

Rescinded  
9-12-94

RESOLUTION NO. 94-42

CONSENT TO ASSIGNMENT AND TRANSFER

OF

CATV FRANCHISE

WHEREAS, the Board of County Commissioners of Nassau County, Florida (the "Franchising Authority") granted a cable television franchise to Fernandina Cable Television Company pursuant to Ordinance No. 75-46, adopted October 28, 1975 (as amended to the date hereof, the "Franchise");

WHEREAS, the Franchising Authority consented to the transfer of the Franchise to Rifkin Cable Income Partners, L.P., a Delaware limited partnership ("Seller") pursuant to Resolution No. 86-72 adopted September 23, 1986;

WHEREAS, Seller desires to sell, assign and otherwise transfer substantially all of its assets (the effective date of such transaction being the "Closing Date"), and to assign and transfer the Franchise to Florida Cablevision Management Corp., a Florida corporation dba CVI Cablevision Industries (the "Buyer") on the Closing Date; and

WHEREAS, the Franchising Authority is willing to consent to the transaction referred to in the preceding paragraph;

NOW, THEREFORE, in consideration of the premises:

1. The Franchising Authority hereby confirms that the Seller is in substantial compliance with all obligations under the Franchise and that the Franchise was validly issued and is in full force and effect.

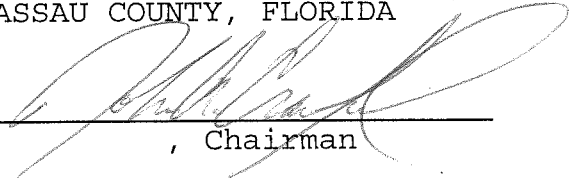
2. The Franchising Authority hereby consents to the assignment and transfer of the Franchise by Seller to Buyer on the Closing Date and to Buyer's assumption of the rights of Seller under the Franchise and, to the extent they arise out of events and are attributable to the period from and after the Closing Date, Seller's obligations under the Franchise.

3. The Franchising Authority does hereby consent to Buyer's pledge, and grant of a security interest, to Buyer's lenders, their successors and assigns, of, in, and to the assets of Buyer, including the Franchise and all rights of Buyer related thereto, to secure any indebtedness of Buyer, and to the exercise by each of the secured parties of its rights as a secured party in the event of a default by Buyer in the payment or the performance of any of its indebtedness or obligations secured thereby; provided, however, that nothing herein shall constitute a waiver of

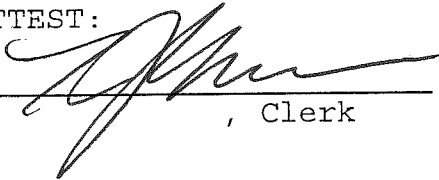
any right of Franchising Authority to approve any other transfer or assignment of the Franchise.

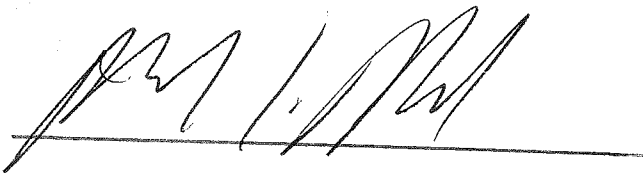
ADOPTED AND APPROVED this 24th day of January, 1994.

BOARD OF COUNTY COMMISSIONERS  
NASSAU COUNTY, FLORIDA

  
\_\_\_\_\_  
, Chairman

ATTEST:

  
\_\_\_\_\_  
, Clerk

  
\_\_\_\_\_

Clay

**Cable Vision**

*We Care!*

January 7, 1994

Ms. Joyce Bradley  
Nassau County  
Post Office Box 1010  
Fernandina Beach, FL 32034

RE: Transfer of Cable Television Franchise

Dear Ms. Bradley:

In accordance with our previous conversation concerning the transfer of Rifkin Cable Income Partners, L.P.'s cable television franchise to Cablevision Industries, I am enclosing the following information packages in preparation for the public meeting currently scheduled for January 24, 1994:

- 1) An original and two copies of your community's Federal Communications Commissions form 394 and appropriate exhibits concerning the assignment of the franchise.
- 2) Additional packets of information concerning Cablevision Industries.
- 3) A Resolution assigning Rifkin's cable television franchise to Cablevision Industries.

Thank you for your assistance in this matter. If you require any additional information prior to the meeting, please contact me at (904) 272-5711.

Sincerely,



Paul A. Hoffman  
Regional Manager

Enc.

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 29, 1993	1. Community Unit Identification Number: FL0644
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2. Application for:  Assignment of Franchise  Transfer of Control

3. Franchising authority: County of Nassau, FL	
4. Identify community where the system/franchise that is the subject of the assignment or transfer of control is located: County of Nassau, FL	
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:	12/16/86
6. Proposed effective date of closing of the transaction assigning or transferring ownership of the system to transferee/assignee:	3/31/94

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.

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) Rifkin Cable Income Partners, L.P.			
Assumed name used for doing business (if any) Fernandina Cablevision			
Mailing street address or P.O. Box 360 South Monroe Street			
City Denver	State CO	ZIP Code 80209	Telephone No. (include area code) 303-333-1215

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.  
V

(b) Does the contract submitted in response to (a) above embody the full and complete agreement between the transferor/assignor and the transferee/assignee?

Yes  No

If No, explain in an Exhibit.

Exhibit No.

**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)			
Florida Cablevision Management Corp.			
Assumed name used for doing business (if any)			
CVI or CVI Cablevision Industries			
Mailing street address or P.O. Box			
1 Cablevision Center			
City	State	ZIP Code	Telephone No. (include area code)
Liberty	N.Y.	12754	(914) 295-2783

(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)			
Dropkin, Philip or Testa, David			
Firm or company name (if any)			
CVI Cablevision Industries			
Mailing street address or P.O. Box			
1 Cablevision Center			
City	State	ZIP Code	Telephone No. (include area code)
Liberty	N.Y.	12754	(914) 295-2783

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

Exhibit No.
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(d) Indicate the address where the system's records will be maintained.

Street address		
1 Cablevision Center (& at local office to the extent necessary)		
City	State	ZIP Code
Liberty	New York	12754

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. N/A

Exhibit No.
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SECTION I. TRANSFEREE'S/ASSIGNEE'S LEGAL QUALIFICATIONS

1. Transferee/Assignee is:

Corporation

a. Jurisdiction of incorporation: Florida	d. Name and address of registered agent in jurisdiction: CT Corporation System Suite 200 1311 Executive Center Dr. Tallahassee, FL 32301
b. Date of incorporation: 9/12/83	
c. For profit or not-for-profit: Profit	

Limited Partnership

a. Jurisdiction in which formed:	c. Name and address of registered agent in jurisdiction:
b. Date of formation:	

General Partnership

a. Jurisdiction whose laws govern formation:	b. Date of formation:
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Individual

Other. Describe in an Exhibit.

Exhibit No.

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 partnership interest.
- (e) Number of votes.
- (f) Percentage of votes.

(a) Florida Cablevision Management Corp. c/o CVI 1 Cablevision Center Liberty, NY 12754	Alan Gerry * c/o CVI 1 Cablevision Center Liberty, NY 12754	Rodney Cornelius c/o CVI 1 Cablevision Center Liberty, NY 12754
(b) N/A	USA	USA
(c) Transferee	President, CEO, Chairman, Director	Vice Chairman, Executive Vice President, Director
(d) --	95%+	-
(e) --	95%+	-
(f) --	95%+	-

Continu  
Exhibit  
No. 2

\*Florida Cablevision Management Corp. is owned by Cablevision Industries Corporation, a Delaware corporation, which is in turn owned by Alan Gerry, as noted above.

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?

Yes  No

If the answer is No, explain in an Exhibit.

Exhibit No.

4. Has the transferee/assignee had any interest in or in connection with an application which has been dismissed or denied by any franchise authority?

Yes  No

If the answer is Yes, describe circumstances in an Exhibit.

Exhibit No.

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 governmental 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.

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

See Exhibit No. 7

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.
2. Attach as an Exhibit the most recent financial statements, prepared in accordance with generally accepted accounting principles, 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.

Yes  No

Exhibit No.  
III-2

### SECTION IV - TRANSFEREE'S/ASSIGNEE'S TECHNICAL QUALIFICATIONS

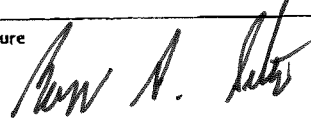
Set forth in an Exhibit a narrative account of the transferee's/assignee's technical qualifications, experience and expertise regarding cable television systems, including, but not limited to, summary information about appropriate management personnel that will be involved in the system's management and operations. The transferee/assignee may, but need not, list a representative sample of cable systems currently or formerly owned or operated. See attached brochure, Exhibit No. IV

Exhibit No.  
IV

SECTION V - CERTIFICATIONS

Part 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 
	Date December 29, 1993
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Print full name Roger A. Seltzer
	Check appropriate classification: <input type="checkbox"/> Individual <input checked="" type="checkbox"/> General Partner <input type="checkbox"/> Corporate Officer (Indicate Title) <input type="checkbox"/> Other. Explain: Vice President of

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 of the system, if any changes are necessary to cure any violations thereof or defaults thereunder presently in effect or ongoing.

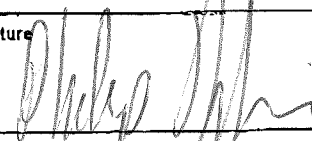
I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature 
	Date December 21, 1993
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Print full name Philip Dropkin
	Check appropriate classification: <input type="checkbox"/> Individual <input type="checkbox"/> General Partner <input checked="" type="checkbox"/> Corporate Officer (Indicate Title) <input type="checkbox"/> Other. Explain: Vice-President, Secretary



EXHIBIT NO. 2

12/21/93

(a) Rocco Commisso c/o CVI 1 Cablevision Center Liberty, NY 12754	Fred Schulte c/o CVI 1 Cablevision Center Liberty, NY 12754	David Testa c/o CVI 1 Cablevision Center Liberty, NY 12754
(b) USA	USA	USA
(c) Chief Financial Officer, Exec. Vice-Pres., Director	Chief Operating Officer, Sr. Vice-President	Vice-President, Govern- ment Relations
(d) ---	---	---
(e) ---	---	---
(f) ---	---	---

(a) Philip Dropkin c/o CVI 1 Cablevision Center Liberty, NY 12754		
(b) USA		
(c) Vice-President, Secretary, General Counsel		
(d)		
(e)		
(f)		

EXHIBIT 7  
12/21/93

As to Question 7(a): The voting rights will remain with the Applicant except in the event of a material default of its obligations, which default is not cured after notice thereof, and if the lender thereafter chooses to exercise voting rights.

As to Question 7(b): There can be no public or private sale of stock except in the event of an uncured material default and except where the lender has chosen to exercise the voting rights of Applicant.

As to Question 7(c): The prior consent of the FCC is required.

ARTHUR ANDERSEN & Co, SC

MASSACHUSETTS CABLEVISION SYSTEMS  
LIMITED PARTNERSHIP  
AND COMBINED COMPANIES

COMBINED FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 1992 AND 1991  
TOGETHER WITH AUDITORS' REPORT

# ARTHUR ANDERSEN & CO.

## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and Partners of  
Massachusetts Cablevision Systems Limited  
Partnership and Combined Companies:

We have audited the accompanying combined balance sheets of Massachusetts Cablevision Systems Limited Partnership and Combined Companies (as described in Note 1 to the combined financial statements) as of December 31, 1992 and 1991, and the related combined statements of operations, changes in stockholders' and partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Massachusetts Cablevision Systems Limited Partnership and Combined Companies as of December 31, 1992 and 1991, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

*Arthur Andersen & Co*

Stamford, Connecticut,  
March 1, 1993

MASSACHUSETTS CABLEVISION SYSTEMS LIMITED PARTNERSHIP

AND COMBINED COMPANIES

COMBINED BALANCE SHEETS (NOTE 1) -- DECEMBER 31, 1992 AND 1991

(000's)

<u>ASSETS</u>	<u>1992</u>	<u>1991</u>
Cash	\$ 1,193	\$ 552
Subscriber receivables, net of allowance for doubtful accounts of \$113 and \$101	2,395	1,482
Prepaid expenses and other assets	772	599
Due from affiliate (Note 9)	-	17,907
Investment in cable television systems (Notes 2, 3 and 4):		
Inventory and construction in progress	2,638	2,896
Property, plant and equipment, at cost	<u>144,255</u>	<u>132,955</u>
	146,893	135,851
Less- accumulated depreciation	<u>(74,832)</u>	<u>(61,996)</u>
	72,061	73,855
Franchising costs, net of accumulated amortization of \$16,056 and \$13,252	19,109	19,354
Intangible assets, net of accumulated amortization of \$4,592 and \$4,677	<u>8,010</u>	<u>3,399</u>
Total investment in cable television systems	<u>99,180</u>	<u>96,608</u>
	<u>\$103,540</u>	<u>\$117,148</u>
 <u>LIABILITIES AND STOCKHOLDERS' AND PARTNERS' DEFICIT</u>		
Debt (Note 5)	\$110,000	\$155,000
CVI subordinated debt (Note 9)	28,611	-
Accounts payable and accrued expenses	8,766	9,122
Subscriber advance payments and deposits	2,850	1,231
Management fee payable (Note 9)	286	251
Deferred state income taxes (Notes 2 and 6)	240	339
Commitments and contingencies (Notes 8 and 11)		
Stockholders' and partners' deficit:		
Common stock (Note 10)	5	5
Additional paid-in capital	11,185	11,185
Accumulated deficit	(51,812)	(49,091)
Partners' deficit	<u>(6,591)</u>	<u>(10,894)</u>
Total stockholders' and partners' deficit	<u>(47,213)</u>	<u>(48,795)</u>
	<u>\$103,540</u>	<u>\$117,148</u>

The accompanying notes to combined financial statements  
are an integral part of these balance sheets.

MASSACHUSETTS CABLEVISION SYSTEMS LIMITED PARTNERSHIP  
AND COMBINED COMPANIES

COMBINED STATEMENTS OF OPERATIONS (NOTE 1)  
FOR THE YEARS ENDED DECEMBER 31, 1992 AND 1991

(000's)

	<u>1992</u>	<u>1991</u>
Revenues:		
Service income	\$64,695	\$57,649
Investment income (Note 9)	1,253	-
Total revenues	<u>65,948</u>	<u>57,649</u>
Costs and expenses:		
Service costs	19,516	18,021
Selling, general and administrative expenses	12,421	11,630
Management fee expense (Note 9)	3,235	2,855
Depreciation and amortization (Notes 2 and 4)	<u>21,334</u>	<u>20,415</u>
Operating income	<u>9,442</u>	<u>4,728</u>
Interest expense (Notes 2 and 5):		
Bank debt, net	7,893	10,160
CVI subordinated debt and other, net	<u>27</u>	<u>149</u>
	<u>7,920</u>	<u>10,309</u>
Income (loss) before benefit for income taxes	1,522	(5,581)
Benefit for income taxes (Notes 2 and 6)	<u>(60)</u>	<u>(135)</u>
Net income (loss)	<u>\$ 1,582</u>	<u>\$ (5,446)</u>

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

MASSACHUSETTS CABLEVISION SYSTEMS LIMITED PARTNERSHIP  
AND COMBINED COMPANIES

COMBINED STATEMENTS OF CHANGES IN STOCKHOLDERS' AND

PARTNERS' DEFICIT (NOTE 1)

FOR THE YEARS ENDED DECEMBER 31, 1992 AND 1991

(000's)

	<u>Accumulated Deficit</u>	<u>Partners' Deficit</u>
BALANCE, January 1, 1991	\$ (40,759)	\$ (13,780)
Net income (loss)	<u>(8,332)</u>	<u>2,886</u>
BALANCE, December 31, 1991	(49,091)	(10,894)
Net income (loss)	<u>(2,721)</u>	<u>4,303</u>
BALANCE, December 31, 1992	<u>\$ (51,812)</u>	<u>\$ (6,591)</u>

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

MASSACHUSETTS CABLEVISION SYSTEMS LIMITED PARTNERSHIP

AND COMBINED COMPANIES

COMBINED STATEMENTS OF CASH FLOWS (NOTE 1)

FOR THE YEARS ENDED DECEMBER 31, 1992 AND 1991

(000's)

	<u>1992</u>	<u>1991</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 1,582	\$ (5,446)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:		
Depreciation and amortization	21,334	20,415
Decrease in deferred state income taxes	(99)	(214)
Net increase (decrease) in subscriber receivables, prepaid expenses and other assets, accounts payable and accrued expenses, subscriber advance payments and deposits and management fee payable	<u>212</u>	<u>(252)</u>
Net cash flows from operating activities	<u>23,029</u>	<u>14,503</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in cable television systems	(8,970)	(12,858)
Acquisition of cable television systems including direct acquisition costs	<u>(12,363)</u>	<u>-</u>
Net cash flows from investing activities	<u>(21,333)</u>	<u>(12,858)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
New borrowings	147,000	25,000
Repayment of debt	(192,000)	(5,000)
(Increase) decrease in due from affiliate	17,907	(21,574)
Increase in CVI subordinated debt	28,611	-
Other	<u>(2,573)</u>	<u>(179)</u>
Net cash flows from financing activities	<u>(1,055)</u>	<u>(1,753)</u>
Net increase (decrease) in cash	641	(108)
CASH, beginning of year	<u>552</u>	<u>660</u>
CASH, end of year	<u>\$ 1,193</u>	<u>\$ 552</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest on bank debt (net of amount capitalized)	\$ 8,377	\$ 11,516
Income taxes	\$ 39	\$ 79

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



**MASSACHUSETTS CABLEVISION SYSTEMS LIMITED PARTNERSHIP**  
**AND COMBINED COMPANIES**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 1992 AND 1991**

(All dollar amounts in 000's)

**(1) Basis of Preparation of Combined Financial Statements:**

The accompanying combined financial statements, which have been prepared in order to comply with the terms of a credit agreement, referred to in Note 5, include the accounts of Cablevision Industries of Central Florida, Inc. ("CICF"), Florida Cablevision Management Corp. and its wholly owned subsidiaries ("FCMC"), Massachusetts Cablevision Systems Limited Partnership ("MCSLP"), and Massachusetts Cablevision Industries, Inc. ("MCII").

