilized Deductible shall be reduced as provided in this Section 5.9.2), but not below zero. For purposes of this Agreement, "Unutilized Deductible" means the Deductible amount net of any prior reductions resulting from the application of the provisions of either this Section 5.9 or Section 5.10.

5.9.3 If the estimated cost required to complete the Required Action (as provided by the Environmental Firm) is greater than the Unutilized Deductible, then notwithstanding any other provisions set forth in this Agreement, Sellers shall have the following options:

(i) Sellers may elect to cause such Required Action, at Sellers' cost, to be performed in accordance with applicable Environmental Laws, including without limitation, by virtue of Sellers' agreement to complete such Required Action or be responsible therefor after Closing to the extent such Required Action has not been completed prior to Closing;

(ii) Sellers may substitute the Owned Real Property which is the subject of the Required Action with a parcel that shall be acceptable to Buyer in Buyer's reasonable discretion, and relocate and construct any improvements constituting Transferred Assets thereon, including the headend, plant and facilities at Sellers' cost. In this case, the replacement property shall become a Transferred Asset and the Owned Real Property which is the subject of the Required Action shall become an Excluded Asset; or

(iii) Sellers may, upon twenty (20) days' prior written notice to Buyer, terminate this Agreement pursuant to Section 8.1.6 without any further Liability of Buyer or Sellers, unless within said 20-day period Buyer notifies Sellers of Buyer's election to consummate this Agreement and accept the Transferred Assets in their then condition, in which event (A) this Agreement shall not be terminated as provided in this Section 5.9.3(iii) and (B) an amount equal to Buyer's actual cost to complete the Required Action shall reduce the amount of the Unutilized Deductible provided for in Section 9.5.1 (it being understood and agreed that no Liabilities arising out of or relating to such Required Action shall serve as the basis for a claim for indemnification by Buyer pursuant to Article 9 but the amount of the Unutilized Deductible shall be reduced as provided in clause (B) of this Section 5.9.3(iii)), but not below zero.

5.10 Risk of Loss.

5.10.1 The risk of loss, damage or destruction to the Systems from fire, theft or other casualty or cause shall be borne by Sellers at all times up to the Closing. It is expressly understood and agreed that in the event of any material loss or damage to any material portion of the Transferred Assets from fire, casualty or other cause prior to the Closing, Sellers shall promptly notify Buyer of same in writing. Such notice shall report the loss or damage incurred, the cause thereof, if known, and the insurance coverage, if any, related thereto.

5.10.2 Notwithstanding any other provision contained in this Agreement:

(i) If the amount of damage sustained not covered by insurance is less than the Unutilized Deductible, this Agreement shall remain in full force and effect, the Closing shall be consummated and Buyer shall accept such Transferred Assets in their then condition; Sellers shall pay or assign to Buyer all proceeds of insurance from third party insurers theretofore received or to be received covering the Transferred Assets involved, together with an amount equal to the applicable deductible under such insurance policies; there shall be no reduction to the Purchase Price or any claim for indemnification by Buyer pursuant to Article 9; the actual amount of damage not covered by insurance shall reduce the amount of the Unutilized Deductible provided for in Section 9.5.1 (it being understood and agreed that no Liabilities arising out of or relating to such casualty shall serve as the basis for a claim for indemnification by Buyer pursuant to Article 9, but the amount of the Unutilized Deductible shall be reduced as provided in this Section 5.10.2(i)), but not below zero.

(ii) If the amount of damage sustained not covered by insurance exceeds the Unutilized Deductible and which is not repaired, replaced or restored prior to the Closing, Sellers may, upon twenty (20) days' prior written notice to Buyer, terminate this Agreement pursuant to Section 8.1.7 without any further Liability of Buyer or Sellers, unless within said 20-day period Buyer notifies Sellers of Buyer's election to consummate this Agreement and accept such Transferred Assets in their then condition, in which event this Agreement shall not be terminated as provided in this Section 5.10.2(ii); Sellers shall pay or assign to Buyer all proceeds of insurance from third party insurers theretofore received or to be received covering the Transferred Assets involved, together with an amount equal to the applicable deductible under such insurance policies; there shall be no reduction to the Purchase Price or any claim for indemnification by Buyer pursuant to Article 9; the actual amount of damage not covered by insurance shall reduce the amount of the Unutilized Deductible provided for in Section 9.5.1 (it being understood and agreed that no Liabilities arising out of or relating to such casualty shall serve as the basis for a claim for indemnification by Buyer pursuant to Article 9, but the amount of the Unutilized Deductible shall be reduced as provided in this Section 5.10.2(ii)), but not below zero.

5.11 Subscriber Information. Buyer shall use all Subscriber Information obtained from Sellers pursuant to the transaction contemplated by this Agreement in compliance with Sections 222 and 631 of the Communications Act and all other Legal Rules governing the use, collection, disclosure and storage of such information.

5.12 Cure. For all purposes under this Agreement, the existence or occurrence of any events or circumstances which constitute or cause a breach of a representation or warranty of any of the Sellers or Buyer, as the case may be, on the date such representation or warranty is made shall be deemed not to constitute a breach of such representation or warranty if such event or circumstance is cured, including without limitation, by virtue of Sellers' agreement to cure or be responsible for such matter after Closing to the extent such cure cannot be completed prior to Closing; provided, however, that neither Sellers nor Buyer, as the case may be, shall be permitted to effectuate any such cure by amendment to, or addition of, any schedule to this Agreement without the consent of the other party.

5.13 Disclosure. Disclosure of information in any portion of a schedule shall be deemed disclosure in all other relevant portions of the schedules to the extent that the relevance of such disclosure to such other portion of the schedules would be reasonably apparent in light of the circumstances. In addition, (a) the fact that any disclosure on any schedule is not required to be disclosed in order to render the applicable representation or warranty to which it relates true, or that the absence of such disclosure on any schedule would not constitute a breach of such representation or warranty, shall not be deemed or construed to expand the scope of any representation or warranty hereunder or to establish a standard of disclosure in respect of any representation or warranty and (b) disclosure of a particular matter on any schedule shall not in any circumstance be construed to mean that such matter is material or has not had or would be reasonably expected to have a Material Adverse Effect.

5.14 No Other Representations or Warranties.

5.14.1 Buyer acknowledges and agrees that it (a) has made its own inquiry and investigation into, and, based thereon, has formed an independent judgment concerning, the Transferred Assets, the Assumed Liabilities and the Systems and (b) has been furnished with or has been given adequate access to such information about the Transferred Assets, the Assumed Liabilities and the Systems as it has requested. In connection with Buyer's investigation of the Transferred Assets, the Assumed Liabilities and the Systems, Buyer may have received and may hereafter receive from the Sellers or its representatives estimates, projections and other forecasts relating to the Transferred Assets, the Assumed Liabilities and the Systems, and plan and budget information with respect thereto (collectively, "**Projections**"). Buyer acknowledges that there are uncertainties inherent in attempting to make Projections, that Buyer is familiar with such uncertainties, and that Buyer is taking full responsibility for making its own evaluation of the adequacy and accuracy of any Projections and Sellers shall have no liability or obligation with respect thereto.

5.14.2 Buyer acknowledges and agrees that, except for the representations and warranties made by the Sellers and expressly set forth in Article 3 of this Agreement, none of the Sellers or any Affiliate or representative of the Sellers has made and shall not be construed as having made to Buyer or to any representative or Affiliate thereof, and neither Buyer nor any Affiliate nor any representative thereof has relied upon, any representation or warranty of any kind. Without limiting the generality of the foregoing, and notwithstanding any express representation and warranty made by the Sellers in Article 3 hereof, Buyer agrees that none of the Sellers or any Affiliate or any representative of the Sellers makes or has made any representation or warranty to Buyer or to any representative or Affiliate thereof with respect to

any Projections or, except to the extent and as expressly covered by a representation and warranty of the Sellers contained in Article 3 hereof, with respect to any other statements, documents or other information heretofore or hereafter delivered to or made available to Buyer or to any representative or Affiliate thereof (including without limitation, the Confidential Descriptive Memorandum dated June 2005), and that Buyer will not assert any claim against the Sellers or any of their Affiliates or any of their directors, officers, employees, agents, stockholders, or representatives, or hold the Sellers or any such Persons liable with respect to any such Projections or other statements, documents or other information heretofore or hereafter delivered to or made available to Buyer or to any representative or Affiliate thereof (including without limitation, the Confidential Descriptive Memorandum dated June 2005) except to the extent and as expressly covered by a representation and warranty of the Sellers contained in Article 3 hereof.

5.15 Access to Books and Records.

5.15.1 Sellers agree that on and after the date hereof, during normal business hours, it shall permit Buyer and its auditors and attorneys, through their authorized representatives, to have access to and to examine all books and records of Sellers reasonably related to the Systems. Any examination or request for information shall be conducted in such a manner so as not to interfere with the business or operations of Sellers or any of their Affiliates.

5.15.2 Buyer agrees that on and after the Closing, during normal business hours, it shall permit Sellers and their auditors and attorneys, through their authorized representatives, to have access to and to examine all books and records provided by Sellers to Buyer in connection with the transactions contemplated by this Agreement and reasonably related to events occurring prior to the Closing. Any examination or request for information shall be conducted in such a manner so as not to interfere with the business or operations of Buyer or any of its Affiliates.

5.15.3 Buyer and Sellers shall furnish or cause to be furnished to each other, as promptly as practicable, such information and assistance relating to the Transferred Assets, the Systems and the Assumed Liabilities as is reasonably necessary for the preparation and filing of any Tax Return, claim for refund or other filings relating to Tax matters, for the preparation for any Tax audit, for the preparation for any Tax protest, for the prosecution or defense of any suit or other proceeding relating to Tax matters. For the avoidance of doubt, Sellers shall prepare and file, or cause to be prepared and filed, the income Tax Returns of CTT for any short taxable period ending as of the Closing Date.

5.15.4 Each party shall direct its representatives to render any assistance which the other party may reasonably request in examining or utilizing records referred to in this Section 5.15. Each party agrees to preserve all files and records which are subject to this Section 5.15 for a period of seven (7) years after the Closing Date, provided, however, each party may destroy or otherwise dispose of any such records during such seven (7) year period after first giving thirty (30) days' notice thereof to the other party, and within thirty (30) days of receipt of such notice, such other party may cause to be delivered to it the records intended to be destroyed, at such other party's expense.

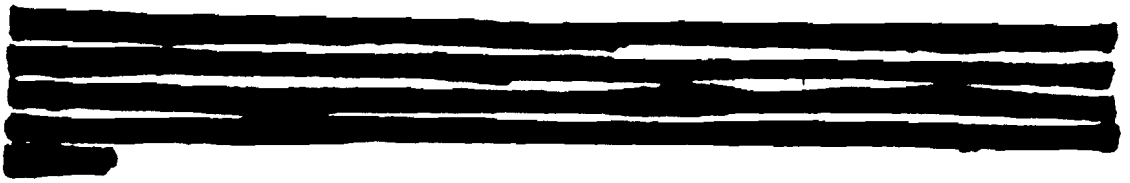
5.16 Programming Agreements.

5.16.1 Sellers have notified each Programmer that is a party to a Programmer Optional Programming Agreement listed on **Schedule 1.75(a)** of the transactions contemplated by this Agreement. Sellers shall notify Buyer upon receipt of any notice from such Programmer. If any such Programmer so elects, Buyer hereby agrees to execute and deliver an assignment and assumption agreement for Buyer's assumption of a particular Seller's or Seller's Affiliate's obligations with respect to the Systems and containing other customary terms for a transaction of such nature (a "Programming Assumption Agreement") with respect to such Programmer Optional Programming Agreement at Closing.

5.16.2 Within fifteen (15) days of the date hereof, Sellers shall notify each Programmer that is a party to a Programmer Optional Programming Agreement listed on **Schedule 1.75(b)** of the transactions contemplated by this Agreement. Sellers shall notify Buyer upon receipt of any notice from such Programmer. If any such Programmer so elects, Buyer hereby agrees to execute and deliver a Programming Assumption Agreement with respect to such Programmer Optional Programming Agreement at Closing. Buyer agrees that to the extent that the Programmer that is a party to the Programmer Optional Programmer Agreement marked with an asterisk on **Schedule 1.75(b)** elects to require Buyer to assume the obligation to distribute its programming under the terms of Buyer's programming agreement with such Programmer (to the extent Buyer has such programming agreement with such Programmer in force). Buyer hereby agrees to assume such obligation under its terms. Buyer agrees that to the extent that the Programmer that is a party to the Programmer Optional Programming Agreement marked with an asterisk on **Schedule 1.75(b)** elects to require Buyer to negotiate a new programming agreement with such Programmer, Buyer hereby agrees to negotiate with such Programmer in good faith the terms of a new programming agreement with respect to the Systems.

5.16.3 To the extent that a Programmer that is a party to a Programmer Optional Programming Agreement does not elect to require the Buyer to assume the particular Seller's or Seller's Affiliate's obligations thereunder, then such programming agreement shall no longer be deemed a Programmer Optional Programming Agreement.

5.16.4 [redacted]

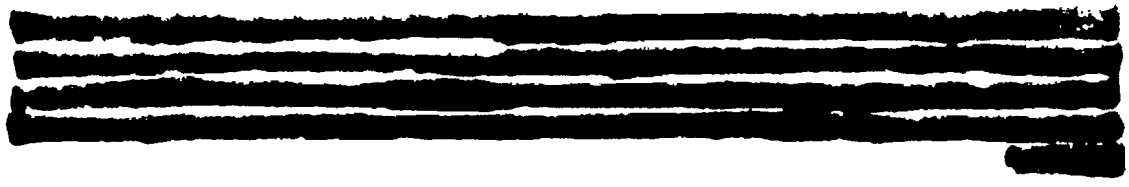


5.17 Cooperation; Commercially Reasonable Efforts. Without limiting or expanding any of the express obligations of the parties hereunder, the parties shall cooperate with each other and their respective counsel, accountants, agents and other representatives in all commercially reasonable respects in connection with any actions required to be taken as part of their respective obligations under this Agreement, and otherwise use their commercially reasonable efforts to consummate the transactions contemplated hereby and to fulfill their obligations hereunder as expeditiously as practicable. In addition, Sellers will cooperate with Buyer in providing to Buyer information reasonably requested by Buyer with respect to the Transferred Assets as well as to the Excluded Assets (insofar as the Excluded Assets relate to any System).

5.18 Non-Competition, Non-Solicitation.

5.18.1 For a period from the Closing Date until the third anniversary of the Closing Date, Parent shall not, and shall cause its Affiliates not to, directly or indirectly, own, manage, control or participate in the ownership, management, or control of any business, whether in corporate, proprietorship or partnership form or otherwise, engaged in the distribution business by wireline of video, internet access or telephony operating within the Designated Area (a "**Restricted Business**"); provided, however, that the restrictions contained in this Section 5.18.1 shall not restrict the acquisition by Parent, directly or indirectly, of (i) less than 10% of the outstanding capital stock of any publicly traded company engaged in a Restricted Business, (ii) a non-controlling passive interest in any Person whose stock is not publicly traded and which is engaged in the Restricted Business (iii) a Person (through a merger, asset or stock acquisition) that directly or indirectly is engaged in the Restricted Business if such Restricted Business in the Designated Area is not a predominate portion of such Person's business or operations. For purposes of this Section 5.18.1, "**Designated Area**" means the portion of the municipalities and areas currently served by the Systems.

5.18.2 For a period from the Closing Date hereof to the first anniversary of the Closing Date, Parent shall not, and shall cause its directors, officers, employees and Affiliates not to, (a) cause, solicit, induce or encourage any employees of the Systems to leave such employment, including any such individual who did not accept Buyer's offer of employment made to such individual pursuant to Section 5.8.1, or (b) hire, employ or otherwise engage any employees of the Systems with exempt status under the Fair Labor Standards Act, including any such individual who did not accept Buyer's offer of employment made to such individual pursuant to Section 5.8.1; provided, however, that it shall not be a violation of this Section 5.18.2 for Parent or Sellers (y) to hire employees that did not receive an offer of employment from Buyer pursuant to section 5.8.1 or that have been terminated by Buyer and those set forth in the notice delivered pursuant to Section 5.8.1 by Sellers or (z) to advertise employment opportunities in newspapers, trade publications, electronic media or other media not targeted specifically at the employees of the Systems..



5.18.3 The covenants and undertakings contained in this Section 5.18 relate to matters which are of a special, unique and extraordinary character and a violation of any of the terms of this Section 5.18 will cause irreparable injury to Buyer, the amount of which will be impossible to estimate or determine and which cannot be adequately compensated. Accordingly, the remedy at law for any breach of this Section 5.18 will be inadequate. Therefore, Buyer will be entitled to an injunction, restraining order or other equitable relief from any court of competent jurisdiction in the event of any breach of this Section 5.18 without the necessity of proving actual damages or posting any bond whatsoever. The rights and remedies provided by this Section 5.18 are cumulative and in addition to any other rights and remedies which Buyer may have hereunder or at law or in equity.