The "Company" refers to the combined entities. All significant intercompany accounts and transactions have been eliminated in the combined financial statements.

**(2) Significant Accounting Policies:**

**Property, plant and equipment-**

Property, plant and equipment is recorded at purchased and capitalized cost. Capitalized costs principally consist of employee costs and interest on funds borrowed during construction. Capitalized labor amounted to approximately \$1,743 and \$1,560 in 1992 and 1991, respectively. Capitalized interest amounted to approximately \$189 and \$361 in 1992 and 1991, respectively. Cable systems' materials and supplies of approximately \$2,499 and \$2,573 at December 31, 1992 and 1991, respectively, are stated at the lower of cost or market and are included in inventory and construction in progress. Repairs and maintenance are charged to operations, and replacements, renewals and additions are capitalized. At the time of ordinary retirements, sales and other dispositions of property, the original cost and related accumulated depreciation are written off.

**Franchising costs-**

Franchising costs include the assigned fair value of the franchises from purchased cable television systems and the costs of original franchise applications which are deferred until the franchise has been granted, at which time such costs are amortized. All costs relating to unsuccessful franchise applications are charged to expense when it is determined that the efforts to obtain the franchise were unsuccessful. These costs are amortized on a straight line basis over the remaining lives of the current franchises, which range from ten to thirty years.

Intangible assets-

Intangible assets include goodwill, which is being amortized over fifteen years, subscriber lists, which are being amortized over four years, the estimated average period that a subscriber is expected to remain connected to one of the Company's cable television systems and covenants not to compete, which are being amortized over five years.

Income taxes-

No provision for income taxes for MCSLP has been reflected in the accompanying financial statements since MCSLP is a partnership. The partners of MCSLP are required to report their share of income or loss in their respective income tax returns. Income taxes discussed in these financial statements relate specifically to FCMC, CICF and MCII.

The Company follows Statement of Financial Accounting Standards ("SFAS") No. 96, Accounting for Income Taxes. In February 1992, the Financial Accounting Standards Board issued SFAS No. 109, which supersedes SFAS No. 96. The Company will adopt SFAS No. 109 in 1993, and expects its adoption to have an immaterial effect on its financial position and results of operations.

**(3) Acquisitions:**

In 1992, the Company purchased cable television systems, serving 6,300 subscribers in Florida for a purchase price of \$12,363. These acquisitions were accounted for as purchases with the acquired assets and liabilities recorded at their fair values. Accordingly, the results of operations of the acquired systems have been included with those of the Company since the date of acquisition. Included in the fair value of assets acquired were approximately \$2,540 of franchise costs and \$4,064 of other intangible assets.

**(4) Investment in Property, Plant and Equipment:**

As of December 31, 1992 and 1991, property, plant and equipment consisted of:

	<u>1992</u>	<u>1991</u>
Land	\$ 1,225	\$ 881
Buildings and leasehold improvements	5,721	4,780
Cable systems, equipment and subscriber devices	131,278	120,513
Vehicles	3,922	3,510
Furniture, fixtures and office equipment	2,109	3,271
	<u>\$144,255</u>	<u>\$132,955</u>

Depreciation is calculated on a straight line basis over the following useful lives:

Buildings	20 to 45 years
Leasehold improvements	Life of respective lease
Cable systems, equipment and subscriber devices	5 to 10 years
Vehicles	5 years
Furniture, fixtures and office equipment	5 to 10 years

(5) Debt:

On November 20, 1992, the Company entered into a credit agreement (the "Credit Agreement") with a group of banks. Under the terms of the Credit Agreement, the Company may borrow up to \$250,000, subject to certain limitations, until June 30, 1995 (the revolving period). The outstanding loans on June 30, 1995, will be repaid in 24 consecutive quarterly installments ranging from 2.0% to 6.0% of the principal beginning on September 30, 1995. The Credit Agreement also provides for mandatory prepayments from excess cash flow, as defined, beginning March 31, 1996.

The Company is required to pay a commitment fee of 3/8% per annum on the unused portion of the available credit during the revolving period. The Company has the option of paying interest at either the base rate or the Eurodollar rate, as defined, plus a margin which is based on the attainment of certain financial ratios. The effective interest rate at December 31, 1992 and 1991 was 4.63% and 6.89%, respectively. The applicable margins for the respective borrowing rate options have the following ranges:

<u>Interest Rate Options</u>	<u>Margin Rate</u>
Base rate	0% to 1%
Eurodollar rate	3/4% to 2%

The Credit Agreement stipulates, among other things, limitations on additional borrowings, restricted payments, transactions with affiliates, investments, guarantees and loans, and it requires the maintenance of certain financial ratios. The common stock of CICF, FCMC and MCII, and the partnership interests of MCSLP have been pledged as security for any debt outstanding under the Credit Agreement.

The maturities of all debt outstanding as of December 31, 1992, are as follows:

1993	\$ -
1994	-
1995	4,400
1996	9,900
1997	15,400
Thereafter	80,300
	<u>\$110,000</u>

In January 1993, the Company entered into interest rate exchange agreements (the "Swaps") with various banks, pursuant to which the interest rate on \$60,000 is fixed at a weighted average swap rate of 5.86% plus the applicable margin over the Eurodollar rate option under the Credit Agreement. Under the terms of these Swaps, which expire in 1997 and 1998, the Company is exposed to credit loss in the event of nonperformance by the other parties to the Swaps. However, the Company does not anticipate nonperformance by the counterparties.

**(6) Income Taxes:**

The Company is a member of an income tax sharing agreement with Cablevision Industries Corporation ("CVI"), the Company's parent with which it files a consolidated federal tax return. Under the agreement, the Company's share of the consolidated income tax liability is based on the ratio that the Company's taxable income bears to the total consolidated taxable income, as defined, not to exceed the Company's tax liability calculated on a separate company basis. Pursuant to the tax sharing agreement, the Company was allocated zero federal income tax expense for 1992 and 1991.

The components of the provision (benefit) for income taxes are as follows:

	<u>1992</u>	<u>1991</u>
Current Income Taxes:		
Federal	\$ -	\$ -
State	39	79
Total current income tax provision	<u>39</u>	<u>79</u>
Deferred Income Taxes:		
Federal	-	-
State	(99)	(214)
Total deferred income tax benefit	<u>(99)</u>	<u>(214)</u>
Total benefit for income taxes	<u>\$ (60)</u>	<u>\$ (135)</u>

At December 31, 1992, the Company has net operating loss carryforwards for federal income tax purposes, subject to Internal Revenue Service review, of approximately \$46,339, which expire in 2001 to 2007. Use of any loss carryforward is dependent on future taxable income. The net operating loss carryforwards for financial reporting purposes reflect the amounts for federal tax purposes reduced by the amount that offsets temporary differences that will result in net taxable amounts during the carryforward period. The Company's principal temporary difference is depreciation. At December 31, 1992, the Company had net operating loss carryforwards for financial reporting purposes of approximately \$16,431.

**(7) Profit Sharing Plan:**

Substantially all employees of the Company are eligible to participate in a profit sharing plan of an affiliate. The plan provides that the Company may contribute, at the discretion of its affiliate's board of directors, an amount up to 15% of compensation for all eligible participants out of its accumulated earnings and profits (as defined). Profit sharing expense amounted to approximately \$329 and \$253 in 1992 and 1991, respectively.

**(8) Commitments and Contingencies:**

Under various lease and rental agreements for offices, warehouses and vehicles, the Company had rental expense of approximately \$257 and \$244 in 1992 and 1991, respectively. Future minimum annual rental payments under noncancellable leases are as follows:

1993	\$78
1994	52
1995	40
1996	30
1997	7

In addition, the Company rents utility poles in its operations generally under short-term arrangements, but the Company expects these arrangements to recur. Total rental expense for utility poles was approximately \$901 and \$835 in 1992 and 1991, respectively.

On October 5, 1992, Congress enacted the Cable Television Consumer Protection and Competition Act of 1992 which, among other things, will expand the authority of governmental authorities to regulate the rates for basic and other cable services and require the consent and agreement of a broadcast station prior to the retransmission of that station's signal on a cable system. This could affect the prices charged for cable television service and certain programming costs. The Company cannot, at this time, determine the effect, if any, that these or any other legislative or regulatory developments will have on its future operations.

**(9) Related Party Transactions:**

The Company incurred management fees of approximately \$3,235 and \$2,855 in 1992 and 1991, respectively, for management services provided by CVI.

The amounts due from affiliate represent demand loans with CVI. Interest was charged by the Company at 11% and 11.25% in 1992 and 1991, respectively.

The CVI subordinated debt is payable to CVI. The interest rate was 4.0% at December 31, 1992. Under the terms of the Credit Agreement, the interest rate on the CVI subordinated debt cannot exceed the interest rate then applicable to the bank debt. Payments of principal and interest may be made in accordance with the provisions of the Credit Agreement. Any CVI subordinated debt payable is subordinated to debt outstanding under the Credit Agreement.

Net transfers out of approximately \$945 in 1992 and net transfers in of approximately \$258 in 1991 of certain construction inventory and converters were made, at cost, between the Company and CVI.

**(10) Common Stock:**

As of December 31, 1992 and 1991, common stock of the corporations combined in the financial statements consisted of:

Par value	<u>CICF</u>	<u>FCMC</u>	<u>MCII</u>
	None	None	None
Authorized shares	60	60	10,000
Issued shares	20	20	100
Outstanding shares	20	20	100

**(11) Litigation:**

In February 1991, Telesat Cablevision Inc. filed suit against CVI, CICF and FCMC (the "Defendants") in the U.S. District Court for the Southern District of Florida. The suit alleged anticompetitive behavior on the part of the Defendants in certain franchised communities in Florida and sought, among other things, \$15,000 in damages, which could have been trebled under certain circumstances. This suit was dismissed with prejudice by the plaintiff on May 13, 1992.

ASSET PURCHASE AGREEMENT

DATED

NOVEMBER 5, 1993

BETWEEN RIFKIN

CABLE INCOME PARTNERS L.P.

AND

CABLEVISION INDUSTRIES CORPORATION

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## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, made and entered into as of November 5, 1993, by and among Rifkin Cable Income Partners L.P., a Delaware limited partnership ("Seller"), and Cablevision Industries Corporation, a Delaware corporation (the "Buyer").

WHEREAS, the Seller owns and operates cable television systems serving subscribers in and around the following communities within the State of Florida, (i) Amelia Island, (ii) Bradford County, (iii) City of Fernandina Beach, (iv) City of Orange Park, (v) City of Starke, (vi) Clay County, (vii) City of Green Cove Springs, and (viii) Nassau County (the foregoing communities are hereinafter collectively referred to as the "Franchise Areas"); and

WHEREAS, Seller in reliance upon the representations and warranties of Buyer, desires to sell to Buyer and Buyer, in reliance upon the representations and warranties of Seller, desires to purchase from Seller, substantially all of the assets, property and business relating to the cable television systems serving subscribers in and around the Franchise Areas (collectively the "Systems") specified in this Agreement, but specifically excluding those assets described in Section 1.2 hereof. An individual System generally refers to the cable television service area and customers served from a single headend facility.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the parties hereto agree as follows:

### PURCHASE AND SALE OF ASSETS OF THE SELLER

#### 1.1 Purchase and Sale of Assets.

Seller agrees to sell, assign, transfer, convey, bargain, grant and deliver to Buyer, and Buyer agrees to purchase from Seller, all on the terms and conditions hereinafter set forth, all right, title, interest and benefit, including all of Seller's right, title, interest and benefit, of whatever kind and nature, real, personal and mixed, tangible and intangible, whether or not reflected on Seller's books and records, known or unknown, accrued, absolute, contingent or otherwise, in and to the assets, properties

and rights (but excluding those assets described in Section 1.2 hereof) with respect to the Systems and the operation thereof, together with any assets acquired after the date hereof in the ordinary course of business and except for all assets disposed of after the date hereof in the ordinary course of business , free and clear of and expressly excluding all debts, liabilities, obligations, taxes, liens and encumbrances of any kind, character or description, whether accrued, absolute, contingent or otherwise (and whether or not reflected or reserved against in the balance sheets, books of account and records of the Seller), (the foregoing collectively referred to as "Encumbrances"), except as otherwise expressly provided in Section 2.3 hereof, including, without limitation:

(a) all the real property currently owned by the Seller (the "Real Estate"), all of which is described in Schedule 1.1(A) attached hereto, together with any real property acquired by the Seller between the date hereof and the Closing Date;

(b) all buildings, structures, cable television towers and fixtures, and other improvements now or hereafter actually or constructively attached to the Real Estate, and all additions, restorations or replacements of the whole or any part thereof (the "Improvements"); which Improvements are set forth in reasonably complete detail on Schedule 1.1(B);

(c) all interests of the Seller as landlord (whether named as such therein or by assignment or otherwise) in all leases and subleases, if any, of the Real Estate and the Improvements now existing or at any time hereafter made, and any and all amendments, modifications, supplements, renewals and extensions thereof, together with all rents, royalties, security deposits, revenues, issues, earnings, profits, income and other benefits of the Real Estate or the Improvements now due or hereafter to become due with respect to the Real Estate or the Improvements or any part thereof, all of which are described in Schedule 1.1(C) attached hereto;

(d) all of the Seller's right, title and interest in and to all streets, roads and public places, open or proposed, and all easements, licenses and rights of way, public and private, tenements, hereditaments, rights and appurtenances, now or hereafter used in connection with the Systems, or belonging, incident or appertaining to, the Real Estate or the Improvements (the "Interests");

(e) all property, plant, equipment, fixtures, office furnishings, machinery, tools, antenna installations, inventory, cable strand, converters, amplifiers, house drops, towers, and other property owned by the Seller;

(f) all rights of the Seller under any franchise, permit, consent or license (all of which are listed in Schedules 4.6(A) or 4.6(B) attached hereto);

(g) all rights of the Seller under any contract, lease or other agreement, written or oral, including, without limitation, any contract, lease or other agreement relating to property, plant, equipment or to real property, residential and commercial subscriber agreements, and bulk subscriber agreements (including those described and categorized in Schedules 4.6(B) and 4.7(A) attached hereto);

(h) all choses-in-action of the Seller, a reasonably detailed list of which is described in Schedule 1.1(H) attached hereto;

(i) all patents, copyrights, trademarks, tradenames and service marks used by the Seller, and all of the rights associated therewith (including any and all applications, registrations, extensions and renewals thereof), as described in Schedule 1.1(I) attached hereto;

(j) all engineering specifications, maps, plans, diagrams, billing service reports, computer master tapes, books and records owned by the Seller and relating to the Systems, other than its tax returns and financial records, provided, however, that the Buyer agrees to provide access to such transferred books and

records to Seller during normal business hours upon reasonable notice if necessary for tax purposes;

(k) all automotive equipment and motor vehicles utilized in the operation of the Systems by the Seller, as described in Schedule 1.1(K) attached hereto;

(l) all earth stations and other auxiliary facilities owned by the Seller, and all commercial radio licenses, and all applications therefor;

(m) all subscriber lists and rights with respect thereto of the Seller, and the names used by the Seller in the operation of the Systems, provided, however, that the Buyer agrees to comply with any applicable right of privacy laws with respect thereto;

(n) all of Seller's accounts receivable.

(o) all good will of or relating to the Systems, and going concern value of the Systems.

All of the foregoing business, assets, properties and rights to be transferred to Buyer hereunder are collectively referred to herein as the "Assets".

#### 1.2 Excluded Assets.

Anything in the foregoing to the contrary notwithstanding, there shall be excluded from the Assets (i) cash and cash equivalents; (ii) programming and billing agreements, (iii) the Management Agreement with Rifkin & Associates, Inc., and (iv) employee-related agreements and plans, insurance agreements or policies, surety and performance bonds, and other agreements and assets as listed or referred to on Schedule 1.2.

#### 1.3 Instruments of Transfer.

At the Closing (as hereinafter defined), Seller will deliver to Buyer (i) such deeds, bills of sale, assignments and consents thereto, endorsements, checks and other good and sufficient instruments of sale, transfer and conveyance, in such form and substance as Buyer shall reasonably request as shall be effective to vest in Buyer all right and title to, and interest in, the Assets; and (ii) all contracts and commitments, instruments, books and records and other data being conveyed hereunder and relating to

the Assets, business and operations of the Seller with respect to the Systems, and, simultaneous with such delivery, the Seller will take such steps as may be reasonably required or requested to put the Buyer in actual possession and operating control of such Assets, business and operations. At any time and from time to time after the Closing Date, on Buyer's reasonable request, Seller will execute, acknowledge and deliver such further deeds, assignments and transfers and take such actions as may be required in conformity with this Agreement, or as otherwise may be reasonably requested by Buyer, for the adequate assignment, transfer, and grant to the Buyer of the Assets.

#### PURCHASE PRICE

##### 2.1 Purchase Price and Payments.

The purchase price for the sale of the Assets and the consideration for the Covenant Not to Compete under this Agreement shall be

( ), as adjusted pursuant to Section 2.4 hereof (the "Purchase Price"). The entire Purchase Price less (i) the amount of the Deposit plus accrued interest to be paid by the Escrow Agent pursuant to Section 2.2 hereof, and (ii) the amount of the Indemnity Fund and the Subscriber Escrow Fund, if any, referred to in Section 2.5 hereof, shall be payable on the Closing Date by the wire transfer of federal funds to not more than nine (9) accounts designated in writing by the Seller. The Purchase Price shall be allocated in accordance with either (i) Schedule 2.1 which shall be agreed upon by Buyer and Seller and attached to the schedules on or before the Closing Date, or (ii) an appraisal of the Assets conducted prior to Closing at Buyer's election and at its expense by an independent appraiser reasonably acceptable to Seller and not affiliated with it or Buyer. The Buyer and the Seller shall, in any state, federal and/or local income or other tax or information return filed by it, which includes an evaluation of the Assets (i.e., allocation of the Purchase Price), report such value at the amount set forth on Schedule 2.1 for the various assets and the

Covenant Not to Compete, or in accordance with the appraisal referred to above. If the Buyer or Seller breaches this provision, the breaching party shall indemnify and hold the non-breaching party harmless from any and all loss, cost and expense (including, without limitation, attorneys' and accountants' fees, costs for any audit, any additional income or other taxes and any interest found to be payable by the non-breaching party) relating to and/or arising out of any federal, state and/or local tax audit of the non-breaching party concerning the allocation of the Purchase Price among, or valuation of, the Assets and the Covenant Not to Compete. In the event that Seller is required to indemnify the Buyer pursuant to the foregoing sentence, such indemnification shall not be subject to the Deductible Amount or any other limitation to or cap on indemnification set forth in Section 13.1(a) or (b) hereof.

## 2.2 Deposit in Escrow.

(a) Concurrent with the execution of this Agreement, the Buyer is depositing in escrow with Colorado National Bank, N.A. (the "Escrow Agent") the sum of Five Hundred Thousand Dollars ( ) (the "Deposit"). At the Closing, the Escrow Agent shall pay the Deposit plus accrued interest to the Seller, which combined sum shall be credited against the Purchase Price. In the event that the Closing does not occur by reason of breach or default by the Buyer after all conditions precedent to its obligations hereunder have been satisfied and provided that the Seller has performed or stands ready, willing, and able to perform, its obligations under this Agreement, the Escrow Agent, in accordance with the terms of the escrow agreement, shall pay the Deposit and all accrued interest to the Seller which the Seller shall retain as liquidated damages, and upon such payment, all obligations of the Buyer to the Seller hereunder (or to any person claiming through or under Seller) shall terminate. Seller and Buyer hereby agree that any damages which Seller or any person claiming through or under the Seller may at any time allege to have been suffered by Seller or any such person arising out of or related to any breach by Buyer are not easily measured and that the proceeds of the Deposit and

all accrued interest represent a reasonable estimate of the damages to be suffered by Seller and not a penalty. Accordingly, Buyer and Seller hereby agree that the payment of the proceeds of the Deposit and all accrued interest shall be Seller's exclusive remedy (as well as the exclusive remedy of any person claiming through or under Seller) and a liquidated sum in full satisfaction and complete payment of all such damages and in lieu of any and all other damages and in lieu of any and all other recourse, including without limitation all consequential, incidental and punitive damages, arising out of or related to such breach by Buyer and that no additional damages shall be payable to Seller or any such person arising out of or related to such breach.

(b) In the event that the Closing does not occur for any reason other than a breach by the Buyer under Section 2.2(a) hereunder, the Escrow Agent in accordance with the terms of the escrow agreement, shall return the Deposit plus interest to the Buyer, without prejudice to any other of the Buyer's remedies hereunder.

(c) Concurrent with the execution of this Agreement, the Buyer, the Seller and the Escrow Agent are entering into an escrow agreement relating to the Deposit in the form of Schedule 2.2 attached hereto.

(d) The escrow agreement shall provide that should the Seller's General Partner exercise the Right of First Refusal (as defined in Section 4.27 hereof), or should Buyer exercise its rights under Sections 7.1 or 8.11, the Escrow Agent shall immediately upon written notice thereof pay to Buyer the Deposit and all accrued interest thereon.

### 2.3 Assumption of Liabilities.

At the Effective Time, Buyer shall assume and agree to perform and discharge the following as they become due for all periods from and after the Effective Time, to the extent not theretofore performed or discharged:

(a) All obligations of Seller arising from and after the Effective Time (provided the obligations also arise out of events



occurring on and after the Effective Time and do not arise out of events occurring or time periods prior to the Effective Time except for, but only to the extent of, accrued and unpaid expenses for which Buyer receives an adjustment to the Purchase Price pursuant to Section 2.4(c) hereof), under all franchises, permits, licenses, leases, rights-of-way, easements, pole attachment agreements, cable television service agreements and other agreements in existence on the Closing Date, and not excluded under Section 1.2 hereof, being only those (i) set forth on Schedules 1.1(C), 4.6(A), 4.6(B) and 4.7(A) attached hereto or which are not required to be set forth under the provisions of Section 4.7 because such contracts, leases or other agreements involve payments of less than individually over the life of such agreements or more than in the aggregate for all such agreements over the life of such agreements and do not impose (individually or collectively) any significant non-monetary obligations, (ii) those agreements entered into after the date hereof pursuant to Section 6.1 hereof, and (iii) such written or verbal individual subscriber agreements (provided accurate summaries thereof in writing are delivered prior to Closing by Seller to Buyer) with subscribers (other than bulk subscribers) entered into in the ordinary course of business consistent with Seller's past practices relating to the provision of cable television service at the standard rates charged by the System for such service;

(b) The obligations of Seller to those employees who are hired by the Buyer for accrued but unused vacation time, as adjusted through the Effective Time if and to the extent the Purchase Price is adjusted in Buyer's favor pursuant to Section 2.4 (a)(ii) (the "Seller's Accrued Vacation Pay");

(c) The obligation of the Seller to provide free or reduced price cable television service to (i) Seller's employees that are hired by the Buyer, (ii) those persons as required pursuant to the franchise agreements or other agreements, (iii) those persons where such free service can be terminated upon less than 90 days notice (the above obligations collectively referred to

as "Free Service"), all such obligations set forth in (i), (ii), and (iii) are expressly set forth on Schedule 2.3(C) attached hereto;

(d) All obligations arising out of customer prepayments and converter deposits plus accrued interest, if any, and all other accrued and unpaid expenses that result in a Buyer's adjustment to the Purchase Price as provided in Section 2.4(a) and (c) hereof; and

Buyer shall not be liable for any liabilities, contracts, agreements or other obligations of the Seller which are not specifically assumed hereunder, and Seller shall indemnify Buyer against all such liabilities, contracts, and other obligations. Except as otherwise provided in this Section 2.3, all obligations, liabilities, claims, litigation or proceedings (whether or not disclosed in the Schedules hereto) relating to the operations of the Systems on or prior to the Effective Time, shall be and remain the obligations and liabilities solely of Seller.

#### 2.4 Adjustments and Prorations.

In the event that "good funds" representing the Purchase Price are received by Seller on the Closing Date, operation of the Systems until 11:59 p.m. of the day immediately preceding the Closing Date shall be for the account of Seller and thereafter for the account of Buyer. In the event that "good funds" are not received until the day following the Closing Date, operation of the System until 11:59 p.m. of the Closing Date shall be for the account of Seller and thereafter for the account of Buyer. (The date and time selected in accordance with the previous two sentences shall be referred to as the "Effective Time"). The operation of the Systems and the income and expenses attributable thereto shall be prorated as of the Effective Time. The aggregate amount paid for the Assets on the Closing Date shall be adjusted and revenues and direct expenses relating to the Systems shall be prorated as follows with all adjustments and prorations as of the Effective Time:

(a) The aggregate amount paid for the Assets shall be reduced by the sum of the following amounts: (i) the amount of liabilities with respect to subscriber prepayments and converter deposits plus interest thereon, if any, that Seller is obligated to pay at law or otherwise, the responsibility for which is assumed by Buyer under this Agreement to the extent of the reduction, with the amount of prepayments relating to services provided prior to the Effective Time for the account of Seller and prepayments relating to services which Buyer will be obligated to provide after the Effective Time for the account of the Buyer, (ii) the Seller's Accrued Vacation Pay, and (iii) an amount equal to the Subscriber Adjustment as such term is hereinafter defined.

As used herein, the term "Subscriber Adjustment" shall mean an amount equal to \_\_\_\_\_ for each Basic Subscriber at Closing less than \_\_\_\_\_. As used herein, the term "Basic Subscribers" shall mean basic subscribers as such term is described in Section 4.21 hereof. The amount of the Subscriber Adjustment, if any, shall be limited as follows:

The Seller and the Buyer have entered into two additional separate Asset Purchase Agreements as of the date hereof covering the sale of Seller's cable television systems in Missouri, and New Mexico, respectively. The Asset Purchase Agreement for the Missouri systems contains a similar method of subscriber adjustment to the method contained in this Agreement that may result in an adjustment to the Purchase Price provided therein in the event that the number of Basic Subscribers to the Missouri Systems is less than \_\_\_\_\_ at Closing (the "Missouri Threshold"). The Asset Purchase Agreement for the New Mexico systems similarly provides for an adjustment in the event that there are less than \_\_\_\_\_ Basic Subscribers at Closing (the "New Mexico Threshold").

In the event that the number of Basic Subscribers at Closing is less than \_\_\_\_\_ (a "Subscriber Deficit"), the Seller shall have the ability to offset the "Subscriber Deficit" with the excess, if any, of Basic Subscribers above the Missouri and/or New Mexico Thresholds (a "Subscriber Surplus"). For instance, assume that

there is a Subscriber Deficit hereunder equal to Basic Subscribers, and a Subscriber Surplus equal to Basic Subscribers in Missouri and Basic Subscribers in New Mexico. The Subscriber Adjustment would be reduced from ( ) to

. A Subscriber Surplus can only be utilized by the Seller once. For instance, assume a Subscriber Deficit hereunder of Basic Subscribers, a Subscriber Surplus of Basic Subscribers in Missouri and a Subscriber Deficit of Basic Subscribers in New Mexico. The Seller could apply the Missouri Subscriber Surplus to (i) partially offset the Subscriber Adjustment hereunder, or (ii) totally offset the Subscriber Adjustment in New Mexico.

In the event that there is a Subscriber Adjustment at Closing, all of the Seller's subscribers as of the Closing Date who do not qualify as Basic Subscribers (solely because they have not been a subscriber for at least one month but who otherwise satisfy the definition of Basic Subscriber) shall be placed on a list (the "Subscriber Escrow List") that will be delivered to the Buyer at Closing. Buyer shall deliver for each subscriber on the Subscriber Escrow List up to a maximum amount equal to the Subscriber Adjustment (the "Subscriber Escrow Fund") to an escrow agent to be selected by Buyer within 30 days of the date hereof and reasonably acceptable to Seller (the "Closing Escrow Agent") pursuant to the escrow agreement referred to in Schedule 2.5 hereof. The Seller and the Buyer shall deliver a joint written instruction to the Closing Escrow Agent within five (5) days of the date which is sixty (60) days after the Closing Date instructing it to pay over to the Seller an amount equal to for each subscriber on the Subscriber Escrow List (up to amount of the Subscriber Escrow Fund) who (i) paid for at least one month's service in full without discount prior to the Closing Date, and (ii) remains a Basic Subscriber for at least 30 days from the first date of service, and (iii) and does not have a past due balance in excess of sixty (60) days on the date which is sixty days after the Closing Date (excepting from the past due determination late

fees not to exceed as well as bona fide disputed service charges), plus the amount of any accrued interest attributed to the portion of the Subscriber Escrow Fund so disbursed to the Seller at that time. Any funds remaining in the Subscriber Escrow Fund plus accrued interest on that portion of the Subscriber Escrow Fund after such disbursement to Seller shall be disbursed to the Buyer on such date. Buyer's obligation as to such subscribers shall be to provide service thereto only in the ordinary course of its business without any deviations from Buyer's normal disconnection policies.

(b) The aggregate amount paid for the Assets shall be increased by the sum of the following amounts: an amount for the Seller's accounts receivable from subscribers for services rendered prior to the Closing Date by Seller determined in accordance with generally accepted accounting principles equal to (i) of the face amount of the receivables which, as of the Effective Time, are thirty (30) days or less past due from the first day of the month to which a bill relates (provided there is no unpaid older receivable owing by the applicable subscriber); (ii) of the face amount of the receivables, which, as of the Effective Time, are more than thirty (30) days but not more than sixty (60) days past due from the first day of the month to which a bill relates (provided there is no unpaid older receivable owing by the applicable subscriber); and (iii) of the face amount of the receivables which, as of the Effective Time, any portion of which are more than sixty (60) days past due from the first day of the month to which a bill relates, excepting from the past due determination those late fees that do not exceed per customer.

(c) All revenues (other than accounts receivable for subscribers which are covered separately in Section 2.4 (b)) and expenses, costs and liabilities relating to the Systems (including, without limitation: franchise fees, pole rental fees, other rental or similar charges or payments payable in respect of any contracts, leases or agreements of Seller being assumed by Buyer, sales and use taxes payable in respect of cable television service and equipment furnished in connection with the operation of the

Systems, power and utility charges, real and personal property taxes and rentals, applicable copyright or other fees, sales and service charges, taxes, and similar prepaid and deferred items), shall be prorated, with the Seller being entitled to all revenues (other than subscriber accounts receivable) and liable for all such expenses, costs and liabilities relating to the period at or prior to the Effective Time and the Buyer entitled to all revenues and liable for all such expenses relating to the period after the Effective Time, determined in accordance with generally accepted accounting principles consistently applied, subject to Section 2.4 (f) below. An increase or decrease in the price paid at Closing shall be made, as appropriate, based upon such proration.

(d) Seller shall deliver to Buyer, not less than seven (7) business days prior to the Closing Date, a certificate (the "Closing Adjustment Certificate") signed by a designated officer of the general partner of Seller which shall set forth Seller's good faith estimate of the amount of the adjustments and prorations set forth in Sections 2.4(a), (b), and (c) above, as of the Effective Time. The Closing Adjustment Certificate shall be in form and substance satisfactory to Buyer, and Seller shall deliver to Buyer with the Closing Adjustment Certificate a copy of such supporting evidence as shall be appropriate hereunder as Buyer may reasonably request. At the Closing there will be a settlement between the Buyer and Seller with respect to the adjustments and prorations set forth in Sections 2.4(a), (b), and (c) above, with all such prorations made or estimated by the Seller and Buyer and the amounts determined by Buyer and Seller pursuant to the provisions of this Section 2.4 shall be paid to Buyer or Seller, as appropriate, by an increase or decrease in the Purchase Price, as appropriate on the Closing Date, with a final settlement within seventy (70) days after the Closing Date.

(e) Within seventy (70) days after the Closing Date, Buyer shall deliver to Seller a certificate (the "Final Closing Certificate") to be signed by a designated officer of the Buyer setting forth any changes to the adjustments made at the Closing

pursuant to Sections 2.4(a), (b), and (c), together with a copy of such supporting evidence as shall be appropriate hereunder as Seller may reasonably request. If Seller shall conclude that the Final Closing Certificate does not accurately reflect the changes to be made to the closing adjustments pursuant to this Section 2.4, Seller shall, within thirty (30) days after its receipt of the Final Closing Certificate, provide to Buyer its written statement (together with any supporting documentation as Buyer may reasonably request) of any discrepancy or discrepancies believed to exist. Seller's representatives shall be permitted access to all books, records, billing service reports and other documents necessary or appropriate for the determination of the adjustments and prorations.

Buyer and Seller shall attempt jointly to resolve any discrepancies within thirty (30) days after receipt of Seller's discrepancy statement, which resolution, if achieved, shall be binding upon all parties to this Agreement and not subject to dispute or review. If Buyer and Seller cannot resolve the discrepancies to their mutual satisfaction within such thirty (30) day period, Buyer and Seller shall, within the following ten (10) days, jointly designate a nationally known independent public accounting firm to be retained to review the Final Closing Certificate together with Seller's discrepancy statement and any other relevant documents. The cost of retaining such independent public accounting firm shall be borne equally by Seller and Buyer. Such firm shall report its conclusions in writing to Buyer and Seller and such conclusions as to adjustments pursuant to this Section 2.4 shall be conclusive on all parties to this Agreement and not subject to dispute or review.

If, as a result of such adjustments, Buyer is determined to owe an amount to Seller, Buyer shall pay such amount thereof to Seller in immediately available funds within three business days of such determination, and if Seller is determined to owe an amount to Buyer, Seller shall pay such amount thereof to Buyer in immediately available funds within three business days of such determination,

and such amounts to be paid by Seller shall not be subject to the limitations of Section 13.1.

(f) Section 2.4(c) hereof is intended to establish the Effective Time as the cutoff date from which Buyer shall be entitled to the revenues and responsible for expenses of operating the Systems and shall not be construed as an assumption by Buyer of any liability, contract, agreement or obligation which is not specifically set forth in Section 2.3 hereof.

2.5 Indemnity and Subscriber Escrows.

At the Closing, the Buyer shall cause to be deposited with the Escrow Agent (i) the sum of

( ) of the Purchase Price (the "Indemnity Fund"); and (ii) if applicable, the Subscriber Escrow Fund as provided in Section 2.4(a) pursuant to an indemnification escrow agreement substantially in the form of Schedule 2.5 attached hereto (the "Closing Escrow Agreement"). The Subscriber Escrow Fund shall be paid to the Seller and the Buyer plus the amount of any accrued interest attributed to the portion disbursed to each as provided in Section 2.4(a) hereof and in the Closing Escrow Agreement. The Indemnity Fund, less the amount of all previous payments to the Buyer for indemnification pursuant to Section 13.1 hereof and less any unresolved claims as reasonably estimated by Buyer (together with the portion of accrued interest attributable to such claims), shall be paid to Seller plus the amount of any accrued interest attributed to the portion so paid to Seller at the close of business on the date which is ten days after twelve (12) months from the Closing Date or the next business day thereafter in the event that such date is not a business day. The Seller expressly agrees that payment of any adjustments to the Purchase Price pursuant to Sections 2.4(a), (c), and (e) payable to Buyer shall be paid directly by Seller to Buyer in immediately available funds and shall not reduce the amount of the Indemnity Fund, provided that Buyer may, at its option, make a claim against the Indemnity Fund for such amounts which claim shall not be subject to either (i) the Deductible Amount as such term is defined in Section 13.1(b), or



(ii) any limit as to the maximum amount to which a Buyer may seek or be entitled to indemnification under Section 13 hereof or any other provision of this Agreement. The total liability of the Seller for its indemnity obligations under Section 13.1 hereof, other than (i) the responsibility to make payments to the Buyer, if applicable, pursuant to Section 2.4(e) for any changes to the adjustments to the Purchase Price under Section 2.4 (should Buyer choose to have payment made to it out of the Indemnity Fund), and (ii) Seller's indemnification obligations under Sections 2.1, 8.11, and 13.1(c)(ii), shall be limited in all respects to, and shall be payable solely from, the Indemnity Fund.