5.18.4 The parties hereto agree that, if any court of competent jurisdiction in a final nonappealable judgment determines that a specified time period, a specified geographical area, a specified business limitation or any other relevant feature of this Section 5.18 is unreasonable, arbitrary or against public policy, then a lesser time period, geographical area, business limitation or other relevant feature which is determined by such court to be reasonable, not arbitrary and not against public policy may be enforced against the applicable party.

5.19 No Shop.

5.19.1 Parent shall not, and shall not permit any of the Affiliates, directors, officers, Employees, representatives or agents of Parent or Sellers (collectively, the "**Representatives**") to, directly or indirectly, (i) discuss, encourage, negotiate, undertake, initiate, authorize, recommend, propose or enter into, either as the proposed surviving, merged, acquiring or acquired corporation, any transaction involving a merger, consolidation, business combination, purchase or disposition of any material amount of the Systems, the Transferred Assets or any capital stock of a Seller other than the transactions contemplated by this Agreement (an "**Acquisition Transaction**"), (ii) facilitate, encourage, solicit or initiate discussions, negotiations or submissions of proposals or offers in respect of an Acquisition Transaction, (iii) furnish or cause to be furnished, to any Person, any information concerning the business, operations, properties or assets of any Seller or the Subsidiaries in connection with an Acquisition Transaction, or (iv) otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to do or seek any of the foregoing.

5.19.2 Parent shall, (and shall cause its Representatives to), immediately cease and cause to be terminated any existing discussions or negotiations with any Persons (other than Buyer) conducted heretofore with respect to any Acquisition Transaction. Parent agrees not to release any third party from the confidentiality and standstill provisions of any agreement to which Parent or its Representatives are a party and which were entered into in connection with the transactions contemplated by this Agreement.

5.20 Cooperation with Financing. Sellers shall provide, and shall cause the Acquired Companies to provide, reasonable assistance to Buyer's efforts to obtain the funds contemplated by the Financing Commitments, including provision of financial statements for prior periods, facilitating customary due diligence and arranging for members of System management to meet with prospective lenders in customary presentations or to participate in customary road shows, in

each case upon Buyer's request with reasonable prior notice and at Buyer's sole cost and expense. At Buyer's sole cost and expense, the Sellers shall, and shall cause the Acquired Companies to, use commercially reasonable efforts to cause their respective accountants to provide customary assistance in such financing. In the event of a public offering or an offering in accordance with Rule 144A under the Securities Act of 1933 of the debt or equity securities of Buyer or its Affiliates, Sellers will, upon Buyer's request with reasonable prior notice, use their commercially reasonable efforts to cause Sellers' accountants to deliver to Buyer and its Affiliates and the underwriters in any such offering a letter covering such matters as are reasonably requested by Buyer or its Affiliates or such underwriters, as the case may be, and as are customarily addressed in accountants' "comfort letters," and to provide their consent to the references to them as experts and the inclusion in any applicable filings of their auditor's reports. Buyer acknowledges that (i) the assistance provided by the Sellers, their Affiliates, officers, employees and representatives are being provided at the request of Buyer, and (ii) none of the Sellers shall have any liability to lenders or prospective lenders in connection with the activities contemplated by this Section 5.20. Buyer shall indemnify and hold harmless Sellers and their Affiliates from and against any Liabilities resulting from any assistance or activities provided pursuant to this Section 5.20, except that this clause (ii) shall not apply to any liability of the Sellers, their Affiliates, officers, employees or representatives that is determined by a court in a final, non-appealable judgment to have resulted from the gross negligence or willful misconduct of the Sellers, their Affiliates, officers, employees or representatives. Sellers shall also provide, Buyer with reasonable assistance in gathering information, reasonably available to Sellers, relating to the past operations of the Systems, including information allowing conversion of subscriber numbers to equivalent billing units. Buyer shall reimburse Sellers and their Affiliates for any and all out-of-pocket expenses incurred by Sellers or any of their Affiliates in connection with their assistance provided to Buyer pursuant to this Section.

5.21 Title Commitments; Surveys; Lien Searches. Buyer may order, at Buyer's sole cost and expense, title commitments, surveys and lien searches on each parcel of Owned Real Property. Sellers agree to cooperate with Buyer in obtaining such items.

5.22 Inventory. Sellers covenant and agree that the Transferred Assets shall include at a minimum the quantity of inventory set forth on **Schedule 5.22**.

5.23 Assets Owned by Parent's Affiliates other than Sellers. To the extent any assets that are used exclusively in the Systems are owned by an Affiliate of Parent that is not a party to this Agreement, Parent shall cause such Affiliate to effect a transfer of all of such assets to Sellers prior to Closing.

5.24 Update of Certain Schedules. Within thirty (30) days of the date hereof, Sellers shall deliver to Buyer (i) updated **Schedule 3.8.1.** through **Schedule 3.8.12**, which updated Schedules shall set forth (in addition to those Transferred Contracts previously listed on said Schedules pursuant to Section 3.8 above) a true and complete list of each Transferred Contract (other than Real Property Leases and Other Real Property Interests), that fall within any of the following categories (A) agreements that provide for annual payments to or by Sellers or their Affiliates in excess of [redacted] (B) any partnership, joint venture or other similar agreement or arrangement of Sellers or the Acquired Companies, (C) any agreement relating to the acquisition or disposition of any business (whether by merger, sale of stock, sale of assets or otherwise) that

has any remaining indemnity obligations, and (D) a brief summary of the material terms of any oral Transferred Contract that falls into any of the foregoing categories and (ii) true and complete copies of all Transferred Contracts (including all amendments, modifications and supplements thereto) that have not already been delivered or made available to Buyer pursuant to Section 3.8.1 and that are set forth on **Schedule 3.8.1** as updated. Within thirty (30) days of the date hereof, Sellers shall deliver an updated **Schedule 3.19**, which updated **Schedule 3.19** shall include a description of any franchise construction, fidelity performance or other bonds, guaranties in lieu of bonds or letters of credit posted by a Seller or any Acquired Company in connection with the operation or ownership of any of the Systems.

5.25 Transition Planning. Sellers shall reasonably cooperate with Buyer with respect to transition planning for migration of activities from Sellers to Buyer in connection with the operation of the Systems; provided, however, Sellers shall be under no obligation to provide any data other than with respect to payroll, benefits and employee information.

6. CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER AND SELLERS TO CLOSE

6.1 Conditions Precedent to Obligations of Buyer to Close. The obligations of Buyer to consummate the transactions contemplated by this Agreement to occur at the Closing shall be subject to the satisfaction, on or before the Closing Date, of each and every one of the following conditions, all or any of which may be waived in writing, in whole or in part, by Buyer:

6.1.1 Representations and Warranties of Sellers. Except as affected by actions taken by Sellers in compliance with this Agreement, each of the representations and warranties of Sellers set forth in this Agreement, without giving effect to any materiality qualifier, shall be true and correct as of the Closing Date, as though made on the Closing Date (except for representations or warranties which expressly relate to an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date), in each case except where the failure of such representations and warranties to be true and correct would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.1.2 Sellers' Covenants and Conditions. Sellers shall have in all material respects performed and complied with the covenants and agreements required by this Agreement to be performed or complied with by them prior to or on the Closing Date.

6.1.3 No Governmental Proceeding or Injunction. No suit, action or administrative proceeding by any Governmental Authority shall have been instituted seeking to restrain or prohibit the transactions contemplated by this Agreement (which has not been subsequently dismissed, settled or otherwise terminated); provided, however, in the case of any such proceeding(s) brought by one or more Governmental Authorities contesting or questioning the validity or legality of the transactions contemplated by this Agreement whose consent is not required as a condition to the obligations of Buyer pursuant to Section 6.1.5, the condition set forth in this Section 6.1.3 shall be deemed to have been satisfied. On the Closing Date there shall be no effective injunction, preliminary restraining order or any other order of any nature issued by a court of competent jurisdiction directing that the Closing not be consummated.

6.1.4 Hart-Scott-Rodino. The waiting period under the HSR Act shall have expired or been terminated.

6.1.5 Consents. (a) The aggregate number of the Systems' Basic Subscribers covered by (i) Franchises as to which Consents shall have been obtained and (ii) Franchises that do not require Consent, shall equal at least [redacted] of the total number of the Systems' Basic Subscribers as of the Adjustment Time and (b) the Consents listed on **Schedule 6.1.5** (the "Required Consents") shall have been obtained.

6.1.6 December 31, 2005 Audited Financial Statements. Buyer shall have received the December 31, 2005 Audited Financial Statements and, if applicable, the financial statements referred to in Section 5.2.2 to the extent that such financial statements are then due as of the Closing Date pursuant to and in accordance with the terms and conditions set forth in Section 5.2.2.

6.1.7 Deliveries. Sellers shall have made or stand willing and able to make all the deliveries to Buyer set forth in Section 7.2.

6.1.8 Operating Cash Flow Adjustment. The Operating Cash Flow Adjustment (without giving effect to any amounts in dispute with respect thereto) shall not be more than [redacted]

6.1.9 No Material Adverse Effect. No event, change, circumstance or occurrence shall have occurred that, individually or in the aggregate with any such events, changes, circumstances or occurrences, has had or would reasonably be expected to have a Material Adverse Effect since December 31, 2004, except as set forth on **Schedule 3.17**.

6.2 Conditions Precedent to Obligations of Sellers to Close. The obligations of Sellers to consummate the transactions contemplated by this Agreement to occur at the Closing shall be subject to the satisfaction, on or before the Closing Date, of each and every one of the following conditions, all or any of which may be waived in writing, in whole or in part, by Sellers:

6.2.1 Representations and Warranties of Buyer. Except as affected by actions taken by Buyer in compliance with this Agreement, each of the representations and warranties of Buyer set forth in this Agreement that is qualified by "materiality" shall be true and correct as of the Closing Date, as though made on the Closing Date (except for representations or warranties which expressly relate to an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date), and each of the representations and warranties of Buyer set forth in this Agreement that is not qualified by "materiality" shall be true and correct in all material respects as of the Closing, as though made on the Closing Date (except for representations or warranties which expressly relate to an earlier date, in which case such representation and warranty shall be true and correct in all material respects as of such earlier date).

6.2.2 Buyer's Covenants and Conditions. Buyer shall have in all material respects performed and complied with the covenants and agreements required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

6.2.3 No Governmental Proceeding or Injunction. No suit, action or administrative proceeding by any Governmental Authority shall have been instituted seeking to restrain or prohibit the transactions contemplated by this Agreement (which has not been subsequently dismissed, settled or otherwise terminated); provided, however, in the case of any such proceeding(s) brought by one or more Governmental Authorities contesting or questioning the validity or legality of the transactions contemplated by this Agreement whose consent is not required as a condition to the obligations of Buyer pursuant to Section 6.1.5, the condition set forth in this Section 6.2.3 shall be deemed to have been satisfied. On the Closing Date there shall be no effective injunction, preliminary restraining order or any other order of any nature issued by a court of competent jurisdiction directing that the Closing not be consummated.

6.2.4 Hart-Scott-Rodino. The waiting period under the HSR Act shall have expired or been terminated.

6.2.5 Consents. The Required Consents shall have been obtained.

6.2.6 Deliveries. Buyer shall have made or stand willing and able to make all the deliveries set forth in Section 7.3.

6.2.7 Operating Cash Flow Adjustment. The Operating Cash Flow Adjustment (without giving effect to any amounts in dispute with respect thereto) shall not be more than [redacted]

7. CLOSING AND CLOSING DELIVERIES

7.1 Closing.

7.1.1 Closing Date.

(i) The Closing shall take place on the date specified by Sellers by notice to Buyer, which specified date shall be no earlier than seven (7) Business Days and no later than ten (10) Business Days after the conditions set forth in Sections 6.1 and 6.2 have been satisfied or waived (or will be satisfied at or upon Closing) or on such earlier or later date as Sellers and Buyer shall mutually agree; provided, that, notwithstanding the foregoing, Buyer shall have the right, by serving notice to Sellers, to extend the date on which the Closing shall take place to a date not later than 30 days following the receipt by Buyer of the December 31, 2005 Audited Financial Statements (and, if more than 135 days after December 31, 2005, within 30 days after receipt of the financial statements for March 31, 2006 described in Section 5.2.2, and if more than 135 days after March 31, 2006, within 30 days after receipt of the financial statements described in Section 5.2.2 for the quarter ended June 30, 2006). Notwithstanding anything in this Agreement to the contrary, if such extension referred to above would cause the Closing to take place on a date after the End Date, the End Date shall be extended to the date that is one day after such extended Closing Date.

(ii) If the End Date occurs during the period any notice period under this Section 7.1 is pending, the End Date shall be extended until one (1) Business Day after the lapse of such period and Sellers and Buyer agree to close one (1) Business Day after the End Date.

7.1.2 Closing Place. The Closing shall be held at the offices of Dow, Lohnes & Albertson, PLLC, One Ravinia Drive, Suite 1600, Atlanta, Georgia 30346, commencing at 9:00 a.m. or at such other location or time as the parties may mutually agree.

7.2 Deliveries by Sellers. Prior to or on the Closing Date, Sellers shall deliver to Buyer the following, in form and substance reasonably satisfactory to Buyer and its counsel:

7.2.1 Transfer Documents. Duly executed bill of sale and assignment, substantially in the form attached hereto as **Exhibit E** (the "**Bill of Sale**"), limited or special (but not general) warranty deeds (subject to Permitted Encumbrances), FIRPTA Certificates, motor vehicle titles and assignments providing for the transfer of the Purchased Interests;

7.2.2 Assumption Agreement. A duly executed assumption agreement, substantially in the form attached hereto as **Exhibit F** (the "**Assumption Agreement**");

7.2.3 Consents. The original or copy of the Required Consents and any other Consents received on or before the Closing Date;

7.2.4 Secretary's Certificate. A certificate, dated as of the Closing Date, executed by the secretary (or appropriate Person) of each Seller without personal liability, certifying that the resolutions, as attached to such certificate, were duly adopted by such Seller's board of directors (or applicable Person), authorizing and approving the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby and that such resolutions were duly adopted and remain in full force and effect;

7.2.5 Officer's Certificate. A certificate, dated as of the Closing Date, executed by a duly authorized officer (or appropriate Person) of each Seller, certifying to his knowledge, without personal liability, that the conditions set forth in Sections 6.1.1 and 6.1.2 are satisfied;

7.2.6 Resignations. The resignations, effective as of the Closing, of each of the officers and directors or managers of each of the Acquired Companies.

7.2.7 Transition Services Agreement. An original of the Transition Services Agreement, duly executed by TCAP;

7.2.8 Intellectual Property License Agreement. An original of the Intellectual Property License Agreement, duly executed by the appropriate Seller or Affiliate of a Seller;

7.2.9 Management Agreement. An original of the Management Agreement, duly executed by the applicable Sellers, to the extent required under Section 10.1.3;

7.2.10 Outsourcing Agreement. An original of the Outsourcing Agreement, duly executed by the applicable Sellers, to the extent required under Section 10.1.4;

7.2.11 Required Programming Agreement. An original of the Required Programming Agreement, duly executed by Cox Communications Louisiana, LLC; and

7.2.12 Programming Assumption Agreements. The Programming Assumption Agreements each duly executed by the applicable Seller or Affiliate of Seller and the applicable Programmer.

7.3 Deliveries by Buyer. Prior to or on the Closing Date, Buyer shall deliver to Sellers the following, in form and substance reasonably satisfactory to Sellers and their counsel:

7.3.1 Purchase Price. The Purchase Price (a) reduced by the amount of the Deposit, together with interest thereon (which shall be delivered to Sellers by Escrow Agent as provided in Section 2.3), and (b) subject to adjustment on the Closing Date as provided in Section 2.6;

7.3.2 Assumption Agreement. A duly executed Assumption Agreement, pursuant to which Buyer shall assume and undertake to perform the Assumed Liabilities;

7.3.3 Secretary's Certificate. A certificate, dated as of the Closing Date, executed by Buyer's secretary (or appropriate Person), without personal liability, certifying that the resolutions, as attached to such certificate, were duly adopted by Buyer's board of directors (or applicable Person), authorizing and approving the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby and that such resolutions were duly adopted and remain in full force and effect;

7.3.4 Officer's Certificate. A certificate, dated as of the Closing Date, executed by a duly authorized officer (or appropriate Person) of Buyer, certifying to his knowledge, without personal liability, that the conditions set forth in Sections 6.2.1 and 6.2.2 are satisfied;

7.3.5 Required Programming Agreement. An original of the Required Programming Agreement, duly executed by Buyer;

7.3.6 Programming Assumption Agreements. The Programming Assumption Agreements, each duly executed by Buyer and the applicable Programmer.

7.3.7 Transition Services Agreement. An original of the Transition Services Agreement, duly executed by Buyer;

7.3.8 Intellectual License Agreement. An original of the Intellectual License Agreement, duly executed by Buyer;

7.3.9 Management Agreement. An original of the Management Agreement, duly executed by Buyer, to the extent required under Section 10.1.3; and

7.3.10 Outsourcing Agreement. An original of the Outsourcing Agreement, duly executed by Buyer, to the extent required under Section 10.1.4.

7.3.11 Resale Certificates. An original of each Resale Certificate duly executed by Buyer, to the extent required under Section 5.5.3.

8. TERMINATION

8.1 Method of Termination. This Agreement may be terminated prior to the Closing only as follows:

8.1.1 By the mutual written consent of Buyer and Sellers;

8.1.2 By Buyer anytime after the date determined for the Closing in accordance with Section 7.1 if each of the conditions set forth in Section 6.2 has been satisfied (or will be satisfied by the wire transfer of the Purchase Price, as adjusted pursuant to the terms of this Agreement, and delivery of documents at the Closing) or waived in writing by Sellers on such date (provided, however, any condition set forth in Section 6.2 shall be deemed satisfied for purposes of this Section 8.1.2 if the failure of any said condition to be satisfied was caused by any Seller's breach of or failure to perform any of its representations, warranties, covenants or other obligations in accordance with the terms of this Agreement) and Sellers have nonetheless refused to consummate the Closing;

8.1.3 Subject to the terms and conditions set forth in Section 7.1, by Buyer anytime after the first (1st) anniversary of the date of this Agreement (the "**End Date**"), if the Closing has not been consummated, provided that the failure to close is not a result of a breach of warranty or nonfulfillment of any covenant or agreement by Buyer or Buyer's failure to perform hereunder;

8.1.4 By Sellers anytime after the date determined for the Closing in accordance with Section 7.1 if each of the conditions set forth in Section 6.1 has been satisfied (or will be satisfied by the delivery of documents at the Closing) or waived in writing by Buyer on such date (provided, however, any condition set forth in Section 6.1 shall be deemed satisfied for purposes of this Section 8.1.4 if the failure of any said condition to be satisfied was caused by Buyer's breach of or failure to perform any of its representations, warranties, covenants or other obligations in accordance with the terms of this Agreement) and Buyer has nonetheless refused to consummate the Closing;

8.1.5 Subject to the terms and conditions set forth in Section 7.1, by Sellers anytime after the End Date, if the Closing has not been consummated, provided that the failure to close is not a result of a breach of warranty or nonfulfillment of any covenant or agreement by any Seller or Seller's failure to perform hereunder;

8.1.6 By Sellers pursuant to Section 5.9.3;

8.1.7 By Sellers pursuant to Section 5.10.2;

8.1.8 By Sellers or Buyer, if there shall be in effect a final nonappealable injunction or other final nonappealable order of a Governmental Authority of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby; provided, however, that the right to terminate this Agreement under this Section 8.1.8 shall not be available to a party if such injunction or order was primarily due to the failure of such party to perform any of its obligations under this Agreement;

8.1.9 By Sellers at anytime prior to Closing, if there has been a breach of any representation, warranty, covenant or agreement made by Buyer in this Agreement such that an officer of Buyer would be unable to deliver the certificate to Sellers required under Section 7.3.4 regarding Buyer's representations and warranties and Buyer's performance of its obligations as required pursuant to Section 6.2.1 and Section 6.2.2, respectively, and such breach or condition is not curable: or

8.1.10 By Buyer at anytime prior to Closing, if there has been a breach of any representation, warranty, covenant or agreement made by Sellers in this Agreement such that an officer of any Seller would be unable to deliver the certificate to Buyer required under Section 7.2.5 regarding Sellers' representations and warranties and Sellers' performance of their obligations as required pursuant to Section 6.1.1 and Section 6.1.2, respectively, and such breach or condition is not curable.

8.2 Rights Upon Termination.

8.2.1 In the event of a termination of this Agreement pursuant to Sections 8.1.1, 8.1.6, 8.1.7 or 8.1.8 (as long as the injunction or order referred to in Section 8.1.8 causing the termination was not caused, in whole or in part, by the failure of Buyer to perform any of its obligations under this Agreement) hereof, Buyer shall be entitled to the return of the Deposit and all interest accrued thereon, each party shall pay the costs and expenses incurred by it in connection with this Agreement, and no party (or any of its officers, directors, employees, agents, representatives or stockholders) shall be liable to any other party for any Losses hereunder.

8.2.2 In the event of a termination of this Agreement pursuant to Section 8.1.2 or 8.1.8 (as long as the injunction or order referred to in Section 8.1.8 causing the termination was not caused, in whole or in part, by the failure of Buyer to perform any of its obligations under this Agreement), if any Seller is in breach of this Agreement, Buyer shall be entitled to the return of the Deposit and all interest accrued thereon and Buyer shall have the further right to pursue all legal or equitable remedies for breach of contract or otherwise.

8.2.3 In the event of a termination of this Agreement pursuant to Section 8.1.3, Buyer shall be entitled to the return of the Deposit and all interest accrued thereon and, if any Seller is in breach of this Agreement, Buyer shall have the further right to pursue all legal or equitable remedies for breach of contract or otherwise.

8.2.4 In the event of a termination of this Agreement pursuant to Section 8.1.10, Buyer shall be entitled to the return of the Deposit and all interest accrued thereon and, Buyer shall have the further right to pursue all legal or equitable remedies for breach of contract or otherwise.

8.2.5 In the event of a termination of this Agreement pursuant to Section 8.1.4 or 8.1.8 (as long as the injunction or order referred to in Section 8.1.8 causing the termination was not caused, in whole or in part, by any Seller's failure to perform any of its obligations under this Agreement and the injunction or order referenced in Section 8.1.8 causing the termination was caused, in whole or in part, by Buyer's failure to perform any of its obligations under this

Agreement), if the Closing has not been consummated solely as a result of a breach of warranty or nonfulfillment of any covenant or agreement by Buyer or Buyer's failure to perform hereunder, Sellers shall be entitled to receive the Deposit and all interest accrued thereon as liquidated damages for the damages suffered by Sellers (which amount the parties agree is a reasonable estimate of the damages that will be suffered by Sellers and does not constitute a penalty).

8.2.6 In the event of a termination of this Agreement pursuant to Section 8.1.5, if the Closing has not been consummated solely as a result of a breach of warranty or nonfulfillment of any covenant or agreement by Buyer or Buyer's failure to perform hereunder, Sellers shall be entitled to receive the Deposit and all interest accrued thereon as liquidated damages for the damages suffered by Sellers (which amount the parties agree is a reasonable estimate of the damages that will be suffered by Sellers and does not constitute a penalty). Buyer shall be entitled to the return of the Deposit and all interest accrued thereon in the event of a termination of this Agreement pursuant to Section 8.1.5 under any other circumstances.

8.2.7 In the event of a termination of this Agreement pursuant to Section 8.1.9, Sellers shall be entitled to receive the Deposit and all interest accrued thereon as liquidated damages for the damages suffered by Sellers (which amount the parties agree is a reasonable estimate of the damages that will be suffered by Sellers and does not constitute a penalty).

8.3 Other Termination Provisions.

8.3.1 Notwithstanding the foregoing, a party may not rely on the failure of any condition set forth in Article 6 to be satisfied if such failure was caused by such party's breach of or failure to perform any of its representations, warranties, covenants or other obligations in accordance with the terms of this Agreement.

8.3.2 Sellers and Buyer acknowledge and agree that if the Closing does not occur , Buyer's maximum liability under this Agreement shall be the amount of the Deposit, together with all interest accrued thereon. Buyer shall be liable for such amount if the Closing does not occur solely by reason of the breach by Buyer of any of its obligations hereunder or if Sellers validly terminate this Agreement pursuant to Section 8.2.5, 8.2.6 or 8.2.7, and such payment is intended to be liquidated damages, it being agreed that said amount shall constitute full payment to Sellers for any claim by Sellers for any and all damages suffered by the Sellers by reason of any such breach by Buyer of any of its obligations under this Agreement (other than for attorneys fees provided in Section 8.3.3, below) or by reason of any such termination. Buyer and Sellers agree in advance that actual damages would be difficult to ascertain and that the amount of the Deposit and all interest accrued thereon is a fair and equitable amount to reimburse the Sellers for damages sustained due to Buyer's breach of any of its obligations under this Agreement and that said amount does not constitute a penalty or forfeiture and neither Seller nor Buyer will seek to assert that the provisions of this Section 8.3.2 are unenforceable in any way.

8.3.3 Notwithstanding any provision in this Agreement that may limit or qualify a party's remedies, in the event of a breach or default by any party that results in a lawsuit or other proceeding for any remedy available under this Agreement, the prevailing party

shall be entitled to reimbursement from the breaching or defaulting party of its reasonable legal fees and expenses (whether incurred at trial or on appeal).

8.3.4 The obligations of the parties described in Sections10.2 through 10.19 (and all other provisions of this Agreement relating to expenses) will survive any termination of this Agreement.

9. SURVIVAL OF REPRESENTATIONS AND WARRANTIES AND INDEMNIFICATION

9.1 Representations, Warranties and Covenants. All representations, warranties, covenants and agreements contained in this Agreement or instruments delivered pursuant hereto shall be deemed continuing representations, warranties, covenants and agreements, and in the case of representations, warranties and covenants and agreements to be performed prior to Closing (said covenants and agreements, collectively, **"Pre-Closing Covenants"**) shall survive for a period ending twelve (12) months after the Closing Date; provided, however, that Section 3.10 (Taxes) and Section 3.11 (Employee Benefit Plans) shall survive the Closing until ninety (90) days after the expiration of the applicable statute of limitations with respect to the particular matter that is the subject thereof; Section 3.14 (Environmental Matters) shall survive the Closing for five (5) years; and Section 3.1 (Organization, Standing, Authority); Section 3.6 (Personal Property, solely with respect to title); Section 3.7 (Real Property, solely with respect to title); Section 3.20 (Brokers of Sellers); Section 4.1 (Organization, Standing. Authority); and Section 4.6 (Brokers of Buyer) shall survive the Closing indefinitely (each such period a "**Survival Period**"). All covenants and agreements contained in this Agreement or instruments delivered pursuant hereto (except for Pre-Closing Covenants) shall survive until performed and discharged in full.

9.2 Indemnification by Sellers. After Closing. Sellers, jointly and severally, shall indemnify and hold Buyer and its Affiliates and their respective officers, directors, employees stockholders, members, partners, agents, attorneys, representatives, successors and assigns (collectively, the "**Buyer Indemnified Parties**") harmless against and with respect to. and shall reimburse Buyer Indemnified Parties for:

9.2.1 Liabilities resulting from any untrue representation, breach of warranty or breach of any Pre-Closing Covenant by Sellers or Parent contained herein;

9.2.2 Liabilities resulting from any claims made by (i) any of Citigroup Global Markets Inc., Lehman Brothers Inc., J.P. Morgan Securities Inc., Daniels & Associates arising from the Brokerage Services and (ii) any broker, finder. agent, financial advisor or other intermediary employed or alleged to have been employed by Sellers or any of Sellers' Affiliates;

9.2.3 Liabilities resulting from any breach by Sellers or Parent of any covenants and agreements contained in this Agreement (other than Pre-Closing Covenants which are the subject of Section 9.2.1);

9.2.4 Liabilities arising out of or relating to (i) Taxes now or hereafter owed by Sellers, Parent or any Affiliate of Sellers and (ii) Taxes that relate to the Acquired Companies. the Transferred Assets or the Systems for taxable periods (or portions thereof) ending at or

before the Adjustment Time, including, without limitation, Taxes allocable to Sellers pursuant to Section 5.5 (collectively, "**Retained Taxes**");

9.2.5 Liabilities arising out of or related to the ownership by Sellers of the Transferred Assets or their conduct of the business of the Systems, in each case, prior to the Adjustment Time, and the Excluded Assets, whether prior to or after the Adjustment Time; and

9.2.6 Liabilities of the Acquired Companies (i) arising or relating to periods prior to the Adjustment Time that are not Assumed Liabilities and (ii) other than those accruing or arising after the Adjustment Time under Contracts set forth in **Schedule 3.21.5**.

9.3 Indemnification by Buyer. After Closing, Buyer shall indemnify and hold Sellers and their Affiliates and their respective officers, directors, employees stockholders, members, partners, agents, attorneys, representatives, successors and assigns (collectively, the "**Sellers Indemnified Parties**") harmless against and with respect to, and shall reimburse the Sellers Indemnified Parties for:

9.3.1 Liabilities resulting from any untrue representation, breach of warranty or breach of any Pre-Closing Covenant by Buyer contained herein;

9.3.2 Liabilities resulting from any claim by any broker, finder, agent, financial advisor or other intermediary employed or alleged to have been employed by Buyer or any of Buyer's Affiliates;

9.3.3 Liabilities resulting from any breach by Buyer of any covenants and agreements contained in this Agreement (other than Pre-Closing Covenants which are the subject of Section 9.3.1);

9.3.4 Liabilities resulting from the Assumed Liabilities; and

9.3.5 Liabilities resulting from the operation or ownership by Buyer of the Transferred Assets or its conduct of the business of the Systems after the Adjustment Time.

9.4 Procedure for Indemnification. The procedure for indemnification shall be as follows:

9.4.1 The party claiming indemnification (the "**Claimant**") shall promptly give notice to the party from whom indemnification is claimed (the "**Indemnifying Party**") of any claim, whether between the parties (a "**Direct Claim**") or brought by a third party, specifying (i) the factual basis for such claim; and (ii) the estimated amount of the claim. If the claim relates to an action, suit or proceeding filed by a third party against Claimant (a "Third Party Claim"), such notice shall be given promptly by Claimant to the Indemnifying Party after written notice of such Third Party Claim is received by Claimant; provided, however, that the failure of the Claimant to give timely notice hereunder shall not relieve the Indemnifying Party of its obligations under this Article 9 unless, and only to the extent that, the Indemnifying Party has been materially prejudiced thereby.

9.4.2 Following receipt of notice from the Claimant of a claim, the Indemnifying Party shall have thirty (30) days to make such investigation of the claim as the Indemnifying Party deems necessary or desirable. For the purposes of such investigation, the Claimant agrees to make available to the Indemnifying Party and its authorized representative(s) the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnifying Party agree at or prior to the expiration of said 30-day period (or any mutually agreed upon extension thereof) to the validity and amount of such claim, the Indemnifying Party shall immediately pay to the Claimant the full amount of the claim, subject to the terms and in accordance with the procedures set forth herein. If the Claimant and the Indemnifying Party do not agree within said period (or any mutually agreed upon extension thereof), the Claimant may seek appropriate legal remedy.

9.4.3 With respect to any Third Party Claim as to which the Claimant is entitled to indemnification hereunder, the Indemnifying Party shall have the right at its own expense, to participate in or assume control of the defense of such claim, and the Claimant shall cooperate fully with the Indemnifying Party, subject to reimbursement for actual out-of-pocket expenses incurred by the Claimant as the result of a request by the Indemnifying Party. If the Indemnifying Party elects to assume control of the defense of any Third Party Claim, the Claimant shall have the right to participate in the defense of such claim at its own expense.

9.4.4 In the event the Indemnifying Party does not elect to assume control or otherwise participate in the defense of any Third Party Claim the Indemnifying Party shall be bound by the results obtained by the Claimant with respect to such claim; provided, however, the Claimant shall not have the right to consent or otherwise agree to any non-monetary settlement or relief, including, without limitation, injunctive relief or other equitable remedies, without the prior written consent of the Indemnifying Party, which consent will not be unreasonably withheld or delayed. In the event that the Indemnifying Party assumes control of the defense of any Third Party Claim, the Claimant shall be bound by the results obtained by the Indemnifying Party with respect to such claim and the Indemnifying Party shall have the right to consent or otherwise agree to any monetary settlement for which the Indemnifying Party is responsible in full, but shall not have the right to consent or otherwise agree to any other monetary or non-monetary settlement or relief, including, without limitation, injunctive relief or other equitable remedies, without the prior written consent of the Claimant, which consent will not be unreasonably withheld or delayed. Notwithstanding the foregoing, neither the Indemnifying Party nor the Claimant shall settle or compromise any such claim or demand unless the Claimant or the Indemnifying Party, as the case may be, is given a full and complete release of any and all liability by all relevant parties relating thereto.