#### CLOSING

##### 3.1 Closing Date.

The closing of the transactions contemplated hereby (the "Closing") shall take place at the offices of the Seller's counsel, Hall & Evans, in Denver, Colorado, on the first day of the month (or the next business day thereafter, excluding in any event Saturdays, Sundays, and national holidays) at least (5) business days after Seller has provided Buyer with written notice that all conditions precedent contained in this Agreement are satisfied or waived (the "Closing Date"), but in no event later than June 1, 1994. In addition to and notwithstanding the foregoing, if Buyer shall elect to waive any conditions precedent to its obligations to close, it shall have the right on written notice to Seller of such waiver to set the Closing Date on such date as Buyer shall select by written notice to Seller, and Seller hereby agrees that the Closing shall occur on that date, which date shall be five or more business days after Buyer has provided written notice to Seller.

##### 3.2 Default at Closing.

Subject to and without limitation of Sections 2.2, 8.11, and 12(d), notwithstanding anything in this Agreement or applicable law to the contrary, if the Seller shall fail or refuse to consummate the transactions set forth in this Agreement on or prior to the Closing Date, and if the Buyer shall have made tender of the Purchase Price or stands ready, willing, and able to make tender of

the Purchase Price, then, in addition to any other remedies available to it at law or hereunder, the Buyer may, at its option, invoke any equitable remedies it may have to enforce delivery of the Assets hereunder, including, without limitation, an action or suit for specific performance. Seller acknowledges that in the event of its breach of its obligations Buyer will suffer irreparable harm and Seller hereby irrevocably waives the defense that Buyer has an adequate remedy at law.

#### REPRESENTATIONS AND WARRANTIES OF SELLER

As an inducement to Buyer to enter into this Agreement and to consummate the transactions contemplated hereby, the Seller hereby makes the following representations and warranties.

##### 4.1 Partnership Existence and Qualification.

The Seller is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware and has the power and authority to own, lease, use and operate its properties and to transact the business in which it is engaged and to enter into this Agreement and the other documents and instruments contemplated hereby and to carry out the transactions contemplated hereby. The Seller is qualified to do business in the State of Florida.

##### 4.2 Authorization.

This Agreement and the other documents or instruments executed and delivered or to be executed and delivered hereto as well as all actions required to be taken under this Agreement have been duly authorized, executed and delivered by the Seller and all required partners. This Agreement constitutes and the other documents or instruments executed and delivered or to be executed and delivered when executed will constitute, and all actions under this Agreement and all related instruments constitute, the legal, valid and binding obligation of the Seller, enforceable in accordance with their terms subject to applicable bankruptcy, solvency, reorganization, moratorium or other laws affecting the rights of creditors generally.

##### 4.3 Approvals and Consents.

Subject to obtaining the requisite approvals and consents required under any of the Seller's franchises, permits, licenses, leases and agreements, neither the execution, delivery and performance by the Seller of this Agreement or any other agreement or instrument hereunder nor the consummation of the transactions contemplated hereby will (i) conflict with, or result in a breach of the terms of, or constitute a default under, or violation of, Seller's Partnership Agreement, or any franchise, permit, license or agreement to which the Seller is a party or by which it or any of its properties are bound, (ii) result in a violation of any law, rule, regulation, order, writ, judgment, decree, determination or award having applicability to the Seller or the System. Subject to obtaining such approvals and consents, such execution, delivery, performance or consummation will not give to others any rights of termination, acceleration or cancellation in or with respect to any franchises, permits, licenses, leases or agreements of (or relating to the business of) the Seller. Schedule 4.3 sets forth all requisite approvals or consents contractually or legally required to (i) enable Buyer to continue to lawfully operate the Systems as they are presently operated by Seller; (ii) render this Agreement and the transactions contemplated hereby valid and effective with respect to the parties hereto; and (iii) permit the Seller to sell the Assets, and assign to Buyer all Franchises, Necessary Contracts, or other material leases, easements, agreements or other instruments to be assigned to and assumed by Buyer hereunder.

#### 4.4 Undisclosed Liabilities.

The Seller has no material liabilities or obligations, whether accrued, absolute, contingent or otherwise, and whether due or to become due, in connection with the Systems and the Assets and the Seller does not know of any basis for any claim against it for any such material liabilities or obligations, except (i) to the extent set forth in this Agreement or in the Schedules hereto or in any other documents identified therein concerning the Seller delivered to the Buyer pursuant to this Agreement and making specific reference hereto, or (ii) liabilities, debts or obligations

incurred in the ordinary course of the operation of the Systems since December 31, 1992. Except as set forth in Section 2.3, it is agreed that Buyer shall assume no liabilities of the Seller or the Systems.

#### 4.5 Tax Returns and Audits.

The Seller has filed with the appropriate agencies all tax returns and tax reports required by law to be filed by the Seller with respect to the operation of any System, which failure to file would have a materially adverse effect on the Seller or the Buyer. Except as set forth on Schedule 4.5 attached hereto, the Seller has paid all of its assessments, fees and taxes to the extent that the same have become due and payable.

#### 4.6 Licenses, Franchises, Permits, Necessary Contracts, etc.

The Seller has validly and legally obtained and duly holds the CATV franchises, licenses, consents, permits, approvals and authorizations of public or governmental bodies including, without limitation, the Federal Communications Commission ("FCC"), and the states and communities served by the Systems, which are required in connection with the construction, installation and operation of the Systems, and in connection with the conduct of its business (collectively referred to as the "Franchises"). Attached hereto as Schedule 4.6(A) is a true and accurate list of each Franchise, categorized by System and setting forth the expiration date of each. All Franchises are in full force and effect and there are no pending (and to the best of Seller's knowledge there are no threatened) modifications, amendments or revocations by the issuers of the Franchises which would adversely affect the operation of the Systems or any of the Assets. Seller has timely renewed or timely filed notices of renewal of franchises with all applicable governmental authorities, and it shall do so through the Closing. The Seller has entered into all necessary agreements (i) for the use of tower, office and head-end sites, (ii) with public utility and municipal facilities and pole attachment agreements, (iii) for rights-of-way, (iv) with developers and apartment/condominium owners, (v) for material licenses and easements, and (vi) any other

material agreements for the operation of the Seller's business and the Systems, which, if not entered into, would have an adverse effect on the Systems or any of them (collectively the items referred to in clauses (i) through (vi) are hereinafter referred to as the "Necessary Contracts"). All Necessary Contracts are in full force and effect, without any (or to the best of the Seller's knowledge, any threatened) modification, amendment or termination which would adversely affect the operation of the Systems or any of the Assets. Set forth on Schedule 4.6(B) is a true and accurate description (categorized according to System and type of agreement) of each Necessary Contract to which Seller is a party relating to the Systems other than those Necessary Contracts that are excluded assets pursuant to Section 1.2 hereof. Except as set forth on Schedule 4.6(C) attached hereto, the Seller is in compliance in all material respects with the terms of the Franchises and the Necessary Contracts. Further, except as set forth on Schedule 4.6(C) attached hereto, Seller is not in material default under any Franchise or Necessary Contract, nor is there any condition, event or occurrence existing, nor is any proceeding threatened (to the best of Seller's knowledge) or being conducted by any governmental authority, which would cause the termination, suspension or cancellation of any Franchise or Necessary Contract. The operation of the Systems and the Assets have been and are being conducted in accordance, in all material respects, with all applicable provisions of such Franchises and Necessary Contracts. The Seller has provided the Buyer with copies of all the Franchises and Necessary Contracts.

#### 4.7 Material Contracts and Obligations.

(a) Attached hereto as Schedule 4.7(A) is a list of all agreements (other than (i) those required to be listed by Section 4.6, (ii) non-assignable insurance policies, and (iii) Seller's loan agreements to be retired out of the closing proceeds, or otherwise to be satisfied or discharged by Seller at or prior to Closing) of any nature to which the Seller is a party or by which it or any of its properties are bound which obligate the Seller to

pay in the aggregate at any time over the remaining life of the contract either more than \_\_\_\_\_ for any individual contract or \_\_\_\_\_ for all contracts under \_\_\_\_\_ each or which impose (individually or collectively) any significant non-monetary obligations (collectively, the "Material Agreements"). Except as set forth on the Schedules hereto, the Seller is not a party to any written or oral contract with respect to the Systems that is not cancelable without penalty upon 30 days' notice or less, including any:

- (i) bonus, incentive, pension, profit sharing, retirement, hospitalization, insurance, stock option, employee stock purchase or other plan providing for deferred or other compensation to employees, or any other employee benefit or "fringe benefit" plan, including, without limitation, vacation, sick leave, medical or other insurance plans or any union collective bargaining or any other contract with any labor union;
- (ii) contract for the employment of any officer, director, individual employee, or other person or entity on a full-time, part-time, consulting or other basis;
- (iii) agreement or indenture relating to the borrowing of money or to mortgaging, pledging or otherwise placing a lien on any asset or group of assets of the Seller;
- (iv) guarantee of any obligation;
- (v) lease or agreement under which it is lessee or lessor, or holds or operates any property, real or personal, owned by any other party, except for any lease under which the aggregate annual rental payments do not exceed \_\_\_\_\_ ;
- (vi) agreement or group of related agreements with the same party or any group of affiliated

parties which requires or may in the future require aggregate consideration by or to the Seller in excess of                   ; or

(vii) continuing contract for the future purchase of materials, supplies, equipment or services.

(b) Except as disclosed on Schedule 4.7(B) attached hereto, with respect to the Systems, the Seller has performed all material obligations required to be performed by it and is not in default under, or in breach of, or in receipt of any claim of default under, any Material Agreement to which it is a party or by which it or any of its properties are bound; the Seller has no knowledge of any material breach or anticipated material breach by the other parties to any contract or commitment to which it is a party or by which the Seller or any of its properties are bound.

#### 4.8 Employees.

The names and addresses of all key employees of the Seller involved in the operation of the Systems and the Assets including, but not limited to, System managers, together with their current compensation level (together with any recent bonuses) are listed on Schedule 4.8 attached hereto. The Seller is not currently, nor during the past six months has it been, involved in any discussion with any unit or group seeking to become the bargaining unit for any of its employees nor, to the best of Seller's knowledge, has there been any threat of such discussions.

#### 4.9 Absence of Certain Developments.

Except as set forth on Schedule 4.9 attached hereto, and except for the transactions contemplated by this Agreement, the Seller has not insofar as the Systems, or the Assets are concerned, since December 31, 1992:

- (i) sold, assigned or transferred any of its tangible assets, except in the ordinary course of business;
- (ii) suffered any material losses or waived any material rights, whether or not in the ordinary course of business other than those resulting from the Cable Television Consumer Protection Act of 1992 (the "Cable Act");
- (iii) suffered any termination or cancellation, of any Necessary Contract or Material Agreement ;
- (iv) made any material changes in employee compensation except in the ordinary course of business;
- (v) entered into any other transaction other than in the ordinary course of business;
- (vi) suffered any material damage, destruction or casualty loss, whether or not covered by insurance;
- (vii) suffered any strikes, work stoppages or other material labor disputes adversely affecting the Systems, or the Assets; or
- (viii) entered into any agreement or understanding to do any of the foregoing.

#### 4.10 Real Property-Owned or Leased.

The Seller has furnished to the Buyer a full and accurate legal description of each parcel of Real Estate owned by the Seller (together with any surveys thereof in Seller's possession showing all access thereto and improvements thereon) and, to the extent in Seller's possession, a full and accurate legal description of each leased tower or headend site together with surveys thereof showing



all access thereto and improvements thereon, with a description of the type of use of each such parcel and a copy of the existing title insurance policy to the extent in Seller's possession or other evidence of title issued with respect thereto. To the best of Seller's knowledge, it has legal and practical access to each such parcel. Except for current taxes or assessments due but not yet payable and easements, liens or other encumbrances set forth on Schedule 4.10 attached hereto or in the title insurance policies provided to Buyer hereunder, which do not materially affect their use with respect to the Systems, the Seller is the sole owner (both legal and equitable) of and has good and marketable title to each parcel of Real Estate free and clear of all liens, claims, encumbrances, liabilities and restrictions.

4.11 Personal Property-Owned.

Except as set forth on Schedule 4.11 attached hereto, the Seller is the sole owner (both legal and equitable) of and has good and marketable title to the Assets constituting personal property, and has or will have at the Closing Date, the absolute right to sell, assign, transfer, convey and deliver the Systems, and such Assets to the Buyer, free and clear of all mortgages, liens, security interests, charges, claims, restrictions and other encumbrances of every kind.

4.12 Necessary Property.

All of the Assets constitute all of such property necessary for the operation of the Systems in the manner and to the extent presently conducted by Seller except for the Excluded Assets. The tangible Assets taken as a whole, are in an acceptable working condition, normal wear and tear excepted, and are capable of being used to deliver CATV services to the present subscriber base in a satisfactory manner. Schedule 4.12 sets forth in reasonable detail a list of the Seller's inventory as of the date indicated on such Schedule. The Seller has not sold or transferred, and shall not sell or transfer through Closing, any of its inventory to any affiliated entity from the date of Buyer's initial inspection of the Systems.

#### 4.13 No Breach of Statute, Decree, Order or Contract.

To the best of Seller's knowledge, Seller is currently complying with and has complied with, and is not in default under or in violation of, and neither the Systems nor any of the Assets nor the operation or maintenance thereof contravenes (when such non-compliance, default, violation or contravention would have an adverse effect on Seller or any of the Systems) any applicable statute, law (including copyright and environmental laws), ordinance, decree, order, rule, regulation of any governmental body (including, without limitation, rules and regulations of the authorities which granted the Franchises), provisions of any Franchise, the FCC, regulations of the Federal Aviation Administration with respect to Seller's cable television towers and the United States Copyright Office.

#### 4.14 Transactions.

Since December 31, 1992, Seller has not entered into any transaction not in the ordinary course of its business, and except for those changes which affect the cable television industry generally, there has not been any material adverse change in the manner in which Seller conducts its business with respect to the Systems or any change in the assets, liabilities, property, business, operations, prospects, customers or financial condition of Seller.

#### 4.15 Litigation and Legal Proceedings.

Set forth on Schedule 4.15 attached hereto is a complete and accurate list of all suits, claims, actions and administrative, arbitration or other similar proceedings relating to the operation of the Systems or the Assets (including proceedings concerning labor disputes or grievances, civil rights discrimination cases and affirmative action proceedings) and all governmental investigations pending or, to the knowledge of Seller, threatened, to which Seller is a party, or against its properties or business, and each judgment, order, injunction, decree or award relating to the Seller, or the Assets (whether rendered by a court, administrative agency or by arbitration pursuant to a grievance or other

procedure) to which the Seller is a party and relating to the Systems or the Assets which is unsatisfied or requires continuing compliance therewith (such suits, actions, claims, judgments, orders, injunctions, decrees and awards are herein referred to as "legal proceedings"). The Seller is not aware of any facts or circumstances which would give rise to any unasserted possible claims against the Systems, or the Assets. The Seller has entered into a settlement agreement in a lawsuit brought by the Motion Picture Association of America against the Seller and other cable television operators releasing Seller and its successors and assigns from all liabilities. The foregoing representations and warranties in this Section 4.15 specifically exclude investigations and rulemaking proceedings generally affecting the cable television industry (and to which the Seller is not a party) undertaken by or pending before Congress, the FCC, the Copyright Royalty Tribunal or any state governmental authority in any state in which the Systems are located. To the best of Seller's knowledge and based upon assumptions and interpretations believed by the Seller to be valid, (i) the Seller is in compliance for each of the Systems with the maximum permitted per-channel prices, as promulgated by the FCC under its Rate Rulemaking, Docket No. 92-266, and, (ii) the rates charged for regulated equipment are at the actual cost of the equipment plus a reasonable return on investment thereon, as permitted under and consistent with the aforesaid docket and the rules promulgated thereunder.

#### 4.16 Financial Statements.

Attached hereto as Schedule 4.16(A) is Seller's Balance Sheet at December 31, 1992 and Related Statements of Operations, Partners' Capital and Cash Flow of Seller for its fiscal years then ended, which has been audited by Seller's independent certified public accountant (the "Audited Financial Statements"). Attached hereto as Schedule 4.16(B) is Seller's unaudited Balance Sheet at June 30, 1993 and Related Statements of Operations, Partners' Deficits, and Cash Flows of Seller for the quarters ended June 30, 1993 and 1992 (the "Unaudited Financial Statements"). Seller will

deliver to Buyer its unaudited Balance Sheet and Related Statements of Operations, Partners' Deficits, and Cash Flow of Seller for any additional periods (the "Additional Financial Statements") as soon as available. The Audited Financial Statements and the Unaudited Financial Statements (i) are complete and correct in all material respects, (ii) have been prepared in conformity with generally accepted accounting principles consistently maintained and applied and (iii) present fairly the financial position of Seller at the date indicated and the results of operations of Seller and changes in financial position for the periods indicated. The Additional Financial Statements (i) will be complete and correct in all material respects, (ii) will be prepared using the same accounting methods and procedures as used in the preparation of the Audited Financial Statements and (iii) will present fairly the financial position of Seller at the date indicated and the result of Seller's operations and changes in financial position for such periods. Whenever references are made throughout this Agreement to financial statements, it will be understood that all notes and exhibits are included therein.

#### 4.17 Brokers' Fees.

Neither the Seller nor anyone on its behalf has retained any broker, finder or agent or agreed to pay any brokerage fee, finder's fee or commission with respect to the transactions contemplated by this Agreement, except for a fee payable to Daniels & Associates, which will be paid by the Seller. Seller will hold Buyer harmless against any claim for brokerage and finders fees or agent's commissions incident to or in connection with this sale in any way from any party, provided that any such claim is not a violation of the Buyer's representation and warranty contained in Section 5.5.