9.4.5 If a claim, whether a Direct Claim or a Third Party Claim, requires immediate action, the parties will work in good faith to reach a decision with respect thereto as expeditiously as possible.

9.5 Limitation on Indemnification; Exclusive Remedy; Time Period.

9.5.1 Neither party will have an obligation to indemnify the other party under Section 9.2.1 or Section 9.3.1, as the case may be, until the aggregate amount of such other party's Liabilities exceeds [redacted] (the "**Deductible**"), and then Buyer

or Sellers, as the case may be, shall only be liable for Liabilities exceeding the Deductible; provided, however, that the Deductible shall not apply to (a) claims for breach of warranty under Section 3.1 (Organization, Standing and Authority); Section 3.6 (Personal Property, solely with respect to title); Section 3.7 (Real Property, solely with respect to title); Section 3.10 (Taxes); Section 3.20 (Brokers of Sellers); Section 3.22 (Sufficiency of Assets); Section 4.1 (Organization, Standing and Authority); and Section 4.6 (Brokers of Buyer) or (b) claims for breach of any Pre-Closing Covenant.

9.5.2 Notwithstanding anything to the contrary contained in this Agreement, the aggregate maximum liability of either party to the other party under Section 9.2.1 or Section 9.3.1, as the case may be, shall be limited to (in the aggregate) an amount equal to [redacted] of the Purchase Price (the "**Cap**"); provided, however, that the Cap shall not apply to claims made for breach of warranty under Section 3.1 (Organization, Standing and Authority); Sections 3.6 (Personal Property, solely with respect to title); 3.7 (Real Property, solely with respect to title); Section 3.10 (Taxes); Section 3.20 (Brokers of Sellers); Section 4.1 (Organization, Standing and Authority); and Section 4.6 (Brokers of Buyer).

9.5.3 The amount payable by either party with respect to Article 9 shall be reduced by the amount of any insurance proceeds received by the Claimant with respect to Liabilities, and each of the parties hereby agrees to use reasonable efforts to collect any and all insurance proceeds to which it may be entitled in respect to any such Liabilities. To the extent that insurance proceeds are received after payment has been made by either party, the Claimant shall promptly pay an amount equal to such proceeds to the Indemnifying Party. Nothing in this Section 9.5.3 shall be interpreted to require the Claimant to seek such insurance proceeds prior to proceeding for indemnity under this Article 9.

9.5.4 After the Closing, the sole and exclusive remedy of any party for any misrepresentation or breach of a warranty, covenant or agreement set forth in or made pursuant to this Agreement shall be a claim for indemnification under and pursuant to this Article 9.

9.5.5 Any claim for indemnification pursuant to Section 9.2.1 or Section 9.3.1 must be brought within the applicable Survival Period; provided, however, if prior to the close of business on the last day of said Survival Period, an Indemnifying Party shall have been properly notified of a claim for indemnity hereunder and such claim shall not have been finally resolved or disposed of at such date, such claim shall continue to survive and shall remain a basis for indemnity hereunder until such claim is finally resolved or disposed of in accordance with the terms hereof.

9.5.6 Notwithstanding any provision contained herein to the contrary, neither Buyer nor Sellers shall be liable to the other under Article 9 of this Agreement for any lost profits, punitive, incidental, consequential or special damages of any nature whatsoever.

10. MISCELLANEOUS

10.1 Primary and Secondary Transfers.

10.1.1 Primary Transfer. If the conditions set forth in Article 6 have been satisfied, yet not all of the Franchise Consents have been obtained or not all of the State Consents

have been obtained, then Buyer and Sellers shall consummate the Closing, excluding (a) those Franchises as to which Consents have not been obtained (each such Franchise referred to herein as a "**Retained Franchise**") and any related assets prohibited from being transferred to Buyer pursuant to applicable Legal Rules and such Retained Franchise, as determined in the reasonable discretion of Sellers (the "**Related Franchise Assets**") and (b) those telecommunications operations as to which a State Consent has not been obtained (each such telecommunications operation referred to herein as a "**Retained Telecommunications Operation**") and any related assets prohibited from being transferred to Buyer pursuant to any applicable Legal Rule, as determined in the reasonable discretion of Sellers ("**Related Telecommunications Assets**").

10.1.2 Subsequent Transfers. Following the Closing, the parties shall continue to use commercially reasonable efforts (consistent with and subject to the provisions of Section 5.3 hereof) to obtain Consents for the transfer of the Retained Franchises or Retained Telecommunications Operations. Within ten (10) Business Days of obtaining a Consent for a Retained Franchise or a Retained Telecommunications Operation, Sellers shall assign and transfer such Retained Franchise and any Related Franchise Assets or such Retained Telecommunications Operation and any Related Telecommunications Assets to Buyer (a "**Subsequent Transfer**"). At the time of a Subsequent Transfer of any Retained Telecommunications Operation, Sellers shall remit to Buyer an amount equal to one-half the net operating cash flow (taking into account said ordinary course operating expenses) for the Retained Telecommunications Operation between the Adjustment Time and the effective date of the Subsequent Transfer of such Retained Telecommunications Operation.

10.1.3 Management Agreement for Retained Franchises. Concurrent with the Closing, the parties shall enter into a management agreement substantially in the form attached hereto as **Exhibit G** with respect to each area served by a Retained Franchise (the "**Management Agreement**").

10.1.4 Outsourcing Agreement for Retained Telecommunications Operations. Concurrent with the Closing, the parties shall enter into an outsourcing agreement substantially in the form attached hereto as **Exhibit H** with respect to each area served by a Retained Telecommunications Operation (the "**Outsourcing Agreement**").

10.1.5 Facilities Sharing Arrangement for FCC Business Radio Licenses. If the conditions set forth in Article 6 have been satisfied, but not all of the FCC's Consents for the assignment of FCC business radio licenses listed in **Schedule 3.4(a)** have been obtained, then Buyer and Sellers shall consummate the Closing, excluding such FCC business radio licenses and any related assets prohibited from being transferred to Buyer pursuant to applicable Legal Rules, as determined in the reasonable discretion of Sellers. Buyer and Sellers shall enter into a reasonable facilities sharing agreement, consistent with applicable Legal Rules, to permit Buyer to communicate over the facilities covered by such FCC business radio licenses until the Consents for the assignment of such FCC business radio licenses are obtained and the licenses have been assigned. Within ten (10) Business Days of obtaining the FCC's Consent for the assignment of the FCC business radio licenses, Sellers shall assign and transfer such FCC business radio licenses to Buyer.

10.1.6 Construction. All provisions contained in this Agreement shall be applied with respect to the Transferred Assets and Systems conveyed at Closing and at any Subsequent Transfer in the same manner as if all of the Transferred Assets and Systems had been transferred at Closing.

10.2 Notices. All notices, demands and requests which may be or are required or permitted to be given, served, sent or delivered under the provisions of this Agreement shall be (a) in writing, (b) delivered by personal delivery, facsimile transmission (to be followed promptly by written confirmation mailed by certified mail as provided below) or sent by overnight courier service or certified mail, return receipt requested, (c) deemed to have been given on the earliest of: the date of personal delivery, the date of transmission and receipt of facsimile transmissions, or the date set forth in the records of the delivery service or on the return receipt and (d) addressed as follows:

If to Sellers:
c/o Cox Communications, Inc.
1400 Lake Hearn Drive, N.E.
Atlanta, Georgia 30319
Attn: Robert N. Redella, Vice President, Mergers and Acquisitions
Facsimile No.: (404) 847-6336

With a copy to:
Cox Communications, Inc.
1400 Lake Hearn Drive, N.E.
Atlanta, Georgia 30319
Attn: General Counsel
Facsimile No.: (404) 843-5845

If to Buyer:
Cebridge Connections
12444 Powerscourt Drive, Suite 450
St. Louis, Missouri 63131
Attention: Heather Wood, Senior Vice President, Corporate Development
Facsimile: (314) 965-0500
and
Attn: Craig L. Rosenthal, Vice President and General Counsel
Facsimile: (314) 315-9322

With copies to:
Cequel III, LLC
12444 Powerscourt Drive, Suite 450
St. Louis, Missouri 63131
Attention: Wendy Knudsen, Executive Vice President and General Counsel
Facsimile: (314) 965-0500

Brown Raysman Millstein Felder & Steiner LLP
900 Third Avenue
New York, New York 10022
Attention: Stanley E. Bloch

Facsimile: (212) 895-2900

or to any such other persons or addresses as the parties may from time to time designate in a writing delivered in accordance with this Section 10.2. Rejection or other refusal to accept or inability to deliver because of a change of address of which no notice was given shall be deemed to be receipt of the notice.

10.3 No Assignment; Benefit and Binding Effect. Any Seller may assign its rights and obligations under this Agreement without Buyer's consent to an Affiliate of such Seller; provided that such assignment shall not relieve or release the assignor of its obligations under this Agreement or the Related Agreements and Sellers shall provide Buyer with prompt notice of any such assignment. Buyer shall not assign this Agreement (or its rights or obligations hereunder) without the prior written consent of Sellers, which consent shall be in Sellers' discretion; provided, however, that (i) Buyer may assign (in whole or in part) any of its rights and delegate (in whole or in part) any of its obligations under this Agreement to (A) any Affiliate of Buyer, (B) Cequel III, LLC (which is an Affiliate of Buyer), (C) any Affiliate of Cequel III, LLC or (D) any entity with respect to which Cequel III, LLC or an Affiliate of Cequel III, LLC is the manager, provided that such assignment shall not relieve or release Buyer of its obligations under this Agreement and provided further that such assignment shall not materially delay or impair the consummation of the transactions contemplated hereby or the transfer or Consent process with respect to any Franchise or Governmental Permit and (ii) at or following the Closing, Buyer may collaterally assign (in whole or in part) its rights hereunder to any bank or other financing institution in connection with Buyer's financing arrangements and Buyer shall provide Sellers with prompt notice of any such assignment. Subject to the foregoing, this Agreement and the Related Agreements shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

10.4 Bulk Transfer. Buyer acknowledges that Sellers have not filed, and will not file, any bulk transfer notice or otherwise comply with applicable bulk transfer laws, and the parties agree to waive compliance with same; provided, however, this Section 10.4 shall not limit the obligations of Sellers under Section 9.2.4.

10.5 Governing Law. This Agreement shall be governed, construed and enforced in accordance with the internal laws of the State of Delaware, without regard to the choice of law provisions or conflicts of law principles of such state.

10.6 Waiver of Jury Trial. Each of the parties hereto hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of any party in the negotiation, performance or enforcement hereof.

10.7 Submission to Jurisdiction; Venue. Each of the parties hereto agrees to submit to the jurisdiction of any court of the State of Delaware or the United States District Court for the District of Delaware in any action or proceeding arising out of or relating to this Agreement or any of the matters contemplated hereby. Each party hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this

Agreement in any such Delaware state or federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each of the parties hereto agrees not to bring any action or proceeding arising out of or relating to this Agreement or any of the matters contemplated hereby other than in any such Delaware state or federal court.

10.8 Headings. The headings herein and in the schedules hereto are included for ease of reference only and shall not control or affect the meaning or construction of the provisions of this Agreement.

10.9 Gender and Number. Words used herein, regardless of the gender and number specifically used, shall be deemed and construed to include any other gender, masculine, feminine or neuter, and any other number, singular or plural, as the context requires.

10.10 Entire Agreement. This Agreement and the Related Agreements represent the entire understanding and agreement between Buyer and Sellers with respect to the subject matter hereof. All schedules and exhibits attached to this Agreement shall be deemed part of this Agreement and incorporated herein, as if fully set forth herein. This Agreement supersedes all prior negotiations between Buyer and Sellers with respect to the transactions contemplated hereby, and all letters of intent and other writings relating to such negotiations, and cannot be amended, supplemented or modified except by an agreement in writing which makes specific reference to this Agreement or an agreement delivered pursuant hereto, as the case may be, and which is executed by the party against which enforcement of any such amendment, supplement or modification is sought.

10.11 Further Assurances. Each party covenants that at any time, and from time to time, after the Closing Date, but subject to the express provisions of this Agreement and without expanding any party's express obligations hereunder, it will execute such additional instruments and take such actions as may be reasonably requested by the other party to confirm or perfect or otherwise to carry out the intent and purposes of this Agreement.

10.12 Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure not so specifically waived.

10.13 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law; provided, however, that the economic and legal substance of the transactions contemplated by this Agreement is not affected in any manner that is materially adverse to any party affected by such invalidity or unenforceability.

10.14 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were upon the same instrument, and a facsimile transmission shall be deemed to be an original signature.

10.15 No Third Party Beneficiaries. This Agreement constitutes an agreement solely among the parties hereto, and, except with respect to the Buyer Indemnified Parties or the Sellers Indemnified Parties, is not intended to and will not confer any rights, remedies or Liabilities, legal or equitable on any Person other than the parties hereto and their respective successors or assigns, or otherwise constitute any person a third party beneficiary under or by reason of this Agreement.

10.16 Construction. This Agreement has been negotiated by Buyer and Sellers and their respective legal counsel, and legal or equitable principles that might require the construction of this Agreement or any provision of this Agreement against the party drafting this Agreement shall not apply in any construction or interpretation of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

10.17 Public Announcements. Each party shall consult with the other before issuing any press release or otherwise making any public statements with respect to this Agreement and shall not issue any such press release or make any such public statement without the prior written approval of the other. Notwithstanding the foregoing, the parties hereto acknowledge and agree that they may, without each other's prior consent, issue such press releases or make such public statements as may be compelled by applicable law, in which case the issuing party shall consult with the other party and use all commercially reasonable efforts to agree upon the nature, content and form of such press release or public statement.

10.18 No Personal Liability. Notwithstanding any other provision set forth in this Agreement, no holder of an Equity Interest, director, officer, employee or individual representative of any Seller or any Affiliate of any Seller, on the one hand, or of Buyer or any Affiliate of Buyer, on the other hand, shall have any personal liability as a result of any breach by any Seller or any Affiliate of any Seller, on the one hand, or by Buyer or any Affiliate of Buyer, on the other hand, of their respective representations, warranties, covenants or agreements contained herein.

10.19 Expenses. Except as set forth elsewhere in this Agreement, Sellers and Buyer shall bear their own costs and expenses incurred in connection with the negotiation, preparation execution or consummation of this Agreement (including, but not limited to, fees and expenses of attorneys, accountants, consultants, finders and investment bankers) whether or not any Closing occurs.

10.20 Guarantee. Parent hereby unconditionally, irrevocably and absolutely guarantees to Buyer the due and punctual performance and discharge of all of each Seller's obligations under this Agreement existing on the date hereof or hereafter of any kind or nature whatsoever, including, without limitation, the due and punctual payment of any amount that such Seller is or

may become obligated to pay pursuant to this Agreement. The guarantee under this Section 10.20 is a guarantee of timely payment and performance and not merely of collection.

[Signatures on the following page]

IN WITNESS WHEREOF, this Agreement has been executed by Buyer, Sellers and Parent as of the date first above written.

BUYER:

CEBRIDGE ACQUISITION CO. LLC

By Cequel III, LLC, its ~~managing member~~ manager

By: Gerald L. Kent
Name: Gerald L. Kent
Title: CEO

SELLERS:

TCA CABLE PARTNERS

By:_____
Name:_____
Title:_____

COX SOUTHWEST HOLDINGS, L.P.

By:_____
Name:_____
Title:_____

COX COMMUNICATIONS LOUISIANA, L.L.C.

By:_____
Name:_____
Title:_____

IN WITNESS WHEREOF, this Agreement has been executed by Buyer, Sellers and Parent as of the date first above written.

BUYER:

CEBRIDGE ACQUISITION CO. LLC

By Cequel III, LLC, its managing member

By:_____
Name:_____
Title:_____

SELLERS:

TCA CABLE PARTNERS

By:_____
Name:_____
Title:_____

COX SOUTHWEST HOLDINGS, L.P.

By:_____
Name:_____
Title:_____

COX COMMUNICATIONS LOUISIANA. L.L.C.

By:_____
Name:_____
Title:_____

COXCOM, INC.

By:_____
Name:_____
Title:_____

COX TELCOM PARTNERS, INC.

By:_____
Name:_____
Title:_____

PARENT:

COX COMMUNICATIONS, INC.

By:_____
Name:_____
Title:_____

EXHIBIT 2

EXHIBIT 2

The name, mailing address and telephone number of an additional contact person is as follows:

Michael J. Zarrilli
Cebridge Connections
12444 Powerscourt Drive
Suite 450
St. Louis, MO 63131
(314) 965-2020

EXHIBIT 3

EXHIBIT 3

There are no specific plans to change the current terms and conditions of service and operations of the system as a consequence of this transaction. Nevertheless, the proven track record of the Cequel III management team demonstrates their ability to offer the appropriate mix of technology and service packages in response to evolving consumer demand.

EXHIBIT 4

EXHIBIT 4

Name and address of registered agent in jurisdiction:

AR
The Corporation Company
425 West Capitol Ave., Suite 1700
Little Rock, AR 72201
(Pulaski County)
501-688-8808

CA
C T Corporation System
818 West Seventh Street
Los Angeles, CA 90017
(Los Angeles County)
213-627-8252

DE
The Corporation Trust Company
1209 Orange Street
Wilmington, DE 19801
(New Castle County)
302-777-0247

LA
C T Corporation System
8550 United Plaza Boulevard
Baton Rouge, LA 70809
(Parish of East Baton Rouge)
225-922-4490

MO
C T Corporation System
120 South Central Avenue
Clayton, MO 63105
(St. Louis County)
314-863-5545

MS
CT Corporation System
Lakeland East Drive
Flowood, MS 39232
601-936-7400

NC
C T Corporation System
225 Hillsborough Street
Raleigh, NC 27603
(Wake County)
919-821-7139

NM
CT Corporation System
123 East Marcy
Santa Fe, NM 87501
(Santa Fe County)
505-983-9122

OK
The Corporation Company
735 First National Bldg.
120 North Robinson
Oklahoma City, OK 73102
(Oklahoma County)
405-235-1425

TX
C T Corporation System
350 N. St. Paul Street
Dallas, TX 75201
(Dallas County)
214-979-1172

EXHIBIT 5

EXHIBIT 5

Cebridge Acquisition, L.P.

Cebridge Acquisition, L.P. d/b/a Cebridge Connections, a Delaware limited partnership ("Cebridge"), is the assignee and, after the closing of the transactions contemplated under the Agreement, Cebridge will hold the cable franchise and other assets of the cable system serving the community.

Cebridge Limited, LLC, a Delaware limited liability company, is the sole limited partner and holds 99% of the equity of Cebridge. Cebridge General, LLC, a Delaware limited liability company, is the sole general partner and holds the remaining 1% equity of Cebridge. Both Cebridge Limited, LLC and Cebridge General, LLC are currently indirect wholly owned subsidiaries of Cebridge Connections Holdings, LLC. Between the date hereof and the closing of the transactions contemplated under the Agreement, it is contemplated that a portion of the equity of Cebridge Connections Holdings, LLC will be syndicated (as described in Exhibit 8 below).

The address for all directors (managers) and officers of Cebridge, Cebridge Limited, LLC and Cebridge General, LLC is:

12444 Powerscourt Drive
Suite 450
St. Louis, MO 63131.

No director (manager) or officer of Cebridge, Cebridge Limited, LLC or Cebridge General, LLC holds an equity interest of more than 5% in Cebridge. All such directors (managers) and officers are United States Citizens.

The following individuals are directors (managers) and officers of Cebridge, Cebridge Limited, LLC and Cebridge General, LLC.

Managers

Ralph G. Kelly
Michael C. Wylie
Craig L. Rosenthal

Officers

Jerald L. Kent – Chief Executive Officer/President
Peter M. Abel – Vice President, Corporate Communications
David Bach – Vice President, Atlantic Region
Dale Bennett – Senior Vice President, Operations
Terry M. Cordova – Senior Vice President, Engineering

Todd Cruthird – Vice President, North Region
David Gilles – Vice President, Pacific Region
Daniel Hebert – Vice President, South Region
Don Johnson – Vice President, Human Resources
Ralph G. Kelly – Executive Vice President/Chief Financial Officer/Treasurer
Wendy Knudsen – Vice President
Patricia L. McCaskill – Senior Vice President, Programming
Mary Meier – Senior Vice President, Marketing
Sandi Michel – Vice President, Call Center
Craig L. Rosenthal – Vice President/General Counsel/Secretary
David G. Rozzelle – Executive Vice President/Chief Operating Officer
Heather Wood – Senior Vice President, Corporate Development
Michael C. Wylie – Vice President, Controller
Michael J. Zarrilli – Assistant Secretary

Cebridge Connections Holdings, LLC

Cebridge Connections Holdings, LLC, a Delaware limited liability company, ("Cebridge Connections Holdings") indirectly controls Cebridge General, LLC, Cebridge Limited, LLC and Cebridge.

The following are those equity owners of Cebridge Connections Holdings owning greater than a 5% equity interest in Cebridge Connections Holdings and the percentage ownership of each:

PAR Investment Partners, LP	16.36%
OCM Principal Opportunities Fund II, LP	37.81%
GS Capital Partners 2000, L.P.	14.05%
OCM Principal Opportunities Fund III, LP	7.65%
GSCP 2000 Offshore CCH Holding, L.P.	5.10%

The address for all directors and officers of Cebridge Connections Holdings is:
12444 Powerscourt Drive
Suite 450
St. Louis, MO 63131.

No director or officer of Cebridge Connections Holdings holds an equity interest of more than 5% in Cebridge or Cebridge Connections Holdings. All such directors and officers are United States Citizens.

The following individuals are directors and officers of Cebridge Connections Holdings.

Directors

Jerald L. Kent
B. James Ford
Michael Harmon

Daniel G. Bergstein
Stephen Kaplan
Harry A. Perrin

Officers

Jerald L. Kent – Chairman of the Board/ Chief Executive Officer/ President
Peter M. Abel – Vice President, Corporate Communications
Dale Bennett – Senior Vice President, Operations
Terry M. Cordova – Senior Vice President, Engineering
Don Johnson – Vice President, Human Resources
Ralph G. Kelly – Executive Vice President/Chief Financial Officer/Treasurer
Wendy Knudsen – Vice President/Secretary
Patricia L. McCaskill – Senior Vice President, Programming
Craig L. Rosenthal – Vice President/General Counsel/Assistant Secretary
David G. Rozzelle – Executive Vice President/Chief Operating Officer
Heather Wood – Senior Vice President, Corporate Development
Michael C. Wylie – Vice President, Controller
Michael J. Zarrilli – Assistant Secretary

EXHIBIT 6

EXHIBIT 6

Cebridge has applied for qualification to transact business in the State in which the system operates and will have all required qualifications prior to closing of the transaction.

EXHIBIT 7

EXHIBIT 7

There are currently no documents, instruments, agreements or understandings for the pledge of equity of Cebridge. It is contemplated that the equity of Cebridge will be pledged as collateral in connection with the debt financing to be obtained in order to consummate the transactions contemplated under the Agreement. However, the specific terms and conditions of such debt financing are not known at this time.

EXHIBIT 8

EXHIBIT 8

As a newly formed entity, Cebridge has not prepared any financial statements, balance sheets, or income statements in the ordinary course of business. Cebridge is currently a wholly owned indirect subsidiary of Cebridge Connections Holdings. Attached hereto are the most recent audited financial statements (for the fiscal year ended December 31, 2004) of Cebridge Connections Holdings, prepared in accordance with generally accepted accounting principles, including a balance sheet and income statement. **These items are considered CONFIDENTIAL and have been marked as such.**

Cebridge has received debt and equity commitments sufficient to consummate the transaction and provide working capital post-closing. It is contemplated that prior to or concurrent with closing, a portion of the equity of Cebridge Connections Holdings and an indirect subsidiary of Cebridge Connections Holdings will be syndicated. Cebridge Connections Holdings will retain indirect majority ownership and control of Cebridge.

CONFIDENTIAL

Cebridge Connections Holdings, LLC

Financial Statements
December 31, 2004 and 2003

PRICEWATERHOUSECOOPERS

CONFIDENTIAL

PricewaterhouseCoopers LLP
800 Market St.
St Louis MO 63101-2695
Telephone (314) 206 8500
Facsimile (314) 206 8514
www.pwc.com

Report of Independent Auditors

To the Members and Board of Directors of
Cebridge Connections Holdings, LLC

In our opinion, the accompanying consolidated balance sheets and the related statements of income, members' equity and cash flows present fairly, in all material respects, the financial position of Cebridge Connections Holdings, LLC, and its subsidiaries (Successor Company) at December 31, 2004 and 2003, and the results of their operations and their cash flows for the periods then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 3 to the consolidated financial statements, the United States Bankruptcy Court for the District of Delaware confirmed the Company's First Amended Plan of Reorganization (the "plan") on December 27, 2002. Confirmation of the plan resulted in the discharge of all claims against the Company that arose before November 31, 2001 and substantially alters rights and interests of equity security holders as provided for in the plan. The plan was substantially consummated on January 16, 2003 and the Company emerged from bankruptcy. In connection with its emergence from bankruptcy, the Company adopted fresh start accounting as of January 31, 2003.

PricewaterhouseCoopers LLP

March 30, 2005

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Cebridge Connections Holdings, LLC
Consolidated Balance Sheets
As of December 31, 2004 and 2003
(in thousands, except share data)

	December 31, 2004	December 31, 2003
ASSETS		
Cash and cash equivalents	$ 10,668	$ 14,170
Accounts receivable, net	16,226	11,969
Prepaid expenses	2,949	8,536
Total current assets	29,843	34,675
Investment in cable television systems:		
Property, plant and equipment	478,352	289,060
Less accumulated depreciation	(94,340)	(33,439)
Property, plant and equipment, net	384,012	255,621
Deferred financing costs, net	8,955	2,478
Intangible assets:		
Subscriber relationships, net	21,490	24,667
Franchise rights	114,121	69,300
	135,611	93,967
Total assets	$ 558,421	$ 386,741
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Current liabilities:		
Accounts payable	$ 15,240	$ 13,027
Due to affiliates	5,235	4,448
Subscriber deposits and unearned income	14,609	9,215
Accrued expenses	35,990	28,181
Accrued interest	2,245	3,919
Current portion of long-term debt	3,250	2,599
Total current liabilities	76,569	61,389
Long-term unearned income	2,908	3,512
Long-term deferred tax liability	2,260	-
Long-term debt	319,313	234,445
Total liabilities	401,050	299,346
Commitments and contingencies (Note 12)		
Members' equity:		
Convertible preferred units	-	69,360
Common units	243,070	42,887
Equity note receivable	(2,000)	(4,000)
Undistributed deficit	(83,699)	(20,852)
Total members' equity	157,371	87,395
Total liabilities and members' equity	$ 558,421	$ 386,741

The accompanying notes are an integral part of these financial statements.

CONFIDENTIAL

Cebridge Connections Holdings, LLC
Consolidated Statement of Operations
For the Periods Ended December 31, 2004 and 2003
(in thousands)

	Twelve Months Ended December 31, 2004	Eleven Months Ended December 31, 2003
Revenues	$ 250,548	$ 172,256
Operating expenses:		
Programming	87,359	58,613
Plant and operating	40,372	27,125
General and administrative	49,958	34,942
Marketing	7,681	4,712
Corporate overhead	13,589	7,841
Depreciation and amortization	76,877	42,438
Loss on sale of cable systems	6,774	46
Bankruptcy expenses	103	1,638
Total operating expenses	282,713	177,355
Loss from operations	(32,165)	(5,099)
Interest expense, net	(28,422)	(15,753)
Net loss before income taxes	(60,587)	(20,852)
Provision for income taxes	(2,260)	-
Net loss	(62,847)	(20,852)
Preferred dividends	(1,130)	(7,027)
Net loss available to common unitholders	$ (63,977)	$ (27,879)

The accompanying notes are an integral part of these financial statements.

CONFIDENTIAL

Cebridge Connections Holdings, LLC
Consolidated Statement of Cash Flows
For the Periods Ended December 31, 2004 and 2003
(in thousands)

	Twelve Months Ended December 31, 2004	Eleven Months Ended December 31, 2003
Cash flows from operating activities:		
Net loss	$ (62,847)	$ (20,852)
Adjustments to reconcile net loss to cash flows from operating activities:		
Loss on sale of cable system	6,774	49
Depreciation and amortization	76,877	42,438
Amortization of deferred financing costs	1,909	510
Write-off of deferred financing costs	2,586	-
Change in deferred tax liabilities	2,260	-
Changes in working capital accounts, excluding acquisitions:		
Accounts receivable	(4,951)	(2,341)
Prepaid expenses	5,615	(2,002)
Accounts payable	2,213	(1,852)
Subscriber deposits and unearned income	4,790	2,015
Accrued expenses	7,111	2,183
Accrued interest	(1,280)	4,370
Net cash provided by operating activities	41,057	24,518
Cash flows from investing activities:		
Purchase of property, plant and equipment	(88,636)	(47,424)
Acquisition of cable systems	(167,625)	(87,429)
Advance to manager	-	(1,500)
Escrow payment for pending acquisition	-	(3,000)
Net proceeds from sale of cable systems	4,860	843
Other	(134)	(130)
Net cash used by investing activities	(251,535)	(138,640)
Cash flows from financing activities:		
Proceeds from preferred and common equity, net of expenses	156,434	47,613
Proceeds from equity note receivable	2,000	-
Redemption of equity	(25,611)	-
Proceeds from long-term debt	51,273	53,000
Proceeds from refinance of long-term debt	325,000	-
Bridge loans from related parties	1,609	10,173
Repayment of bridge loans from related parties	(1,609)	(10,173)
Repayments of long-term debt refinanced	(287,732)	-
Repayments of long-term debt	(3,416)	(1,624)
Financing costs	(10,972)	(1,905)
Net cash provided by financing activities	206,976	97,084
Decrease in cash and cash equivalents	(3,502)	(17,038)
Cash and cash equivalents, beginning of period	14,170	31,208
Cash and cash equivalents, end of period	$ 10,668	$ 14,170
Cash paid for interest	$ 25,924	$ 12,429
Cash paid for taxes	$ -	$ -

The accompanying notes are an integral part of these financial statements.

Cebridge Connections Holdings, LLC
Consolidated Statement of Members' Equity
For the Periods Ended December 31, 2004 and 2003
(in thousands, except unit data)

	Common Units		Preferred Units		Equity Note	Undistributed	Total Members'
	Units	Unit Value	Units	Unit Value	Receivable	Deficit	Equity
Balance, January 31, 2003	1,000,000	$ 2,634	60,000	$ 58,000	$ -	$ -	$ 60,634
Common equity issuances	618,613	47,721	-	-	-	-	47,721
Expenses related to common equity issuances	-	(441)	-	-	-	-	(441)
Preferred equity issuance	-	-	4,333	2,175	-	-	2,175
Beneficial conversion feature of preferred units	-	2,158	-	-	-	-	2,158
Accretion of beneficial conversion feature of preferred units	-	(2,158)	-	2,158	-	-	-
Note receivable for common and preferred equity	-	-	-	-	(4,000)	-	(4,000)
Preferred equity dividend declared	-	(490)	490	490	-	-	-
Payment in kind dividends accrued	-	(3,361)	-	3,361	-	-	-
Accretion of beneficial conversion feature of preferred units	-	(3,176)	-	3,176	-	-	-
Net loss	-	-	-	-	-	(20,852)	(20,852)
Balance, December 31, 2003	1,618,613	$ 42,887	64,823	$ 69,360	$ (4,000)	$ (20,852)	$ 87,395
Common equity issuances	1,824,877	160,000	-	-	-	-	160,000
Expenses related to common equity issuances	-	(3,566)	-	-	-	-	(3,566)
Payment in kind dividends accrued	-	(581)	-	581	-	-	-
Accretion of beneficial conversion feature of preferred units	-	(549)	-	549	-	-	-
Conversion of preferred equity to common	1,159,836	70,490	(64,823)	(70,490)	-	-	-
Redemption of common equity	(282,001)	(25,611)	-	-	-	-	(25,611)
Repayment of note receivable for common equity	-	-	-	-	2,000	-	2,000
Net loss	-	-	-	-	-	(62,847)	(62,847)
Balance, December 31, 2004	4,321,325	$ 243,070	-	$ -	$ (2,000)	$ (83,699)	$ 157,371

The accompanying notes are an integral part of these financial statements.

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Cebridge Connections Holdings, LLC
Notes to Financial Statements
For the Periods Ended December 31, 2004 and 2003

1. Organization

Organization

Cebridge Connections Holdings, LLC, through it subsidiaries (collectively, the "Company" or "we"), is a leading owner, operator and acquirer of broadband communications systems serving a diversified mix of markets. The Company's subsidiary is Cebridge Connections, Inc. ("Cebridge Inc."). The Company is a holding company with no operations other than its investments, via Cebridge, Inc. in Classic Communications, Inc. ("Classic"), Kingwood Holdings, LLC ("Kingwood") and Appalachian Communications, LLC ("Appalachian"). The operations of Classic, Kingwood and Appalachian constitute the entire operating activities of the Company. The operating units of the Company generally do business under the "Cebridge Connections" name.