#### 4.18 Pensions and Other Deferred Compensation.

There are no pension, retirement, or deferred compensation plans or policies for the benefit of employees of the Seller and the Seller is not subject to any liability resulting from the withdrawal by the Seller or any of its affiliates from a

multi-employer pension plan or resulting from the termination of a plan previously utilized by Seller.

4.19 Benefit Claims.

No person has asserted any claim under which the Seller would have any material liability under any health insurance, life insurance, disability, medical, surgical, hospital, death benefit, or any other employee benefit plan, contract or arrangement maintained by the Seller with respect to the Systems, or to which the Seller is a party or may be bound, or under any worker's compensation or similar law, which is not fully covered by insurance maintained with reputable, responsible financial insurers or by an adequately funded self-insured plan.

4.20 Insurance, Surety Bonds, Damages.

Set forth on Schedule 4.20 attached hereto is a copy of all insurance certificates and surety bonds of Seller now in effect, including the names of the insureds and the coverages thereof. The premiums on such insurance policies and bonds have been currently paid, and such policies and bonds are valid, outstanding and enforceable, in full force and effect and insure against risks and liabilities and provide for coverage to the extent and in a manner required of or historically deemed appropriate and sufficient by Seller. The Seller will maintain coverage of similar kinds and amounts and pay the premium for such coverage through the Closing Date.

4.21 System Capacity, Subscribers and Rates.

Attached hereto as Schedule 4.21 is a table indicating (i) the channel lineup, (ii) programming offered, (iii) approximate linear strand miles of plant (i.e., main trunk and distribution or feeder cable), (iv) approximate number of residential units "passed by cable," (v) approximate number of Basic Subscribers and Seasonal Subscribers (as defined below), (vi) approximate number of Pay-TV Units and (vii) basic and premium service subscriber rates in and for the Franchise Areas served by the Systems as of the date this Agreement is executed by Buyer. A residential unit is deemed "passed by cable" if such unit can be provided with cable service

without any further extension of the trunk or distribution cable.

For purposes of this Agreement, the term Basic Subscriber shall mean the sum of (i) Individual Basic Subscribers, and (ii) Basic Subscriber Equivalents, as such terms are defined below:

(a) "Individual Basic Subscribers" shall mean each active individual household subscriber or resident of a multiple dwelling unit purchasing either basic cable television service or basic and tier cable television service, (i) who has been a subscriber for at least one month and who has rendered payment in full (without discount) for at least one full month's service, together with any applicable installation fee, taxes, or other separately itemized fees or charges; (ii) whose payment for service is not more than sixty (60) days past due from the first day of the period to which any outstanding bill relates; and (iii) who has become a subscriber only pursuant to customary marketing promotions conducted in the ordinary course of business consistent with past practices, as described in Schedule 6.1(vii);

(b) "Basic Subscriber Equivalents" shall equal the monthly bulk and commercial basic revenue (excluding billings for any charges relating to services other than basic and tier cable television service, such as, without limitation, charges for remotes, converters, cable guides, taxes, franchise fees, or late charges to the extent that any such charges are billed or identified separately), and excluding charges for Pay-TV and pay per view which are excluded whether or not they are billed or identified separately, divided by the applicable monthly service charge for Individual Basic Subscribers for basic and tier in effect on the date Buyer executes the Agreement (or as may have been adjusted prior to Closing under Section 6.1(vi)) for the area in which the bulk or commercial revenue is derived; provided that the payment for each such bulk or commercial account is not more than sixty (60) days past due from the first day of the period to which any outstanding bill relates.

(c) "Pay-TV Units" shall mean the number of units of sales of optional single channels of service (as set forth in Schedule 4.21) for which there is a specified per channel charge.

4.22 Representations and Warranties.

No representation or warranty made herein by the Seller, and no statement contained in any certificate or other instrument furnished or to be furnished by the Seller to the Buyer in connection with the transactions contemplated by this Agreement, contains or will contain any untrue statement of a material fact or to the best of Seller's knowledge, omits or will omit to state, in the aggregate, any facts or statements necessary in order to make the other facts or statements set forth herein or therein not misleading under the circumstances in which made.

4.23 Must-Carry, Retransmission Consent.

Attached hereto as Schedule 4.23 is a list which fully discloses all channels on all Systems for which must-carry status has been granted. The Seller has delivered to the Buyer full and complete copies of all retransmission consent agreements with respect to the Systems.

4.24 Noncompetition.

Except as set forth in Schedule 4.24 attached hereto, (i) there are no operating cable television systems within the areas served by the Seller in any of the Franchise Areas, (ii) no franchise or other operating authority for a cable television system has been granted to any party other than Seller within the areas served by the Seller in the Franchise Areas, and (iii) to the knowledge of Seller, no party is seeking a franchise or other operating authority to operate a cable television system within the areas served by the Seller in the Franchise Areas. Except as set forth in Schedule 4.24 attached hereto and as licensed by the FCC, there are no multi-point distribution systems, multi-channel multi-point distribution systems operating in the Franchise Areas with the exception of direct broadcast satellite systems that are being operated and sold nationally and to the knowledge of the Seller,

other than the applications currently on file with the FCC, Seller is not in possession of any knowledge or information to indicate that any party is planning to commence operation of any such systems.

4.25 Three-Year Holding Period under Cable Act.

Neither this Agreement nor the transactions contemplated hereunder will result in or otherwise constitute a violation of or in any way be contrary to Section 617 of the Cable Communications Act of 1992.

4.26 No Other Commitment of Seller.

The Seller's General Partner has a right of first refusal in the Seller's Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement") granting the General Partner thirty (30) business days, from the date that the Liquidation Committee (as defined in the Partnership Agreement) intends to accept an offer to purchase Seller's cable systems, to notify the Liquidation Committee that it intends to purchase the same cable systems at the same price and upon the same terms and conditions stated in such offer (the "Right of First Refusal"). With the exception of the Right of First Refusal, no part of any of the Systems or the Assets is directly or indirectly subject in any manner to any oral or written commitment or arrangement, including without limitation any right of first refusal or option to purchase, for the sale, transfer, assignment or disposition thereof, in whole or in part, except pursuant to this Agreement and except to the extent that the Assets are the subject of security interests relating to Seller's secured financing, which security interests will be discharged at Closing.

REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer hereby makes the following representations and warranties.



### 5.1 Organization.

The Buyer is a corporation duly organized and validly existing under the laws of the State of Delaware and has the power and authority to own and use its properties and to transact the business in which it is engaged and to acquire the Assets pursuant to this Agreement and at Closing will be qualified to do business in the State of Florida.

### 5.2 Authorization of Agreement.

The execution and delivery of this Agreement and all other instruments or documents executed by Buyer in connection herewith, as well as all action required to be taken hereunder or thereunder by Buyer, has been duly authorized by Buyer, and upon execution and delivery, each such document will constitute the valid and binding obligation of the Buyer enforceable upon and in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting the rights of creditors generally and by general principles of equity. All persons who have executed this Agreement on behalf of the Buyer are authorized to do so under its organizational documents and the laws of its state of creation.

### 5.3 No Default.

Subject to Seller obtaining all requisite consents for or under all Franchises, Necessary Contracts, Material Agreements, and other agreements or instruments included in or relating to the Assets (including, without limitation, any consents or waivers of Seller's General Partner as to any right of first refusal held by it relating to this transaction), the execution and delivery of this Agreement and all other instruments or documents executed by Buyer in connection herewith and the consummation of the transactions contemplated hereby will not violate any provision of, or constitute a default under any provision in Buyer's Articles of Incorporation or By-Laws or any agreement or instrument to which Buyer is a party or which is otherwise applicable to Buyer or result in the acceleration of any obligation, or to the best of its knowledge, cause or give any reason for an adverse action to be

taken by any person or governmental authority under any mortgage, lien, lease, agreement, instrument, order, judgment, or decree to which the Buyer is a party or by which it is bound and will not - violate or conflict with any other restriction to which the Buyer is subject, including, to the best of Buyer's knowledge, federal, state, and local laws and regulations.

#### 5.4 Litigation.

There is no claim, action or proceeding now pending or threatened against Buyer of which the Buyer has received notice which will prevent or delay the consummation of the transactions contemplated by this Agreement.

#### 5.5 Finders' and Brokers' Fees.

No finder's fees, brokerage or agents' commissions or other like payments are payable to any third party or parties by reason of any agreement or resulting from Buyer's use of any finder, broker, agent or other intermediary in connection with the negotiations relative to this Agreement or the consummation of the transactions contemplated hereby.

#### 5.6 FCC Forms 393.

The Buyer has been provided by Seller with the FCC Forms 393 for the Systems and Seller's supporting documentation relating thereto and, to the best of Buyer's knowledge, the assumptions and interpretations made by the Seller therein are reasonable and valid.

### CONDUCT OF BUSINESS OF SELLER PRIOR TO CLOSING

#### 6.1 Restrictions on Operations Prior to Closing Date.

Following execution hereof and prior to and including the Closing Date, the Seller agrees to conduct its business and operations and to maintain all of the Assets according to its ordinary and usual course of business consistent with past practices and in a manner consistent with the continued accuracy of the representations and warranties of Seller contained in this Agreement. Furthermore, Seller, without the prior written consent of the Buyer, agrees not to:

- (i) Make any contract other than in the ordinary course of business, but even if in the ordinary course of business Seller shall not without Buyer's prior written consent which consent shall not be unreasonably withheld (a) make or commit to make any contract, concerning, relating to or involving any broadcaster's retransmission consent involving the payment of any sums, or involving any other considerations; (b) modify or amend any Franchise, Necessary Contract, Material Agreement, or any other agreement to be assumed by Buyer hereunder, except as otherwise expressly permitted in this Agreement; or (c) enter into or commit to any contracts not terminable at will without penalty involving aggregate liabilities under all such contracts of more than \_\_\_\_\_ with the exception of contracts for the purchase of inventory in the ordinary course of business for maintenance and extensions;
- (ii) Sell, transfer, lease, assign, or dispose of any Assets except, in the case of inventory, in the ordinary course of business consistent with past practices, and Seller agrees to maintain a level of inventory generally consistent with the level of inventory existing at the time of Buyer's inspection of the Systems prior to the execution of this Agreement;
- (iii) Increase in any manner the compensation of any of its employees (except for normal increases in line with past practices) or commit to or enter into any employment or collective bargaining or similar agreements;
- (iv) Cancel any of the insurance policies referred to in Schedule 4.20 except in compliance with Section 4.20; or

- (v) Fail to use its best efforts to keep the business of the Seller intact, to keep in faithful service the present officers and key employees of the Seller consistent with good business practices and to preserve the good will of the Seller's suppliers and customers and others having business relations with it;
- (vi) Change any subscriber rates or charges for equipment except as permitted by the FCC under its rules and regulations to effect increases thereof (or to otherwise adjust equipment rates if required under the rules and regulations), or change any collection, billing, disconnection, promotion or marketing practices, all marketing and promotion practices being generally described on Schedule 6.1;
- (vii) Except for those stations for which Seller is unable to obtain retransmission agreements, and only to the extent consistent with FCC regulations make any changes to channel line-ups; and
- (viii) Waive any material rights relating to any of the Systems, provided Seller may waive, cancel, or compromise any subscriber accounts receivable consistent with past practices.

#### 6.2 Payment of Obligations.

The Seller shall pay its current liabilities consistent with prior business practices as and when they become due, except those being contested in good faith by appropriate proceedings.

#### 6.3 Compliance with Franchises, Necessary Contracts, Material Agreements, Etc.

The Seller shall continue to comply in all material respects with the provisions of the Franchises, Necessary Contracts, Material Agreements, and all other agreements to be assumed by Buyer hereunder.

## INVESTIGATION BY BUYER

### 7.1 Access to Records.

Following execution hereof and prior to the Closing Date, the Seller shall give the Buyer and its representatives, including, without limitation, advisors, accountants and attorneys designated by Buyer, full access during ordinary business hours, upon reasonable notice, to its premises, assets, properties, books of account, agreements and commitments, pertaining to the Systems, other than the non-assignable programming and billing agreements provided that Buyer's investigation and use of the same shall not unreasonably interfere with the Seller's normal operations. Seller shall furnish the Buyer all information with respect to the business and affairs of the Systems as the Buyer may, from time to time, reasonably request including, without limitation, any monthly financial statements or subscriber reports of the Seller. Seller shall cause its employees to render to the Buyer and its representatives reasonable cooperation in connection with their investigation of the Seller's premises, assets, properties, records, books of account, agreements, commitments and other information relating to the Systems. In the event that the Buyer discovers any fact which would result in a Seller's representation or warranty being inaccurate, or any other breach of this Agreement by Seller, Buyer will give prompt notice of such breach to Seller, specifying the nature of such breach in reasonable detail and Seller shall cure such breach prior to the Closing in the event that the cost of curing such breach exceeds . . . . . Notwithstanding anything to the contrary contained in the previous sentence, the Seller shall have no obligation to cure any such breach in the event that the cost to cure would exceed . . . . . In the event that the cost to cure exceeds . . . . . and the Seller elects not to cure, it shall notify the Buyer in writing within ten (10) business days after its receipt of the written notice, and the Buyer shall have the right to terminate this Agreement in which event the Deposit plus interest shall be promptly returned to Buyer.

## 7.2 Confidentiality of Information.

Except as may be required by law or to effect the purposes of this Agreement, the parties agree not to disclose to any third person or to the public any information identified as confidential information relating to their respective businesses. In the event that the transactions contemplated by this Agreement are not consummated, each party further agrees to return any such confidential materials to the other party promptly upon request.

## FURTHER COVENANTS

### 8.1 Delivery of Documents to Buyer.

The Seller covenants that it either has delivered or will deliver or has made available to the Buyer for inspection, where indicated, the following within 30 days of the execution of this Agreement, or as specifically delineated below, and that such delivery will be a condition precedent to the tender of the Purchase Price by the Buyer:

- (i) Copies of any engineering drawings in the possession of Seller relating to the Systems have been made available to Buyer for inspection, and will be either delivered to Buyer at the Closing or left on site at a System office for Buyer.
- (ii) Copies of any and all insurance policies and bonds in force with regard to the Systems and the Seller.
- (iii) Copies of all franchises, contracts, agreements and other documents listed in the Schedules attached hereto have been made available to Buyer.
- (iv) Copies of radio licenses and earth station licenses.
- (v) Copies of all other agreements not listed in Schedules 4.6 and 4.7 that the Buyer is assuming.

### 8.2 Transfer of Franchises Prior to Closing.

The Seller shall use its best efforts and all due diligence, at its sole cost and expense, prior to the Closing Date, and in any event as expeditiously as possible (including, without limitation,

attendance at City Council or similar meetings and hearings before local and county administrative bodies) to obtain all requisite consents, approvals and authorizations required to be received by or on the part of Seller or Buyer for the transfer of the Franchises and the encumbrance thereof for financing purposes in the appropriate form required under law or under the applicable Franchise. The Seller shall use reasonable efforts to obtain such consents, approvals, or authorizations substantially consistent with the form of transfer documents set forth in Schedule 8.2. The Buyer agrees to cooperate and assist the Seller in obtaining such approvals, including, without limitation, attendance at City Council or similar meetings and hearings before local and county administrative bodies and to promptly return to the Seller any requested documents required to be executed or delivered by the Buyer to the franchisors in the normal course of the transfer proceedings. Except as otherwise provided in Section 9.9 hereof, and except that Buyer shall pay its own costs and expenses for the attendance at meetings with municipal officials, the Seller agrees to pay for all application fees, and other costs and fees imposed or arising in connection with procuring any consents to transfer of any franchises or agreements.

### 8.3 Other Agreements.

Seller shall use its best efforts and all due diligence, at its sole cost and expense, prior to the Closing Date, and in any event as expeditiously as possible to obtain consents to assignment to Buyer of all assignable Necessary Contracts and Material Agreements, and other agreements to be assumed by Buyer, and the encumbrance thereof for financing purposes, including all cable television service agreements, the leases and all other agreements referred to in Schedule 4.6(B), (or the issuance of substantially equivalent new agreements directly with Buyer). The Buyer shall use reasonable efforts to obtain such consents substantially in the form of Schedule 8.3 hereof. Buyer agrees to cooperate and assist Seller in obtaining such assignments or new agreements. In the case of pole attachment agreements that are not assignable, the

Seller shall solicit and obtain from appropriate utilities or municipalities new agreements acceptable to such municipalities or utilities, which shall then be negotiated between such party and the Buyer, with no further obligation on the part of Seller with respect thereto for procuring consent to assignment thereof except as set forth in the next sentence. The Seller agrees to cooperate and assist the Buyer in obtaining such new agreements. Buyer agrees that a consent or approval in respect of a pole attachment agreement that is being negotiated directly between the Buyer and a municipality or utility shall be deemed obtained for purposes of Section 9 hereunder. With regard to transferable agreements, Buyer shall have the right but not the obligation to communicate directly with the contracting parties to each of said agreements and leases with respect to said assignments or new agreements and leases, but the foregoing right of Buyer and the exercise thereof, shall not diminish Seller's obligation under this Section 8.3.

#### 8.4 Further Assurances.

Each of the parties hereto shall, subject to the fulfillment at or before the Closing Date of each of the conditions to its performance set forth herein or the waiver thereof, perform such further acts and execute such documents as reasonably may be required to effectuate the transactions contemplated hereby. Each of the parties hereto shall use all reasonable efforts to expeditiously fulfill or obtain the fulfillment of the conditions precedent to Buyer's and Seller's obligations hereunder, which conditions are set forth below.

#### 8.5 Programming and Billing Agreements.

The Seller shall cancel all programming and billing service agreements as of the Closing Date, except as provided in the next sentence. If requested by Buyer prior to the Closing, although Buyer shall not assume Seller's billing agreements, Seller shall make available for a period of up to four months after Closing its billing service and Buyer shall reimburse Seller for its out-of-pocket costs.