Classic entered into a Management Agreement with Cequel III, LLC ("Cequel" or the "Manager") on February 12, 2003. Kingwood and the Company also entered into Management Agreements with Cequel on June 30, 2003. Appalachian entered into a Management Agreement with Cequel on January 12, 2004. The Management Agreements appoint and retain Cequel as the exclusive manager of all the aspects of the Company's businesses. Additionally as part of the agreements, Jerald L. Kent, Chief Executive Officer of Cequel, was appointed to serve as Chief Executive Officer of the Company. The Management Agreements entitle Cequel to receive annual management fees as defined in the agreements (see Footnote 15).

The Company was established on March 19, 2003. On July 3, 2003, the common and preferred equity holders of Classic exchanged, on a tax-free basis, their equity for common and preferred shares of the Company. Since the exchange occurred among entities under common control, the results for the eleven months ended December 31, 2003 have been presented herein, as if the exchange had taken place on February 1, 2003.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Revenue Recognition

Service income includes subscriber service revenues and charges for installations and connections and is recognized in the period in which the services are provided to the customers. Installation revenue is recognized immediately in accordance with Statement of Financial Accounting Standards (SFAS) No. 51 "Financial Reporting by Cable Television Companies," to the extent of direct selling costs. Subscriber services paid for in advance are recorded as income when earned. Advertising sales are recognized in the period that the advertisements are broadcast.

Local government authorities impose franchise fees on the majority of the Company's systems ranging up to a federally mandated maximum of 5% of gross revenues as defined in the franchise agreements. Such fees are collected on a monthly basis from the Company's customers and are periodically remitted to local franchise authorities. Franchise fees collected and paid are reported as revenues and expenses, respectively.

The Company receives upfront payments (launch incentives) from certain programmers that are intended to launch and promote new cable channels. The Company recognizes these launch incentives on a straight-line basis over the life of the programming agreement as an offset to programming expense. The unamortized portion of payments received is included in unearned income on the accompanying balance sheets.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

Buildings	30 years
Customer equipment and installations	3-7 years
Cable television distribution systems	3-12 years
Office furniture and equipment	3-7 years
Vehicles	5 years

Leasehold improvements are amortized over the shorter of their estimated life or the period of the related leases.

Initial subscriber connection costs are capitalized as part of cable television distribution systems. Costs related to disconnects and reconnects of customers are expensed as incurred.

Expenditures for maintenance and repairs are charged to operations as incurred, while renewals and betterments that extend the useful lives of the assets are capitalized.

Capitalized Internal Costs

Costs capitalized as part of new customer installations include materials, subcontractor costs, internal direct labor costs, including service technicians and internal overhead costs incurred to connect the customer to the plant from the time of installation scheduling through the time service is activated and functioning. The overhead capitalized is based on a combination of the internal company-wide analysis and internal time and motion studies of specific activities for labor capitalized. These studies are updated to adjust for changes in facts and circumstances. Overhead capitalized consists mainly of employee benefits directly associated with that portion of the capitalized labor and vehicle operating costs related to capitalizable activities. Capitalized internal payroll costs for the periods ended December 31, 2004 and 2003 were approximately $10.1 million and $6.2 million, respectively. Related capitalized overhead for the periods ended December 31, 2004 and 2003 were approximately $7.2 million and $3.9 million, respectively.

Deferred Financing Costs

Deferred financing costs are being amortized to interest expense over the terms of the related debt.

Intangible Assets

Existing franchise rights and those acquired through the purchase of cable systems represent the fair value at the date of emergence from bankruptcy (see Footnote 3) and acquisition as determined by independent appraisers or internal company valuations, respectively, and generally are reviewed to determine if the franchise has a finite life or an indefinite life as defined by SFAS No. 142, "Goodwill and Other Intangible Assets." The Company believes its franchises qualify for indefinite life treatment under SFAS No. 142 and are not amortized against earnings but instead are tested for impairment annually or more frequently as warranted by events or changes in circumstances.

The Company believes that facts and circumstances enable them to conclude that all of its franchises will be renewed indefinitely. The Company has upgraded the technological state of many of its cable systems and has sufficient experience with local franchise authorities where franchises exist to conclude all franchises will be renewed indefinitely.

Subscriber relationships are being amortized using the straight-line method over their estimated useful lives of three years. Subscriber relationships are net of accumulated amortization of approximately $22.5 million and $8.9 million at December 31, 2004 and 2003, respectively.

The following table sets forth the estimated amortization expense on intangible assets for the fiscal years ending December 31 (in thousands):

2005	$ 14,651
2006	5,859
2007	980
Thereafter	—

Impairment of Long-Lived Assets

The Company periodically reviews the carrying amounts of property, plant and equipment and identifiable definite-lived intangible assets, both purchased in the normal course of business and acquired through acquisition, to determine whether current events or circumstances warrant adjustments to such carrying amounts. The Company's analysis includes a review of the future cash inflows expected to result from the use of the asset and its eventual disposition less the future cash outflows expected to be necessary to obtain those inflows. An impairment loss would be measured by comparing the fair value of the asset with its carrying amount. Any write-down is treated as a permanent reduction in the carrying amount of the assets. Management reviews the valuation and amortization periods of identifiable definite-lived intangible assets on a periodic basis, taking into consideration any events or circumstances that might result in diminished fair value or revised useful lives.

Derivative Financial Instruments

The Company accounts for derivative financial instruments in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. The Company uses interest rate risk management derivative instruments, such as interest rate swap agreements, as required under the terms of its credit facilities. The Company's policy is to manage interest costs using a mix of fixed and variable rate debt. Using interest rate swap agreements, the Company agrees to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount. The Company does not hold or issue derivative instruments for trading purposes (see Footnote 10).

Segments

SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information," established standards for reporting information about operating segments in financial statements. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated on a regular basis by the chief operating decision maker, or decision making group, in deciding how to allocate resources to an individual segment and in assessing performance of the segment.

The Company's operations are managed on the basis of distinct geographic regional operating segments. The Company has evaluated the criteria for aggregation of the geographic operating segments under paragraph 17 of SFAS No. 131 and believes they meet each of the respective criteria of the standard. The Company delivers similar products and services within each of its geographic regions. Each geographic service area utilizes similar means for delivering the Company's services; have similarity in the type or class of customer receiving

the products and services; distributes the Company's services over a Company-wide network; and operates within a consistent regulatory environment. In addition, each of the geographic regional segments has similar economic characteristics. Accordingly, management has determined that the Company has one reportable segment.

Income Taxes

The liability method is used in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the tax rates that are expected to be in effect when the differences are expected to reverse, based upon current laws and regulations. The Company records a valuation allowance when it is more likely than not that some portion or all of the deferred income tax asset will not be realizable.

Cash and Cash Equivalents

For financial reporting purposes, the Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Allowance for Doubtful Accounts

The allowance for doubtful accounts represents the Company's best estimate of probable losses in the accounts receivable balance. The allowance is based on the number of days outstanding, customer balances, historical experience and other currently available information.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and accounts receivable. Concentrations of credit risk with respect to the Company's receivables are limited due to the large number of customers, individually small balances and short payment terms.

Programming Costs

The Company purchases certain analog, digital and premium programming provided by program suppliers whose compensation is typically based on a flat fee per customer at the negotiated rates included in the Manager's programming contracts. The cost of the right to exhibit network programming under such arrangements is recorded in operating expenses in the month the programming is distributed. Programming costs are paid each month based on calculations performed by the Company and are subject to adjustment based on periodic audits performed by the programmers. Additionally, certain programming contracts contain launch incentives to be paid by the programmers. The Company receives these upfront payments related to the promotion and activation of the programmer's cable television channel and defers recognition of the launch incentives over the life of the programming agreement as an offset to programming expense. This offset to programming expense was approximately $1.3 million and $0.5 million for the periods ended December 31, 2004 and 2003, respectively. Net programming costs included in the accompanying statements of operations were $87.4 million and $58.6 million for the periods ended December 31, 2004 and 2003, respectively.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense, included in the marketing expense line item in the accompanying statements of operations, for the periods ended December 31, 2004 and 2003 was approximately $4.4 million and $2.8 million, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The carrying amounts of certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and other accrued liabilities, approximate fair value because of their short maturities. The carrying value of all bank debt is considered to approximate fair value.

Recently Issued Accounting Pronouncements

In December 2004, the Emerging Issues Task Force ("EITF") issued EITF Topic D-108, "Use of the Residual Method to Value Acquired Assets Other than Goodwill," which requires that acquired intangible assets, other than goodwill, be valued using a direct method. The Company will be required to adopt this standard for fiscal 2005 and it will apply to the Company's franchises. The Company used the residual method to value franchises, but upon adoption the Company will be required to perform an impairment analysis for all previously recorded franchises using the direct method. The Company is currently assessing the impact of adoption of this standard on its franchise valuations.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current year presentation.

3. Bankruptcy

On November 13, 2001, Classic and all of its wholly owned subsidiaries filed voluntary petitions for reorganization under Chapter 11 of title 11 of the United States Code ("Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Court"). On December 27, 2002, the Court entered its Findings of Fact, Conclusions of Law, and Order Confirming the First Amended Plan of Reorganization (the "Plan") pursuant to Chapter 11 of the Bankruptcy Code Jointly Proposed by the Official Committee of Unsecured Creditors and Classic's Pre-petition Secured Lenders. The effective date of the Plan was January 16, 2003. The Chapter 11 cases were being jointly administered under Case No. 01-11257.

In accordance with Statement of Position (SOP) 90-7, the Company adopted fresh-start accounting effective January 31, 2003 for Classic. Material conditions related to Classic's financing agreements, as required by the Plan, were not finalized until January 16, 2003. As such, Classic elected, for convenience purposes, to deem January 31, 2003 as its date of emergence for reporting purposes. Fresh start accounting required Classic to establish a reorganization value and record its assets at fair value and liabilities at present value to reflect the estimated amounts to be ultimately paid to settle Classic's pre-petition claims. Classic engaged an independent financial advisor to perform an appraisal of Classic's assets at the date of emergence from bankruptcy. The balances as reflected in the accompanying Consolidated Balance Sheet reflect the adoption of fresh start accounting as of the date of emergence from bankruptcy. The appraised value of Classic's assets was approximately $300 million at January 31, 2003. The reorganization value was determined by the independent appraiser using a 10 year discounted future cash flow model with a discount rate of 16.0%.

Post Bankruptcy Capitalization

On January 16, 2003, all of Classic's equity instruments (including common stock, stock warrants and stock options) were canceled. All of Classic's senior subordinated notes and accrued interest (totaling approximately $406 million of compromised liabilities) were converted into 1,000,000 shares of newly issued common stock.

In effect, the holders of the senior subordinated notes became the shareholders of the newly capitalized company. Classic also sold 60,000 shares of new preferred stock at $1,000 per share. Gross proceeds to Classic were $60 million, and were recorded net of $2.0 million of issuance costs. Also at this time, Classic refinanced its outstanding secured debt (the debtor-in-possession financing and the 1999 credit facility). The 2003 credit facility consisted of $144 million term debt and a $20 million revolving facility. In addition, Classic entered into a $40 million subordinated secured credit agreement. The proceeds from the preferred stock sale and the credit agreements (approximately $242 million) were used to pay off the 1999 credit facility and outstanding interest (approximately $204 million). The remaining proceeds were available to pay pre-petition claims and for general corporate use. The revolving facility was not utilized for the refinancing.

Upon the completion of the above transactions, Classic had remaining approximately $31 million of liabilities subject to compromise. In accordance with the Plan, most claims that were classified as general unsecured received cash payments during 2003 and 2004 equal to 25% of the allowed claim amount. Other pre-petition amounts associated with assumed contracts were paid in full. The Company has resolved the remaining claims filed, and at December 31, 2004, still had approximately $2.2 million of bankruptcy liabilities to be paid, which are included in accrued expenses on the balance sheet. The remaining liability represents management's best estimate of the ultimate liability.

In September 2004, the Company submitted a final motion to the bankruptcy court, which was accepted by the judge, who issued a final decree, removing Classic from bankruptcy court, effective September 30, 2004.

Financial Statement Presentation

The amounts classified as bankruptcy expenses in the Consolidated Statements of Operations were $0.1 million and $1.6 million for the periods ended December 31, 2004 and 2003, respectively.

4. Supplemental Cash Flow Information

Interest on the Company's subordinated debt, which was refinanced on February 23, 2004, included a portion that accrued as additional principal due at the maturity date. For the periods ended December 31, 2004 and 2003, approximately $0.4 million and $1.1 million, respectively, of interest accrued as additional principal on the subordinated debt balance (see Footnote 9). In connection with signing the management agreement in 2003, Cequel invested approximately $7.0 million in the Company, of which, $4.0 million was financed through a note carrying an interest rate of 4.0% (see Footnote 15). The Company accrued dividends on the preferred units of approximately $1.1 million and $6.5 million, respectively, during the periods ended December 31, 2004 and 2003, which were added to the liquidation preference. In addition, on February 12, 2003, approximately $0.5 million of preferred dividends were converted into 490 units of additional preferred units and issued to the existing holders (see Footnote 17).

5. Acquisition of Cable Systems

On June 30, 2003, Cequel III Communications I, a subsidiary of the Company, acquired substantially all of its cable systems in and around the Houston, Texas area from Shaw Communications, serving approximately 27,000 cable subscribers, for approximately $84.9 million. The purchase was financed from proceeds of Kingwood's debt agreement and equity. Results for Kingwood have been included in the consolidated Statement of Operations from the date of its acquisition.

The following purchase price allocation was recorded by the Company as of June 30, 2003, based upon an independent third party appraisal (in millions).

Cash paid to acquire assets	$ 84.9
Other acquisition costs	2.5
Total acquisition cost	$ 87.4
Allocation of Purchase Price	
Accounts receivable	$ 2.3
Prepaid expenses	0.1
Property, plant and equipment	37.2
Subscriber relationships	9.6
Franchises	41.2
Other current liabilities	(3.0)
Total purchase price	$ 87.4

On December 31, 2003, the Company acquired the cable television assets of WGA, LP, serving approximately 800 subscribers, for approximately $1.5 million.

On January 12, 2004, the Company, through its subsidiaries, purchased certain cable systems from Alliance Communications, LLC and Alliance Communications Partners, L.P. (collectively, "Alliance"), effective January 1, 2004. The Alliance systems serve approximately 78,000 video subscribers primarily in West Virginia, Pennsylvania, Ohio, Missouri, Arkansas, Illinois and Indiana. The total purchase price was approximately $76.6 million. The Alliance acquisition was financed using approximately $51.3 million of indentures and $35.0 million of additional equity investments from the Company. The remaining cash after the acquisition was available for capital expenditures and other working capital purposes. Results for the Alliance properties have been included in the consolidated Statement of Operations from the date of its acquisition.

The following purchase price allocation was recorded by the Company as of January 1, 2004, based upon an independent third party appraisal (in millions).

Cash paid to acquire assets	$ 76.6
Other acquisition costs	0.3
Total acquisition cost	$ 76.9
Allocation of Purchase Price	
Property, plant and equipment	$ 64.4
Subscriber relationships	5.4
Franchises	9.2
Other current liabilities	(2.1)
Total purchase price	$ 76.9

On March 31, 2004, the Company, through its subsidiaries, acquired certain cable television systems from Thompson Cablevision Co. Inc. and subsidiaries ("Thompson") for a total purchase price of $14.6 million. Thompson has approximately 12,300 video subscribers, primarily located in West Virginia. The Thompson acquisition was financed through additional equity investments. Results for the Thompson properties have been included in the consolidated Statement of Operations from the date of its acquisition.

The following purchase price allocation was recorded by the Company as of March 31, 2004, based upon internal Company valuations (in millions).

Cash paid to acquire assets	$ 14.6
Other acquisition costs	0.2
Total acquisition cost	$ 14.8
Allocation of Purchase Price	
Accounts receivable	$ 0.2
Property, plant and equipment	6.4
Subscriber relationships	0.8
Franchises	7.5
Other current liabilities	(0.1)
Total purchase price	$ 14.8

On June 1, 2004, the Company, through its subsidiaries, acquired certain cable television systems from Telemedia Corporation ("Telemedia") for a total purchase price of $23.0 million. Telemedia has approximately 19,300 video subscribers, primarily located in Kentucky, West Virginia and North Carolina. The Telemedia acquisition was financed through additional equity investments. Results for the Telemedia properties have been included in the consolidated Statement of Operations from the date of its acquisition.

The following purchase price allocation was recorded by the Company as of June 1, 2004, based upon internal Company valuations (in millions).

Cash paid to acquire assets	$ 23.0
Other acquisition costs	0.1
Total acquisition cost	$ 23.1
Allocation of Purchase Price	
Property, plant and equipment	$ 12.5
Subscriber relationships	1.1
Franchises	9.6
Other current liabilities	(0.1)
Total purchase price	$ 23.1

On August 19, 2004, the Company, through its subsidiaries, acquired certain cable television systems from USA Media Group, LLC ("USA") for a total purchase price of $52.4 million. The USA systems serve approximately 40,000 video subscribers, primarily located in California, Washington, Idaho, and Oregon. The USA acquisition was financed through additional equity investments. Results for the USA properties have been included in the consolidated Statement of Operations from the date of its acquisition.

The following purchase price allocation was recorded by the Company as of August 19, 2004, based upon internal Company valuations (in millions).

Cash paid to acquire assets	$ 52.4
Other acquisition costs	0.5
Total acquisition cost	$ 52.9
Allocation of Purchase Price	
Accounts receivable	$ 0.1
Property, plant and equipment	30.1
Subscriber relationships	3.6
Franchises	19.1
Total purchase price	$ 52.9

6. Sale of Assets

In March and April 2003, the Company sold twelve cable systems, serving approximately 1,800 subscribers, in Kansas and Nebraska to third parties. Total net proceeds from the sales were $0.8 million resulting in a nominal loss. Under the terms of the existing bank facility, 50% of the net proceeds were utilized to pay down the outstanding loan balance.

During the second and third quarter of 2004, the Company completed the divestiture of fourteen small cable systems to third parties. These systems served approximately 4,700 subscribers in aggregate, and the Company received net cash proceeds of approximately $3.6 million. In addition, the Company also completed several real estate sales, selling land and three buildings in Tyler, Texas, for net cash proceeds of approximately $1.3 million. The Company recognized losses on the sales of these assets of approximately $2.2 million.

During the fourth quarter of 2004, the Company disposed of 82 small unprofitable headends. The number of customers served by each headend ranged from 1 to 98, and in aggregate the 82 headends served approximately 2,350 customers. The Company incurred approximately $0.9 million of expenses related to the closure of these systems, which is included in the plant and operating expenses line item in the accompanying statement of operations. In addition, the Company recorded a loss of approximately $4.6 million related to the write-off of remaining net book value associated with these cable systems.

7. Accounts Receivable

Accounts receivable consisted of the following as of December 31, 2004 and 2003 (in thousands).

	December 31, 2004	December 31, 2003
Accounts receivable – trade	$ 14,402	$ 8,776
Accounts receivable – other	2,413	3,758
Allowance for doubtful accounts	(589)	(565)
Accounts receivable, net	$ 16,226	$ 11,969

Accounts receivable - other as of December 31, 2004 and 2003 includes approximately $1.0 million and $2.9 million, respectively, of receivables from programmers related to the promotion and activation of the programmer's cable television channel.

8. Property, Plant and Equipment

Property, plant and equipment consisted of the following as of December 31, 2004 and 2003 (in thousands).

	December 31, 2004	December 31, 2003
Land	$ 3,096	$ 2,499
Buildings and improvements	5,573	7,481
Vehicles	13,099	8,240
Cable television distribution systems	443,844	260,614
Office furniture, tools and equipment	12,740	8,906
Construction in progress	-	1,320
	478,352	289,060
Less accumulated depreciation	(94,340)	(33,439)
	$ 384,012	$ 255,621

Depreciation expense for the periods ended December 31, 2004 and 2003 was $63.1 million and $33.4 million, respectively.

9. Long Term Debt

Concurrent with the emergence from bankruptcy in January 2003 (see Footnote 3), Classic entered into a new senior credit facility. The credit facility consisted of approximately $143.6 million of term debt and a $20.0 million revolving facility. In addition, Classic entered into a $40.0 million subordinated secured credit agreement.

The Classic credit facility's Term A tranche of $60.0 million bore interest at LIBOR plus 4.0% and matured on January 16, 2008. The Term B tranche of approximately $83.6 million had both fixed interest and floating interest portions. The fixed portion bore interest at 8.5% and the floating portion bore interest at LIBOR plus 4.75%, although at no time the floating rate could be less than 7.5% or greater than 9.5%. Quarterly repayments of Term B debt were required in the amount of $300,000 commencing on March 31, 2003, and continued through January 16, 2009, when the remaining unpaid principal matured. Borrowings under the revolver facility bore interest at LIBOR plus 4.0%. On February 23, 2004, borrowings under the Classic credit facility were repaid, as discussed below.

In addition to the senior credit facility, upon emergence from bankruptcy, Classic entered into a subordinated debt agreement consisting of $40.0 million. The subordinated debt bore interest at 11.25%, of which 7.5% was payable in cash with the remaining 3.75% accrued as additional principal due at the maturity date. The subordinated debt agreement was due on January 16, 2010. For the periods ended December 31, 2004 and 2003, approximately $0.4 million and $1.1 million of interest accrued as additional principal on the subordinated debt balance. On February 23, 2004, borrowings under the Classic subordinated debt agreement were repaid, as discussed below.

Concurrent with the acquisition of the Kingwood cable systems, a subsidiary of Kingwood and the Company entered into a senior credit facility in the amount of $78.0 million of term debt with a revolving credit facility of $7.0 million. The Term A tranche consisted of $48.0 million of debt bearing interest at LIBOR plus 4.0%. The senior credit facility also contained a Term B tranche of debt for $30.0 million, bearing interest at LIBOR plus 4.0%. The Term B tranche included a commitment fee of 1.75% on undrawn balances. No amounts of Term B debt were ever outstanding. The Term A and Term B debt required quarterly repayments throughout the life of the debt, commencing on September 30, 2004, through maturity at December 31, 2010. The revolving credit facility bore interest at LIBOR plus 4.0% and also included a commitment fee of 0.75% on undrawn balances. On February 23, 2004, borrowings under the Kingwood credit facility were repaid, as discussed below.

Concurrent with the Alliance acquisition, a subsidiary of Appalachian and the Company entered into a senior credit facility in the amount of $51.3 million of term debt. The Term A debt consisted of $46.2 million and bore interest at rates between LIBOR plus 3.5% and LIBOR plus 4.5%, based on certain leverage ratios. The Term B debt consisted of $5.1 million and bore interest at rates between LIBOR plus 3.5% and LIBOR plus 4.5%, based on certain leverage ratios, which accrued as additional principal. The Term A debt required principal repayments commencing on March 31, 2005, at varying amounts according to the principal repayment schedule, until all outstanding Term A debt was repaid on December 31, 2008. The Tem B debt was due on March 31, 2009, including all unpaid interest that had accrued over its life as additional principal. On February 23, 2004, borrowings under the Alliance credit facility were repaid, as discussed below.

On February 23, 2004, Cebridge, Inc. entered into new credit facilities for $350 million in the aggregate. The credit facilities consist of $135 million 1st Lien Senior Secured Credit Facility ("1st Lien") and $215 million of 2nd Lien Senior Secured Credit Facility ("2nd Lien").

The 1st Lien debt consists of $110 million of Term B debt and a $25 million revolving credit facility. The term debt and the revolver mature on February 23, 2009. The debt is secured by first priority security interests in substantially all present and future assets of Cebridge, Inc. and its subsidiaries. The Term B debt and the revolver bear interest at the prime rate plus 2.25% or the Eurodollar rate plus 3.25%. The weighted average interest rate at December 31, 2004 was 5.56%. The Term B debt requires quarterly repayments in amounts equal to 0.25% of the original principal amount commencing June 30, 2004, with the remainder due at maturity. The 1st Lien debt permits the existence of up to $100 million of additional first priority secured indebtedness. The 2nd Lien debt consists of $215 million of Term C debt that matures on February 23, 2010. The 2nd Lien facility is secured by second priority security interests of all the assets securing the 1st Lien debt. The Term C debt bears interest at the prime rate plus 5.00% or the Eurodollar rate plus 6.00%. The weighted average interest rate at December 31, 2004 was 8.17%. The Term C debt requires quarterly repayments in amounts equal to 0.25% of the original principal amount commencing June 30, 2004, with the remainder due at maturity.

Cebridge, Inc. received $325 million, representing borrowings under the 1st Lien term loans and the 2nd Lien term loans. No amounts were borrowed under the 1st Lien revolving credit facility. The proceeds of the 1st and 2nd Lien debt were used to repay outstanding amounts under existing debt agreements of several of the Company's subsidiaries. The aggregate amount of indebtedness repaid, representing all existing indebtedness of the Company and its subsidiaries was approximately $290 million.

Cebridge, Inc.'s debt agreements include restrictive covenants, which do not permit additional indebtedness, except for nominal amounts and obligations incurred in the normal course of business and require Cebridge Inc. to meet certain restrictive financial covenants, which Cebridge Inc. was in compliance with at December 31, 2004.

The following table details amounts outstanding under Cebridge, Inc.'s various debt agreements at December 31, 2004 and 2003 (in thousands).

	December 31, 2004	December 31, 2003
Classic Senior Credit Facility:		
Term A	$ —	$ 60,000
Term B	—	81,981
Revolving Credit Facility	—	5,000
Kingwood Senior Credit Facility:		
Term A	—	48,000
Subordinated Debt	—	41,085
1st Lien Senior Secured Credit Facility:		
Term B	109,175	—
2nd Lien Senior Secured Credit Facility:		
Term C	213,388	—
Other	—	978
Total Long-term Debt	322,563	237,044
Less: Current Portion	3,250	2,599
Non-Current Portion of Long-Term Debt	$ 319,313	$ 234,445

The following table details the future maturities of long-term debt as of December 31, 2004 (in thousands):

Year	Amount
2005	$ 3,250
2006	3,250
2007	3,250
2008	3,250
2009	106,925
Thereafter	202,638
Total Long-term Debt	$ 322,563

In conjunction with the refinancing of all the Company's existing debt on February 23, 2004, Cebridge, Inc. wrote off all remaining deferred debt issuance costs related to the old debt agreements, in the amount of approximately $2.6 million, which is included in interest expense in the accompanying statement of operations. Cebridge, Inc. recorded approximately $10.8 million of deferred debt issuance costs related to the 1st Lien and 2nd Lien credit agreements, which will be amortized over the remaining term of the debt. Amortization of deferred debt issuance costs, included in interest expense, was approximately $1.9 million and $0.5 million in 2004 and 2003, respectively.

10. Derivative Instruments

The Company uses interest rate risk management derivative instruments, such as interest rate swap agreements as required under the terms of its credit facilities. The Company's policy is to manage interest costs using a mix of fixed and variable rate debt. Using interest rate swap agreements, the Company agrees to exchange, at specified intervals through 2007, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount. At December 31, 2004, the Company had four interest rate swaps for a total notional amount of $168.0 million. At December 31, 2003, the Company had two interest rate swaps for a total notional amount of $30.0 million, which were terminated in February 2004. The Company does not hold or issue derivative instruments for trading purposes.

The Company's interest rate derivative instruments are not designated as hedges. However, management believes such instruments are closely correlated with the respective debt, thus managing associated risk. Interest

rate derivative instruments not designated as hedges are marked to fair value with the impact recorded as a gain or loss on interest rate agreements. For the periods ended December 31, 2004 and 2003, the Company recorded, within interest expense, income of approximately $0.2 million and $0.2 million, respectively, for interest rate derivative instruments not designated as hedges. At December 31, 2004 and 2003, the fair value of the Company's derivative instruments was $0.4 million and $0.1 million, respectively, and are included in accrued interest in the Consolidated Balance Sheet.

11. Severance Costs

In 2003, the Company accrued $0.7 million of termination benefits relating to approximately 60 employees. This expense is included in the corporate overhead line in the accompanying statement of operations. As of December 31, 2003, the Company has paid approximately $0.6 million, with the remainder expected to be paid in 2004. The affected employees were primarily in executive and administrative functions eliminated as a result of the Company entering into a management agreement with a related party (see Footnote 15).

12. Commitments and Contingencies

Letters of Credit

At December 31, 2004, the Company had approximately $5.7 million of outstanding letters of credit, which reduced the availability under the Company's $25.0 million revolving line of credit.

Lease Arrangements

The Company, as an integral part of its cable operations, has entered into short-term lease contracts for site leases, pole use and office space. At December 31, 2004, future minimum lease payments were approximately $6.6 million in 2005, $6.5 million in 2006, 2007, 2008 and 2009, and $0.1 million thereafter. Rent expense was approximately $6.5 million and $4.0 million for the periods ended December 31, 2004 and 2003, respectively.

Litigation

The Company is involved in various legal proceedings that have arisen in the normal course of business. While the ultimate results of these matters cannot be predicted with certainty, management does not expect them to have a material adverse effect on the consolidated financial position, results of operations or cash flows of the Company.

13. Intangible Assets

The Company applies SFAS No. 142, and does not amortize indefinite lived intangible assets. Accordingly, all franchises that qualify for indefinite life treatment under SFAS No. 142 are not amortized against earnings but instead are tested for impairment annually, or more frequently as warranted by events or changes in circumstances. Based on the guidance prescribed in EITF Issue No. 02-7, *Unit of Accounting for Testing of Impairment of Indefinite-Lived Intangible Assets*, franchises are aggregated into essentially inseparable asset groups to conduct the valuations. The asset groups generally represent geographic clustering of the Company's cable systems into groups by which such systems are managed. Management believes such grouping represents the highest and best use of those assets. Fair value was determined based on estimated discounted future cash flows using reasonable and appropriate assumptions that are consistent with internal forecasts. The results of the Company's analysis of indefinite-lived intangible assets as of December 31, 2004 indicated that no impairment of the carrying value of those assets existed.

Upon emergence from bankruptcy, the Company had an independent appraiser perform valuations of Classic's franchises as of January 31, 2003. At the date of emergence the value of the franchises was approximately $28.0 million. In addition, the Company recorded $24.0 million of subscriber relationships as of January 31, 2003 at the date of emergence based upon the independent third party appraisal. The Company recorded approximately $45.4 million and $39.2 million related to the value of franchises for acquisitions in 2004 and 2003, respectively, and approximately $10.9 million and $9.6 million as the value of subscriber relationships in 2004 and 2003, respectively. These valuations were based on an independent third party appraisals and internal Company valuations. Amortization expense related to the subscriber relationships was approximately $13.8 million and $8.9 million for the periods ended December 31, 2004 and 2003, respectively.

The Company believes that all franchises will be renewed indefinitely. The Company has upgraded the technological state of many of its cable systems since the date of emergence from bankruptcy and has experience with local franchise authorities where the franchises exist and believes all franchises will be renewed indefinitely.

14. Income Taxes

Components of the income taxes are as follows:

	2004	2003
Current Tax Expense:		
Federal	$ —	$ —
State	—	—
Total Current	—	—
Deferred Tax Expense:		
Federal	2,065	—
State	195	—
Total Deferred	2,260	—
Total Tax	$ 2,260	$ —

The Company's provision for income taxes differs from the expected tax (expense)/benefit amount computed by applying the statutory federal income tax rate of 34% to loss before income taxes and extraordinary items as a result of the following:

	2004	2003
Tax at U.S. statutory rate	34.0 %	34.0 %
State taxes, net of benefit	4.3	4.3
Non-deductible bankruptcy expense	(0.1)	(3.1)
Non-deductible interest	(0.1)	(1.7)
Other non-deductible items	1.5	(0.1)
I.R.C. Sec. 108 NOL reduction	(17.9)	(88.2)
(Increase)/Decrease in valuation allowance	(25.8)	54.8
Effective tax rate	(4.1) %	- %

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax liabilities and assets are as follows (in thousands):

	December 31, 2004	December 31, 2003
Deferred tax assets:		
Net operating loss carryforwards:		
Restricted	$ 109,262	$ 115,291
Unrestricted	25,677	9,535
Tax over book basis of depreciable assets	7,387	4,216
Tax over book basis of assets that are amortizable for tax	47,792	52,556
Alternative minimum tax credit carryforwards	5,858	5,858
Other	8,674	5,151
Total deferred tax assets	204,650	192,607
Less valuation allowance	(206,910)	(192,607)
Net deferred tax assets	—	—
Net deferred tax liabilities	$ (2,260)	$ —

A valuation allowance was established because it was determined that it was more likely than not that the deferred tax asset would not be realized.

In 2004, the Company recorded a deferred tax liability of approximately $2.3 million related to certain of the differences between the book and tax amortization of the Company's franchise rights. While provision for this deferred tax liability is required by existing accounting literature, these potential taxes may only become payable in the event that the Company sells certain assets at some future date for an amount in excess of both the tax basis of the assets at that time and the unexpired and unused net operating tax loss carryforwards.