#### 8.6 Antitrust Laws.



As soon as practicable, after the date hereof, if legally necessary, Buyer and Seller and any necessary affiliates shall each make any and all filings which are required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"). Buyer and Seller shall each respectively bear one-half of any required filing fee under the HSR Act. The parties shall each furnish to the other such necessary information and reasonable assistance as the other may request in connection with its preparation of necessary filings or submissions pursuant to the provisions of the HSR Act. Copies of all correspondence, filings or communications (or memoranda setting forth the substance thereof) between a party or its representatives, on the one hand, and the FTC, the Antitrust Division of the United States Department of Justice or any other governmental agency or authority or members of their respective staffs, on the other hand, with respect to this Agreement, or the transactions contemplated hereby shall be furnished by each party to the other party.

8.7 Intentionally Omitted.

8.8 Environmental Reports.

Seller shall deliver to Buyer, at least forty-five (45) days prior to the Closing, a Phase I Environmental Report for each owned or leased headend or tower site, or other owned site. If any Phase I Environmental Report shows any potential material environmental liability, Seller shall deliver to Buyer, at least twenty (20) days prior to the Closing, a Phase II Environmental Report for each parcel with any potential material environmental liability. The costs of all the Phase I, and Phase II Environmental Reports, if any, shall be borne equally by Seller and Buyer.

8.9 Compliance with Laws.

Seller shall comply in all material respects with all laws, rules, and regulations to which the Seller, the Systems, or the Assets are subject.

8.10 Employee Matters.

(a) It is clearly understood that Buyer has, and shall have, no obligation whatsoever to or in connection with any

employees of Seller (other than as set forth in Section 2.4(a)(ii), in the last sentence of this Section 8.10(a), and in Section 8.10(b), including but not limited to any obligation to employ any of Seller's employees and that Seller shall be responsible for and shall cause to be discharged and satisfied in full all amounts owed to any employee, including without limitation, wages, salaries, accrued vacation pay, any employment, incentive, compensation or bonus agreements or other benefits, or payments on account of termination, and Seller hereby agrees to indemnify and hold harmless Buyer from any liabilities thereunder, provided that notwithstanding the foregoing, for those employees Buyer chooses to hire, Buyer will honor any accrued but unused vacation time to the extent it receives an adjustment to the Purchase Price for Seller's Accrued Vacation Pay pursuant to Section 2.4(a) hereof. The Buyer agrees to offer coverage to all of Seller's employees that are employed by Buyer under a group health plan of Buyer or an affiliate of Buyer and with respect to such employees agrees to waive any exclusion for pre-existing conditions and any required waiting periods before full coverage is afforded.

(b) The Buyer will provide to Seller at least ten business days prior to Closing a written list of those employees which the Buyer wishes to hire. As of the Closing Date, the Seller shall terminate all of the employees. The Buyer will offer employment to all of those employees on such list as of the Closing Date. The Seller agrees to make its employees available to Buyer for interviews regarding prospective employment upon its prior consent on such dates and at such times as are reasonably acceptable to Seller.

#### 8.11 Exercise of Right of First Refusal.

To the extent that at any time prior to Closing the Seller's general partner (or any other party) exercises any right of first refusal (or similar right or option) to purchase the Systems (or any portion thereof or any right or interest therein) whether pursuant to the terms of the Seller's Partnership Agreement or otherwise, the Seller shall immediately notify the Buyer in writing

of such exercise. In the event of such exercise, Buyer shall have the right to (i) terminate this Agreement immediately without any further obligation or liability on the part of Buyer under this Agreement; (ii) immediately receive the Deposit and all accrued interest thereon; and (iii) immediately receive from the Seller the sum of \_\_\_\_\_ which the Buyer shall retain as liquidated damages therefor (and not as liquidated damages for any other reason), payable in immediately available funds to such accounts or accounts as Buyer shall designate to Seller in writing. Upon such payment, all obligations of the Seller to the Buyer hereunder except as otherwise provided in this Section 8.11, shall terminate and such payment shall be Buyer's exclusive remedy (as well as the exclusive remedy of any person claiming through or under Buyer) and a liquidated sum in full satisfaction and complete payment of Buyer's damages incurred out of or relating to the exercise of the Right of First Refusal and in lieu of any and all other recourse. Seller agrees that in the event of such exercise of any right of first refusal (or similar right or option), it shall cooperate with Buyer and shall execute such documents and take such actions as are necessary to effect the release of the Deposit and accrued interest to Buyer and shall immediately make the \_\_\_\_\_ payment referred to above.

To the extent at any time before or after Closing, a claim is made against Buyer by the Seller's general partner (or any other party) relating to any right of first refusal (or similar right or option) granted by Seller to purchase the Systems (or any portion thereof or any right or interest therein), whether pursuant to the terms of Seller's Partnership Agreement or otherwise, Buyer shall be entitled to indemnity and reimbursement for all Indemnifiable Damages (as that term is defined in Section 13.1) it may suffer or incur as a result of or in any way relating to or arising out of such claim and/or the resolution of such claim. Notwithstanding anything to the contrary contained in this Agreement: (i) Buyer's right to claim for Indemnifiable Damages with respect to a claim referred to in the preceding sentence shall survive for the

applicable statute of limitations; and (ii) Buyer's right to indemnity in respect of a claim referred to in the preceding sentence shall not be subject to the limitations specified in Section 13.1 (a) or (b) and Buyer shall be entitled to full reimbursement and indemnity in respect of such claim.

#### CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

All obligations of Buyer under this Agreement are subject to the fulfillment (or waiver in whole or in part by the Buyer in writing) on or before the Closing Date (or such sooner date as may be specified), of each of the following conditions:

##### 9.1 Compliance with Agreement.

The Seller shall have performed and complied in all material respects with all of its covenants, agreements and obligations under this Agreement to be performed or complied with by it at or prior to Closing and there shall be no material uncured default of the Seller under any term of this Agreement. Notwithstanding the above, as to Sections 6.1, 6.2, 6.3, 8.9, and 8.10, Seller shall have complied in all respects with its covenants, agreements and obligations as provided in such sections.

##### 9.2 Correctness of Representations and Warranties.

The representations and warranties of the Seller contained in this Agreement, and in the certificates and papers delivered to the Buyer, shall be true in all material respects on the date hereof and on the Closing Date as though such representations and warranties were made on and as of the Closing Date; provided, however, the representations and warranties contained in Section 4.21 (v) and (vi) need be true and correct only as of the date set forth in Schedule 4.21.

##### 9.3 Delivery of Documents.

The Seller shall have delivered to the Buyer the documents referred to in Sections 1.3 and 8.1 hereof.

##### 9.4 No Adverse Change in Business or Properties.

Since December 31, 1992, no System shall have been affected in the aggregate adversely to a material extent or interfered with

in any material way, or any of its operations, business, or prospects materially adversely changed, except as a result of events affecting the cable television industry in general.

9.5 Certificate of Officer.

The Seller shall deliver to Buyer a certificate of an authorized executive officer of Seller's general partner on behalf of Seller, dated the Closing Date, certifying, in such form as the Buyer may reasonably request, as to the fulfillment of the conditions set forth in Sections 9.1, 9.2 and 9.3 above.

9.6 Opinion of Counsel.

The Buyer shall have received from Hall & Evans, counsel to the Seller, a favorable opinion of such counsel addressed to the Buyer dated as of the Closing Date, in the form of Schedule 9.6 attached hereto.

9.7 Opinion of FCC Counsel.

The Buyer shall have received from Cole, Raywid & Braverman, FCC counsel to the Seller, the favorable written opinion of such counsel addressed to the Buyer dated as of the Closing Date, substantially in the form of Schedule 9.7 attached hereto.

9.8 Absence of Litigation.

No suit, action or other proceeding shall be pending, or to the knowledge of any party, threatened before any court or governmental agency to restrain or prohibit, or to obtain damages or other relief in connection with this Agreement or the consummation of the transactions contemplated hereby; provided, that the provisions of this Section 9.8 shall not apply to any action or proceeding instituted, threatened, or proposed by Buyer or its affiliates or partners.

9.9 Consents.

All consents or approvals of franchisors, governmental authorities and other third parties which are required in connection with the transfer of the Assets to the Buyer that are set forth on Schedule 9.9 attached hereto (the "Material Consents") shall have been obtained in writing, in form and substance reasonably acceptable to Buyer and such Material Consents shall (i) have become final and effective, no longer subject to any statutory, administrative or judicial waiting, appeal, reconsideration or similar periods; (ii) not contain the imposition of any adverse changes to the underlying documents for which consent was sought or impose any adverse conditions upon Buyer; and (iii) permit Buyer to grant a security interest in the underlying instrument covered by the Material Consent, including, in the case of the Franchises, a security interest in the Franchises and the assets of the System. For the purposes of this Section 9.9, an increase in franchise fees to the maximum amounts permitted by the FCC or an increase in pole attachment fees to an amount which is consistent with the fees being charged generally to other cable operators in the area for new pole attachment agreements, shall not be considered adverse changes. The Seller and the Buyer agree to split equally the costs of any adverse changes to the underlying documents that are imposed as a condition to the consent to assignment except as otherwise provided in the preceding sentence, up to a maximum aggregate amount of . In the event that such costs exceed , either party can

terminate this Agreement unless the other party agrees to pay any amounts in excess of . The Seller shall have delivered to the Buyer copies of all such consents and approvals so obtained.

To the extent that at Closing Buyer has not received Material Consents relating to the pole attachment agreements consistent with the requirements of this Section 9.9, Buyer's condition precedent under this Section 9.9 shall be considered to be satisfied in respect of such pole attachment agreements if Buyer has been furnished by the relevant party with the form of contract that such party is willing to enter into and such contract contains only such terms and conditions as are generally utilized by such party in new pole attachment agreements with other cable television operators in the area.

9.10 Hart-Scott-Rodino Act.

All necessary pre-merger notification filings required under the Hart-Scott-Rodino Act will have been made with the Federal Trade Commission and the United States Department of Justice and the prescribed waiting periods (and any extensions thereof) will have expired or been terminated.

9.11 Proceedings and Documents.

All corporate and other proceedings taken in connection with the transactions contemplated hereby and all documents incident thereto shall be in form and substance reasonably satisfactory to the Buyer and its counsel.

9.12 Receivables Report.

The Seller shall provide Buyer with a subscriber accounts receivable aging report listing respectively, subscribers whose accounts are at least one, and two or more billing periods overdue.

9.13 Restrictive Covenants.

The Buyer shall have received an executed Covenant-Not-To-Compete-Agreement in the form of Schedule 9.13 attached hereto.

9.14 Environmental Liabilities.

None of the Phase I or Phase II Environmental Reports delivered by Seller to Buyer shall disclose any potential material environmental liability, which shall not have been remedied prior to Closing.

9.15 Acceptance of Agreement.

The Seller shall have executed this Agreement within ten (10) business days of Buyer's execution of this Agreement.

CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

Subject to and without limitation of Buyer's rights or Seller's obligations under Section 8.11, all obligations of the Seller under this Agreement are subject to fulfillment in all respects (or waiver in whole or in part by the Seller in writing) on or before the Closing Date (or such sooner date as may be specified) of each of the following conditions:

10.1 Correctness of Representations and Warranties.

The representations and warranties of the Buyer contained in this Agreement shall be true and correct in all material respects on the date hereof and on the Closing Date as though such representations and warranties were made at and as of the Closing Date.

10.2 Compliance with Agreement.

The Buyer shall have performed and complied in all material respects with all of its covenants, agreements and obligations under this Agreement.

10.3 Certificate of Officer.

The Buyer shall have delivered to the Seller a certificate of an authorized executive officer dated the Closing Date, certifying, in such form as the Seller may reasonably request, as to the fulfillment of the conditions set forth in Sections 10.1 and 10.2 above.



10.4 Opinion of Counsel.

The Seller shall have received from Buyer's general counsel, an opinion of counsel, dated as of the Closing Date in the form of Schedule 10.4 attached hereto.

10.5 Absence of Litigation.

No suit, action or other proceeding shall be pending before any court or governmental agency to restrain or prohibit, or to obtain damages or other relief in connection with this Agreement or the consummation of the transactions contemplated hereby, provided that the provisions of this Section 10.5 shall not apply to any action or proceeding instituted, threatened, or proposed by Seller, its affiliates, or partners.

10.6 Proceedings and Documents.

All corporate and other proceedings taken in connection with the transactions contemplated hereby and all documents incident thereto shall be satisfactory in form and substance to the Seller and its counsel.

10.7 Right of First Refusal.

The Seller's General Partner shall have either (i) waived the Right of First Refusal, or (ii) failed to provide notice of its intent to exercise the Right of First Refusal within 30 business days after the Seller has expressed its intent to accept Buyer's offer on the terms and conditions contained herein.

**EXPENSES OF NEGOTIATION AND TRANSFER**

11. Expenses.

Except as provided herein, each party shall pay its own expenses, taxes and other costs incident to or resulting from this Agreement whether or not the transactions contemplated hereby are consummated. Buyer and Seller shall each pay one half of all documentary stamp taxes. Seller shall pay for all sales taxes arising out of, relating to, imposed on, attributable to, or in connection with, the sale of the Assets and/or Systems, other than sales tax on the transfer of vehicles. Buyer's costs include, but are not limited to, all fees for the filing or recording of

instruments of transfer (such as deeds, and recordable assignments of easements).

**RIGHTS TO TERMINATE; BREACH**

12. Termination.

(a) This Agreement may be terminated prior to the Closing:

- Buyer;
- (i) at any time by mutual consent of Seller and Buyer;
  - (ii) by either Seller or Buyer, if the Closing hereunder has not taken place on or before June 1, 1994 ;
  - (iii) by Seller if all the conditions set forth in Section 10 hereof have not been satisfied or waived by the Closing Date subject, however, to Buyer's rights and Seller's obligations under Section 8.11;
  - (iv) by Buyer if any of the conditions set forth in Section 9 hereof have not been satisfied or waived by the Closing Date;
  - (v) by Seller in accordance with Section 2.2(a) hereof, or by Buyer in accordance with Section 2.2(b) hereof;
  - (vi) by Buyer under Section 7.1 or 8.11; and
  - (vii) by either Seller or Buyer in accordance with Section 9.9 hereof.

(b) In the event of termination of this Agreement, by either party pursuant to this Section 12(a), prompt written notice thereof shall be given to the other party and this Agreement shall terminate, without further action by any of the parties hereto. If the Agreement is terminated as provided herein:

- (i) none of the parties hereto nor any of their partners (including any general partner), lenders or any of their partners' or lenders' directors, officers, shareholders, employees,

agents, or affiliates shall have any liability or further obligation to the other party or any of its partners, lenders directors, officers, shareholders, employees, agents, or affiliates pursuant to this Agreement with respect to which termination has occurred, except as stated in Sections 2.2, 7.2, 8.11, 11 and 12(c); and

(ii) all filings, applications and other submissions relating to the transfer of the Assets shall, to the extent practicable, be withdrawn from the agency or other person to which made.

(c) Notwithstanding anything to the contrary contained in this Agreement, if Buyer is in breach of its obligations under this Agreement, in addition to the right to terminate the Seller shall only have the rights provided to it under Section 2.2 of this Agreement.

(d) In addition to any other rights that Buyer may have under this Agreement and notwithstanding any contrary or inconsistent provision hereof, the Seller hereby expressly agrees and acknowledges that should the Seller refuse to perform at any time under the provisions of this Agreement or any agreements relating hereto, Buyer shall be entitled to all equitable and legal relief, including but not limited to specific performance and monetary damages. In the event of any action to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law, and in connection with any such action Buyer shall be entitled to reimbursement by Seller of reasonable legal fees and expenses incurred by Buyer.

#### INDEMNIFICATION

##### 13.1 Indemnification by the Seller.

From and after the Closing, the Seller shall indemnify the Buyer against and hold it harmless from any and all liabilities in

respect of suits, proceedings, demands, judgments, damages, expenses and costs (including, without limitation, reasonable counsel fees and costs and expenses incurred in the investigation, defense or settlement of any claims covered by this indemnity) (collectively, the "Indemnifiable Damages") which the Buyer may suffer or incur by reason of (i) the inaccuracy of any of the representations and warranties of the Seller contained in this Agreement, or any document, certificate or agreement delivered pursuant hereto; (ii) any liability for claims made by third parties against the Buyer, the Assets or the Systems, arising out of acts relating to the Systems and occurring prior to the Closing Date; (iii) any liabilities of the Seller not being assumed by the Buyer pursuant to this Agreement; or (iv) the nonperformance by Seller of any of its covenants or agreements contained in this Agreement or any document, certificate or agreement delivered pursuant hereto. Without limiting the generality of the foregoing, with respect to the measurement of Indemnifiable Damages, the Buyer shall have the right to be put in the same financial position as it would have been in had each of the representations and warranties of the Seller been true and correct or had the Seller not breached any such covenants, warranties or agreements. Notwithstanding anything contained in this Section 13.1 to the contrary, (1) if there is a claim for damages, the Buyer will use commercially reasonable efforts to mitigate the amount and nature of damages in accordance with normal industry maintenance procedures, and (2) the Buyer shall not intentionally take affirmative actions to initiate any claims made by third parties for which indemnification is sought. The foregoing obligation of the Seller to indemnify the Buyer shall be subject to each of the following provisions :

(a) Subject to and without limitation of the provisions of Section 2.1, 2.5, 8.11, and 13.1(c)(ii), each of the representations and warranties made by the Seller in this Agreement or pursuant hereto shall survive for a period of twelve (12) months after the Closing Date, and thereafter all such representations and warranties shall be extinguished, and no action for the enforcement

of the foregoing obligation may be commenced with respect to any claim made more than twelve months following the Closing Date; and

(b) The Seller shall have no liability to the Buyer for or on account of Indemnifiable Damages unless and until such damages in the aggregate exceed percent ( ) of the Purchase Price (the "Deductible Amount") and Seller shall only be required to indemnify in respect of claims in excess of the Deductible Amount. Notwithstanding anything else contained herein, Seller expressly agrees that the Deductible Amount shall not apply for payments due from Seller for Purchase Price adjustments under Section 2.4 hereof or for payments due under Sections 2.1, 2.5, 8.11, or 13.1(c)(ii) and such payments shall be made by Seller directly to Buyer and shall not reduce the Indemnity Fund (provided that, at its option, Buyer may seek payment from the Indemnity Fund). The total liability of the Seller for its indemnity obligation under this Section 13.1 and otherwise under this Agreement, other than the responsibility to make payments to the Buyer, if any, pursuant to Section 2.1, 2.4(e), 2.5, 8.11, and 13.1(c)(ii) (which shall not be subject to any limitation), shall be limited in all respects to, and shall be payable solely from, the Indemnity Fund .

(c) Notwithstanding anything to the contrary contained in this Section 13.1, or in any other provisions of this Agreement, Buyer and Seller hereby agree:

(i) notwithstanding any disclosure herein or in the Schedules hereto or in any document, certificate or instrument delivered pursuant hereto of actual or potential defaults, claims, litigation and the like, employee matters or agreements, taxes, and copyright compliance and payment, that may be asserted against the Systems, the Buyer or the Seller, that Buyer shall be entitled to indemnification against such matters under Section 13.1(ii) and (iii);

(ii) the representations, warranties, covenants and agreements made by Seller to Buyer herein or in the Schedules hereto or in any document, certificate or instrument delivered pursuant hereto concerning any litigation, employee matters or agreements, taxes, and copyright compliance and payments shall not be subject to the Deductible Amount, or Section 13.1(a), or any cap on the amount of any claim for indemnification, each of which shall survive for the applicable statute of limitations;

(iii) Except as provided in the following sentence, for the purposes of Seller's agreement to indemnify Buyer any materiality, substantiality, or similar qualification (including any statement qualified as to Seller's best knowledge) contained in any representation, warranty, covenant, or agreement of Seller shall be given no effect and the representation, warranty, covenant or agreement of Seller shall be deemed not to contain such qualification and Buyer may seek indemnification without regard thereto. Notwithstanding anything to the contrary contained in the preceding sentence, (a) the qualifier "to the best of Seller's knowledge" contained in Section 4.13 as it relates to compliance with FCC rules relating to maximum permitted per-channel prices and rates charged for regulated equipment, (b) the qualifiers contained in the last sentence of 4.15, and (c) the qualifier "to the knowledge of Seller" contained in Section 4.24(iii), shall be given full effect with respect to any claims for indemnification brought by Buyer for breaches of such representations and warranties.

13.2 Indemnification by the Buyer. From and after the Closing, the Buyer shall indemnify the Seller against and hold it

harmless from any and all liabilities in respect of suits, proceedings, demands, judgments, damages, expenses and costs (including, without limitation, reasonable counsel fees and costs and expenses incurred in the investigation, defense or settlement of any claims covered by this indemnity) (collectively, the "Indemnifiable Damages") which the Seller may suffer or incur by reason of (i) the inaccuracy of any of the representations and warranties of the Buyer contained in this Agreement, or any document, certificate or agreement delivered pursuant hereto, (ii) any liability for claims made by third parties against the Seller, arising out of acts of Buyer relating to the Systems and occurring after the Closing Date (and not attributable to any events or time periods occurring prior to the Closing Date), (iii) by reason of the Buyer's failure to satisfy the liabilities specifically assumed by it pursuant to this Agreement, or (iv) the nonperformance by the Buyer of any of its covenants or agreements contained in this Agreement or any document, certificate or agreement delivered pursuant hereto. Without limiting the generality of the foregoing, with respect to the measurement of Indemnifiable Damages the Seller shall have the right to be put in the same financial position as it would have been in had each of the representations and warranties of the Buyer been true and correct or had the Buyer not breached any such covenants, warranties or agreements. The foregoing obligation of the Buyer to indemnify the Seller is subject to the qualification that each of the representations and warranties made by the Buyer in this Agreement or pursuant hereto shall survive for a period of twelve (12) months after the Closing Date, and thereafter all such representations and warranties shall be extinguished, and no action for the enforcement of the foregoing obligation may be commenced with respect to any claim made more than 12 months following the Closing Date.

13.3 Notice and Right to Defend Third Party Claims. Promptly, upon receipt of notice of any claim, demand or assessment or the commencement of any suit, action or proceedings in respect of which indemnity may be sought on account of an indemnity agreement

contained in this Section, the party seeking indemnification (the "Indemnitee") will notify, within sufficient time to respond to such claim or answer or otherwise plead in such action, the party from whom indemnification is sought (the "Indemnitor"), in writing, thereof. To the extent that the Indemnitor is prejudiced thereby, the omission of such Indemnitee so to notify promptly the Indemnitor of any such claim or action shall relieve to that extent such Indemnitor from any liability which it may have to such Indemnitee in connection therewith, on account of the indemnity agreements contained in this Section. If any claim, demand or assessment shall be asserted or suit, action or proceeding commenced against an Indemnitee, and it shall have notified the Indemnitor of the commencement thereof, the Indemnitor will be entitled to participate therein, and, to the extent that it may wish, to assume the defense, conduct or settlement thereof, with counsel reasonably satisfactory to the Indemnitee. After notice from the Indemnitor to the Indemnitee of its election so to assume the defense, conduct or settlement thereof, the Indemnitor will not be liable to the Indemnitee for any legal or other expenses subsequently incurred by the Indemnitee in connection with the defense, conduct or settlement thereof unless and to the extent the Indemnitee incurs expenses as a result of a request of the Indemnitor. The Indemnitee will cooperate with the Indemnitor in connection with any such claim, make personnel, books and records relevant to the claim available to the Indemnitor, and grant such authorizations or powers of attorney to the agents, representatives and counsel of the Indemnitor as such Indemnitor may reasonably consider desirable in connection with the defense of any such claim. In the event that the Indemnitor does not wish to assume the defense, conduct or settlement of any claim, demand, or assessment, it will promptly notify the Indemnitee thereof. In such event, the Indemnitee may at its option settle such claim, demand, or assessment without the consent of the Indemnitor, provided that the settlement is for no more than the amount of the claim or action as set forth in the notice to the Indemnitor, plus



reasonable costs and expenses of the underlying party bringing the action or claim as to which the right to indemnification relates. In addition, the costs incurred by the Indemnitee in investigating, defending, or settling the claim shall be reimbursed to the Indemnitee by the Indemnitor and shall not be paid out of the Indemnity Fund.

#### MISCELLANEOUS

##### 14.1 Survival.

The representations and warranties shall survive the Closing as set forth in Section 13 hereof.

##### 14.2 Assignment.

Neither this Agreement, nor any right hereunder, may be assigned by any of the parties hereto except that Buyer shall have the right to (i) assign to any of its lenders, now or hereafter existing, its rights to indemnification from Seller and its partners under this Agreement; and (ii) to assign its rights and obligations under this Agreement to affiliates of Buyer provided that such assignment shall not delay the Closing hereunder and Buyer shall notify the Seller in writing of the assignment. An Affiliate shall have the meaning prescribed by Rule 12(b)-2 of the regulations promulgated pursuant to the Securities Exchange Act of 1934, as amended.

##### 14.3 Successors.

This Agreement shall be binding upon and inure to the benefit of the Buyer and its permitted successors or assigns, and the Seller and its permitted heirs, successors or assigns.

##### 14.4 Entire Agreement.

This Agreement, including the exhibits and Schedules attached hereto constitutes the entire agreement of the parties.

##### 14.5 Power of Attorney.

The Seller agrees that, effective as at the Closing Date, it hereby constitutes and appoints Buyer, its successors and assigns, the true and lawful attorney of Seller in the name of the Buyer or

in the name of Seller, to endorse, collect and deposit any checks, drafts or other instruments payable to Seller which relate to payments for goods and/or services provided by Seller or Buyer in connection with the Systems sold to Buyer hereunder.

14.6 Amendments in Writing.

The terms of this Agreement may not be amended, modified or waived except by written agreement between the parties.

14.7 Interpretation.

This Agreement shall be construed in accordance with and governed by the laws of the State of Florida without giving effect to any conflicts of laws.

14.8 Arbitration.

Any dispute, other than an action brought by the Buyer pursuant to Section 3.2 or 12(d) hereof, or to enforce its rights under Section 8.11, may be submitted by any party hereto to arbitration. As to Sections 3.2, 8.11, and 12(d), Buyer shall have the right to institute suit in any court of its choosing, or to submit the matter to arbitration, to enforce its rights thereunder.

Arbitration shall be conducted in Denver, Colorado, before a single arbitrator appointed by the American Arbitration Association in accordance with the commercial rules of the American Arbitration Association then in effect. The award of such arbitrator shall be final and may be entered by any party hereto in any court of competent jurisdiction. All costs and expenses of such arbitration (including legal expenses of either party) shall be paid as directed by the arbitrator.

14.9 Notices.

All notices hereunder shall be in writing and shall be deemed given when delivered personally or by facsimile transmission, or when received when mailed by reputable overnight courier or by certified mail, return receipt requested, to such party at its address set forth below or such other address as either party may designate to the other in writing:

SELLER: Rifkin Cable Income Partners, L.P.  
c/o Monroe M. Rifkin, Chairman  
Rifkin & Associates, Inc.  
360 South Monroe Street, Suite 600  
Denver, Colorado 80209

Telephone: (303) 333-1215  
Telecopy: (303) 322-3553

with copies to: Stuart G. Rifkin, Esq.  
Hall & Evans  
1200 17th Street, Suite 1700  
Denver, Colorado 80202

Telephone: (303) 628-3300  
Telecopy: (303) 628-3431

BUYER: Cablevision Industries  
One Cablevision Center  
P.O. Box 311  
Liberty, N.Y. 12754  
Attention: Mark Halpin  
Executive Vice President

Telephone: (914) 292-7550  
Telecopy: (914) 295-2701

with copies to: Philip Dropkin, Esq.  
General Counsel  
Cablevision Industries  
One Cablevision Center  
Liberty, New York 12754

Telephone: (914) 295-2790  
Telecopy: (914) 295-2781

14.9 Severability.

Any provision hereof which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

14.10 Headings.

The headings appearing in this Agreement have been inserted solely for the convenience of the parties and shall be of no force and effect in the construction of provisions of this Agreement.

14.11 Copies.

This Agreement may be executed in one or more counterparts and each executed copy shall constitute an original.

IN WITNESS WHEREOF, the parties hereunto have duly executed this Agreement on the date first above written.

BUYER:

CABLEVISION INDUSTRIES CORPORATION

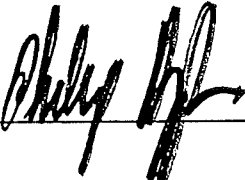
[S E A L]

By: 

Its: \_\_\_\_\_

Alan Gerry  
C.E.O.

Date: as of November 5, 1993

Attest: 

SELLER:

RIFKIN CABLE INCOME PARTNERS, L.P.

[S E A L]

By: Rifkin Cable Management Partners, L.P, its General Partner

By: Rifkin Cable Management, Inc., its General Partner

Attest: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

14.11 Copies.

This Agreement may be executed in one or more counterparts and each executed copy shall constitute an original.

IN WITNESS WHEREOF, the parties hereunto have duly executed this Agreement on the date first above written.

BUYER:

Cablevision Industries Corporation

[S E A L]

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Attest:

\_\_\_\_\_

SELLER:

RIFKIN CABLE INCOME PARTNERS, L.P.

[S E A L]

By: Rifkin Cable Management Partners, L.P, its General Partner

By: Rifkin Cable Management, Inc., its General Partner

Attest:

Paul P. Rifi

By: Charles R. Morris II

Its: Vice President

Date: November 9, 1993

By its execution hereto, Seller's General Partner hereby acknowledges and agrees that the 30 day period for its exercise of the Right of First Refusal commences on the date hereof, and shall expire on December 21, 1993.

Rifkin Cable Management Partners,  
L.P.

By: Rifkin Cable Management,  
Inc., its General Partner

By: Charles R. Morris III

Its: V.P.

Date: November 9, 1993

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A message from Alan Gerry

It is my pleasure to introduce you to CVI, the nation's 9th largest independent multiple system cable television operator.

Cablevision Industries has been involved exclusively in the cable television business for 35 years. We are a privately-owned company that has met the many challenges faced by the cable industry since its inception. Today, we are a financially sound, progressive organization servicing over 1-million customers coast-to-coast.

As a long-term operator of cable systems, we fully understand the many day-to-day operating practices that result in quality cable service. We have continually implemented innovative technologies and introduced new and existing programming service to our customers.

We are proud of our track record: in 35 years of consistently expanding operations, we have never had a franchise revoked; we have never failed to renew a franchise upon expiration; and we have sold only one cable system, over 20 years ago.

Much of the credit for our success goes to the operating philosophies we follow and to the many loyal and talented employees who make up our CVI family.

As the founder and Chairman of CVI, I offer you our record of success and my personal commitment that you will be served well by our company.



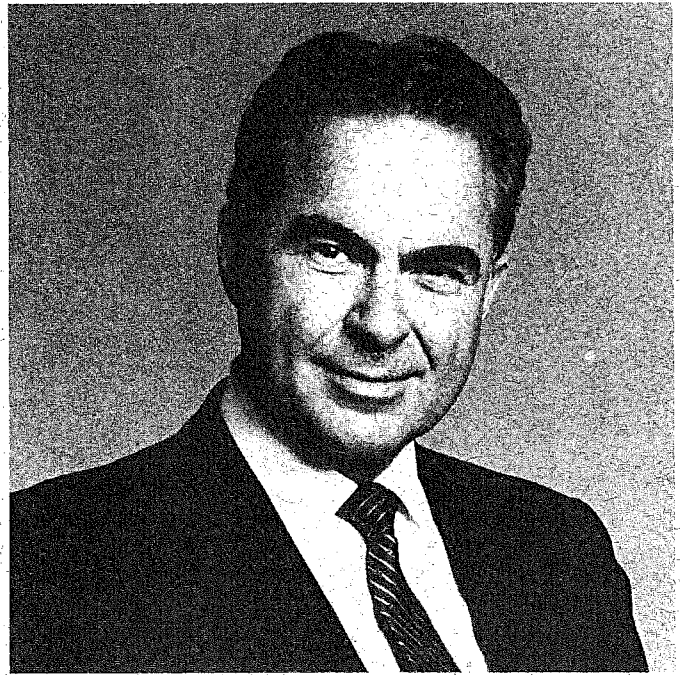
Alan Gerry  
Chairman and Chief Executive Officer

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*A*lan Gerry is the Founder, Chairman and Chief Executive Officer of Cablevision Industries.

Mr. Gerry formed the company in 1956 in Liberty, New York to bring cable signals to the rural areas northwest of New York City. In the years since, CVI's ability to consistently provide its customers with high-quality service has enabled it to become the nation's 9th largest cable MSO. Today CVI serves customers in 18 states and urban areas including parts of Los Angeles and Philadelphia.

Today, CVI serves nearly 1.1 million cable customers. Under Mr. Gerry's direction the company was one of the first in the industry to utilize high-power AML microwave to integrate geographically dispersed systems. The company introduced Impulse Pay-Per-View in 1986 and has been recognized as a leader in the use of fiber optics.



**Alan Gerry** Founder and CEO

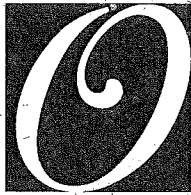
*"No man  
that does not see  
visions  
will ever realize  
any high hope  
or undertake  
any high enterprise."*

Woodrow Wilson

Alan Gerry's reputation as an industry professional is reflected in his memberships on the Board of Direc-

tors of the National Cable Television Association, C-SPAN, the cable industry's public affairs programming network, and the Cable Alliance for Education. He is a Past President of the New York State Cable Television Association. Mr. Gerry has been recognized for numerous civic and charitable activities and is a veteran of the United States Marine Corps.





ur commitment  
to local operating  
systems.

As part of CVI, your  
community can be assured that our  
relationship and association with you will  
bring all the benefits associated with over  
35 years of cable experience including:

The assurance that cable television is our only business interest

Dedication to customer service that permeates every  
aspect of the company

Creative development of comprehensive marketing strategies,  
featuring strong promotional campaigns communicating  
to subscribers that they can enjoy the full spectrum of  
services which cable offers

The availability of award-winning programming

Attention to consumer preferences in programming  
and cable services

Active participation and support of charitable efforts and community  
civic events by CVI systems and staff

The ethics and integrity of a privately-owned enterprise  
staffed by cable professionals

A pledge that CVI managers will maintain ongoing contact with you  
and your community.

# More than thirty years of growth and commitment

In 1956, Alan Gerry, Chairman and Chief Executive Officer of CVI, constructed a single cable system in upstate New York. Today, CVI is the 9th largest cable company in the industry serving over 1 million customers in 18 states.

## The early days of cable pioneering

The company's early operations, like that of the cable industry, were primarily in rural areas where off-air television reception was marginal. During the 1960s and 1970s, franchises were won or acquired, expanding CVI's base throughout New York State and in Pennsylvania.

## Dynamic growth in the past 10 years

The late 1970s and early 1980s were a period of dynamic growth for CVI. A significant number of franchises in rapidly growing sections of Massachusetts were won by the company. Cable systems that today serve 60,000 subscribers were



The first of CVI's cable systems was constructed in 1956 in Liberty, NY, the town where the company's headquarters is still located.

*"... has continually improved on service previously available ... increasing significantly the number of cable channels available to the residents of Deltona ... expanding its cable system within the community to meet the needs of the residents."*

Robert Maxwell  
Executive Director, Chamber of Commerce  
Deltona, Florida

constructed. By 1986, CVI had further expanded its base of operations to include cable systems in Florida, Michigan, Virginia, Tennessee, North Carolina and California. Today, CVI is one of the largest and most active cable operators in Florida and New York; we serve more than 200,000 customers in each state.

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## Service to large cities.

In 1987, CVI secured a substantial position in the city of Los Angeles where today we serve some 90,000 customers in an area where we pass more than 180,000 homes with cable. CVI further demonstrated its commitment to serving urban neighborhoods by joining with a local partner to construct a system that serves one fourth of the city of Philadelphia.