In 2003, as a result of emergence from bankruptcy, the Company realized a significant gain from the extinguishment of indebtedness. Under the Internal Revenue Code §108, the Company was required to reduce its tax attributes, including the net operating loss carryforward. The Company had sufficient federal net operating loss carryforwards to offset the gain resulting from the extinguishment of indebtedness for tax purposes.

At December 31, 2004, the Company had net operating loss carryforwards of $352 million for federal income tax purposes. In connection with the ownership change resulting from the bankruptcy reorganization that occurred in January 2003, approximately $207 million of the Company's net operating loss carryforward became subject to an annual limitation of $7.4 million under Internal Revenue Code §382. Additionally, approximately $78 million of the Company's net operating loss carryforward is subject to other §382 limitations. The net operating loss of $67 million generated after January 16, 2003 is not currently subject to §382 limitation. The Company's net operating loss carryforwards expire at various times from 2009 until 2024.

15. Related Party Transactions

On February 12, 2003, Classic entered into a management agreement with Cequel who is also a unitholder of the Company. Under the management agreement, Cequel provides certain executive, administrative and managerial services to Classic. Compensation paid to Cequel under the terms of the management agreement was $0.1 million per month from the inception of the agreement through June 30, 2003, and $0.5 million per month thereafter. The annual rate of $6.0 million increases 5% annually effective each year on January 1. In addition, on June 30, 2003 and January 12, 2004, respectively, Kingwood and Appalachian entered into management agreements with Cequel under which Cequel provides certain executive, administrative and

managerial services to the other cable systems owned by the Company. Under the terms of this agreement, Cequel is to receive 3% of the gross revenues as compensation for services provided under the management agreement. Total compensation paid to Cequel under these agreements for the periods ended December 31, 2004 and 2003 was approximately $8.6 million and $4.7 million, respectively, included in corporate overhead in the accompanying statements of operations. Cequel enters into various contracts with vendors, including programming and insurance contracts, on behalf of the Company where such costs are paid directly by the Company or its subsidiaries.

In addition to the fees described above, Cequel is to receive a management fee of approximately $4.3 million for the two-year period ending January 2005. These fees were paid in two installments each on February 12, 2004 and 2005 in the amount of approximately $2.2 million and $2.1 million, respectively. The Company accrued these fees equally through February 12, 2005 as earned. Through December 31, 2004, approximately $4.0 million of this fee has been earned. The Company will also pay Cequel a deferred management fee equal to 1.25% of gross revenue for the Classic cable systems, commencing on January 1, 2005. In addition, the Company will pay Cequel a deferred management fee equal to 2.0% of gross revenue for the Alliance cable systems and 0.625% of gross revenue for all other acquired cable systems, commencing on the acquisition date. These deferred management fees accrue and are payable to Cequel only after the Company's investors have achieved a specified return on their investment.

In connection with the acquisitions of Alliance, Thompson, Telemedia and USA Media, the Company paid acquisition fees to Cequel and to two other unitholders of the Company, as required by the management agreement with the Company. The acquisition fee payable to Cequel required by the management agreement was 1% of the purchase price. This fee was reduced to 0.75% of the purchase price through an amendment to the management agreement, dated February 23, 2004. This amendment also provided an acquisition fee of 0.25% of the purchase price on future acquisitions to two other unitholders of the Company if they participate in the acquisition due diligence process. Total acquisition fees paid and expensed by the Company in 2004 were approximately $1.4 million to Cequel, and approximately $0.4 million to the other two unitholders.

At December 31, 2004 and 2003, the Company had approximately $5.2 million and $4.4 million, respectively, recorded as a payable to Cequel, primarily related to management fees.

On July 21, 2003, the Company advanced $1.5 million to Cequel. The note was collateralized by certain amounts owed to Cequel by the Company's subsidiaries. The note receivable bore no interest and was payable on demand when the Company's subsidiaries reimburse Cequel for amounts owed. The note was repaid in 2004.

In connection with signing the management agreement in 2003, Cequel invested approximately $7.0 million. Of this amount, $4.0 million was purchased from Cebridge through a note carrying an interest rate of 4.0%. This note receivable has been reflected in the consolidated financial statements as a net reduction of equity. Repayment of this loan requires equal installments of $2.0 million due in February 2004 and 2005 plus any accrued interest. The scheduled repayment in February 2005 was received.

In connection with the $45.0 million equity funded on June 27, 2003, (see Note 18) certain investors of the Company funded the entire equity amount while the Company completed its Kingwood acquisition rights offering. These investors funded approximately $34.8 million as their proportional share of the equity funded, and advanced the Company approximately $10.2 million in the form of a bridge loan, bearing interest at 8%. The bridge loan was to be repaid with the proceeds from the Kingwood acquisition rights offering. The rights offering was completed on September 26, 2003 and the Company repaid the bridge loan with accrued interest totaling approximately $0.2 million.

In connection with the $35.0 million equity funded on January 7, 2004, (see Note 18) certain investors of the Company funded the entire equity amount while the Company completed its Alliance acquisition rights offering. These investors funded approximately $29.3 million as their proportional share of the equity funded, and advanced the Company approximately $5.7 million in the form of a bridge loan, bearing interest at 8%.

The bridge loan was repaid with the proceeds from the Alliance acquisition rights offering. To the extent that all of the subscription rights were not exercised, the January 7, 2004 investors agreed to purchase any remaining common units not otherwise purchased under the rights offering. As of March 23, 2004, all subscription rights had been exercised and the Company repaid the bridge loan with accrued interest totaling approximately $0.1 million.

An affiliate of a unitholder of the Company served as co-syndication agent and underwriter for Cebridge Inc.'s February 23, 2004 debt refinance. For these services, this affiliate received fees of approximately $6.6 million, which are included in deferred debt issuance costs and being amortized over the related term of the debt. This affiliate serves as administrative agent for the 2nd Lien credit facility. This affiliate also participated in the lending group and holds a portion of the outstanding debt.

A member of the board of directors of the Company is a partner in a legal firm that provided legal services to the Company. For the periods ended December 31, 2004 and 2003, the legal fees for services provided by this firm were approximately $0.3 million and $1.0 million, respectively.

16. Employee Benefit Plan

The Company's employees may participate in a 401(k) plan that is administered by Cequel. Employees that qualify for participation can contribute up to 15% of their salary, on a pre-tax basis, subject to a maximum contribution limit as determined by the Internal Revenue Service. The Company matches 50% of the first 6% of participant contributions. For the periods ended December 31, 2004 and 2003, the Company contributed approximately $0.4 million and $0.3 million, respectively, to the 401(k) plan. Starting January 1, 2005 the Company's plan will be rolled into the new Cequel III 401(k) Plan which will be a multiemployer plan including assets from 401(k) plans of the Company, Cequel III and other entities managed by Cequel.

17. Preferred Stock

In connection with its emergence from bankruptcy in January 2003, Classic issued 60,000 shares of preferred units. The preferred units had a par value of $0.01 per unit and an initial liquidation preference of $1,000.00 per unit. The preferred units accrued dividends of 9% of the liquidation preference if paid in cash and 11% of the liquidation preference if not paid in cash. At the end of each quarter, to the extent not paid in cash, dividends accruing for the quarter were added to the liquidation preference. The Company accrued dividends of approximately $1.1 million and $6.5 million during the periods ended December 31, 2004 and 2003, respectively, which were added to the liquidation preference. Each preferred unit entitled the holder to one vote per common unit into which the preferred unit is convertible. All debts, obligations and liabilities of the Company were solely those of the Company, and no member, preferred or common, was liable for such amounts, except to the extent of the member's unpaid capital contributions.

On July 3, 2003, the common and preferred equity holders of Classic exchanged on a tax-free basis their equity for common and preferred shares of the Company.

At issuance, the preferred units were assigned a beneficial conversion feature (BCF) resulting from the conversion value of the preferred units of $62.50 per common unit being less than the fair value of the common units, totaling $29.9 million. The initial value of the BCF was recorded as a reduction in the value assigned to the preferred units and an increase to the value of common units. The Company recorded the accretion of the BCF immediately because the preferred units were immediately convertible at the option of the holders.

On February 12, 2003, an additional 4,333 shares of preferred units were issued to Cequel (see Footnote 15). Gross proceeds were approximately $4.3 million, of which approximately $2.2 million was assigned to the preferred stock and approximately $2.1 million was assigned to the BCF. The Company recorded the accretion of the BCF immediately because the preferred units were immediately convertible at the option of the holders.

At that time, the accrued dividends on the preferred units from the original date of issuance until February 12, 2003, of approximately $0.5 million, were converted into 490 units of additional preferred units and issued to the existing holders.

The Company had the option to redeem the preferred units prior to January 16, 2008 in cash at a value equal to 125% of the liquidation preference. After January 16, 2008, the Company had the option to redeem the preferred units in cash at a value equal to 110% of the liquidation preference.

The preferred units were convertible into common units of the Company (a) at any time, upon the affirmative vote of a majority of the holders, or (b) automatically, immediately prior to a registered public offering of the Company resulting in net cash proceeds greater than $50 million. The liquidation value of the preferred units was convertible into common units at a value of $62.50 per common share, resulting in 16 shares of common units for each $1,000 of liquidation value. Each preferred unit entitled the holder to one vote per common unit into which the preferred unit is convertible.

On February 23, 2004, the Company's preferred units were converted into common units (see Footnote 18).

18. Common Units

The Company has three classes of common units, Series A units, Series B units, and Series C units, (collectively "common units"). There are no differences in the rights of each common unit. Each common unit is entitled to one vote per common unit, and each common unit shares equally in the allocation of income or losses. All debts, obligations and liabilities of the Company are solely those of the Company, and no member, preferred or common, is liable for such amounts, except to the extent of the member's unpaid capital contributions.

In February 2003, the Company issued 33,684 common units to Cequel, valued at approximately $2.7 million (see Footnote 15). In addition, the Company issued 512 common units to two entities as settlement for certain Classic bankruptcy claims.

On June 27, 2003, in connection with the purchase of the Kingwood systems, certain investors contributed $45.0 million to the Company in exchange for 584,417 additional common units. Certain investors of the Company funded the entire equity amount while the Company completed its Kingwood acquisition rights offering. These investors funded approximately $34.8 million as their proportional share of the equity funded, and advanced the Company approximately $10.2 million in the form of a bridge loan, bearing interest at 8%. The bridge loan was to be repaid with the proceeds from the Kingwood acquisition rights offering. The rights offering was completed on September 26, 2003.

On January 7, 2004, certain investors in the Company contributed approximately $29.3 million in exchange for 380,663 additional common membership units in the Company. In addition, these investors loaned the Company approximately $5.7 million pursuant to promissory notes, which were repaid with proceeds of the Equity Rights Offering described below. The proceeds of this equity investment were used to finance the Alliance acquisition described above.

The Company distributed non-transferable subscription rights (the "Rights Offering") to holders of its Series A common units (the "Rights Holders") as of February 22, 2004, other than to the investors who purchased common units on January 7, 2004. The subscription rights gave the Rights Holders the right to purchase, in aggregate, 73,884 Series A common units at a cash subscription price of $77.00 per common unit. The Rights Holders had until March 23, 2004 to exercise their subscription rights. The proceeds of the Rights Offering were used to repay the $5.7 million of promissory notes issued on January 7, 2004, described above. To the extent that all of the subscription rights were not exercised, the January 7, 2004 investors agreed to purchase any remaining common units not otherwise purchased under the Rights Offering. As of March 23, 2004, all subscription rights had been exercised.

On February 23, 2004, concurrent with the new credit facilities described above, the Company sold an aggregate of 789,310 common membership units to certain new investors, including the Company's chief executive officer. These membership units were purchased for $72 million. The proceeds from these equity investments from new investors were used to finance acquisitions.

The purchase of these common units by the new investors was conditioned on, among other things, the conversion of all outstanding preferred units of the Company into common units and the redemption of $25 million of common units that were issued upon the preferred conversion at a per share redemption price equal to the per share purchase price paid by the new investors. As of February 23, 2004, there were 64,823 preferred units outstanding with a liquidation value of $1,118.27 per unit, convertible into 17.892 common units per preferred unit. Accordingly, the preferred units converted into 1,159,836 common units, of which 274,066 were redeemed.

In April 2004, the Company repurchased 7,935 common units from a unitholder for approximately $0.6 million

In May 2004, the Company's Board of Directors granted 274 restricted units to a member of the Board. These restricted units vest in equal amounts annually over four years. In the event of a significant corporate transaction or the Board not reappointing the member as a director, these units vest immediately. At December 31, 2004 none of the restricted units had vested.

In addition to the equity issuances described above, on August 18, 2004, certain investors, including the chief executive officer, contributed $53 million in exchange for 581,021 additional common membership units. The proceeds from these additional equity investments were used to acquire additional cable systems.

19. Subsequent Events

Disposition of Cable Systems

On January 31, 2005, the Company sold 32 headends located in Oklahoma, serving approximately 6,000 customers to Pioneer Long Distance, Inc. Cash proceeds from this sale transaction were approximately $2.0 million.

On February 23, 2005, the Company sold 21 headends located in Pennsylvania and Ohio, serving approximately 11,600 customers to Armstrong Utilities, Inc. Cash proceeds from this sale transaction were approximately $19.0 million.

On February 28, 2005, the Company sold 9 headends located in Texas and Oklahoma, serving approximately 2,400 customers to Panhandle Telecommunications Systems, Inc. Cash proceeds from this sale transaction were approximately $1.3 million.

During the first quarter of 2005, the Company sold 6 headends located in Oklahoma, serving approximately 250 subscribers to various buyers. Cash proceeds from these sale transactions were approximately $42,000.

Agreements to Sell Additional Cable Systems

We have signed letters of intent for two additional potential dispositions. The Company is continuing to negotiate definitive sale agreements for these dispositions, which if completed would result in the sale of cable systems serving approximately 12,100 customers located in Pennsylvania and Arkansas, for estimated cash proceeds of $18.5 million.

Agreements to Purchase Additional Cable Systems

On February 2, 2005 the Company, through its subsidiaries, signed a definitive agreement to acquire certain cable television systems from Northland Cable Properties Seven Limited Partnership, Northland Cable Properties, Inc. and Northland Cable Television, Inc. (collectively, "Northland") for a total purchase price of approximately $10.5 million. The Northland properties have approximately 5,600 video subscribers, located in and around Brenham, Texas. The Northland acquisitions are expected to close during the third quarter of 2005.

EXHIBIT 9

EXHIBIT 9

Cebridge will be managed by Cequel III pursuant to a management agreement. Cequel III was founded in January 2002 by Mr. Jerald L. Kent (President and CEO), Mr. Howard L. Wood (Chairman) and Mr. Daniel G. Bergstein. Cequel III was established to acquire and manage growth-oriented companies in the telecommunications and cable industry. Cequel III has a proven and experienced management team to oversee investments made by Cebridge Connections Holdings and its subsidiaries.

Messrs. Kent and Wood began their careers as financial consultants, and then took top management roles at Cencom Cable Associates ("Cencom"). They built Cencom into a top-20 cable operation before it was acquired by Hallmark's Crown Cable in 1991 for an estimated $1 billion. Two years later they started Charter Communications Inc. with 5 employees, piecing together cable systems until they hit 1.3 million subscribers, which were subsequently sold to Mr. Paul Allen, co-founder of Microsoft Corporation in 1998 for $4.5 billion. Mr. Kent remained President and CEO of Charter Communications and grew the business into the fourth largest publicly traded broadband communications company in the country.

Today, Cequel III manages cable systems with approximately 400,000 cable customers in more than 20 states under the Cebridge Connections name. Cebridge Connections traces its origins to February 2003 when the Cequel III management team assumed responsibility for the post-bankruptcy assets of Classic Communications. Many of Classic Communications' customers, who live in remote suburban areas, smaller towns and rural communities, had been largely deprived of advanced services, like digital cable and high speed internet access. The first priority for the Cequel III team was to upgrade the older Classic Communications systems, improving the quality and quantity of services they could offer, for the benefit of their customers and communities. As that work progressed, the Cequel III management team also began acquiring and integrating other cable systems into Cebridge Connections Holdings and its subsidiaries to further expand the organization's resources, capabilities and competitiveness. With each acquisition, the Cequel III management team has continued to upgrade technologies and launch new services. Today, Cebridge Connections has completed upgrades to systems serving more than 70% of its customers.

Attached you will find the biographies of Cequel III's and Cebridge Connections' officers. We believe that the substantial cable television system operation, management and technical experience of Cequel III and Cebridge Connections will ensure that cable customers in your community will continue to receive the best possible cable service.

In particular, this management team fully understands that providing a quality product and good customer service must be accomplished locally. Your cable system will continue to be managed by experienced and qualified personnel at the local level. We fully expect the key office and technical staff who are now responsible for the management and operations of your cable system will continue their responsibilities.