In 1988, CVI acquired more than 300,000 subscribers in a merger with Wometco Cable TV, Inc. The cable systems acquired are located throughout North and South Carolina and Louisiana as well as in Alabama, Georgia, Mississippi and Oklahoma.



## A record of exemplary service

Since the company was founded in 1956, CVI has never had a franchise revoked. Nor have we ever failed to earn the renewal of an existing franchise. In fact, some franchisers have renewed three times.

In more than 35 years of operation only one cable franchise has been sold.

To ensure long-term, satisfying relationships, CVI requires that operating managers maintain regular, ongoing contact with client communities. Close working relationships are an integral part of CVI's management style: a management style created and implemented by CVI's Founder, Alan Gerry.

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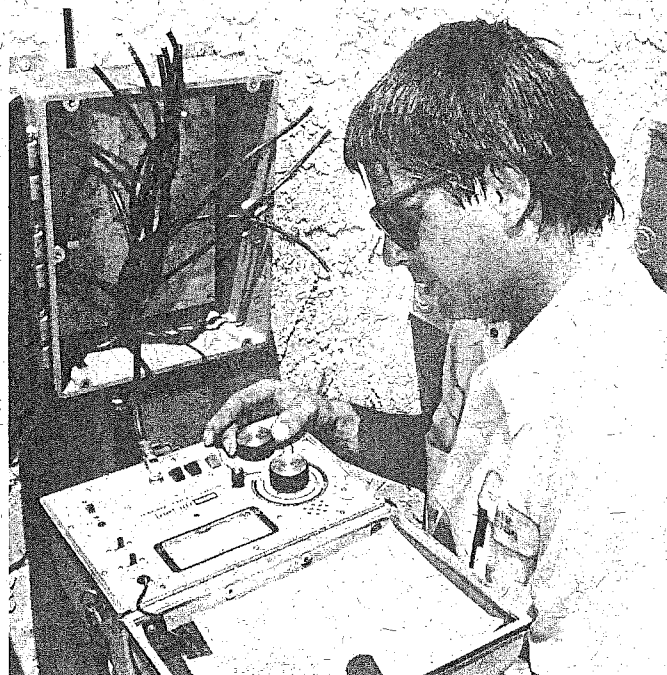
# Leadership in Applied Technology

During its 35 year history, CVI has consistently demonstrated its commitment to quality and efficiency by applying new technologies to its cable systems.

In the 1970s and 1980s the company developed major large-area system interconnections via microwave transmission. Satellite signals received at central head-end sites were distributed by means of AML microwave to multiple hub sites for further distribution by cable to customers' homes.

With the advent of "impulse" pay-per-view ordering technology in the 1980s, CVI committed to major installations that simplified the ordering of special event programs by CVI customers. Further advances in ordering technologies involving ANI (automated number identification) have also been incorporated by the company.

Fiber optic cable is the new technology of the 1990s. Again, CVI is a leader in the application of this advanced technology which relies on lightwave transmissions of video signals. The company has utilized fiber optics to ensure the distribution of high-quality signals to distant points in large-area cable systems. CVI has been recognized for its installation of an extensive (2,400 miles) fiber-to-feeder network in South Carolina as well as for completing the first fiber-to-feeder installation in the state of North Carolina.



CVI technicians monitor each system for picture quality and signal leakage, as well as unauthorized use of service.

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# Commitment to Quality Service

While there is little doubt as to the importance of advanced technologies and the technical quality of a cable television system, CVI also recognizes the role its people play in serving its customers. So, when the National Cable Television Association adopted a stringent set of customer service standards, reaffirming our industry's commitment to provide a high level of service, CVI immediately dedicated itself to ensuring that these standards are consistently achieved throughout its cable systems.

The voluntary standards provide overall guidelines for daily operations. To meet them our systems must:

- Provide knowledgeable, qualified representatives to answer inquiries during normal business hours and on weekends depending on community needs.
- Under normal operating conditions, and ninety percent of the time, answer the phone within 30 seconds.
- Ensure that customers receive a busy signal less than three percent of the time.
- Open customer service centers and bill payment locations during normal business hours and on weekends, based on community needs.
- Perform standard installations within seven business days of an order.
- Respond to service interruptions promptly, but no later than 24 hours. (Other problems within 36 hours.)
- Offer appointments for installation during the morning, afternoon or all day during normal business hours. (Offer supplemental appointments as dictated by community need.)
- Contact the customer and re-schedule installation/service appointments if the technician is behind schedule.
- Provide written information about products and services offered, prices and service options, installation and service policies, and how to use the cable service.
- Provide bills that are clear, concise and understandable.
- Provide refund checks promptly, but no later than 45 days after conflict resolution and return of cable equipment.
- Notify customers at least 30 days in advance of price or channel changes.

Following a full year of compliance with the standards, cable systems are awarded the Seal of Good Customer Service by the NCTA. At the present time nearly seventy percent of CVI's operating systems are in full compliance. And 8 systems have received the Seal of Good Customer Service.

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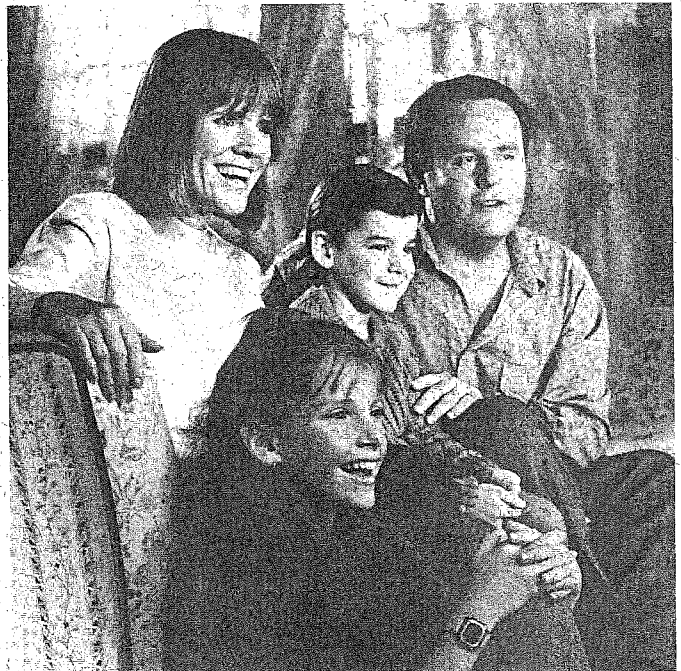
## roviding high-quality programming choices

As a major entertainment medium in the communities we serve, CVI provides a valuable product to its customers by offering a wide variety of quality cable networks. As such, programming decisions are critically important in attracting and satisfying cable customers.

As part of our commitment to meeting consumer needs and demands, the company offers extensive alternatives to broadcast television. These include the most popular cable networks, cable exclusives such as *The Goodwill Games* and *The 1992 Olympics Triplecast* on pay-per-view, as well as other specialty programming as it becomes available. Depending on the demographic makeup of our markets, we also offer special interest and ethnic services like Eternal Word Television Network, Black Entertainment Television, Univision and Mind Extension University.

We support the improvement of existing cable programs by passing on to cable networks information gathered from customer preference surveys and focus groups. We provide financial support to cable networks for the development of new programming. And we are always among the first cable operators to offer newly launched networks like The Sci-Fi Channel, Comedy Central and Court TV to our customers.

Through pay-per-view technology we present live events such as prizefights and concerts, and we offer early-window showings of movie and specials. As new technologies like digital cable radio, multiplexing and high definition television develop, CVI will continue to be a leader in home entertainment and information.



*"...All in all, Cablevision's commitment to marketing, local programming and subscriber satisfaction rates them high marks."*

Michael Guido  
Mayor  
Dearborn, Michigan

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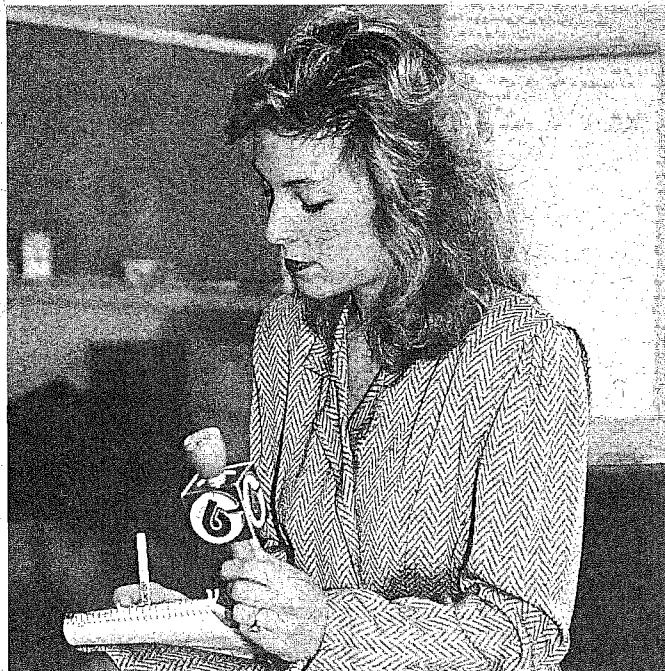
## ocally Produced Programming

Many of our systems respond to their communities through local programming facilities which feature coverage of community events and happenings.

Our studios serve as a focal point for original, local programs, many of which are produced by CVI employees, such as nightly newscasts, scholastic sports events and talk-shows.

As a public service to the community, CVI often makes its television facilities available, at no charge, to local governments, religious organizations as well as schools and colleges. A wide range of programs are produced by these groups such as *Focus on Dearborn*, and the ACE Award winning show *Fat Bob's Kitchen*.

The company's local programming channels also serve as an important resource to local advertisers seeking to deliver their messages through the power of television advertising.



CVI local origination stations, such as Cable 6 in Middletown, NY, provide community news and sports coverage.

*"Thank you for participating in the California Assembly Television Pilot Project ... more than 2 million cable households are able to view unedited, gavel-to-gavel coverage of Assembly floor sessions and committee hearings."*

Willie L. Brown, Jr.  
Speaker  
California Assembly

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# Cable in the Classroom

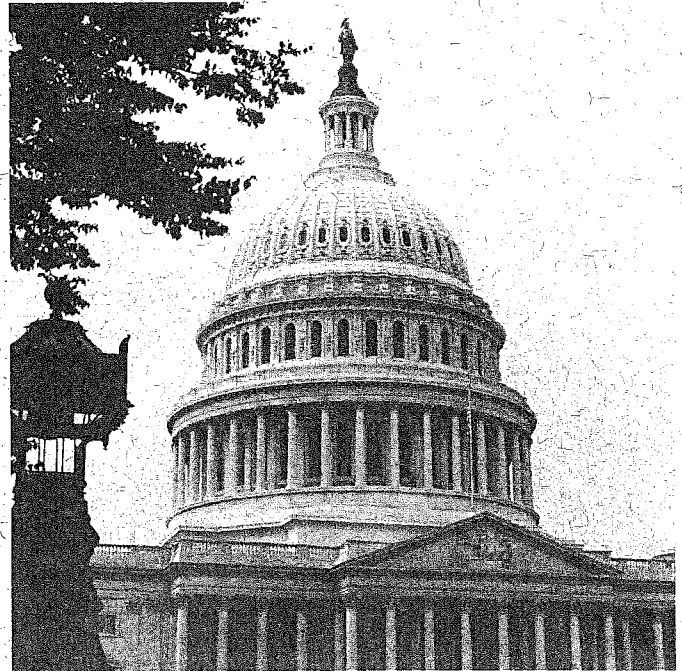
We're a friend in the communities we serve and a willing partner in projects to help our communities.

CVI is proud to be a founding member of Cable in the Classroom. A consortium of 43 cable operating companies and 20 cable programmers participate in the program which is a nonprofit service of the cable television industry.

The objective of Cable in the Classroom is to combine the unique resources of cable television with the needs of schools by offering students, teachers and parents educational programs carried on cable television — free and without commercial interruption — for use in the classroom. Copyright clearances from the participating cable networks allow teachers to tape programs like *CNN Newsroom*, *Assignment Discovery*, *A&E Classroom* and *C-SPAN in the Classroom* for use at a later date.

*"Some shows illustrate hard-to-visualize concepts better than a teacher can using chalk and a blackboard."*

Ivan Katz  
Science Teacher  
Liberty High School  
Liberty, New York



Through its Cable in the Classroom program, CVI provides educational services, such as *C-SPAN in the Classroom*, to local school children.

CVI provides free cable installations and free basic service to all public junior and senior high schools passed by cable. Our various employees work directly with school administrators and classroom teachers to help them assess the particular needs of each school.



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# The CVI Management Team

## Rodney W. Cornelius

Since joining CVI in 1983, Rodney W. Cornelius, Vice Chairman, has been responsible for acquisitions, corporate planning, development and operational and managerial reporting.

Mr. Cornelius came to CVI after serving as the Chief Operating Officer for Robotics, Inc. His professional background includes eight years of public accounting experience with Arthur Anderson and Co. He is a Certified Public Accountant with a degree from the State University of New York. Mr. Cornelius is a member of the New York State Society of CPA's.

## Fred H. Schulte

Fred H. Schulte is the company's Chief Operating Officer. A 16-year veteran of the cable industry, his responsibilities include the day-to-day operations of all the company's systems.

Mr. Schulte joined CVI in 1980 as the Southern New York Region Manager after serving as the manager of the New Paltz, New York system for five years.

Aside from his duties with CVI, Mr. Schulte, who studied business management at Marist College, has served on the Board of Directors of the Cable Television Association of New York. In addition, Mr. Schulte has been active in civic affairs.

## Rocco B. Commisso

Rocco B. Commisso is Executive Vice President, Chief Financial Officer and Treasurer.

Mr. Commisso is responsible for all the company's financial functions including financial planning and control, treasury, accounting and management information systems.

Before joining CVI, Mr. Commisso served as Senior Vice President for the Royal Bank of Canada's wholly-owned subsidiary in the United States. He was responsible for managing the bank's lending activities with companies in the U.S. communications industry.

Mr. Commisso, a graduate of Columbia University, earned a B.S. in Industrial Engineering and Management Science and a Masters in Business Administration. He was also the Second Vice President of Chase Manhattan Bank and the Production Manager of Pfizer, Inc.

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## Darlene Fedun

Darlene Fedun has been with CVI for 11 years. As Vice President of Operations for Customer Service and Strategic Planning, she is responsible for the training and customer sales and service standards for the company. She is also responsible for television management systems, billing systems and operational procedures.

Formerly Vice President of Marketing, Ms. Fedun is a member of the Cable Television Administration and Marketing Society Customer Service Committee and a member of Women in Cable.

## William L. Doten

Bill Doten joined CVI as Vice President of Marketing in 1991. Mr. Doten provides strategic marketing leadership and manages the corporate and regional staff responsible for advertising and promotion, door-to-door sales and product packaging and pricing.

Before joining CVI, Mr. Doten served as Vice President of Marketing for Home Shopping Network and held the position of Corporate Director of Marketing for another major cable operator.

Mr. Doten holds an M.B.A. from the Wharton School of the University of Pennsylvania and a B.A. in economics from Cornell University. He is a member of the Cable Television Administration and Marketing Society (CTAM). In 1989 he won the coveted TAMI award from the Cable Television Administration and Marketing Society.

## Keith G. Suehnholz

Keith G. Suehnholz is CVI's Assistant Treasurer, Assistant Secretary and Director of Taxation.

Before joining CVI, he worked eight years for Arthur Young and Company. Mr. Suehnholz, a Pace University graduate, has a B.S. in Accounting, an M.S. in Business Administration and a certificate of Advanced Graduate Study in Taxation.

Keith is a CPA and a member of both the American Institute of CPA's and the New York State Society of CPA's.

## Mark W. Halpin

Mark Halpin joined CVI in 1990. He is a Vice President of Administration responsible for strategic and corporate planning, development and operational and managerial reporting.

Before joining CVI, Mr. Halpin was a partner at Arthur Anderson and Co., one of the largest international public accounting firms in the world.

Mr. Halpin, a certified public accountant, is a graduate of St. Bonaventure University. He holds memberships in the Connecticut Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

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## Philip Dropkin

Philip Dropkin is Vice President, General Counsel and Secretary. Mr. Dropkin brings to this position the experience he gained while working as the General Counsel to the New York State Legislative Commission on Science and Technology, a research and advisory body to the legislature.

While working for the State, Mr. Dropkin, a graduate of the Antioch School of Law, was responsible for preparation of legislation, reports and legal briefings before legislative, administrative and judicial bodies addressing policies affecting coaxial cable and telephone technologies.

Mr. Dropkin is the author of several articles on telecommunications. He has also practiced law in New York City.

## David L. Testa

David L. Testa is Vice President of Government Relations and Regulatory Matters. Mr. Testa is responsible for ensuring compliance with franchise agreements maintaining corporate level liaison with franchised communities and managing corporate affairs with respect to legislative and regulatory matters.

Dave earned a B.A. from Northeastern University and holds two Masters Degrees, one in Communications from Boston University; the other in Business Administration from the Wharton School, University of Pennsylvania.

He is a member of the State and Local Government Committee of the National Cable Television Association and serves on the Board of Directors of the Cable Television Association of New York.

## Joe Van Loan

Joe Van Loan is Senior Vice President of Engineering and a 20 year veteran of the cable industry. Mr. Van Loan oversees a staff of regional engineers and technicians who presently maintain some 30,000 miles of cable television plant serving over 1 million customers.

Mr. Van Loan is a Registered Professional Engineer in California, Hawaii and Nebraska and received the 1986 Vanguard Award for Science and Technology from the National Cable Television Association. He attended South Dakota School of Mines and Technology and holds a BSEE from California Polytechnic University.

## Michael Egan

Michael Egan, Vice President, Corporate Development and New Services, has been with CVI for 11 years. Prior to joining Cablevision Industries, he produced a weekly television series distributed on cable television via satellite.

Mr. Egan, who earned a Masters degree from Syracuse University in television, radio and films, also produced a nationally-syndicated contemporary music service and many corporate presentations.

He is a member of the National Academy of Cable Programming and the Cable Television Administration and Marketing Society.